



**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 **2017**  
Annual Report



# CONTENT 目錄

- 2 Corporate Information 公司資料
- 4 Chairman's Statement 主席報告
- 8 Management Discussion and Analysis 管理層討論及分析
- 20 Biography of Directors and Senior Management 董事及高級管理人員簡歷
- 24 Corporate Governance Report 企業管治報告
- 40 Report of the Directors 董事會報告
- 52 Independent Auditor's Report 獨立核數師報告
- 61 Consolidated Statement of Profit or Loss and Other Comprehensive Income  
綜合損益及其他全面收益表
- 62 Consolidated Statement of Financial Position 綜合財務狀況表
- 64 Consolidated Statement of Changes in Equity 綜合權益變動表
- 66 Consolidated Statement of Cash Flows 綜合現金流量表
- 68 Notes to the Financial Statements 財務報表附註
- 167 Five-Year Financial Summary 五年財務摘要

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

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



# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Kwan Man Fai (Chairman & Managing Director)

Lo Fong Hung

Wang Xiangfei (Wong Sze Wai as his alternate)

#### Independent Non-executive Directors

Lam Ka Wai, Graham

Wong Man Hin, Raymond

Chan Yiu Fai, Youdey

### AUDIT COMMITTEE

Lam Ka Wai, Graham (Chairman)

Wong Man Hin, Raymond

Chan Yiu Fai, Youdey

### REMUNERATION COMMITTEE

Wong Man Hin, Raymond (Chairman)

Kwan Man Fai

Lam Ka Wai, Graham

Chan Yiu Fai, Youdey

### NOMINATION COMMITTEE

Kwan Man Fai (Chairman)

Lam Ka Wai, Graham

Wong Man Hin, Raymond

Chan Yiu Fai, Youdey

### COMPANY SECRETARY

Li Chun Fung

### AUDITOR

Crowe Horwath (HK) CPA Limited

9/F., Leighton Centre

77 Leighton Road

Causeway Bay, Hong Kong

### 董事會

#### 執行董事

關文輝(主席兼董事總經理)

羅方紅

王翔飛(王四維為其替代董事)

#### 獨立非執行董事

林家威

黃文顯

陳耀輝

### 審核委員會

林家威(主席)

黃文顯

陳耀輝

### 薪酬委員會

黃文顯(主席)

關文輝

林家威

陳耀輝

### 提名委員會

關文輝(主席)

林家威

黃文顯

陳耀輝

### 公司秘書

李震鋒

### 核數師

國富浩華(香港)會計師事務所有限公司

香港銅鑼灣

禮頓道77號

禮頓中心9樓

### LEGAL ADVISER

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

### PRINCIPAL BANKERS

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

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG STOCK EXCHANGE STOCK CODE

1229

### WEBSITE

<http://www.nannanlisted.com>

### 法律顧問

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

### 主要往來銀行

中國工商銀行(亞洲)有限公司  
中信銀行(國際)有限公司

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### 總辦事處及主要營業地點

香港金鐘  
夏慤道18號  
海富中心  
2座8樓

### 股份過戶登記總處

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

### 香港股份過戶登記分處

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

### 香港聯合交易所股份代號

1229

### 網站

<http://www.nannanlisted.com>

# CHAIRMAN'S STATEMENT

## 主席報告

### TO ALL SHAREHOLDERS

On behalf of the board of directors (the "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 2017.

### RESULTS AND DIVIDENDS

For the financial year ended 31 March 2017, the Group recorded a revenue of approximately HK\$73,024,000 (2016: approximately HK\$59,841,000) and profit of approximately HK\$48,267,000 (2016: loss approximately HK\$79,608,000) respectively. The Board does not recommend the payment of any dividend for the year ended 31 March 2017 (2016: Nil).

Profit of the Group for the year ended 31 March 2017 was approximately HK\$48,267,000 (2016: loss approximately HK\$79,608,000), representing a turnaround from loss to profit of approximately HK\$127,875,000 as compared with last year. The net effect of increase in profit was mainly due to the turnaround from loss to gain on change in fair value and loss arising from extension of convertible bond of approximately HK\$129,483,000 and no impairment loss on intangible assets and property, plant and equipment incurred during the year (2016: approximately HK\$12,012,000).

### BUSINESS REVIEW

For the financial year ended 31 March 2017, the Group continued to focus on coal resources mining business.

During the financial 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」)截至二零一七年三月三十一日止年度之經審核綜合末期業績。

### 業績及股息

截至二零一七年三月三十一日止財政年度，本集團分別錄得收益約73,024,000港元(二零一六年：約59,841,000港元)及溢利約48,267,000港元(二零一六年：虧損約79,608,000港元)。董事會不建議就截至二零一七年三月三十一日止年度派付任何股息(二零一六年：無)。

截至二零一七年三月三十一日止年度，本集團之溢利約為48,267,000港元(二零一六年：虧損約79,608,000港元)，與去年相比轉虧為盈，錄得溢利約127,875,000港元。溢利增加之淨影響主要由於可換股債券之公平值變動及延長可換股債券產生之虧損由虧損轉為收益約129,483,000港元，加上年內無形資產及物業、廠房及設備並無產生減值虧損(二零一六年：約12,012,000港元)所致。

### 業務回顧

截至二零一七年三月三十一日止財政年度，本集團繼續專注於煤炭資源開採業務。

本財政年度內，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)

### 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 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 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 (the "Changji Administrative Bureau") 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 Mine and Zexu Mine have been submitted to the working group head office for coal industry structural upgrade work of Xinjiang Uygur Autonomous Region for consideration and approval:

1. The Company's Kaiyuan Mine would be restructured and upgraded, and the exploration right in the Zexu Mine 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, with the estimated coal resources of approximately 131.18 million tonnes.

## 業務回顧(續)

### 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之七個不同煤礦(包括澤旭煤礦)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，已要求新疆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(「昌吉管理局」)就優化升級方案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，下列有關本公司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：

1. 本公司之凱源煤礦將給予改造及升級，而授予本公司之澤旭煤礦勘探權將被終止；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，估計煤礦資源約為131.18百萬噸。

## BUSINESS REVIEW (continued)

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

As at the date hereof, the Company has still not yet received any written notification from the relevant Xinjiang government department in respect of the approval of the Updated Optimization and Upgrading Plan.

As stated in the Company's announcement dated 21 March 2014, the Exploration Permit of the Zexu Mine of the Company originally expired on 20 February 2014. Concerned that the Company's position and rights in the Optimization and Upgrading Plan might be compromised since the Updated Optimization and Upgrading Plan had still not then been approved by the Xinjiang Uygur Autonomous Region Government, the Company through its Xinjiang staff has continued to make informal representations to Chinese officials urging them to exercise administrative discretion to renew the Exploration Permit despite the fact that the Company had earlier obtained a PRC legal opinion advising the Company no further renewal beyond 20 February 2014 could be obtained for Zexu Mine Exploration Permit. Eventually, on 19 March 2014, the Company obtained a renewal permit from Xinjiang Land Department granting the renewal of the Exploration Permit from 25 February 2014 to 25 February 2016. On 19 May 2016 and 16 May 2017, the Company further obtained the renewal of the Exploration Permit with valid period from 5 April 2016 to 5 April 2017 and from 16 May 2017 to 16 May 2019 respectively.

# "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.

## 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, modifying the production plan through understanding the local government's policies, seizing new chances, exploring new markets, and seeking for investment opportunities.

## 業務回顧(續)

### 優化升級方案#及優化升級更新方案##之進展(續)

截至本報告日期，本公司仍未接獲相關新疆政府部門就優化升級更新方案審批所作出之任何書面通知。

根據本公司日期為二零一四年三月二十一日之公告，本公司之澤旭煤礦礦產資源勘查許可證原已於二零一四年二月二十日屆滿。由於優化升級更新方案當時尚未獲新疆維吾爾自治區政府批准，本公司就於優化升級方案中之地位及權利可能需作出調整，因此，儘管本公司於較早時獲得中國法律意見，指出本公司澤旭煤礦礦產資源勘查許可證於二零一四年二月二十日後不會再獲得重續，惟本公司仍透過其新疆員工不斷向內地官員進行非正式陳述，要求行使行政酌情權以重續礦產資源勘查許可證。最終，於二零一四年三月十九日，本公司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由二零一四年二月二十五日重續至二零一六年二月二十五日。於二零一六年五月十九日及二零一七年五月十六日，本公司再獲得重續礦產資源勘查許可證，有效期分別由二零一六年四月五日起至二零一七年四月五日及由二零一七年五月十六日起至二零一九年五月十六日。

# 「優化升級方案」指之前於本公司日期為二零一一年十一月十一日之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」指之前於本公司日期為二零一二年六月十五日之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」。

## 前景

董事會認為煤炭業務面臨諸多挑戰，本公司將致力加強公司管理、控制煤礦開採成本、從政策上領悟當地政府精神繼而整改生產計劃、尋找新機遇、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。

### PROSPECTS (continued)

Although the Company has obtained a renewed Exploration Permit of Zexu Mine from Xinjiang Land Department from 16 May 2017 to 16 May 2019, no development or production activity is now taking place and we have no existing plan to apply for the mining permit of Zexu Mine as the Company is still waiting for the written notification from the relevant Xinjiang government department in respect of the approval of the Updated Optimization and Upgrading Plan. The Company will continue to follow up the updated status of the approval process of the Updated Optimization and Upgrading Plan, in order to protect the interests of the Company in Kaiyuan Mine and Zexu Mine.

Despite the aforesaid progress of the Updated Optimization and Upgrading Plan, the Company is still waiting for the written notification from the relevant Xinjiang government department in respect of the approval of the Updated Optimization and Upgrading Plan. It is therefore uncertain whether the proposals can be approved by the PRC Government eventually. For this reason, the Company would keep all options open and the Company would not at this stage rule out the possibility of resuming the exploration process for Zexu Mine and then applying for a mining permit of the Zexu Mine either by the Company alone or jointly with other companies having coal mines in the vicinity if the circumstances warrant such course of action being taken.

### 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 2017

### 前景(續)

儘管本公司已獲新疆國土資源廳重續澤旭煤礦礦產資源勘查許可證，由二零一七年五月十六日重續至二零一九年五月十六日，惟目前仍未進行開發或生產活動，我們現時亦無計劃申請澤旭煤礦之開採許可證，原因是本公司仍在等待相關新疆政府部門發出批准優化升級更新方案之書面通知。本公司將會繼續跟進優化升級更新方案批准進度之最新情況，以保障本公司於凱源煤礦及澤旭煤礦之利益。

鑒於優化升級更新方案之上述進展情況，本公司仍在等待相關新疆政府部門發出批准優化升級更新方案之書面通知。因此，難以確定有關建議最終能否獲中國政府批准。有見及此，本公司將會保留所有選擇方案，且不會於現階段排除恢復澤旭煤礦勘探工作及其後申請澤旭煤礦開採許可證之可能性，如需要採取行動，本公司或會自行或聯同鄰近擁有煤礦之其他公司作出申請。

### 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，二零一七年六月二十日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

The Group recorded a revenue of approximately HK\$73,024,000 for the year ended 31 March 2017 (2016: approximately HK\$59,841,000). It represents an increase of approximately HK\$13,183,000 or 22.03% as compared with last year.

#### Gross profit

The gross profit of the Group for the year ended 31 March 2017 increased to approximately HK\$24,598,000 (2016: approximately HK\$24,532,000). This was mainly due to an increase in sales in the period as a result of the increased demand for small medium, slack and weathered coal in Xinjiang area of the PRC.

#### Profit for the year

Profit of the Group for the year ended 31 March 2017 was approximately HK\$48,267,000 (2016: loss approximately HK\$79,608,000), representing a turnaround from loss to profit of approximately HK\$127,875,000 as compared with last year. The net effect of increase in profit was mainly due to the turnaround from loss to gain on change in fair value and loss arising from extension of convertible bond of approximately HK\$129,483,000 and no impairment loss on intangible assets and property, plant and equipment incurred during the year (2016: approximately HK\$12,012,000).

#### *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 Mine 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 recognised in respect of the Coal Mine Assets. No impairment loss on intangible assets and property, plant and equipment during the year.

#### 財務回顧

##### 收益

截至二零一七年三月三十一日止年度，本集團錄得收益約73,024,000港元(二零一六年：約59,841,000港元)，較去年增加約13,183,000港元或22.03%。

##### 毛利

截至二零一七年三月三十一日止年度，本集團之毛利增加至約24,598,000港元(二零一六年：約24,532,000港元)，此乃主要由於中國新疆地區之小中塊煤、沫煤及風化煤需求增加，導致期內銷售增加所致。

##### 年內溢利

截至二零一七年三月三十一日止年度，本集團之溢利約為48,267,000港元(二零一六年：虧損約79,608,000港元)，與去年相比轉虧為盈，錄得溢利約127,875,000港元。溢利增加之淨影響主要由於可換股債券溢利之公平值變動及延長可換股債券產生之虧損由虧損轉為收益約129,483,000港元，加上年內無形資產及物業、廠房及設備並無產生減值虧損(二零一六年：約12,012,000港元)所致。

#### *無形資產以及物業、廠房及設備減值虧損*

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

無形資產以及物業、廠房及設備減值虧損指就煤礦資產確認之減值虧損金額。年內概無無形資產以及物業、廠房及設備減值虧損。

## FINANCIAL REVIEW (continued)

### Profit for the year (continued)

The Company conducted valuation of the Coal Mine Assets every financial year after the Acquisitions in compliance with the relevant accounting policies. The Company has engaged Roma Appraisals Limited as its independent professional valuer for the purpose of assessing the value of the Coal Mine Assets as at 31 March 2017. 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 Mine 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 ended 31 March 2017 as compared with the year ended 31 March 2016:

## 財務回顧(續)

### 年內溢利(續)

本公司自收購事項以來每個財政年度根據相關會計政策就煤礦資產進行估值。本公司已委任羅馬國際評估有限公司擔任其獨立專業估值師以評估煤礦資產於二零一七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。

下表載列相較截至二零一六年三月三十一日止年度而言本公司於截至二零一七年三月三十一日止年度不同類型煤炭之銷量、售價及總收益：

		1 April 2016 to 31 March 2017 二零一六年四月一日至 二零一七年三月三十一日			1 April 2015 to 31 March 2016 二零一五年四月一日至 二零一六年三月三十一日			Percentage change 百分比變動		
		Selling		Gross	Selling		Gross	Selling		Gross
		Sales	price	revenue	Sales	price	revenue	Sales	price	revenue
		volume	per ton		volume	per ton		volume	per ton	
		銷量	每噸售價	總收益	銷量	每噸售價	總收益	銷量	每噸售價	總收益
		(Tonnes)	(HK\$)	(HK\$'000)	(Tonnes)	(HK\$)	(HK\$'000)			
		(噸)	(港元)	(千港元)	(噸)	(港元)	(千港元)			
Saw Cut Coal	鋸採大塊煤	1,892	106	200	20,314	116	2,349	-91%	-9%	-91%
Large Coal	大塊煤	42,034	105	4,395	89,191	131	11,654	-53%	-20%	-62%
Middle Coal	中塊煤	143,213	110	15,815	151,283	129	19,568	-5%	-15%	-19%
Small Medium Coal	小中煤	132,106	101	13,335	53,201	104	5,546	+148%	-3%	+140%
36 Coal	三六煤	74,299	71	5,301	/	/	/	/	/	/
38 Coal	三八煤	69,600	74	5,185	59,076	85	5,037	+18%	-13%	+3%
<b>Sub-total for Coal</b>	<b>煤炭小計</b>	<b>463,144</b>	<b>/</b>	<b>44,231</b>	<b>373,065</b>	<b>/</b>	<b>44,154</b>	<b>+24%</b>	<b>/</b>	<b>-1%</b>
Slack Coal	沫煤	351,896	57	20,019	161,155	72	11,559	+118%	-21%	+73%
Weathered Coal	風化煤	250,622	35	8,774	93,813	44	4,128	+167%	-20%	+113%
<b>Total</b>	<b>總計</b>	<b>1,065,662</b>	<b>/</b>	<b>73,024</b>	<b>628,033</b>	<b>/</b>	<b>59,841</b>	<b>+70%</b>	<b>/</b>	<b>+22%</b>

## FINANCIAL REVIEW (continued)

### Profit for the year (continued)

The market demand for coal had been persistently decreasing 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, which led to high pressure on the operation of the Group and negative impacts on selling price of coals generally. Decrease in selling prices of coals led to the increase in sales volume, which brought an increase in gross revenue of coal.

No growth rate for the projection of production cost and other expenses of coal per ton was applied by the valuer. The valuation methodology in arriving at the discount rates as at 31 March 2016 and 31 March 2017 was consistent. The post-tax discount rates adopted were 14.00% and 14.20% respectively as at 31 March 2016 and 31 March 2017 and the pre-tax discount rates adopted were 26.23% and 21.73% respectively as at 31 March 2016 and 31 March 2017. 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 2016 and 31 March 2017 were as follows:

## 財務回顧(續)

### 年內溢利(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，從而為本集團之經營帶來嚴峻壓力並對煤炭售價整體造成負面影響。煤炭售價下跌導致銷量增加，從而令總收益有所上升。

估值師預測每噸煤炭生產成本及其他開支時並無應用增長率。達致二零一六年三月三十一日及二零一七年三月三十一日之貼現率所應用之估值方法貫徹一致。於二零一六年三月三十一日及二零一七年三月三十一日分別採納14.00%及14.20%之除稅後貼現率，及於二零一六年三月三十一日及二零一七年三月三十一日分別採納26.23%及21.73%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，計算於二零一六年三月三十一日及二零一七年三月三十一日之貼現率時採用之參數如下：

		As at 31 March 2017 於二零一七年 三月三十一日	As at 31 March 2016 於二零一六年 三月三十一日
Risk free rate	無風險利率	3.29%	2.89%
Market risk premium	市場風險溢價	9.33%	10.17%
Beta coefficient	貝塔系數	1.11	1.16
Size premium	規模溢價	5.60%	5.78%
Cost of equity	股本成本	19.20%	20.45%
Cost of debt	債務成本	4.90%	4.90%
Weight of equity value to enterprise value	股本價值佔企業 價值比例	83.54%	80.54%
Weight of debt value to enterprise value	債務價值佔企業 價值比例	16.46%	19.46%
Corporate tax rate	企業稅率	25.00%	25.00%
<b>Weighted average cost of capital</b>	<b>加權平均資本成本</b>	<b>16.64%</b>	<b>17.19%</b>
Inflation rate	通脹率	2.13%	2.82%
<b>Discount rate</b>	<b>貼現率</b>	<b>14.20%</b>	<b>14.00%</b>

## FINANCIAL REVIEW (continued)

### Profit for the year (continued)

Major assumptions adopted by the valuer in the valuation of the Coal Mine 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 Management 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 management of the Company;
- d. The mining license of Kaiyuan Mine was assumed could be legally renewed until the depletion of the reserve of Kaiyuan Mine, and the Coal Mine Assets would continue to sell the remaining inventory within one year from the depletion of the reserve of the Kaiyuan Mine;
- 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 Mine Assets.
- f. The risk free rate adopted was the yield rate of the long term China Government Bond as at 31 March 2017 as extracted from Bloomberg.

## 財務回顧(續)

### 年內溢利(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管理層經參考煤炭價格之過往穩定性估計得出；
- c. 就本公司管理層提供之生產計劃、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. 已假設凱源煤礦之採礦許可證可合法重續，直至凱源煤礦之儲備耗盡，而煤礦資產將自凱源煤礦之儲備耗盡起計一年內繼續出售餘下存貨；
- 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。
- 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二零一七年三月三十一日之收益率。

## FINANCIAL REVIEW (continued)

### Profit for the year (continued)

The valuation report showed that the value in use of the Coal Mine Assets as at 31 March 2017 was higher than its book value.

The valuation report and the value in use were assessed and reviewed by the directors of the Company (the “Directors”). The auditor has subsequently audited and confirmed no impairment loss on intangible assets and property, plant and equipment is required for the year ended 31 March 2017.

### *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 report, the outstanding principal amount of the Convertible Bond is HK\$200,000,000.

## 財務回顧(續)

### 年內溢利(續)

估值報告顯示煤礦資產於二零一七年三月三十一日之使用價值高於其賬面值。

估值報告及使用價值乃經本公司董事(「董事」)評估及審閱。核數師隨後已審核及確認，截至二零一七年三月三十一日止年度毋須就無形資產以及物業、廠房及設備撥備減值虧損。

### *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。

於本報告日期，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)**

The Company conducted valuation for the fair value of the Convertible Bond every financial year after its issuance in compliance with the relevant accounting policies. The Company has engaged Roma Appraisals Limited as its independent professional valuer for the purpose of assessing the fair value of the Convertible Bond as at 31 March 2017. 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 9.350%.

The fair values of the Convertible Bond were HK\$317,650,000 and HK\$261,616,000 as at 31 March 2016 and 31 March 2017 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 and loss arising from extension of the Convertible Bond of HK\$56,034,000 was derived by taking the difference between the fair value of the Convertible Bond as at 31 March 2016 and as at the maturity date, and the fair value of recognition of extended convertible bond and as at 31 March 2017, together with the loss arising from the extension of Convertible Bond. 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 financial year ended 31 March 2017 and the expected volatility of the stock price of the Company. The closing stock prices of the Company were HK\$0.63 and HK\$0.48 as at 31 March 2016 and 31 March 2017 respectively and the expected volatility of the stock price of the Company was 116.1% and 76.3% based on the historical price volatility of the Company for the financial years ended 31 March 2016 and 31 March 2017 respectively.

**財務回顧(續)****年內溢利(續)**

本公司自發行可換股債券以來每個財政年度根據相關會計政策就可換股債券之公平值進行估值。本公司已委任羅馬國際評估有限公司擔任其獨立專業估值師，以評估可換股債券於二零一七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9.350%。

於二零一六年三月三十一日及二零一七年三月三十一日可換股債券之公平值分別為317,650,000港元及261,616,000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及延長可換股債券產生之虧損金額56,034,000港元經計及可換股債券於二零一六年三月三十一日及於到期日之公平值與已延長可換股債券於二零一七年三月三十一日確認之公平值之差額，以及延長可換股債券產生之虧損得出。可換股債券公平值重大改變乃主要由於本公司股價於截至二零一七年三月三十一日止財政年度出現重大變動及本公司股價之預期波幅。本公司於二零一六年三月三十一日及二零一七年三月三十一日之收市股價分別為0.63港元及0.48港元，而本公司於截至二零一六年三月三十一日及二零一七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116.1%及76.3%。

## SEGMENT INFORMATION

### Business segment

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

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

### Coal Mining Business

Coal mining is the sole business of the Group at present. It contributed a revenue of approximately HK\$73,024,000 for the year ended 31 March 2017 (2016: approximately HK\$59,841,000), representing a 22.03% increase as compared with last year.

### Sales and Production of Coals

During the year ended 31 March 2017, the Group sold 1.07 million tonnes of coals with total sales income of approximately HK\$73,024,000. Details of coal sales in tonnes are listed in the below table:

## 分類資料

### 業務分類

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

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

### 煤礦業務

煤礦為本集團目前唯一業務。截至二零一七年三月三十一日止年度，本業務之收益貢獻約為73,024,000港元(二零一六年：約59,841,000港元)，較去年增加22.03%。

### 煤炭銷售及生產

截至二零一七年三月三十一日止年度，本集團售出1.07百萬噸煤炭，總銷售收入約為73,024,000港元。以噸計之煤炭銷售詳情載於下表：

		Year ended 31 March 截至三月三十一日止年度	
		2017 二零一七年	2016 二零一六年
Coal sales	煤炭銷售	1,065,662 tonnes噸	628,033 tonnes噸

## SEGMENT INFORMATION (continued)

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

		Coal Sales (tonnes) 煤炭銷售 (噸)	Coal Sales in % 煤炭銷售 百分比
Saw Cut Coal	鋸採大塊煤	1,892	0.18
Large Coal	大塊煤	42,034	3.94
Middle Coal	中塊煤	143,213	13.44
Small Medium Coal	小中煤	132,106	12.40
36 Coal	三六煤	74,299	6.97
38 Coal	三八煤	69,600	6.53
Slack Coal	沫煤	351,896	33.02
Weathered Coal	風化煤	250,622	23.52
Total Sales	總銷量	1,065,662	100.00

## 分類資料(續)

### 煤炭銷售(噸)及煤炭銷售百分比

### Reserves and Resources

The Group owns one mining right and one exploration right in Xinjiang, the PRC including Kaiyuan Open Pit Coal Mine and Zexu Open Pit Coal Mine respectively. The estimated remaining coal reserve in Kaiyuan Mine was 9.71 million tonnes as at 31 March 2017 (2016: 10.39 million tonnes). During the year, there were 0.68 million tonnes of coal being extracted. The original exploration permit of Zexu Mine had expired on 5 April 2017 and a renewal of the permit from 16 May 2017 to 16 May 2019 was granted by the Xinjiang Land Department. The following tables are the estimated coal reserves for the Kaiyuan Open Pit Coal Mine and estimated coal resources for the Zexu Open Pit Coal Mine as of 31 March 2010 conducted by John T. Boyd Company in June 2010.

### 儲量及資源

本集團於中國新疆凱源露天煤礦及澤旭露天煤礦分別擁有一項採礦權及一項勘探權。於二零一七年三月三十一日，凱源煤礦估計剩餘煤礦儲量為9.71百萬噸(二零一六年：10.39百萬噸)。年內開採0.68百萬噸煤炭。澤旭煤礦之原有勘查許可證已於二零一七年四月五日屆滿，重續勘查許可證已由新疆國土資源廳授出，由二零一七年五月十六日重續至二零一九年五月十六日。下表為John T. Boyd Company於二零一零年六月所編製二零一零年三月三十一日凱源露天煤礦之估計煤炭儲量及澤旭露天煤礦之估計煤炭資源。



## SEGMENT INFORMATION (continued)

## Reserves and Resources (continued)

Estimated coal reserves for the Kaiyuan Open Pit Coal Mine:

## 分類資料(續)

## 儲量及資源(續)

凱源露天煤礦之估計煤炭儲量：

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

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

總儲量約75%分類為「證實」類別。

Coal Reserve as at 31 March 2017 = Coal Reserve as at 31 March 2016 – Amount of coal extracted (the “Coal Extracts”) by the Group during 1 April 2016 to 31 March 2017.

於二零一七年三月三十一日之煤礦儲量=於二零一六年三月三十一日之煤礦儲量–本集團於二零一六年四月一日至二零一七年三月三十一日期間採掘之煤炭量(「煤採掘量」)。

## SEGMENT INFORMATION (continued)

## Reserves and Resources (continued)

Estimated coal resources for the Zexu Open Pit Coal Mine Exploration Right area totalling 119.38 Mt, are summarized below:

## 分類資料(續)

## 儲量及資源(續)

澤旭露天煤礦勘探權範圍之估計煤礦資源合共119.38百萬噸，概述如下：

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

Kaiyuan Mine's mining rights licence will be expired on 26 December this year. According to the practice by the Land Resource Bureau in Xinjiang, the application of the extension of the mining rights licence shall be submitted not earlier than one month before the expiry date. The management of the Company (the "Management") has been paying close attention to the relevant national and local laws and regulations, as well as other matters relating to the extension of mining rights licence. In addition to addressing the monthly progress report by the local staff in Xinjiang, the Management visited Xinjiang twice to meet the Coal Bureau, the Land Resource Department and Development and Reform Commission to understand the situation in the past year. Based on the meetings with the related governmental departments and the legal opinions issued by the Company's legal adviser and local lawyers, the Management is confident that the mining rights licence of Kaiyuan Mine will be extended by the end of this year.

## Cost of Sales

The cost of sales for the year was approximately HK\$48,426,000 (2016: approximately HK\$35,309,000). The cost mainly comprised machine rental cost and direct labor cost. The increase in cost of sales during the year was mainly due to the increase in machine rental cost as a result of increase in sales during the year.

凱源煤礦的採礦權證將於本年十二月二十六日到期。根據新疆國土資源局的慣例，採礦權證的延續最早只能在到期日之前一個月遞交申請。本公司管理層(「管理層」)一直密切關注國家和當地的相關法律法規和其他對採礦權證延續的事宜；除了每月聽取新疆當地員工對各項進展的彙報外，過去一年管理層曾兩度到訪新疆與煤炭管理局，國土資源廳和發展和改革委員會瞭解情況。綜合與相關政府部門的會議以及公司法律顧問和當地律師所出具的法律意見書，管理層有信心於年底延續凱源煤礦的採礦權證。

## 銷售成本

年內銷售成本約為48,426,000港元(二零一六年：約35,309,000港元)。成本主要包括機械租賃成本及直接勞動成本。年內銷售成本上升，主要由於年內銷售上升導致機械租賃成本上升所致。

## SEGMENT INFORMATION (continued)

### Geographical segment

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

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2017, the Group had:

- net current assets of approximately HK\$334,244,000 (2016: approximately HK\$19,480,000). The substantial increase in net current assets was mainly due to the derecognition of the matured convertible bond designated as financial liabilities at fair value through profit or loss of HK\$317,650,000 stated as current liabilities in 2016, and the recognition of an extended convertible bond during the year with three years term as non current liabilities in 2017.
- cash and cash equivalents of approximately HK\$331,606,000 (2016: approximately HK\$343,587,000) which were the major components of the Group's current assets of approximately HK\$395,046,000 (2016: approximately HK\$393,415,000).
- current liabilities of approximately HK\$60,802,000 (2016: approximately HK\$373,935,000) which comprised mainly trade and other payables of approximately HK\$56,524,000 (2016: approximately HK\$52,668,000) and convertible bond designated as financial liabilities at fair value through profit or loss of nil (2016: approximately HK\$317,650,000).
- non-current liabilities of approximately HK\$272,335,000 (2016: approximately HK\$9,363,000) which comprised mainly deferred tax liabilities of approximately HK\$7,917,000 (2016: approximately HK\$6,555,000) and convertible bond designated as financial liabilities at fair value through profit or loss of approximately HK\$261,616,000 (2016: Nil).

## 分類資料(續)

### 地區分類

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

## 流動資金及財務資源

於二零一七年三月三十一日，本集團有：

- 流動資產淨值約334,244,000港元(二零一六年：約19,480,000港元)。流動資產淨值顯著增加，乃主要由於在二零一七年終止確認指定為按公平值列賬並在損益內處理之金融負債之已到期可換股債券317,650,000港元(於二零一六年列賬為流動負債)，以及確認年內之三年期經延長可換股債券為非流動負債。
- 現金及現金等值項目約331,606,000港元(二零一六年：約343,587,000港元)，為本集團流動資產約395,046,000港元(二零一六年：約393,415,000港元)之主要組成部分。
- 流動負債約60,802,000港元(二零一六年：約373,935,000港元)，主要包括應付貨款及其他應付款項約56,524,000港元(二零一六年：約52,668,000港元)且並無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(二零一六年：約317,650,000港元)。
- 非流動負債約272,335,000港元(二零一六年：約9,363,000港元)，主要包括遞延稅項負債約7,917,000港元(二零一六年：約6,555,000港元)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261,616,000港元(二零一六年：無)。

### LIQUIDITY AND FINANCIAL RESOURCES (continued)

The Group's gearing ratio was 2.27 (2016: 4.36). The computation is based on total debt (convertible bond designated as financial liabilities at fair value through profit or loss) divided by total equity.

#### Charges on Group's Assets

As at 31 March 2017, none of the Group's assets was under charges (2016: Nil).

### 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 current year is mainly derived from the net exchange loss on 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 minimize 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 issue 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 2017, the Group did not have any material contingent liabilities.

### EMPLOYEES

As at 31 March 2017, the Group had 74 employees (2016: 79) spreading among Hong Kong Special Administrative Region of the PRC ("Hong Kong") and the PRC. 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.

### 流動資金及財務資源(續)

本集團之資產負債比率為2.27(二零一六年：4.36)，乃按負債總額(指定為按公平值列賬並在損益內處理之金融負債之可換股債券)除以總權益計算。

#### 本集團資產抵押

於二零一七年三月三十一日，本集團並無抵押資產(二零一六年：無)。

#### 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及人民幣間波動之外匯風險。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按公平值列賬並在損益內處理之金融負債之匯兌虧損淨額。為減低該兩類貨幣之間之外匯風險，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

於二零一七年三月三十一日，本集團並無任何重大或然負債。

#### 僱員

於二零一七年三月三十一日，本集團在香港特別行政區(「香港」)及中國共擁有74名員工(二零一六年：79名)。本集團與其僱員保持良好關係。本集團已採取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**, aged 48, is an executive director of the Company appointed on 25 March 2008. Mr. Kwan has been the Chairman and Managing Director 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 Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

**Ms. Lo Fong Hung**, aged 62, is an executive director of the Company appointed on 25 March 2008. Ms. Lo was the Chairman and Managing Director, the chairman of the nomination committee and a member of the nomination committee of the Company until her resignation in March 2017. Ms. Lo is a director of certain subsidiaries of the Company. Ms. Lo also serves for several non-listed companies, namely as the chairman of China International Fund Limited, China Sonangol International Holding Limited and China Sonangol International Limited and as the director of Sonangol Sinopec International Limited and New Bright International Development Limited. Since 2004, Ms. Lo started exploring and developing energy resources and industrial investment worldwide. Ms. Lo owns 30% shareholding interests in New Bright International Development Limited, which currently holds 70% shareholding interests in China Sonangol International Limited. China Sonangol International Limited is the holding company of Ascent Goal Investments Limited, and the controlling shareholder of the Company. Ms. Lo is the wife of Mr. Wang Xiangfei.

### 執行董事

**關文輝先生**，48歲，於二零零八年三月二十五日獲委任為本公司執行董事。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及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主板及創業板上市之經驗。

**羅方紅女士**，62歲，於二零零八年三月二十五日獲委任為本公司執行董事。羅女士曾為本公司主席兼董事總經理、提名委員會主席及提名委員會成員，直至二零一七年三月辭任。羅女士亦為本公司若干附屬公司之董事。羅女士亦於多間非上市公司任職，如中國國際基金有限公司、安中國際石油控股有限公司及安中國際石油有限公司之主席，以及中安石油國際有限公司及創輝國際發展有限公司之董事。自二零零四年起，羅女士開始物色及開發世界各地之能源及產業投資。羅女士持有創輝國際發展有限公司30%股權，而創輝國際發展有限公司目前持有安中國際石油有限公司70%權益。安中國際石油有限公司為晉標投資有限公司之控股公司，以及本公司控股股東。羅女士為王翔飛先生之妻子。

**EXECUTIVE DIRECTORS (continued)**

**Mr. Wang Xiangfei**, aged 65, is an executive director of the Company appointed on 25 March 2008. Mr. Wang is also a director of certain subsidiaries of the Company. Mr. Wang graduated from Renmin University of China with a bachelor degree in economics in 1982. Mr. Wang is now a Senior Accountant. Mr. Wang serves for several non-listed companies, namely as the vice chief financial officer of Sonangol Sinopec International Limited and as the financial advisor of China Sonangol International Holding Limited. Mr. Wang is also an independent non-executive director of China Development Bank International Investment Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Tianjin Capital Environmental Protection Group Company Limited, a company listed on the Stock Exchange and the Shanghai Stock Exchange.

In addition, Mr. Wang was the independent non-executive director of Chongqing Iron & Steel Company Limited from July 2002 to June 2009, China CITIC Bank Corporation Limited from December 2006 to November 2012, companies listed on the Stock Exchange and the Shanghai Stock Exchange. Mr. Wang was the independent non-executive director of Shandong Chenming Paper Holdings Limited from April 2010 to May 2013, a company listed on the Stock Exchange, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Mr. Wang was the independent non-executive director of SEEC Media Group Limited from June 2003 to May 2015, a company listed on the Stock Exchange. Mr. Wang was also the external supervisor of Shenzhen Rural Commercial Bank from April 2009 to May 2015. Previously, Mr. Wang 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. Wang is the husband of Ms. Lo Fong Hung.

**ALTERNATE DIRECTOR**

**Mr. Wong Sze Wai**, aged 34, is an alternate director to Mr. Wang Xiangfei, Executive Director of the Company with effect from 18 July 2017. Mr. Wong 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 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 is the son of Mr. Wang Xiangfei and Ms. Lo Fong Hung, the executive directors of the Company.

**執行董事(續)**

**王翔飛先生**，65歲，於二零零八年三月二十五日獲委任為本公司執行董事。王先生亦為本公司若干附屬公司之董事。王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。王先生現為高級會計師。王先生於多間非上市公司任職，如中安石油國際有限公司之財務副總監和安中國際石油控股有限公司之財務顧問。王先生亦為國開國際投資有限公司(為香港聯合交易所有限公司(「聯交所」)上市公司)及天津創業環保集團股份有限公司(為聯交所及上海證券交易所上市公司)之獨立非執行董事。

此外，王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和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擔任獨立非執行董事(均為聯交所及上海證券交易所上市公司)。王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(於聯交所、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(於聯交所上市之公司)擔任獨立非執行董事。王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，王先生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。王先生為羅方紅女士之丈夫。

**替代董事**

**王四維先生**，34歲，為本公司執行董事王翔飛先生之替代董事，自二零一七年七月十八日起生效。王先生於二零一零年取得香港大學社會科學碩士學位，以及於二零零七年取得加拿大麥馬斯達大學(McMaster University)理學士學位。王先生現時擔任香港若干私人公司董事，集中於業務發展及法律方面之工作。彼之行業經驗包括研發、業務發展及法律及合規等。王先生為本公司執行董事王翔飛先生及羅方紅女士之兒子。

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. Lam Ka Wai, Graham**, aged 49, is an independent non-executive director of the Company appointed on 25 March 2008. Mr. Lam is the chairman of the audit committee of the Company and a member of both the remuneration committee and the nomination committee of the Company. Mr. Lam graduated from the University of Southampton, England with a Bachelor of Science degree in Accounting and Statistics. Mr. Lam is a member of Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Lam is currently the Managing Director of an investment bank and has over 20 years experience in investment banking as well as over 3 years experience in accounting and auditing. Mr. Lam is also the independent non-executive director of Cheuk Nang (Holdings) Limited, a company listed on the Stock Exchange.

In addition, Mr. Lam was the independent non-executive director of China Fortune Financial Group Limited from 14 September 2007 to 11 April 2014, Applied Development Holdings Limited from 1 October 2005 to 12 December 2011, Pearl Oriental Oil Limited from 3 October 2008 to 19 March 2013, King Stone Energy Group Limited from 23 April 2012 to 22 March 2013, Value Convergence Holdings Limited from 4 January 2010 to 24 May 2012, CT Environmental Group Limited from 14 June 2011 to 15 April 2014, China Chuanglian Education Group Limited from 29 January 2008 to 5 October 2010, Hao Wen Holdings Limited from 17 November 2010 to 16 May 2011, Well Way Group Limited from 24 March 2011 to 16 April 2014, Chinese Strategic Holdings Limited from 22 December 2008 to 27 April 2012 and Finet Group Limited from 5 August 2009 to 24 January 2011, companies listed on the Stock Exchange.

**獨立非執行董事**

**林家威先生**，49歲，於二零零八年三月二十五日獲委任為本公司獨立非執行董事。林先生為本公司審核委員會主席及薪酬委員會及提名委員會成員。林先生畢業於英國修咸頓大學，持有會計及統計學學士學位。林先生為香港會計師公會會員及美國執業會計師公會會員。林先生現為一間投資銀行之董事總經理，於投資銀行方面擁有逾二十年經驗，於會計及審核方面亦擁有逾三年經驗。林先生亦為聯交所上市公司卓能(集團)有限公司之獨立非執行董事。

此外，林先生亦曾於二零零七年九月十四日至二零一四年四月十一日期間於中國富強金融集團有限公司、二零零五年十月一日至二零一一年十二月十二日期間於實力建業集團有限公司、二零零八年十月三日至二零一三年三月十九日期間於東方明珠石油有限公司、二零一二年四月二十三日至二零一三年三月二十二日期間於金山能源集團有限公司、二零一零年一月四日至二零一二年五月二十四日期間於滙盈控股有限公司、二零一一年六月十四日至二零一四年四月十五日期間於中滔環保集團有限公司、二零零八年一月二十九日至二零一零年十月五日期間於中國創聯教育集團有限公司、二零一零年十一月十七日至二零一一年五月十六日期間於皓文控股有限公司、二零一一年三月二十四日至二零一四年四月十六日期間於和滙集團有限公司、二零零八年十二月二十二日至二零一二年四月二十七日期間於華人策略控股有限公司及二零零九年八月五日至二零一一年一月二十四日期間於財華社集團有限公司(均為聯交所上市公司)擔任獨立非執行董事。

## INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

**Mr. Wong Man Hin, Raymond**, aged 51, is an independent non-executive director of the Company appointed on 25 March 2008. Mr. Wong is the chairman of the remuneration committee of the Company and a member of both the audit committee and the nomination committee of the Company. Mr. Wong is a member of American Institute of Certified Public Accountants (CPA), a Certified Management Accountant (CMA) and holds a certificate in financial management (CFM). Mr. Wong holds a bachelor degree in chemical engineering and a master degree in economics. Mr. Wong is an executive director and deputy chairman of Raymond Industrial Limited, a company listed on the Main Board of the Stock Exchange. Mr. Wong is also an independent non-executive director of Modern Beauty Salon Holdings Limited, a company listed on the Main Board of the Stock Exchange.

**Mr. Chan Yiu Fai, Youdey**, aged 48, is an independent non-executive director of the Company appointed on 25 March 2008. Mr. Chan is members of the audit committee, remuneration committee and nomination committee of the Company. Mr. Chan graduated from the University of Hong Kong with a bachelor degree in laws and a postgraduate certificate in laws. Mr. Chan also holds master degrees in laws from the City University of Hong Kong and from the People's University of China. Mr. Chan is currently a partner of Messrs. David Y.Y. Fung & Co., a law firm in Hong Kong. Mr. Chan has extensive experience in civil and commercial crime litigation and also handles various transactions for corporate clients and banks in Hong Kong. Mr. Chan is also the independent non-executive director of Qinqin Foodstuffs (Cayman) Company Limited, a company listed on the Stock Exchange.

## SENIOR MANAGEMENT

**Mr. Li Chun Fung**, aged 35, 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)

**黃文顯先生**，51歲，於二零零八年三月二十五日獲委任為本公司之獨立非執行董事。黃先生為本公司薪酬委員會主席及本公司審核委員會及提名委員會成員。黃先生為美國執業會計師公會(CPA)會員、註冊管理會計師(CMA)，並持有財務管理師(CFM)證書。黃先生持有化學工程學士學位及經濟碩士學位。黃先生為聯交所主板上市公司利民實業有限公司之執行董事兼副主席。黃先生亦為聯交所主板上市公司現代美容控股有限公司之獨立非執行董事。

**陳耀輝先生**，48歲，於二零零八年三月二十五日獲委任為本公司獨立非執行董事。陳先生為本公司審核委員會、薪酬委員會及提名委員會成員。陳先生畢業於香港大學，獲頒法學士學位及法學專業證書。陳先生亦持有香港城市大學及中國人民大學之法律碩士學位。陳先生現為香港律師事務所馮元鉞律師行之合夥人。陳先生於民事及商業犯罪訴訟方面饒富經驗，亦為公司客戶及銀行在香港處理各種交易。陳先生亦為聯交所上市公司親親食品集團(開曼)股份有限公司之獨立非執行董事。

## 高級管理人員

**李震鋒先生**，35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，於公司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 information contained in a questionnaire in respect of the Company's performance of its corporate governance practices that the Company has applied the principles of the code provisions under the Corporate Governance Code (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2017 ("the year under review"), save for the deviation from code provision A.2.1 as disclosed below.

### THE BOARD

#### Roles and responsibilities

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

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

### 企業管治承諾

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

董事已審閱載於調查卷內有關本公司履行其企業管治常規之表現之資料。本公司於截至二零一七年三月三十一日止年度（「回顧年度」）一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載《企業管治守則》（「守則」）之守則條文原則，惟如下文所披露偏離守則條文第A.2.1條之情況除外。

### 董事會

#### 角色及責任

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

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

## THE BOARD (continued)

### Board composition

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

#### Executive Directors:

Kwan Man Fai (appointed as Chairman and Managing Director on 1 March 2017)

Lo Fong Hung (resigned as Chairman and Managing Director on 1 March 2017)

Wang Xiangfei (appointed Wong Sze Wai as his alternate Director on 18 July 2017)

#### Independent Non-executive Directors:

Wong Man Hin, Raymond

Lam Ka Wai, Graham

Chan Yiu Fai, Youdey

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

### Board diversity

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

## 董事會(續)

### 董事會組成

於回顧年度至本年報日期止，董事會成員如下：

#### 執行董事：

關文輝(於二零一七年三月一日獲委任為主席兼董事總經理)

羅方紅(於二零一七年三月一日辭任主席兼董事總經理)

王翔飛(於二零一七年七月十八日委任王四維為其替代董事)

#### 獨立非執行董事：

黃文顯

林家威

陳耀輝

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

### 董事會成員多元化

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

## THE BOARD (continued)

## Board meetings and general meetings

During the year under review, the Board held four regular meetings and four ad-hoc meetings, and the Company held two general meetings. The attendance records of individual Directors at the board meetings and at the general meetings are set out below:

Name of Directors	Number of board meetings attended/eligible to attend	Number of general meetings attended/eligible to attend
<b>Executive Directors:</b>		
Kwan Man Fai (appointed as Chairman and Managing Director on 1 March 2017)	8/8 <sup>#</sup>	1/2
Lo Fong Hung (resigned as Chairman and Managing Director on 1 March 2017)	5/7	1/2
Wang Xiangfei (appointed Wong Sze Wai as his alternate Director on 18 July 2017)	7/7	2/2
<b>Independent Non-executive Directors:</b>		
Wong Man Hin, Raymond	7/8 <sup>#</sup>	1/2
Lam Ka Wai, Graham	7/8 <sup>#</sup>	2/2
Chan Yiu Fai, Youdey	8/8 <sup>#</sup>	2/2

<sup>#</sup> Independent Non-executive Directors had attended meeting(s) independently held with the Chairman of the Board on the direction of the Group's strategy and policies during the year under review.

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

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

## 董事會(續)

## 董事會會議及股東大會會議

於回顧年度內，董事會曾舉行四次定期會議及四次臨時會議，以及本公司曾舉行兩次股東大會會議。個別董事於董事會會議及股東大會會議之出席記錄載列如下：

董事姓名	出席董事會會議次數/合資格出席	出席股東大會會議次數/合資格出席
<b>執行董事：</b>		
關文輝(於二零一七年三月一日獲委任為主兼董事總經理)	8/8 <sup>#</sup>	1/2
羅方紅(於二零一七年三月一日辭任主席兼董事總經理)	5/7	1/2
王翔飛(於二零一七年七月十八日委任王四維為其替代董事)	7/7	2/2
<b>獨立非執行董事：</b>		
黃文顯	7/8 <sup>#</sup>	1/2
林家威	7/8 <sup>#</sup>	2/2
陳耀輝	8/8 <sup>#</sup>	2/2

<sup>#</sup> 獨立非執行董事已於回顧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。

全體董事均可接觸公司秘書，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。

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

## THE BOARD (continued)

### Board meetings and general meetings (continued)

The minutes of Board meetings recorded all the details of the matters considered by the Board and the decisions reached, including any concerns raised by Directors or dissenting views expressed. Minutes of Board meetings are kept by the Company Secretary 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. 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 one of whom holds appropriate professional qualifications and accounting or related financial management expertise. Code provision A.4.1 specifies that non-executive directors should be appointed for a specific term, subject to re-election.

Each of the three Independent Non-executive Directors of the Company was appointed on 25 March 2008 and entered into a service agreement with the Company for a term of three years. Their service agreements have been extended for three years commencing on 25 March 2011 and 25 March 2014 respectively and further extended for one year commencing on 25 March 2017. 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 at a meeting as at the date of this annual report, the Company considers that all of the Independent Non-executive Directors are independent.

## 董事會(續)

### 董事會會議及股東大會會議(續)

董事會會議記錄對董事會所審議之事項及達致之決定均有詳盡記錄，包括由董事提出之任何事宜或表達之異。董事會會議記錄由公司秘書保管，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，其中一位具備適當專業資格及會計或相關財務管理專長。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。

本公司三名獨立非執行董事均於二零零八年三月二十五日獲委任，各自與本公司訂立服務協議，為期三年。彼等之服務協議已分別自二零一一年三月二十五日及二零一四年三月二十五日起延期三年，並自二零一七年三月二十五日起進一步延期一年。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，而提名委員會於本年報日期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 under review, that the Company received, are set out below:

Name of Directors	Attended seminars or briefing/read materials
<b>Executive Directors:</b>	
Kwan Man Fai	✓
Lo Fong Hung	✓
Wang Xiangfei	✓
<b>Independent Non-executive Directors:</b>	
Wong Man Hin, Raymond	✓
Lam Ka Wai, Graham	✓
Chan Yiu Fai, Youdey	✓

**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 the code of conduct regarding securities transactions by its Directors. All the Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year under review.

**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回顧年度內參與持續專業培訓之詳情載列如下：

董事姓名	參與之研討會、簡介會或閱讀資料
<b>執行董事：</b>	
關文輝	✓
羅方紅	✓
王翔飛	✓
<b>獨立非執行董事：</b>	
黃文顯	✓
林家威	✓
陳耀輝	✓

**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，彼等於回顧年度內已遵守標準守則所載之規定準則。

## CHAIRMAN AND CHIEF EXECUTIVE

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

During the year under review, the Company did not have any officer with CE title. Ms. Lo Fong Hung was the Chairman and Managing Director of the Company during the period from 1 April 2016 to 28 February 2017, who also carried out the responsibility of CE in such period. Following the appointment of Mr. Kwan Man Fai (“Mr. Kwan”) as the Chairman and Managing Director of the Company with effect from 1 March 2017, the duties of CE were carried out by Mr. Kwan since then. 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 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 of the Company namely, Mr. Lam Ka Wai, Graham as the chairman of the Audit Committee, Mr. Wong Man Hin, Raymond and Mr. Chan Yiu Fai, Youdey.

## 主席及行政總裁

守則條文第A.2.1條規定須分開主席與行政總裁(「行政總裁」)之角色，不應由同一個別人土擔任。

於回顧年度內，本公司並無任何人士出任行政總裁。於二零一六年四月一日至二零一七年二月二十八日期間，羅方紅女士為本公司主席兼董事總經理，並同時履行行政總裁之職務。自二零一七年三月一日起，關文輝先生(「關先生」)獲委任為本公司主席兼董事總經理後，行政總裁職務由關先生執行。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實行適當之監控，更可保證本集團持續保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

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本公司三名獨立非執行董事，分別為林家威先生(審核委員會主席)、黃文顯先生及陳耀輝先生。

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

A total of four meetings were held during the year under review and the individual attendance of members are as follows:

Name of members	Number of meetings attended/ eligible to attend
Lam Ka Wai, Graham (Chairman)	4/4
Wong Man Hin, Raymond	4/4
Chan Yiu Fai, Youdey	4/4

The Audit Committee reviewed the interim and annual results, risk management and internal control systems, and financial reporting matters in conjunction with the external auditor. 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 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.

The Remuneration Committee currently comprises four members, the Chairman and Managing director of the Company, Mr. Kwan Man Fai and three Independent Non-executive Directors of the Company namely, Mr. Wong Man Hin, Raymond as the chairman of the Remuneration Committee, Mr. Lam Ka Wai, Graham and Mr. Chan Yiu Fai, Youdey.

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

**董事委員會(續)****審核委員會(續)**

於回顧年度內，共舉行四次會議，個別成員之出席記錄如下：

成員姓名	出席會議次數／合資格出席
林家威(主席)	4/4
黃文顯	4/4
陳耀輝	4/4

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制度以及財務申報事宜。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**

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。

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

本公司個別執行董事及高級管理人員之薪酬待遇由薪酬委員會向董事會建議，並由董事會依據股東於股東周年大會向其授出之權力，及經參考本公司經營業績、個人表現及現行市況後釐定。董事會定期檢討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。

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

During the year under review, two meetings were held and the Remuneration Committee had reviewed the existing remuneration packages of the Board and the senior management of the Company and to make recommendation on the remuneration package of Mr. Kwan Man Fai following his appointment as the Chairman and Managing Director of the Company and Ms. Lo Fong Hung following her resignation as the chairman and Managing Director of the Company with effect from 1 March 2017. The individual attendance of members are as follows:

Name of members	Number of meetings attended/ eligible to attend
Wong Man Hin, Raymond (Chairman)	2/2
Kwan Man Fai	2/2
Lam Ka Wai, Graham	2/2
Chan Yiu Fai, Youdey	2/2

**Nomination Committee**

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 perspectives of the Board.

After annual assessment by the Nomination Committee at a meeting as at the date of this annual report, the Company considers under the policy of board diversity, that 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)****薪酬委員會(續)**

於回顧年度內，薪酬委員會已舉行兩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，並在關文輝先生獲委任為本公司主席兼董事總經理及羅方紅女士辭任本公司主席兼董事總經理於二零一七年三月一日生效後，對其薪酬待遇作出建議。個別成員之出席記錄如下：

成員姓名	出席會議次數/合資格出席
黃文顯(主席)	2/2
關文輝	2/2
林家威	2/2
陳耀輝	2/2

**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。提名委員會亦考慮候選人之性別、年齡、文化、教育背景及專業經驗，以維持董事會有均衡組合及成員多元化之裨益。

提名委員會於本年報日期舉行會議進行年度評核後，本公司就董事會成員多元化採納政策認為，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)**

The Nomination Committee currently comprises four members, 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 of the Company namely, Mr. Wong Man Hin, Raymond, Mr. Lam Ka Wai, Graham and Mr. Chan Yiu Fai, Youdey.

During the year under review, Ms. Lo Fong Hung resigned as a member and the chairman of the Nomination Committee on 1 March 2017 and Mr. Kwan Man Fai was appointed as the chairman of the Nomination Committee on 1 March 2017.

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

Name of members	Number of meetings attended/ eligible to attend
Kwan Man Fai (appointed as Chairman on 1 March 2017)	2/2
Wong Man Hin, Raymond	2/2
Lam Ka Wai, Graham	2/2
Chan Yiu Fai, Youdey	2/2
Lo Fong Hung (resigned as member and Chairman on 1 March 2017)	2/2

**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 under review, the Board committees had developed and reviewed the Company's policies and practices on corporate governance; reviewed and monitored the training and continuous professional development of Directors and senior management; reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements and reviewed the compliance with the Code and disclosure in the Corporate Governance Report.

**董事委員會(續)****提名委員會(續)**

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擔任提名委員會主席，及本公司三名獨立非執行董事黃文顯先生、林家威先生及陳耀輝先生。

於回顧年度內，羅方紅女士於二零一七年三月一日辭任提名委員會成員及主席，而關文輝先生於二零一七年三月一日獲委任為提名委員會主席。

於回顧年度內，提名委員會曾舉行兩次會議，檢討董事提名之政策，並採納現時之政策。個別成員之出席記錄如下：

成員姓名	出席會議次數/合資格出席
關文輝(於二零一七年三月一日獲委任為主席)	2/2
黃文顯	2/2
林家威	2/2
陳耀輝	2/2
羅方紅(於二零一七年三月一日辭任成員及主席)	2/2

**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。於回顧年度內，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披露規定。

## 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 2017, the Directors of the Company 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 their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report from page 58 to page 60 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 ongoing monitor the residual risks.

Based on the risk assessments conducted in 2016/17, 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。於二零一七年三月三十一日，本公司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彼等對綜合財務報表之申報責任所發出之聲明載於本年報第58至60頁之獨立核數師報告。

## 風險管理及內部控制

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按持續基準監督剩餘風險。

根據於二零一六／一七年度進行之風險評估，並未識別重大風險。

## 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 that 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*: Action 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 components of internal control is present and functioning.

## 風險管理及內部控制(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*：一套可作為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，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產生作用。

## 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 2016/17, no significant control deficiency was identified.

### Internal Auditors

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.

## 風險管理及內部控制(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、完整性及及時性，本集團亦採納及執行內部資料政策及程序。本集團已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。

根據於二零一六／一七年度進行之內部監控評估，並未識別重大監控不足。

### 內部核數師

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報告至董事會。

## 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. 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.

## 風險管理及內部控制(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，確保每年對該等制度之有效性進行審查。董事會進行審查時已作出多方面考慮，其中包括(但不限於)：

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

董事會通過其審查和審計職能與審核委員會之審查，認定風險管理和內部監控系統均屬有效及適當。然而，該等制度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

For the year under review, fees paid or payable to the auditor of the Company, Crowe Horwath (HK) CPA Limited, and its affiliates by the Group are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Audit services	審核服務	740	710
Non-audit and taxation services	非審核及稅務服務	300	300
Total	總計	1,040	1,010

## 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 under review.

## 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 policy was 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 2017 annual general meeting of the Company will be held on 7 September 2017. A notice of annual general meeting will be sent to the shareholders of the Company at least 20 clear business days before the meeting.

## 核數師薪酬

於回顧年度內，本集團已付或應付本公司核數師國富浩華(香港)會計師事務所有限公司及其聯屬公司之費用如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Audit services	審核服務	740	710
Non-audit and taxation services	非審核及稅務服務	300	300
Total	總計	1,040	1,010

## 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，李先生已於回顧年度內接受逾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。該政策可於本公司網站查閱。本公司已設立多個渠道與股東溝通，如刊發中期報告及年報，適時地就本公司之最新發展發出新聞稿及公告。股東亦可藉股東周年大會與董事會交流意見。外聘核數師亦可於股東周年大會上回應股東之提問。此外，於股東周年大會上將就各項重要獨立議題(包括個別董事之選舉)提呈決議案。

本公司將於二零一七年九月七日舉行二零一七年股東周年大會。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。

## 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, 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 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, 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 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述事宜,或將於特定股東大會上處理之事宜。書面要求/陳述必須由相關股東簽署,並於股東周年大會舉行不少於六週前(倘要求需決議案通知)或股東大會舉行不少於一週前(倘為任何其他要求)寄交本公司註冊辦事處及香港主要辦事處,致公司秘書。倘書面要求妥當,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 by post, fax or email. The contact details are set out as below:

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

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

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

Tel: 2248 0188

Fax: 2918 9931

Email: info@nannanlisted.com

### INVESTOR RELATIONS

During the year under review, 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公司秘書。聯絡資料載列如下：

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

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

郵寄地址： 香港金鐘  
夏慤道18號  
海富中心  
2座8樓

電話： 2248 0188

傳真： 2918 9931

電郵： info@nannanlisted.com

### 投資者關係

於回顧年度內，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 of the Company (the “Directors”) present their report and the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2017.

### PRINCIPAL ACTIVITIES

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

### RESULTS AND DIVIDENDS

The Group’s results for the year ended 31 March 2017 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 61 to 166. The Board does not recommend the payment of any dividend for the year ended 31 March 2017.

### BUSINESS REVIEW

A review of the Group’s business for the year ended 31 March 2017, 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 7 and “Management Discussion and Analysis” on pages 8 to 19 of the annual report.

The financial risk management objectives and policies of the Group are set out in note 5 to the consolidated financial statements.

Other than the transaction of extending the Convertible Bond of the Company announced on 7 March 2017, no important event affecting the Group had occurred since the end of the year ended 31 March 2017.

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 167 to 168 of the annual report. This summary does not form part of the audited consolidated financial statements.

本公司董事(「董事」)謹此提呈本公司及其附屬公司(「本集團」)截至二零一七年三月三十一日止年度之董事會報告及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司。本公司附屬公司之主要業務為煤炭開採及銷售業務。

### 業績及股息

本集團截至二零一七年三月三十一日止年度之業績及本公司與本集團於該日之業務狀況載於第61至166頁之綜合財務報表內。董事會不建議就截至二零一七年三月三十一日止年度派發任何股息。

### 業務回顧

本集團截至二零一七年三月三十一日止年度之業務回顧、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年報第4至7頁及第8至19頁之「主席報告」及「管理層討論及分析」各節。

本集團之財務風險管理目標及政策載於綜合財務報表附註5。

除本公司於二零一七年三月七日公告之可換股債券延期之交易外，於截至二零一七年三月三十一日止年度結束以來，概無發生影響本集團之重大事宜。

本公司提倡致力於高道德標準之業務操守文化，並致力於其所有營運地區遵守所有現行法律及法規。年內，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)載於年報第167至168頁。此概要並不構成經審核綜合財務報表一部分。

## PROPERTY, PLANT AND EQUIPMENT

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

## SHARE CAPITAL AND SHARE OPTIONS

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

## CONVERTIBLE BOND

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

## EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Convertible Bond" of this report and note 25 to the consolidated financial statements, no equity-linked agreement was entered into by the Company during the financial 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 Company and its subsidiaries against any potential costs and liabilities arising from claims brought against them.

## 物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於綜合財務報表附註14。

## 股本及購股權

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

## 可換股債券

本公司於年內發行之可換股債券詳情載於綜合財務報表附註25。

## 股權掛鈎協議

除本報告「可換股債券」一節及綜合財務報表附註25所披露者外，本公司於財務年度內概無訂立股權掛鈎協議。

## 與主要持份者之關係

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

## 環境、政策及表現

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

## 獲准彌償條文

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

## 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 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.

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for employees of its subsidiaries established in Mainland China. The employees contribute up to approximately 8% of their basic salaries, while the Group contributes approximately 17% to 22% of such salaries. 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 from pages 30 to 31.

## RELATED PARTY TRANSACTIONS

Details of the related party transactions set out in note 28 to the consolidated financial statements.

## CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

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

## 退休計劃

本集團已為其香港僱員安排參加由獨立托管人管理之界定供款計劃強制性公積金計劃（「強積金計劃」）。根據強積金計劃，本集團（僱主）及其僱員各須向計劃作出每月供款，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。

根據中國內地之規則及法規之規定，本集團須為其於中國內地成立之附屬公司之僱員向政府管理的退休計劃供款。僱員作出彼等基本薪金最多約8%之供款，而本集團則作出有關薪金約17%至22%之供款。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。政府管理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，詳情載於由第30至31頁企業管治報告內「薪酬委員會」一段。

## 關連人士交易

有關關連人士交易詳情載列於綜合財務報表附註28。

## 關連交易及持續關連交易

於年內，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14A章項下之申報規定。

## MAJOR EVENTS

### 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 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 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 (the “Changji Administrative Bureau”) 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 Mine and Zexu Mine have been submitted to the working group head office for coal industry structural upgrade work of Xinjiang Uygur Autonomous Region for consideration and approval:

1. The Company’s Kaiyuan Mine would be restructured and upgraded, and the exploration right in the Zexu Mine 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, with the estimated coal resources of approximately 131.18 million tonnes.

As at the date hereof, the Company has still not yet received any written notification from the relevant Xinjiang government department in respect of the approval of the Updated Optimization and Upgrading Plan.

## 重大事項

### 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的公告）。董事會在得知此優化升級方案後，已要求在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（「昌吉管理局」）就優化升級方案的最新情況所發出的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煤礦及澤旭煤礦之建議（「優化升級更新方案」）已呈交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：

1. 本公司之凱源煤礦將給予改造及升級，而授予本公司之澤旭煤礦勘探權將被終止；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，估計煤礦資源約為131.18百萬噸。

截至目前，本公司仍未接獲相關新疆政府部門就優化升級更新方案審批所作出之任何書面通知。

## MAJOR EVENTS (continued)

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

As stated in the Company's announcement dated 21 March 2014, the Exploration Permit of the Zexu Mine of the Company originally expired on 20 February 2014. Concerned that the Company's position and rights in the Optimization and Upgrading Plan might be compromised since the Updated Optimization and Upgrading Plan had still not then been approved by the Xinjiang Uygur Autonomous Region Government, the Company through its Xinjiang staff has continued to make informal representations to Chinese officials urging them to exercise administrative discretion to renew the Exploration Permit despite the fact that the Company had earlier obtained a PRC legal opinion advising the Company no further renewal beyond 20 February 2014 could be obtained for Zexu Mine Exploration Permit. Eventually, on 19 March 2014, the Company obtained a renewal permit from Xinjiang Land Department granting the renewal of the Exploration Permit from 25 February 2014 to 25 February 2016. On 19 May 2016 and on 16 May 2017, the Company further obtained the renewal of the Exploration Permit with valid period from 5 April 2016 to 5 April 2017 and from 16 May 2017 to 16 May 2019 respectively.

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

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

## 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 SHARES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

## RESERVES

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

## 重大事項(續)

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

根據本公司日期為二零一四年三月二十一日之公告，本公司之澤旭煤礦礦產資源勘查許可證原已於二零一四年二月二十日屆滿。由於優化升級更新方案當時尚未獲新疆維吾爾自治區政府批准，本公司就於優化升級方案中之地位及權利可能需作出妥協，因此，儘管本公司於較早時獲得中國法律意見，指出本公司澤旭煤礦礦產資源勘查許可證於二零一四年二月二十日後不會再獲重續，惟本公司仍透過其新疆員工不斷向內地官員進行非正式陳述，要求行使行政酌情權以重續礦產資源勘查許可證。最終，於二零一四年三月十九日，本公司獲新疆國土資源廳重續許可證，批准礦產資源勘查許可證由二零一四年二月二十五日重續至二零一六年二月二十五日。於二零一六年五月十九日及二零一七年五月十六日，本公司再獲重續礦產資源勘查許可證，有效期分別由二零一六年四月五日起至二零一七年四月五日及由二零一七年五月十六日起至二零一九年五月十六日。

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

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

## 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，要求本公司必須向其現有股東按比例發行新股份。

## 購入、出售或贖回股份

本公司或其任何附屬公司於年內概無購入、出售或贖回本公司任何股份。

## 儲備

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

## DISTRIBUTABLE RESERVES

As at 31 March 2017, 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 HK\$128,013,000 may be distributed under certain circumstances. In addition, the Company's share premium account with a balance of HK\$191,534,000 may be distributed in the form of fully paid bonus shares.

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2017, sales to the Group's five largest customers accounted for 75.81% of the total sales for the year and sales to the largest customer included therein amounted to 28.10%. Purchases of goods and services from the Group's five largest suppliers accounted for 95.76% of the total purchases for the year and purchases from the largest supplier included therein amounted to 54.02%.

## DIRECTORS

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

### Executive Directors:

Kwan Man Fai

(Chairman and Managing Director with effect from 1 March 2017)

Lo Fong Hung

Wang Xiangfei

(Wong Sze Wai as his alternate Director with effect from 18 July 2017)

### Independent Non-executive Directors:

Wong Man Hin, Raymond

Lam Ka Wai, Graham

Chan Yiu Fai, Youdey

In accordance with bye-law 87 of the Company's Bye-laws, Mr. Kwan Man Fai and Mr. Lam Ka Wai, Graham will retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 20 to 23 of the annual report.

## 可供分派儲備

於二零一七年三月三十一日，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為191,534,000港元，可以繳足紅股形式分派。

## 主要客戶及供應商

於截至二零一七年三月三十一日止年度內，本集團五大客戶之銷售額佔全年總銷售額75.81%，而當中最大客戶之銷售額則佔28.10%。本集團五大供應商之貨品及服務採購額佔全年總採購額95.76%，而當中最大供應商之採購額則佔54.02%。

## 董事

以下為年內及截至本報告日期之董事：

### 執行董事：

關文輝

(主席兼董事總經理，自二零一七年三月一日起生效)

羅方紅

王翔飛

(王四維為其替代董事，自二零一七年七月十八日起生效)

### 獨立非執行董事：

黃文顯

林家威

陳耀輝

根據本公司之公司細則第87條規定，關文輝先生及林家威先生將輪值退任，並符合資格願意於應屆股東周年大會重選連任。

## 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於年報第20至23頁。

## 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 2016 Interim Report of the Company are set out below:

- (1) Mr. Kwan Man Fai ("Mr. Kwan") has been appointed as the Chairman and Managing Director and the chairman of the Nomination Committee of the Company with effect from 1 March 2017 and the emolument of Mr. Kwan was changed to HK\$720,000 per annum with effect from 1 March 2017;
- (2) Ms. Lo Fong Hung ("Ms Lo") has resigned as the Chairman and Managing Director, the chairman and a member of the Nomination Committee of the Company with effect from 1 March 2017 and the emolument of Ms. Lo was changed to HK\$480,000 per annum with effect from 1 March 2017;
- (3) Subsequent to a review of Directors' duties and responsibilities in the Company as well as the market conditions at the Board meeting on 20 June 2017, the Directors' emoluments were approved and revised by the Board with effect from 1 April 2017. The annual emoluments of Independent Non-executive Directors, namely Mr. Lam Ka Wai, Graham, Mr. Wong Man Hin, Raymond and Mr. Chan Yiu Fai, Youdey, were changed from HK\$288,000 to HK\$336,000. The annual emoluments of Executive Directors, namely Ms. Lo Fong Hung and Mr. Wang Xiangfei, were changed from HK\$480,000 to HK\$528,000. The annual emolument of the Chairman and Managing Director of the Company, Mr. Kwan Man Fai, was changed from HK\$720,000 to HK\$792,000;
- (4) The service agreements of the Independent Non-executive Directors, namely Mr. Lam Ka Wai, Graham, Mr. Wong Man Hin, Raymond and Mr. Chan Yiu Fai, Youdey, entered with the Company expired on 24 March 2017 and their service agreements had been extended for one year commencing on 25 March 2017;
- (5) The service agreements of the Executive Directors, namely Mr. Kwan Man Fai, Ms. Lo Fong Hung and Mr. Wang Xiangfei, entered with the Company expired on 24 March 2017 and their service agreements had been extended for one year commencing on 25 March 2017; and
- (6) Mr. Wang Xiangfei, the Executive Director has appointed Mr. Wong Sze Wai as his alternate Director with effect from 18 July 2017.

## 董事資料變動

自本公司二零一六年中期報告日期刊發後，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) 關文輝先生(「關先生」)已獲委任為本公司主席兼董事總經理及提名委員會主席，自二零一七年三月一日起生效，而關先生之酬金將改為每年720,000港元，自二零一七年三月一日起生效；
- (2) 羅方紅女士(「羅女士」)已辭任本公司主席兼董事總經理、提名委員會主席及成員，自二零一七年三月一日起生效，而羅女士之酬金改為每年480,000港元，自二零一七年三月一日起生效；
- (3) 於二零一七年六月二十日召開之董事會會議上審閱董事於本公司之職務及職責以及市場情況後，董事會批准修訂董事酬金，自二零一七年四月一日起生效。獨立非執行董事林家威先生、黃文顯先生及陳耀輝先生之年度酬金由288,000港元變更至336,000港元。執行董事羅方紅女士及王翔飛先生之年度酬金由480,000港元變更至528,000港元。本公司主席兼董事總經理關文輝先生之年度酬金由720,000港元變更至792,000港元；
- (4) 獨立非執行董事林家威先生、黃文顯先生及陳耀輝先生與本公司訂立之服務協議於二零一七年三月二十四日屆滿，且彼等之服務協議已自二零一七年三月二十五日起延期一年；
- (5) 執行董事關文輝先生、羅方紅女士及王翔飛先生與本公司訂立之服務協議於二零一七年三月二十四日屆滿，且彼等之服務協議已自二零一七年三月二十五日起延期一年；及
- (6) 執行董事王翔飛先生已委任王四維先生為其替代董事，自二零一七年七月十八日起生效。

### 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.

### 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 contract 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 2017, 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 for Securities Transactions by Directors of Listed Issuers (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。

### 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年末或年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

於二零一七年三月三十一日，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上市發行人董事進行證券交易之標準守則(「標準守則」)須另行知會本公司及聯交所之權益及淡倉如下：

#### 好倉

於本公司相聯法團股份之權益

Name of Directors 董事姓名	Notes 附註	Name of associated corporation 相聯法團名稱	Capacity 身份	Number of shares interested 持有權益之股份數目	Approximate percentage of the issued share capital of the associated corporation 佔相聯法團已發行股本概約百分比
Ms. Lo Fong Hung 羅方紅女士	1,3	New Bright International Development Limited 創輝國際發展有限公司	Interests of controlled corporation 受控法團之權益	3,000 (L)	30%
Mr. Wang Xiangfei 王翔飛先生	2	New Bright International Development Limited 創輝國際發展有限公司	Interests of controlled corporation 受控法團之權益	3,000 (L)	30%

(L) denotes as long positions

(L) 指好倉



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

Notes:

1. Ms. Lo Fong Hung ("Ms. Lo"), an executive director of the Company, is interested in 3,000 shares in New Bright International Development Limited ("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"), and 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 report.
2. Mr. Wang Xiangfei is the husband of Ms. Lo and is deemed to be interested in 3,000 shares of New Bright under the SFO.
3. Ms. Lo owns 30% of the issued share capital of New Bright which in turn is interested in 70% of China Sonangol. China Sonangol is the holding company of Ascent Goal. Thus, Ms. Lo has an attributable interest in 569,616,589 shares of the Company and a HK\$200,000,000 convertible bond at the conversion price of HK\$0.20 (the "Convertible Bond") per share giving rise to an interest in 1,000,000,000 underlying shares of the Company.

Save as disclosed above, as at 31 March 2017, 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. 本公司執行董事羅方紅女士(「羅女士」)擁有創輝國際發展有限公司(「創輝」)3,000股股份權益，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報告「主要股東於股份及相關股份之權益及淡倉」一節。
2. 王翔飛先生為羅女士之丈夫，故根據證券及期貨條例被視為擁有3,000股創輝股份之權益。
3. 羅女士擁有創輝已發行股本30%，而創輝擁有安中國際70%權益。安中國際為晉標之控股公司。因此，羅女士於本公司569,616,589股股份及於涉及1,000,000,000股本公司相關股份權益可按轉換價每股0.20港元轉換之200,000,000港元可換股債券(「可換股債券」)中擁有應佔權益。

除上文所披露者外，於二零一七年三月三十一日，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

於年內任何時間或於年結日時，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

年內，本集團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 2017, 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:

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

## 主要股東於股份及相關股份之權益及淡倉

於二零一七年三月三十一日，下列人士(本公司董事或主要行政人員除外)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條所存置之名冊之權益或淡倉：

### 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 issued share capital of the Company (Note 6) 佔本公司已發行股本概約百分比 (附註6)
Ascent Goal 晉標	1,4	Beneficial owner 實益擁有人	569,616,589	1,000,000,000	1,569,616,589	205.08%
China Sonangol 安中國際	2,4	Interests of controlled corporation 受控法團之權益	569,616,589	1,000,000,000	1,569,616,589	205.08%
New Bright 創輝	2,4	Interests of controlled corporation 受控法團之權益	569,616,589	1,000,000,000	1,569,616,589	205.08%
Ms. Fung Yuen Kwan, Veronica 馮婉筠女士	3,4	Interests of controlled corporation 受控法團之權益	569,616,589	1,000,000,000	1,569,616,589	205.08%
Africa Israel Investments Ltd.	5	Beneficial owner 實益擁有人	45,000,000	–	45,000,000	5.88%
Mr. Lev Leviev Lev Leviev先生	5	Beneficial owner 實益擁有人	1,000,000	–	1,000,000	0.13%
	5	Interests of controlled corporation 受控法團之權益	74,000,000	–	74,000,000	9.67%

## 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 a 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% interest in New Bright.
- The 569,616,589 shares and 1,000,000,000 underlying shares under the Convertible Bond represent 74.42% and 130.66% of the existing issued share capital of the Company respectively, thus the total of 569,616,589 shares and 1,000,000,000 underlying shares represent 205.08% of the existing issued share capital 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, 45,000,000 shares were held by Africa Israel Investments Ltd., a company controlled by Mr. Lev Leviev through his 74.89% interests in Africa Israel Investments Ltd.; 29,000,000 shares were held by Memorand Management (1998) Ltd., a company controlled by Mr. Lev Leviev through his 99% interests in Memorand 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 2017, not the enlarged issued share capital of the Company upon full conversion of the Convertible Bond.

Save as disclosed above, as at 31 March 2017, the Company had not been notified by any persons (other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares" above), who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

## 主要股東於股份及相關股份之權益及淡倉(續)

### 於本公司股份或相關股份之好倉(續)

附註：

- 晉標於569,616,589股股份中擁有直接權益，並於可換股債券按轉換價每股0.20港元轉換時可能全面配發及發行之額外1,000,000,000股相關股份中擁有直接權益。該1,569,616,589股股份由晉標作為實益擁有人直接持有，包括(i)於569,616,589股股份之權益及(ii)涉及1,000,000,000股相關股份權益之可換股債券。
- 由於晉標為安中國際之全資附屬公司，而安中國際由創輝實益擁有70%，故根據證券及期貨條例，晉標之權益被視為安中國際之權益，繼而被視為創輝之權益。
- 馮婉筠女士因擁有創輝70%權益而被視為擁有股份及相關股份之權益。
- 該569,616,589股股份及可換股債券項下1,000,000,000股相關股份分別相當於本公司現有已發行股本之74.42%及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現有已發行股本之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45,000,000股股份由Lev Leviev先生於其中擁有74.89%權益及受其控制之Africa Israel Investments Ltd.持有；29,000,000股股份則由Lev Leviev先生於其中擁有99%權益之Memorand Ltd.所控制公司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二零一七年三月三十一日之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本計算。

除上文所披露者外，於二零一七年三月三十一日，本公司概無接獲任何人士(本公司董事及主要行政人員除外，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條所存置之名冊之權益或淡倉。

### 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 report.

### SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, over 25% of the issued share capital 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

Crowe Horwath (HK) CPA Limited ("Crowe Horwath") will retire as the auditor of the Group with effect from the conclusion of the forthcoming annual general meeting of the Company and will not offer themselves for re-appointment. The Board has resolved to propose the appointment of Mazars CPA Limited as the new auditor of the Company to replace Crowe Horwath. Upon the approval of the shareholders of the Company at the forthcoming annual general meeting, Mazars CPA Limited will hold office until the next annual general meeting of the Company.

On Behalf of the Board

**Kwan Man Fai**

*Chairman and Managing Director*

Hong Kong, 20 June 2017

### 董事於競爭業務之權益

於年內及截至本報告日期，本公司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，於本報告日期，公眾人士持有本公司已發行股本超過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

國富浩華(香港)會計師事務所有限公司(「國富浩華」)將退任本集團核數師，自本公司應屆股東周年大會結束後生效，且選擇不再膺聘連任。董事會已決議推薦委聘瑪澤會計師事務所有限公司為本公司新任核數師，以替代國富浩華。待本公司股東於應屆股東周年大會上批准後，瑪澤會計師事務所有限公司之任期將直至本公司下屆股東周年大會為止。

代表董事會

**關文輝**

*主席兼董事總經理*

香港，二零一七年六月二十日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



國富浩華 (香港) 會計師事務所有限公司  
**Crowe Horwath (HK) CPA Limited**  
Member Crowe Horwath International

香港銅鑼灣禮頓道77號禮頓中心9樓  
9/F Leighton Centre,  
77 Leighton Road,  
Causeway Bay, Hong Kong

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

*(Incorporated in Bermuda with limited liability)*

### 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)*

#### 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 61 to 166, which comprise the consolidated statement of financial position as at 31 March 2017, 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 consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirement of the Hong Kong Companies Ordinance.

#### 意見

我們已完成審核第61至166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，其中包括於二零一七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 貴集團於二零一七年三月三十一日之綜合財務狀況以及 貴集團截至該日止年度之綜合財務表現及綜合現金流量，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」)進行審計工作。我們根據該等準則之責任進一步描述於本報告「核數師審計綜合財務報表之責任」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，我們獲取之審計證據屬充分、適當，為發表審計意見提供了基礎。

## 關鍵審計事項

關鍵審計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計中最重要之事項。該等事項在我們對綜合財務報表進行整體審計及就此達致意見時處理，我們並不就此另外提供意見。

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

Refer to notes 4(a), (b), (c) and 14 and 15 to the consolidated financial statements and the accounting policy note 3(l) on pages 89 to 94.

**關鍵審計事項(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4(a)、(b)、(c)及14及15以及載於第89至94頁的會計政策附註3(l)。

**The Key Audit Matter****關鍵審核事項**

We identified non-current assets impairment assessment on coal mines related non-current assets as a key audit matter due to significant judgment made by management in determining the recoverable amounts of the corresponding cash-generating units.

Owing to drop of selling price during the year and the overall gross profit margin of the Group decreased for the year, the management identified certain non-current assets relating to coal mines having impairment indications. The management engaged an independent valuer to assess the impairment on coal mines related non-current assets. The impairment assessment involves management's judgement 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 management's judgement may result in significant financial impact to the Group.

As set out in note 15 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. The recoverable amounts of the cash-generating unit were determined by value in use method.

**How the matter was addressed in our audit****我們之審核如何處理該事項**

Our procedures in relation to management's impairment assessment on coal mines related non-current assets included:

- Evaluating the competence, capabilities and objectivity of the independent valuer engaged by management to assess the impairment on coal mines related non-current assets;
- Involving our internal valuation specialists to assist us in assessing the valuation methodologies adopted in the valuation with reference to the requirements of the prevailing accounting standards;
- 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 management;
- Challenging the key assumptions underlying the operational forecasts by comparison with historical financial performance together with market and other externally available information;
- Assessing the discount rates applied in the cash flow forecasts, with the assistance of our internal valuation specialists, by benchmarking against those of similar companies in the markets;
- Re-performing 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)

## The Key Audit Matter

## 關鍵審核事項

我們識別煤礦相關非流動資產之非流動資產減值評估為關鍵審核事項，原因為在估計相關現金產生單位之可回收金額時涉及管理層關鍵會計判斷和估計。

由於年內銷售價格下滑且 貴集團年內毛利率整體減少，管理層識別特定若干煤礦相關非流動資產存在減值跡象。管理層委聘獨立估值師對煤礦相關非流動資產進行減值評估。有關減值評估涉及管理層若干方面判斷，包括貼現率以及基於未來市場供需情況之現金流量預測。管理層判斷任何改變均可能會對 貴集團造成重大財務影響。

如綜合財務報表附註15所載，管理層之結論為相關現金產生單位之可回收金額高於賬面價值，因此毋須於本年度計提減值撥備。相關現金產生單位之可回收金額通過使用價值法確定。

## 關鍵審核事項(續)

## 煤礦相關非流動資產減值評估(續)

## How the matter was addressed in our audit

## 我們之審核如何處理該事項

就管理層對煤礦相關非流動資產減值評估，我們執行之程序包括：

- 評核 貴集團管理層所委聘獨立專業估值師在評估煤礦相關非流動資產之技能、能力及客觀性；
- 經參考現行會計準則之要求，由我們之內部估值專家協助我們評估所採用之估值方法；
- 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；
- 透過比較歷史財務表現連同市場及其他不可從外部獲取之資料，質疑有關經營預測之主要假設；
- 在內部估值專家協助下，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；
- 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)****Convertible bond designated as financial liabilities at fair value through profit or loss**

Refer to notes 4(d) and 25 to the consolidated financial statements and the accounting policy note 3(h) on pages 79 to 86.

**關鍵審計事項(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**

請參閱綜合財務報表附註4(d)及25以及載於第79至86頁的會計政策附註3(h)。

**The Key Audit Matter****關鍵審核事項**

As at 31 March 2017, the fair value of convertible bond designated as financial liabilities at fair value through profit or loss was HK\$261,616,000.

We identified the valuation of convertible bonds as a key audit matter due to the valuation of convertible bond designated as financial liabilities at fair value through profit or loss 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 convertible bond in the fair value hierarchy as an area of focus. Besides, the recognition and measurement of convertible bond involved significant judgement and estimates by management. Management engaged the independent valuer to perform the valuation of convertibles bond.

於二零一七年三月三十一日，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為261,616,000港元。

我們識別可換股債券之估值為關鍵審核事項，原因為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做出估計。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。管理層委聘獨立估值師以進行對可換股債券之估值。

**How the matter was addressed in our audit****我們之審核如何處理該事項**

Our procedures in relation to the convertible bond designated as financial liabilities at fair value through profit or loss included:

- Evaluating the independent valuer's competence, capabilities and objectivity;
- Involving our internal valuation specialists to assess the appropriateness of the valuation methodology, and assess the reasonableness on the key inputs used by the independent valuer and agreed by management including the discount rate and share price; and
- Engaging our internal valuation specialists to evaluate the sensitivity analysis performed by the independent valuer in relation to the fluctuation on the discount rate and share price of the Company's shares.

我們就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審核程序包括：

- 評估獨立估值師之技能、能力及客觀性；
- 由我們內部估值專家評估估值方法是否合適，及評估獨立估值師所用及管理層所同意之重大輸入數據（包括貼現率及股價）的合理程度；及
- 委聘我們內部估值專家以評價獨立估值師就貼現率及 貴公司股份之股價波動所實施之敏感度分析。

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

## 除綜合財務報表及核數師報告外之資料

董事須對其他資料負責。其他資料包括所有載於年報之資料，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。

## 董事就綜合財務報表承擔之責任

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

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

審核委員會協助董事履行監督貴集團之財務報告過程之責任。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is 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 any audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

## 核數師就審核綜合財務報表承擔之責任

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

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

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

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

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

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

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

**核數師就審核綜合財務報表承擔之責任(續)**

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

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

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Chan Wai Dune, Charles.

**Crowe Horwath (HK) CPA Limited**

Certified Public Accountants  
Hong Kong, 20 June 2017

**Chan Wai Dune, Charles**

Practising Certificate Number P00712

**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。

出具本獨立核數師報告的審核項目董事是陳維端。

**國富浩華(香港)會計師事務所有限公司**

執業會計師  
香港，二零一七年六月二十日

**陳維端**

執業證書編號P00712

# 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 2017  
截至二零一七年三月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	6	73,024	59,841
Cost of sales	銷售成本		(48,426)	(35,309)
Gross profit	毛利		24,598	24,532
Other revenue	其他收益	7	9,943	16,015
Selling and distribution expenses	銷售及分銷費用		(733)	(626)
Administrative and other operating expenses	行政及其他經營費用		(32,245)	(27,813)
Finance costs	融資成本		(176)	(187)
Change in fair value and loss arising from modification of convertible bonds	可換股債券之公平值變動及修訂可換股債券產生之虧損	25	56,034	(73,449)
Impairment loss on intangible assets and property, plant and equipment	無形資產及物業、廠房及設備減值虧損		–	(12,012)
Profit/(loss) before tax	除稅前溢利/(虧損)	9	57,421	(73,540)
Income tax expense	所得稅開支	10	(9,154)	(6,068)
Profit/(loss) for the year	年內溢利/(虧損)		48,267	(79,608)
<b>Other comprehensive income/(loss)</b>	<b>其他全面收入/(虧損)</b>			
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：			
Exchange difference on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之匯兌差額		(5,787)	(6,316)
Other comprehensive loss for the year, net of nil tax	年內其他全面虧損，扣除零稅項		(5,787)	(6,316)
Total comprehensive income/(loss) for the year	年內全面收入/(虧損)總額		42,480	(85,924)
Profit/(loss) for the year attributable to:	以下人士應佔年內溢利/(虧損)：			
– Owners of the Company	– 本公司擁有人		48,267	(79,608)
Total comprehensive income/(loss) for the year attributable to:	以下人士應佔年內全面收入/(虧損)總額：			
– Owners of the Company	– 本公司擁有人		42,480	(85,924)
Earnings/(loss) per share (expressed in Hong Kong cents)	每股盈利/(虧損) (以港仙呈列)			
– Basic	– 基本	12	6.31	(10.40)
– Diluted	– 攤薄	12	0.65	(10.40)

The notes on pages 68 to 166 form an integral part of these financial statements.

列載於第68至166頁之附註構成該等財務報表之一部分。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 March 2017  
於二零一七年三月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	11,070	15,048
Intangible assets	無形資產	15	37,787	43,176
Goodwill	商譽	16	-	-
Security deposit	保證按金	17	4,601	4,546
			<b>53,458</b>	62,770
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	50,923	47,403
Trade and other receivables	應收貨款及 其他應收款項	20	12,517	2,425
Cash and cash equivalents	現金及現金等值項目	22	331,606	343,587
			<b>395,046</b>	393,415
<b>Current liabilities</b>	<b>流動負債</b>			
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬 並在損益內處理之金 融負債之可換股債券	25	-	317,650
Trade and other payables	應付貨款及其他應付 款項	23	56,524	52,668
Tax payable	應付稅項		4,278	3,617
			<b>(60,802)</b>	(373,935)
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>334,244</b>	19,480
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>387,702</b>	82,250

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

As at 31 March 2017  
於二零一七年三月三十一日

		Notes	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		附註		
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	24	76,537	76,537
Reserves	儲備		38,830	(3,650)
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		<b>115,367</b>	72,887
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券	25	261,616	–
Provision for close down, restoration and environmental costs	關閉、復墾及環境成本撥備	26	2,802	2,808
Deferred tax liabilities	遞延稅項負債	27	7,917	6,555
			<b>272,335</b>	9,363
			<b>387,702</b>	82,250

Approved and authorised for issue by the board of directors on 20 June 2017.

於二零一七年六月二十日由董事會批准及授權刊發。

On behalf of the board

代表董事會

**Kwan Man Fai**  
關文輝  
Director  
董事

**Wang Xiangfei**  
王翔飛  
Director  
董事

The notes on pages 68 to 166 form an integral part of these financial statements.

列載於第68至166頁之附註構成該等財務報表之一部分。



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

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

		Share capital 股本	Share premium 股份溢價 (note 24 a(i)) (附註24 a (i))	Capital reserve 資本儲備 (note 24 a(ii)) (附註24 a (ii))	Statutory reserves 法定儲備 (note 24 a(iii)) (附註24 a (iii))	Exchange translation reserve 匯兌儲備 (note 24 a(iv)) (附註24 a (iv))	Special reserve 特別儲備 (note 24 a(v)) (附註24 a (v))	Accumulated losses 累計虧損	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	76,537	191,534	14,882	12,266	18,542	27,143	(182,093)	158,811
Loss for the year	年內虧損	-	-	-	-	-	-	(79,608)	(79,608)
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	-	-	-	-	(6,316)	-	-	(6,316)
Total other comprehensive loss for the year	年內其他全面虧損總額	-	-	-	-	(6,316)	-	-	(6,316)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	(6,316)	-	(79,608)	(85,924)
Transfer	轉撥	-	-	-	2,752	-	-	(2,752)	-
Appropriation for maintenance and production funds	維簡及生產基金之分配	-	-	-	28,359	-	-	(28,359)	-
Utilisation of maintenance and production funds	維簡及生產基金之動用	-	-	-	(28,647)	-	-	28,647	-
At 31 March 2016	於二零一六年三月三十一日	76,537	191,534	14,882	14,730	12,226	27,143	(264,165)	72,887

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

For the year ended 31 March 2017  
截至二零一七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	Share	Capital	Statutory	Exchange	Special	Accumulated	Total
		capital	premium	reserve	reserves	translation	reserve	losses	
		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
		(note 24 a(i))	(note 24 a(ii))	(note 24 a(iii))	(note 24 a(iii))	(note 24 a(iv))	(note 24 a(v))		
		(附註24 a (i))	(附註24 a (ii))	(附註24 a (iii))	(附註24 a (iii))	(附註24 a (iv))	(附註24 a (v))		
		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
At 1 April 2016	於二零一六年四月一日	76,537	191,534	14,882	14,730	12,226	27,143	(264,165)	72,887
Profit for the year	年內溢利	-	-	-	-	-	-	48,267	48,267
Exchange difference on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之匯兌差額	-	-	-	-	(5,787)	-	-	(5,787)
Total other comprehensive loss for the year	年內其他全面虧損總額	-	-	-	-	(5,787)	-	-	(5,787)
Total comprehensive income/(loss) for the year	年內全面收入/(虧損)總額	-	-	-	-	(5,787)	-	48,267	42,480
Transfer	轉撥	-	-	-	1,868	-	-	(1,868)	-
Appropriation for maintenance and production funds	維簡及生產基金之分配	-	-	-	25,935	-	-	(25,935)	-
Utilisation of maintenance and production funds	維簡及生產基金之動用	-	-	-	(25,935)	-	-	25,935	-
At 31 March 2017	於二零一七年三月三十一日	76,537	191,534	14,882	16,598	6,439	27,143	(217,766)	115,367

The notes on pages 68 to 166 form an integral part of these financial statements.

列載於第68至166頁之附註構成該等財務報表之一部分。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$ 千港元
<b>Operating activities</b>	<b>經營業務</b>		
Profit/(loss) before tax	除稅前溢利／(虧損)	57,421	(73,540)
Adjustments for:	就下列項目作調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,501	4,898
Amortisation of intangible assets which was included cost of sales	無形資產攤銷 (計入銷售成本)	1,598	3,212
Impairment loss on intangible assets and property, plant and equipment	無形資產及物業、廠房及設備減值虧損	-	12,012
Accretion expense	遞增開支	176	187
Change in fair value and loss arising from modification of convertible bond designated at fair value through profit or loss	指定為按公平值列賬並在損益內處理之可換股債券之公平值變動及修訂可換股債券產生之虧損	(56,034)	73,449
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	87
Net exchange loss	匯兌虧損淨額	19,318	13,880
Interest income	利息收入	(2,822)	(5,856)
<b>Operating cash flow before movements in working capital</b>	<b>營運資金變動前之經營現金流量</b>	<b>23,158</b>	<b>28,329</b>
Increase in inventories	存貨增加	(5,573)	(22,847)
(Increase)/decrease in trade and other receivables	應收貨款及其他應收款項 (增加)／減少	(10,489)	517
Increase in trade and other payables	應付貨款及其他應付款項增加	7,279	3,610
<b>Cash generated from operations</b>	<b>經營業務所得現金</b>	<b>14,375</b>	<b>9,609</b>
Income tax paid	已付所得稅	(6,421)	(13,006)
<b>Net cash generated from/(used in) operating activities</b>	<b>經營業務所得／(所用)現金淨額</b>	<b>7,954</b>	<b>(3,397)</b>

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

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$ 千港元
<b>Investing activities</b>	<b>投資業務</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	(405)	(2,235)
Redemption of structured deposit	贖回結構性存款	-	27,923
Interest received	已收利息	2,822	5,856
Increase in security deposit	保證按金增加	(351)	(749)
<b>Net cash generated from investing activities</b>	<b>投資業務所得現金淨額</b>	<b>2,066</b>	<b>30,795</b>
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等值項目之增加淨額</b>	<b>10,020</b>	<b>27,398</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>年初之現金及現金等值項目</b>	<b>343,587</b>	<b>334,151</b>
<b>Effect on foreign exchange rate changes</b>	<b>匯率變動之影響</b>	<b>(22,001)</b>	<b>(17,962)</b>
<b>Cash and cash equivalents at the end of year, represented by bank balances and cash</b>	<b>年終之現金及現金等值項目，可分為銀行結存及現金</b>	<b>331,606</b>	<b>343,587</b>

The notes on pages 68 to 166 form an integral part of these financial statements.

列載於第68至166頁之附註構成該等財務報表之一部分。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 March 2017  
截至二零一七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, its parent company is Ascent Goal Investments Limited (“Ascent Goal”), a company incorporated in the British Virgin Islands 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 2017 comprise the Company and its subsidiaries (together referred to as the “Group”).

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

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

### 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受豁免之有限公司。本公司股份在香港聯合交易所有限公司(「聯交所」)上市。董事認為，其母公司為於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於年報之公司資料中披露。

截至二零一七年三月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

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

本公司為投資控股公司。本公司之附屬公司之主要業務為煤炭開採及銷售。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements. The Group has not applied any new standard and amendments that is not yet effective for the current accounting period.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已應用以下由香港會計師公會所頒佈之香港財務報告準則（「香港財務報告準則」）修訂本。

香港會計準則第1號之修訂本	披露計劃
香港會計準則第16號及香港會計準則第38號之修訂本	澄清折舊及攤銷之可接納方法
香港會計準則第16號及香港會計準則第41號之修訂本	農業：生產性植物
香港會計準則第27號之修訂本	獨立財務報表之權益法
香港財務報告準則之修訂本	香港財務報告準則二零一二年至二零一四年週期之年度改進
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂本	投資實體：應用綜合入賬之例外情況
香港財務報告準則第11號之修訂本	收購合資經營權益之會計處理

於本年度應用香港財務報告準則修訂本並無對本集團於本年度及過往年度之財務表現與狀況及／或載於該等綜合財務報表之披露造成任何重大影響。本集團並無應用於本會計期間尚未生效之任何新訂準則及香港財務報告準則修訂本。

### 3. 主要會計政策

除若干金融工具按公平值計量外，綜合財務報表乃於各報告期間結束時以歷史成本基準編製，有關會計政策闡述如下。歷史成本一般按換取貨品及服務所給予代價之公平值計量。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

#### a) Basis of consolidation

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

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

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

### 3. 主要會計政策(續)

綜合財務報表已根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露事項。

#### a) 綜合賬目基準

綜合財務報表包括本公司及其控制之實體(包括結構性實體)及其附屬公司之財務報表。當本公司：

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

倘有事實及情況顯示上述三項控制因素中出現一項或以上變數，本集團會重新評估其是否控制被投資公司。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### a) Basis of consolidation (continued)

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

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

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

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

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

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

### 3. 主要會計政策(續)

#### a) 綜合賬目基準(續)

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

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

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

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

#### 本集團於現有附屬公司之擁有權益變動

本集團於現有附屬公司之擁有權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益(包括儲備及非控股權益)相關部份之賬面值作出調整，以反映其於附屬公司之相關權益變動。相關權益部份經重配後非控股權益之調整金額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。



### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### a) Basis of consolidation (continued)

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

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 3(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

### 3. 主要會計政策(續)

#### a) 綜合賬目基準(續)

##### 本集團於現有附屬公司之擁有權益變動(續)

倘本集團失去附屬公司之控制權，則按下列差額計算之收益或虧損：(i)所收取代價公平值總值與任何保留權益之公平值；及(ii)資產(包括商譽)之賬面值與本公司擁有人應佔附屬公司負債，並於損益確認。先前於其他全面收益內確認與該附屬公司有關之所有金額按猶如已直接出售有關資產或負債之方式入賬(即重新分類致損益或轉撥制適用香港財務報告準則所特定/批准之其他權益類別)。於失去控制權當日於該前附屬公司保留之任何權益按公平值確認，而此金額根據香港會計準則第39號被視為初步確認金融資產之公平值或(如適用)初步確認於聯營公司或合營企業之投資成本。

在本公司財務狀況表中，於附屬公司之投資按成本減去減值虧損(見附註3(l))列賬，除非該項投資被分類為持作出售(或計入被分類為持作出售之出售組別)則作別論。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### b) Business combinations

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

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

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

### 3. 主要會計政策(續)

#### b) 業務合併

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

於收購日期，所購入可識別資產及所承擔負債均按其公平值確認，惟以下各項除外：

- 遞延稅項資產或負債及與僱員福利安排相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「股份付款」於收購日期進行計量；及

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### b) Business combinations (continued)

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

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

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

### 3. 主要會計政策(續)

#### b) 業務合併(續)

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

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### b) Business combinations (continued)

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

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to 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 fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

### 3. 主要會計政策(續)

#### b) 業務合併(續)

當本集團於一項業務合併轉移之代價包括或然代價安排所產生之資產或負債，則或然代價乃按其於收購日期之公平值計量並計入一項業務合併轉移代價之一部分。合資格作計量期間調整之或然代價之公平值變動乃追溯調整，並對商譽作出相應調整。計量期間調整為於「計量期間」(不得超過收購日期起計一年)因取得於收購日期已存在之事實及情況之額外資料而作出之調整。

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### b) Business combinations (continued)

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

#### c) Goodwill

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

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

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

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

### 3. 主要會計政策(續)

#### b) 業務合併(續)

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

#### c) 商譽

收購業務產生之商譽按收購業務當日之成本減累計減值虧損(如有)列賬。

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

獲分配商譽之一個或一組現金產生單位會每年進行減值測試，或於出現可能減值之跡象時更頻密地作出減值測試。就報告期間因收購產生之商譽而言，獲分配商譽之現金產生單位(或一組現金產生單位)須於報告期間結束前進行減值測試。倘可收回金額少於其賬面值，則減值虧損會先分配以扣減獲分配至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(或一組現金產生單位)之其他資產。商譽之任何減值虧損直接於損益確認。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，商譽之應佔金額將包括釐定出售溢利或虧損金額在內。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d) Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

#### e) 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.

### 3. 主要會計政策(續)

#### d) 於附屬公司之投資

附屬公司之投資乃按成本值減任何可識別之減值虧損列入本公司之財務狀況表內。

#### e) 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)。

可使用年期有限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審閱，任何估計變動之影響採用預期法計算。

##### 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，並僅根據可收回採煤炭儲量按生產單位法以剝離基準攤銷。

##### 勘探權

勘探權按成本減去減值虧損列賬。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。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f) Exploration and evaluation assets

Exploration and evaluation assets comprise costs which are directly attributable to the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource:

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Expenditure during the initial exploration preparation stage of a project is charged to profit or loss as incurred. Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project.

Once the final feasibility study has been completed and a development decision has been taken, accumulated capitalised exploration and evaluation expenditures in respect of an area of interest are transferred to property, plant and equipment. In circumstances when an area of interest is abandoned or management decides it is not commercially viable, any accumulated costs in respect of that area are written off in the period the decision is made.

### 3. 主要會計政策(續)

#### f) 勘探及評估資產

勘探及評估資產包括尋找礦物資源、決定技術之可行性及評估已識別資源之商業可行性直接應佔之成本：

- 研究及分析過往勘探數據；
- 透過地形學、地球化學及地球物理學研究收集勘探數據；
- 探測鑽探、鑽挖及樣本；
- 確定及檢定資源量及品位；
- 測量運輸及基建設備所需；及
- 進行市場及融資研究。

於項目之初期勘探準備階段產生之開支於產生時在損益扣除。勘探及評估成本(包括購入許可證之成本)待確定項目之技術可行性及商業可行性後，按個別項目基準撥充資本，列作勘探及評估資產。

一旦完成最終可行性研究及作出開發決定，有關權益範圍之累計已資本化勘探及評估開支轉撥至物業、廠房及設備。在權益範圍被廢棄或管理層認定不具商業可行性之情況下，有關該權益範圍之任何累計成本於作出決定之期間內撇銷。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### g) 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 in the consolidation statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any (see note 3(l)).

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 recognised in profit or loss during the period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

#### h) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

### 3. 主要會計政策(續)

#### g) 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，按成本減其後累計折舊及其後累計減值虧損於綜合財務狀況表列賬(如有)(見附註3(l))。

物業、廠房及設備之折舊乃按直線法於其估計可使用年期內確認，以撇銷其成本。估計可使用年期、剩餘價值及折舊法乃於各報告期末審閱，任何估計變動之影響乃按往後基準處理。

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終止確認。所有其他維修及保養乃於其產生期間於損益確認。

物業、廠房及設備項目於出售時或於預計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計算)，並於損益確認。

#### h) 金融工具

金融資產及金融負債於某集團實體成為工具合同條文之訂約方時確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial assets

The Group's financial assets are classified into the following categories: financial assets at fair value through profit or loss ('FVTPL'), and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

### 3. 主要會計政策(續)

#### h) 金融工具(續)

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本(按公平值列賬並在損益內處理之金融資產及金融負債除外)於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值扣除(如適用)。收購按公平值列賬並在損益內處理之金融資產或金融負債直接應佔之交易成本即時於損益確認。

#### 金融資產

本集團之金融資產分為以下類別：按公平值列賬並在損益內處理(「按公平值列賬並在損益內處理」)之金融資產以及貸款及應收款項。有關分類取決於金融資產之性質及目的，於初步確認時釐定。所有定期購買或出售金融資產按交易日基準確認及終止確認。定期購買或出售為購買或銷售金融資產，並規定於市場規則或慣例設定之時間框架內交付資產。

#### 實際利息法

實際利息法為計算債務工具之攤銷成本及於相關期間分配利息收入之方法。實際利率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利率費用及利率點、交易成本及其他溢價或折讓)至賬面淨值之利率。

除分類為按公平值列賬並在損益內處理之金融資產外，債務工具之利息收入按實際利息基準確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Financial instruments (continued)

##### Financial assets (continued)

##### Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

### 3. 主要會計政策(續)

#### h) 金融工具(續)

##### 金融資產(續)

##### 按公平值列賬並在損益內處理之金融資產

當金融資產為持作買賣或指定為按公平值列賬並在損益內處理時，該等金融資產分類為按公平值列賬並在損益內處理之金融資產。

倘符合以下條件，某項金融資產分類為持作買賣：

- 其購入之主要目的為於不久將來出售；
- 於初步確認時為本集團聯管理之已識別金融工具組合之一部分，而近期出現短期獲利之實際模式；或
- 為並非指定亦非有效作為對沖工具之衍生工具。

倘符合下列條件，金融資產(持作買賣之金融資產除外)可被指定為按公平值列賬並在損益內處理之金融資產：

- 該等指定能消除或大幅減低計量或確認方面原應會出現之不一致之情況；或
- 該金融資產構成一組金融資產或金融負債(或同時兩者)之一部分，並依據本集團已正式載入之風險管理或投資策略以公平值基準管理及評估表現，而關於該分類之資料已據此對內公佈；或

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Financial instruments (continued)

##### Financial assets (continued)

##### Financial assets at FVTPL (continued)

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 5.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including security deposit, trade and other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any identified impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

##### Financial liabilities and equity instruments

##### Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 3. 主要會計政策(續)

#### h) 金融工具(續)

##### 金融資產(續)

##### 按公平值列賬並在損益內處理之金融資產(續)

- 構成包含一個或多個嵌入式衍生工具之合約一部分，而香港會計準則第39號允許整份合併合約(資產或負債)被指定為按公平值列賬並在損益內處理類別。

按公平值列賬並在損益內處理之金融資產按公平值計量，而重新計量產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額包括任何就金融資產所賺取股息及利息。公平值乃按載於附註5所述之方式釐定。

##### 貸款及應收款項

貸款及應收款項指並非於活躍市場報價而具備固定或可釐定款項之非衍生金融資產。初步確認後，貸款及應收款項(包括保證按金、應收貨款及其他應收款項以及現金及現金等值項目)均按採用實際利息法計算之已攤銷成本減任何已識別減值計量(見下文有關金融資產減值虧損之會計政策)。

除短期應收款項於利息確認時為不重大外，利息收入乃採用實際利息法確認。

##### 金融負債及股權工具

##### 分類為債務或權益

由集團實體所發出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。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Financial instruments (continued)

##### Financial liabilities and equity instruments (continued)

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

###### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

### 3. 主要會計政策(續)

#### h) 金融工具(續)

##### 金融負債及股權工具(續)

###### 股權工具

股權工具為證明於本集團經扣除其所有負債後之資產中所剩餘權益之任何合約。本集團發行之股權工具於扣除直接發行成本後按已收所得款項確認。

本公司所購回其本身之股權工具於權益內確認及直接扣除。本公司購買、銷售、發行或註銷其本身之股權工具並不會於損益確認為收益或虧損。

###### 按公平值列賬並在損益內處理之金融負債

當金融負債為持作買賣或指定為按公平值列賬並在損益內處理時，該等金融負債分類為按公平值列賬並在損益內處理之金融負債。

倘符合以下條件，某項金融負債分類為持作買賣：

- 其發生之主要目的為於不久將來購回；
- 於初步確認時為本集團聯合管理之已識別金融工具組合之一部分，而近期出現短期獲利之實際模式；或
- 為並非指定亦非有效作為對沖工具之衍生工具。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Financial instruments (continued)

##### Financial liabilities and equity instruments (continued)

##### *Financial liabilities at FVTPL (continued)*

A financial liability other than a financial liability held for trading may be designated as at FVTPL if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (assets or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excluded any interest paid on the financial liability. Fair value is determined in the manner described in note 5.

##### *Other financial liabilities*

Other financial liabilities including trade and other payables is subsequently measured at amortised cost, using the effective interest method.

### 3. 主要會計政策(續)

#### h) 金融工具(續)

##### 金融負債及股權工具(續)

##### *按公平值列賬並在損益內處理之金融負債(續)*

倘符合下列條件，金融負債(持作買賣之金融負債除外)可被指定為按公平值列賬並在損益內處理之金融負債：

- 該等指定能消除或大幅減低計量或確認方面原應會出現之不一致之情況；或
- 該金融負債構成一組金融資產或金融負債(或同時兩者)之一部分，並依據本集團已正式載入之風險管理或投資策略以公平值基準管理及評估表現，而關於該分類之資料已據此對內公佈；或
- 構成包含一個或多個嵌入式衍生工具之合約一部分，而香港會計準則第39號允許整份合併合約(資產或負債)被指定為按公平值列賬並在損益內處理類別。

按公平值列賬並在損益內處理之金融負債按公平值計量，而重新計量產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額不包括任何就金融負債支付之利息。公平值乃按載於附註5所述之方式釐定。

##### *其他金融負債*

其他金融負債包括應付貨款及其他應付款項，其後採用實際利息法按已攤銷成本計量。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Financial instruments (continued)

##### Financial liabilities and equity instruments (continued)

###### *Effective interest method*

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

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

###### *Convertible bond*

Convertible bond designated as financial liabilities at FVTPL

Convertible bond issued by the Group (including related embedded derivatives) is designated as financial liabilities at FVTPL on initial recognition. Subsequent to initial recognition, the entire convertible bond is measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

###### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognised its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### 3. 主要會計政策(續)

#### h) 金融工具(續)

##### 金融負債及股權工具(續)

###### *實際利息法*

實際利息法為計算金融負債之攤銷成本及於相關期間分配利息支出之方法。實際利率於初步確認時按金融負債之預計年期或(如適用)較短期間，準確貼現估計未來現金付款(包括構成實際利率整體部分之一切已付或已收利率費用及利率、交易成本及其他溢價或折讓)至賬面淨值之利率。

除分類為按公平值列賬並在損益內處理之金融負債外，利息支出乃按實際利息基準確認。

###### *可換股債券*

指定為按公平值列賬並在損益內處理之可換股債券

本集團發行之可換股債券(包括相關嵌入式衍生工具)於初步確認時指定為按公平值列賬並在損益內處理之金融負債。初步確認後，全部可換股債券按公平值計量，而公平值變動則於產生期間於損益確認。

###### *終止確認*

當從資產收取現金流量之合約權利屆滿，或本集團轉讓金融資產而該資產之絕大部分擁有權風險及回報已轉讓至另一實體時，本集團會終止確認該金融資產。倘本集團並無轉讓或保留已轉讓資產之絕大部分擁有權風險及回報，並繼續控制該已轉讓資產，則本集團確認其於資產之保留權益部分及按其或須支付之金額確認相關負債。倘本集團保留已轉讓金融資產之絕大部分擁有權風險及回報，則本集團繼續確認該金融資產以及確認已收所得款項之有抵押借款。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Financial instruments (continued)

##### Financial liabilities and equity instruments (continued)

###### *Derecognition (continued)*

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### i) 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.

### 3. 主要會計政策(續)

#### h) 金融工具(續)

##### 金融負債及股權工具(續)

###### *終止確認(續)*

於終止確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收入確認並於權益累計之累計收益或虧損間之差額，於損益確認。

除全面終止確認外(例如當本集團保留購回部份已轉讓資產之選擇權)，於終止確認金融資產時，本集團將金融資產之過往賬面值，根據其繼續在持續參與下確認部分及不再確認部分於轉讓日期之相關公平值在兩者間作出分配。不再確認部分獲分配之賬面值與不再確認部分之已收代價總和間之差額及其獲分配已於其他全面收入確認之任何累計收益或虧損，於損益確認。已於其他全面收入確認之累計收益或虧損乃按繼續確認部分及不再確認部分之相關公平值在該兩者間作出分配。

本集團僅於其責任獲解除、註銷或屆滿時，方會終止確認金融負債。終止確認之金融負債之賬面值與已付及應付代價間之差額於損益確認。

#### i) 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。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### i) Provisions and contingent liabilities (continued)

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

#### Provision for close down, restoration and environmental costs

One consequence of coal mining is land subsidence caused by the resettlement of the land at the mining sites. Depending on the circumstances, the Group may relocate inhabitants from the mining sites prior to conducting mining activities or the Group may compensate the inhabitants for losses or damage from close down and land subsidence after the sites have been mined. The Group may also be required to make payments for restoration, rehabilitation or environmental protection of the land after the sites have been mined.

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Close down and restoration costs are provided in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during mine development or during the production phase, based on the net present value of estimated future costs. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of close down. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision is included in borrowing costs.

### 3. 主要會計政策(續)

#### i) 撥備及或然負債(續)

倘不大可能導致經濟利益流出或其金額不能可靠估計，則責任披露為或然負債，除非經濟利益流出之可能性極低。可能出現之責任將僅取決於日後是否會發生一項或多項事件，亦披露為或然負債，除非經濟利益流出之可能性極低。

#### 關閉、復墾及環境成本撥備

煤礦開採之一個後果為因在礦場搬運泥土而造成土地下陷。視乎各種情況，本集團可於進行開採活動前先將居民遷離礦場，或可於礦場開採後就關閉礦場及土地下陷所造成之損失或損害向居民作出賠償。本集團亦可能須支付礦場開採後之土地復墾、修復或環保費用。

關閉及復墾成本包括拆除及清除基建設施、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，不論該責任是否在煤礦開發期間或生產階段產生。有關成本於可產生未來利益時資本化，而不論修復活動預期會在經營期限內或在關閉時產生。資本化成本按經營期限攤銷，而撥備淨現值之增加則計入借款成本。



### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### i) Provisions and contingent liabilities (continued)

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

Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and related assets, and the effect is then recognised in the consolidated statement of profit or loss and other comprehensive income on a prospective basis over the remaining life of the operation. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are reviewed and revised at the end of each reporting period to reflect changes in conditions.

#### j) 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.

### 3. 主要會計政策(續)

#### i) 撥備及或然負債(續)

##### 關閉、復墾及環境成本撥備(續)

倘預計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，屆時所產生影響將於剩餘經營期限內按預測基準於綜合損益及其他全面收益表確認。關閉及復墾成本之撥備不包括未來干擾事件預期會產生之任何額外責任。成本估計於各報告期間結束時審核及修正，以反映情況變化。

#### j) 存貨

存貨按成本與可變現淨值之較低者列賬。

成本按照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估計進行銷售所需成本。

當存貨售出時，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一概於撇減或虧損產生期間確認為開支。確認為存貨金額減少之存貨撇減之任何撥回金額於撥回期間確認為開支。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### k) 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.

#### l) Impairment of assets

##### i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

### 3. 主要會計政策(續)

#### k) 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以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及高流動性投資。就編製綜合現金流量表而言，現金及現金等值項目亦包括須應要求償還並屬於本集團現金管理組成部分之銀行透支。

#### l) 資產減值

##### i) 股本證券投資及其他應收款項之減值

股本證券投資及其他按成本或攤銷成本列賬之即期與非即期應收款項於各報告期間結束時審閱，以釐定是否有出現減值之客觀證據。減值之客觀證據包括本集團注意到以下一項或多項虧損事件之可觀察數據：

- 債務人有重大財務困難；
- 未能繳付或延遲償還利息或本金等違約情況；
- 借款人有可能面臨破產或其他財務重組；及
- 科技、市場、經濟或法律環境出現對債務人產生不利影響之重大改變。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### l) Impairment of assets (continued)

##### i) Impairment of investments in equity securities and other receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other receivables, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

### 3. 主要會計政策(續)

#### l) 資產減值(續)

##### i) 股本證券投資及其他應收款項之減值(續)

倘存在任何有關證據，則按以下方式釐定及確認任何減值虧損：

- 就應收貨款及其他應收款項而言，如貼現影響屬重大，減值虧損乃按資產之賬面值與估計未來現金流量按金融資產原實際利率(即初步確認該等資產時計算之實際利率)貼現之現值間之差額計量。倘金融資產具備類似風險特徵，例如類似之逾期情況及並未單獨評估為減值，則有關評估會一併進行。金融資產之未來現金流量根據與該類資產具有類似信貸風險特徵之資產之過往虧損經驗一併評估減值。

倘於往後期間，減值虧損金額減少，而有關減少可客觀地與確認減值虧損後發生之事件聯繫，則減值虧損透過損益撥回。減值虧損撥回不得導致資產賬面值超出在過往年度並無確認減值虧損之情況下原應釐定之金額。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### l) Impairment of assets (continued)

##### i) Impairment of investments in equity securities and other receivables (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

##### ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets; and
- investment in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

### 3. 主要會計政策(續)

#### l) 資產減值(續)

##### i) 股本證券投資及其他應收款項之減值(續)

除就應收貨款及其他應收款項確認且可收回性被視為難以預料而非極低之減值虧損外，減值虧損與相應資產直接撇銷。於此情況下，呆賬之減值虧損計入撥備賬。倘本集團信納可收回性極低，則視為不可收回之金額會從應收貨款及其他應收款項中直接撇銷，而在撥備賬中就有關債務持有之任何金額則會撥回。倘之前計入撥備賬之款項在其後收回，則相關款項會於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項，均於損益確認。

##### ii) 其他資產之減值

於各報告期間結束時，本公司會審核內部及外部資料，以識別下列資產是否出現減值跡象，或先前確認之減值虧損是否不再存在或已減少(商譽除外)：

- 物業、廠房及設備；
- 無形資產；及
- 在本公司財務狀況表所示於附屬公司之投資。

倘存出任何有關跡象，則對資產之可收回金額作出估計。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### i) Impairment of assets (continued)

##### ii) Impairment of other assets (continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever 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 amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

### 3. 主要會計政策(續)

#### i) 資產減值(續)

##### ii) 其他資產之減值(續)

- 計算可收回金額

資產之可收回金額為其公平值減出售成本與使用價值之較高者。於評估使用價值時，估計未來現金流量會按可反映當時市場對貨幣時間價值及該資產特定風險之除稅前貼現率，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。有關確認現金產生單位之減值虧損時，首先減低分配予現金產生單位(或一組單位)之任何商譽之賬面值，其後再按比例減低該單位(或該組單位)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)。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### i) Impairment of assets (continued)

##### ii) Impairment of other assets (continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

##### iii) Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed at least annually and whenever there is an indication that they may be impaired. Impairment test is performed in accordance with HKAS 36 "Impairment of Assets" whenever one of the following events or changes in circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- The period for which the Group 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;

### 3. 主要會計政策(續)

#### i) 資產減值(續)

##### ii) 其他資產之減值(續)

- 減值虧損撥回

就資產(商譽除外)而言，倘用作釐定可收回金額之估算出現有利變動，則會撥回減值虧損。有關商譽之減值虧損不予撥回。

所撥回之減值虧損僅限於在過往年度並未確認減值虧損時原應釐定之資產賬面值。所撥回之減值虧損於確認撥回之年度計入損益。

##### iii) 勘探及評估資產之減值

倘以下其中一項事件或情況顯示勘探及評估資產之賬面值(並非詳列)或可能無法收回，則根據香港會計準則第36號「資產減值」至少每年對有關資產的賬面值進行審閱及進行減值測試：

- 本集團有權勘探特定地區之期限於期內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；

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### l) Impairment of assets (continued)

##### iii) Impairment of exploration and evaluation assets (continued)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when the account can be reliably measured: when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below.

Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.

### 3. 主要會計政策(續)

#### l) 資產減值(續)

##### iii) 勘探及評估資產之減值(續)

- 勘探及評估特定地區之礦產資源並未導致發現商業上可行之礦產資源量，且本集團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收回勘探及評估資產之全部賬面值。

倘某項資產之賬面值超出其可收回金額，則於損益確認減值虧損。

撥回減值虧損僅限於在過往年度並無確認減值虧損而原應釐定之資產賬面值。所撥回減值虧損於確認撥回之年度計入損益。

#### m) 收益確認

收益按已收或應收代價之公平值計量。當金額能可靠地計量、未來經濟利益可能流入本集團及下述本集團各業務已符合特定條件時，將確認收益。

銷售貨物之收益於擁有權之風險及回報轉移時確認，一般與貨品交付客戶及所有權轉移之時間相同。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### m) Revenue recognition (continued)

Interest income from a financial asset is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### n) Share-based payment

##### Share options granted by the Company to directors and employees of the Company

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

### 3. 主要會計政策(續)

#### m) 收益確認(續)

金融資產之利息收入按時間基準，參照未償還本金及適用之實際利率計算，而該利率為於初步確認時將金融資產於預計年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貼現率。

#### n) 股份付款交易

##### 本公司授予本公司董事及僱員之購股權

由於授出購股權須待特定歸屬條件獲達成後，方可作實，故已收取服務之公平值乃參照於授出日期授出之購股權之公平值釐定，並於歸屬期間以直線法支銷，而股權亦作相應增加(購股權儲備)。

本集團會於報告期間結束時修訂其對預期歸屬之購股權數目之估計。對原估算作出修訂(如有)之影響在損益確認，以在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。



### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

### 3. 主要會計政策(續)

#### o) 所得稅

年內所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動乃於損益確認，惟於其他全面收入或直接於權益確認與其有關之項目除外，在此情況下，稅項之有關金額則分別於其他全面收入或直接於權益確認。

即期稅項乃按年內應課稅收入以報告期間結束時已生效或實際上已生效之稅率計算之預期應付稅項，加過往年度應付稅項之任何調整。

遞延稅項資產及負債分別來自可扣減及應課稅暫時差額，即資產及負債就財務報表目的而呈列之賬面值與稅基間之差額。遞延稅項資產亦來自未使用稅務虧損及未使用稅項抵免。

除若干有限例外情況，所有遞延稅項負債及所有遞延稅項資產（以未來應課稅溢利可能在該資產中動用者為限）均予以確認。可能足以支持確認產生自可扣減暫時差額之遞延稅項資產之未來應課稅溢利，包括因撥回現有應課稅暫時差額而產生之金額，惟該等差額必須與同一稅務機關及同一應課稅實體有關，且預期在預計撥回可扣減暫時差額之同一期間或遞延稅項資產所產生之稅務虧損可予撥回或結轉之期間內撥回。在釐定現有應課稅暫時差額是否足以支持確認由未使用稅務虧損及抵免所產生之遞延稅項資產時，亦會採用同一準則，即須計及與同一稅務機關及同一應課稅實體有關之差額，並預期在能使用稅務虧損或抵免之期間內撥回。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### o) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

### 3. 主要會計政策(續)

#### o) 所得稅(續)

遞延稅項資產及負債確認之有限例外情況包括：不得為稅務目的扣減之商譽之暫時差額、不影響會計或應課稅溢利(如屬業務合併之一部分則除外)之資產或負債之初步確認，以及有關於附屬公司之投資之暫時差額。倘為應課稅差額，則以本集團可控制撥回時間，且在可預見將來不大可能撥回差額為限；或倘為可扣減差額，則可在將來撥回差額為限。

已確認之遞延稅項金額乃根據變現或償付資產及負債賬面值之方式，按於報告期間結束時已生效或實際上已生效之稅率計量。遞延稅項資產及負債均不予貼現。

遞延稅項資產之賬面值於各報告期間結束時審閱，倘日後不再可能有足夠應課稅溢利用以動用相關稅項利益，則扣減遞延稅項資產之賬面值。倘日後可能有足夠應課稅溢利予以動用，則撥回任何該等扣減之金額。

產生自分派股息之額外所得稅於確認支付有關股息之責任時確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### o) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

### 3. 主要會計政策(續)

#### o) 所得稅(續)

即期稅項結餘及遞延稅項結餘以及其相關變動，乃分別呈列且不會互相抵銷。倘本公司或本集團有合法權利以將即期稅項資產抵銷即期稅項負債，而且符合以下額外條件時，即期稅項資產與即時稅項負債抵銷，而遞延稅項資產則與遞延稅項負債抵銷：

- 就即期稅項資產及負債而言，本集團擬按淨額基準結算，或同時變現資產及清償負債；或
- 就遞延稅項資產及負債而言，倘其與同一稅務機關所徵收之所得稅有關，且有關所得稅乃向：
  - 同一應課稅實體徵收；或
  - 不同應課稅實體徵收，而該等實體擬在預期有大額遞延稅項負債或資產予以清償或收回之各個未來期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### p) Foreign currencies

In preparing the financial statements of each individual group entity, transaction in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in items of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange translation reserve (attributed to non-controlling interests as appropriate).

### 3. 主要會計政策(續)

#### p) 外幣

於編製各個別集團實體之財務報表時，以實體功能貨幣以外之貨幣(外幣)進行之交易按於交易日期之通行匯率確認。於報告期間結束時，以外幣計值之貨幣項目按當日之通行匯率重新換算。按公平值列賬並以外幣計值之非貨幣項目按釐定公平值當日之通行匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

貨幣項目結算及貨幣項目重新換算所產生之匯兌差額於產生期間在損益確認，惟下列情況除外：應收或應付一項海外業務之貨幣項目之匯兌差額，既無計劃償付且出現之可能性亦不大(因此構成海外業務投資淨額的一部分)，初步於其他全面收入中確認，並於出售或部分出售本集團權益時由權益重新分類至損益。

就呈列綜合財務報表而言，本集團業務之資產及負債按報告期間結束時之通行匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目按該期間之平均匯率換算，惟倘匯率於該期間出現大幅波動則除外，在此情況下，則採用交易日期之通行匯率換算。所產生之匯兌差額(如有)於其他全面收入及累計權益中「匯兌儲備」(倘適用時歸屬於非控股權益)一項中確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### p) Foreign currencies (continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

#### q) 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.

### 3. 主要會計政策(續)

#### p) 外幣(續)

出售海外業務後(即出售本集團於海外業務之全部權益,或涉及失去附屬公司(包含海外業務)之控制權之出售事項,或出售於合營安排或聯營公司(包含海外業務)之部分權益而其保留權益成為金融資產),就本公司擁有人應佔該業務於權益中累計之所有匯兌差額重新分類至損益。

此外,就部分出售附屬公司,而並不會導致本集團失去該附屬公司之控制權而言,按比例分佔之累計匯兌差額重新歸屬予非控股權益,且並無於損益確認。就所有其他部分出售事項(即部分出售聯營公司或合營安排,而不會導致本集團失去重大影響力或共同控制權)而言,按比例分佔之累計匯兌差額重新分類至損益。

#### q) 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。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### q) 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.

### 3. 主要會計政策(續)

#### q) 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。

3. SIGNIFICANT ACCOUNTING POLICIES  
(continued)

## q) 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 recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset. Impairment losses are accounted for in accordance with the accounting policy as set out in note 3(l). 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.

## 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 as an expenses 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.

## 3. 主要會計政策(續)

## q) 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)確認為物業、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。減值虧損按照附註3(l)所載之會計政策入賬。租賃付款內含之融資費用於租賃期內於損益內扣除，使每個會計期間之融資費用所佔負債餘額之比率大致相同。

## iii) 經營租賃費用

倘本集團擁有根據經營租賃持有之資產之使用權，則根據租賃作出之付款會於租賃期所涵蓋之會計期間內，以等額在損益內扣除，惟倘有其他基準能更清楚反映租賃資產所產生之收益模式則除外。租賃優惠於損益內確認為租賃淨付款總額之組成部分。或然租金在其產生之會計期間列作開支扣除。

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。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### r) Employee benefits

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

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

##### ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

#### s) 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.

### 3. 主要會計政策(續)

#### r) 僱員福利

##### i) 短期僱員福利以及定額供款退休計劃供款

薪金、年度花紅、有薪年假、定額供款退休計劃供款以及非貨幣福利之成本於僱員提供相關服務之年度內計提。倘付款或結算獲遞延及影響屬重大，則按該等金額之現值列值。

##### ii) 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。

#### s) 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。



### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### t) 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 Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii) Both entities are joint ventures of the same third party.
  - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

### 3. 主要會計政策(續)

#### t) 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) 為本集團或本集團母公司之主要管理人員。
- (b) 倘符合下列任何條件，則該實體與本集團有關連：
- i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
  - ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
  - iii) 兩間實體均為同一第三方之合營企業。
  - iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### t) Related parties (continued)

##### (b) (continued)

- v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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.

#### u) 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.

### 3. 主要會計政策(續)

#### t) 關連方(續)

##### (b) (續)

- v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
- vi) 實體受(a)所識別人士控制或受共同控制。
- vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)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母公司提供主要管理人員服務。

個人之近親家庭成員指預期可影響，或受該人士影響彼等與該實體交易之家庭成員。

#### u) 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。

#### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### a) Reserve estimates

Reserves are estimates of the amount of products that can be economically and legally extracted from the Group's coal reserves. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand and commodity prices. Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源

於應用附註3所述本集團之會計政策時，本公司董事須對不能從其他資料來源得知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根據過往經驗及其他被認為有關之因素作出。實際結果可能有別於此等估計。

該等估計及相關假設會持續檢討。如修訂會計估計僅影響修訂估計期間，則該等估計在該期間確認，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，可能導致對下一個財政年度之資產及負債賬面值須作出重大調整。

##### a) 儲量估計

儲量為可按經濟原則合法自本集團之煤礦儲量取得之估計產品數量。為計算儲量，須就地質、技術及經濟因素範疇作出估計及假設，其中包括數量、品位、生產技術、採收率、生產成本、運輸成本、商品需求及商品價格。估計儲量之數量及／或品位時，須按鑽探採樣等地質數據分析，釐定礦體或礦場之規模、形狀及深度。此工序或涉及繁複艱鉅之地質判斷及計算以解釋有關數據。

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

##### Key sources of estimation uncertainty (continued)

##### a) Reserve estimates (continued)

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- i) Asset carrying values may be affected due to changes in estimated future cash flows.
- ii) Depreciation, depletion and amortisation charged to the profit or loss may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change.
- iii) Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.
- iv) The carrying value of deferred tax may change as a result of changes in the asset carrying values as discussed above.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

##### 估計不明朗因素之主要來源(續)

##### a) 儲量估計(續)

由於估計儲量所用經濟假設會隨著不同期間而改變，而營運過程中會額外產生地質數據，故儲量估計或會隨不同期間而有所變動。呈報儲量之變動可循不同方法影響本集團之財務業績及財務狀況，其中包括下列各項：

- i) 因估計未來現金流量之變動可能影響資產賬面值。
- ii) 倘折舊、耗減及攤銷支出按生產單位為基準予以釐定，或資產之可使用經濟年限有所變動，於損益內扣除之折舊、耗減及攤銷可能有所變動。
- iii) 倘估計儲量之變動影響拆撤、礦場復墾及環保工作預期之時間表或成本，拆撤、礦場復墾及環保撥備可能有所變動。
- iv) 遞延稅項之賬面值或因上文所討論之資產賬面值改變而有所變動。

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

##### Key sources of estimation uncertainty (continued)

##### b) Carrying value of property, plant and equipment and intangible assets

The Group's property, plant and equipment and intangible assets (exclude exploration and evaluation assets classified as intangible assets) are carried at cost less accumulated depreciation and amortisation and impairment losses, where appropriate. These carrying amounts are reviewed for impairment whenever internal and external sources of information indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the non-current assets and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position. The impairment assessment of the Group's mining right and exploration and evaluation assets included in intangible assets is further discussed below.

##### c) Impairment of mining right and exploration and evaluation assets

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists, which included internal and external sources of information for mining right, and facts and circumstances for exploration and evaluation assets. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. It is difficult to precisely estimate fair value because quoted market prices are not readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which require significant judgement and estimates such as sale volume, selling price and amount of operating costs. 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.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

##### 估計不明朗因素之主要來源(續)

##### b) 物業、廠房及設備以及無形資產賬面值

本集團之物業、廠房及設備以及無形資產(不包括分類為無形資產之勘探及評估資產)按成本減累計折舊與攤銷及減值虧損(如適用)列賬。倘內部及外界資料來源顯示賬面值可能無法收回，則會檢討該等項目之賬面值是否出現減值。若資產賬面值超過其可收回金額時，會就其差額確認減值虧損。可收回金額為資產公平值減出售成本或使用價值之較高者。在估計資產之可收回金額時作出多項假設，包括與非流動資產有關之未來現金流量及貼現率。倘未來事項與該等假設不符，可收回金額將需要作出修訂，此修訂可能影響本集團之經營業績或財務狀況。計入無形資產之本集團採礦權及勘探及評估資產，其減值評估於下文進一步論述。

##### c) 採礦權以及勘探及評估資產之減值

本集團每年評估各現金產生單位，以確定是否存在減值跡象，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重大判斷估計。管理層已評估其現金產生單位作為某個別礦場，其為獨立於其他資產之現金流量之最低水平。

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

##### Key sources of estimation uncertainty (continued)

##### d) Fair value measurements and valuation process

The Group's convertible bonds are measured at fair value for financial reporting purposes. The Directors have to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuer to perform the valuation. The Directors 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. Notes 5 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

Changes in subjective input assumptions can materially affect the fair value estimate.

##### e) Useful lives of property, plant and equipment

The Group's management determines 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.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

##### 估計不明朗因素之主要來源(續)

##### d) 公平值計量及估值過程

就財務報告而言，本集團之可換股債券以公平值計量。董事須就公平值計量釐定合適估值方法及輸入數據。

於估計資產或負債之公平值時，本集團盡可能使用可觀察市場數據。在並無第1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。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技巧及輸入數據。

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附註5。

主觀輸入數據假設之變動可對公平值估值造成重大影響。

##### e) 物業、廠房及設備之可使用年限

本集團管理層釐定其物業、廠房及設備之估計可使用年限及有關折舊費用。該估計以相似性質及功能之物業、廠房及設備之實際可使用年限過往經驗為基準，並可能因科技創新及競爭對手對嚴峻行業周期之反應而大幅改變。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，或撇銷或撇減已棄置或出售之技術過時或非策略性資產。

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

##### Key sources of estimation uncertainty (continued)

##### f) Write down of inventories

The management of the Group reviews the aging 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 management estimates 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. During the year ended 31 March 2017 and 2016, no write-down or reversal of write-down of inventories was recognised in profit or loss. As at 31 March 2017, the carrying amount of inventories is HK\$50,923,000 (2016: HK\$47,403,000).

##### g) Provision for close down, restoration and environmental costs

The provision for close down, restoration and environmental costs is determined by management based on their past experience and best estimation of future expenditures, after taking into account existing relevant PRC regulations. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future years, the estimate of the associated costs may be subject to revision from time to time. Details of the Group's provision for close down, restoration and environmental costs are set out in note 26.

##### h) Recognition of deferred tax assets

The Group has recognised deferred tax assets which arose from deductible temporary differences as set out in note 27. 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. As at 31 March 2017, the carrying amount of deferred tax assets is HK\$6,663,000 (2016: HK\$7,114,000).

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

##### 估計不明朗因素之主要來源(續)

##### f) 存貨撇減

本集團管理層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。管理層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對每種產品進行盤點，並為過時項目作出撥備。截至二零一七年及二零一六年三月三十一日止年度，概無於損益確認存貨撇減或存貨撇減撥回。於二零一七年三月三十一日，存貨之賬面值為50,923,000港元(二零一六年：47,403,000港元)。

##### g) 關閉、復墾及環境成本撥備

關閉、復墾及環境成本撥備由管理層考慮現有相關中國規例後，根據過往經驗及對未來支出之最佳估計釐定。然而，在目前採礦活動於未來數年對土地及環境之影響變得明顯之情況下，有關成本之估計可能須不時予以修訂。本集團就關閉、復墾及環境成本撥備之詳情載於附註26。

##### h) 確認遞延稅項資產

本集團已確認遞延稅項資產，其源自可扣減暫時差額，詳情載於附註27。遞延稅項資產之可變現性主要取決於是否存在未來應課稅溢利或應課稅暫時差額可供抵銷資產。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。於二零一七年三月三十一日，遞延稅項資產之賬面值為6,663,000港元(二零一六年：7,114,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS

#### a) Categories of financial instruments

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	348,533	349,871
Financial liabilities at amortised cost	按已攤銷成本計量之金融負債	22,078	18,108
Financial liabilities designated at FVTPL	按公平值列賬並在損益內處理之指定金融負債	261,616	317,650

#### b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, security deposit, cash and cash equivalents, trade and other payables and convertible bond. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### i) Currency risk

Several subsidiaries of the Company have foreign currency expenditures, which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### 5. 金融工具

#### a) 金融工具類別

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	348,533	349,871
Financial liabilities at amortised cost	按已攤銷成本計量之金融負債	22,078	18,108
Financial liabilities designated at FVTPL	按公平值列賬並在損益內處理之指定金融負債	261,616	317,650

#### b) 財務風險管理目標及政策

本集團之主要金融工具包括應收貨款及其他應收款項、保證按金、現金及現金等值項目、應付貨款及其他應付款項以及可換股債券。該等金融工具詳情於各相關附註披露。與該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及價格風險)、信貸風險及流動資金風險。如何降低該等風險之政策載於下文。管理層管理及監控該等風險，以確保及時與有效地採取適當措施。

##### i) 貨幣風險

本公司若干附屬公司有外幣開支，令本集團承受外幣風險。本集團並無任何外幣對沖政策。然而，管理層監察外匯風險，並於有需要時考慮對沖重大外幣風險。



## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

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

##### i) Currency risk (continued)

Certain receivables, cash and cash equivalents, payables, and security deposit and convertible bond of the Group are denominated in currencies other than the functional currency of the group entity to which they relate.

The following table shows the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

### 5. 金融工具(續)

#### b) 財務風險管理目標及政策(續)

##### i) 貨幣風險(續)

本集團若干應收款項、現金及現金等值項目、應付款項及保證按金及可換股債券均以本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。

**Exposure to foreign currencies  
(expressed in Hong Kong dollars)**  
外匯風險  
(以港元呈列)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Assets	資產	164,158	221,230
Liabilities	負債	262,819	318,586

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

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

##### i) Currency risk (continued)

###### Sensitivity analysis

The group entities are mainly exposed to foreign currency risk of HK\$.

The following table details the group entities' sensitivity to a 5% (2016: 5%) increase and decrease in HK\$ against each group entity's functional currency. 5% (2016: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2016: 5%) change in foreign currency rates. A negative number below indicates a decrease in profit for the year and increase in accumulated losses of the Group (2016: increase in loss for the year and accumulated losses of the Group) where each group entity's functional currency weaken 5% (2016: 5%) against HK\$. For a 5% (2016: 5%) strengthening of each group entity's functional currency against HK\$, there would be an equal and opposite impact.

### 5. 金融工具(續)

#### b) 財務風險管理目標及政策(續)

##### i) 貨幣風險(續)

###### 敏感度分析

集團實體主要承受港元之外幣風險。

下表詳列集團實體對港元兌各集團實體之功能貨幣之匯率升跌5%(二零一六年: 5%)之敏感度。5%(二零一六年: 5%)為向主要管理人員內部匯報外幣風險所用之敏感度比率, 並指管理層對外幣匯率可能合理變動之評估。敏感度分析僅包括以外幣計值之未償還貨幣項目, 並就外幣匯率之5%(二零一六年: 5%)變動調整於年終之換算。當各集團實體之功能貨幣兌港元貶值5%(二零一六年: 5%)時, 下表負數顯示本集團年內溢利減少及累計虧損增加(二零一六年: 本集團年內虧損及累計虧損增加)。倘各集團實體之功能貨幣兌港元升值5%(二零一六年: 5%), 則構成金額相等但效果相反之影響。

#### Exposure to foreign currencies (expressed in Hong Kong dollars)

##### 外匯風險

(以港元呈列)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit or loss and accumulated losses	溢利或虧損及累計虧損	(4,933)	(4,868)

## 5. FINANCIAL INSTRUMENTS (continued)

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

#### ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to bank balances and security deposit carried at prevailing market rate. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

#### *Sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of reporting period were outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2017 would increase and accumulated losses as at the reporting date would decrease by approximately HK\$1,681,000 (2016: decrease the Group's loss and accumulated losses by approximately HK\$1,741,000). This was mainly attributable to the exposure to interest rates on its variable-rate bank balances of the Group.

## 5. 金融工具(續)

### b) 財務風險管理目標及政策(續)

#### ii) 利率風險

本集團須承受有關以當前市場利率計息之銀行結存及保證按金之現金流量利率風險。本集團並無運用任何衍生合約對沖其利率風險。本集團並無制定政策管理其利率風險。

#### *敏感度分析*

下文之敏感度分析乃根據非衍生工具於報告期間結束時之利率風險釐定。編製分析時假設於報告期間結束時之未償還金融工具於整個年度均未償還。

倘利率上調／下滑50個基點，而所有其他變數維持不變，則本集團截至二零一七年三月三十一日止年度之溢利將增加及於報告日期之累計虧損將減少約1,681,000港元(二零一六年：本集團之虧損及累計虧損減少約1,741,000港元)，主要原因為本集團面對其浮動利率銀行結存之利率風險。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

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

##### iii) Equity price risk

The Group was required to estimate the fair value of the convertible bond (see note 25) at the end of the reporting period with changes in fair value to be recognised in the profit or loss. The fair value adjustment would be affected either positively or negatively, amongst others, by the changes in the Company's share market price.

##### *Sensitivity analysis*

The sensitivity analyses 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% higher and all other variables were held constant, the Group's post-tax profit for the year (as a result of changes in fair value of convertible bond) would decrease and accumulated losses would increase by approximately HK\$7,692,000 (2016: the Group's post-tax loss for the year and accumulated loss would increase by approximately HK\$8,585,000) during the year ended 31 March 2017. 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\$7,401,000 (2016: the Group's post-tax loss for the year and accumulated losses would decrease approximately HK\$8,584,000) during the year ended 31 March 2017.

### 5. 金融工具(續)

#### b) 財務風險管理目標及政策(續)

##### iii) 股本價格風險

本集團須於報告期間結束時估計可換股債券(見附註25)之公平值，並於損益內確認其公平值變動。公平值調整將受(其中包括)本公司股份市價變動之正面或負面影響。

##### *敏感度分析*

下述敏感度分析僅根據於報告日期所承受之本公司股價風險釐定。倘本公司股價上升5%，而所有其他變數維持不變，則本集團之除稅後年內溢利(乃源自可換股債券之公平值變動)將下跌，而累計虧損將增加約7,692,000港元(二零一六年：本集團之除稅後年內虧損及累計虧損將增加約8,585,000港元)。於截至二零一七年三月三十一日止年度，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，則本集團於截至二零一七年三月三十一日止年度間除稅後年內溢利(乃源自可換股債券之公平值變動)將增加而累計虧損將下跌約7,401,000港元(二零一六年：本集團之除稅後年內虧損及累計虧損將減少約8,584,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

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

##### iv) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the contractual undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

### 5. 金融工具(續)

#### b) 財務風險管理目標及政策(續)

##### iv) 流動資金風險

就管理流動資金風險而言，本集團監察及維持現金及現金等值項目於管理層認為足夠之水平，為本集團業務提供資金，並減低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。有關列表根據於本集團可能被要求付款之最早日期之金融負債訂約未貼現現金流量編製。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
31 March 2017	二零一七年三月三十一日					
Trade and other payables	應付貨款及其他應付款項	22,078	-	-	22,078	22,078
Convertible bond designated as financial liabilities at FVTPL	指定為按公平值列賬並在 損益內處理之金融負債 之可換股債券	-	-	200,000	200,000	261,616
		22,078	-	200,000	222,078	283,694

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

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

#### iv) Liquidity risk (continued)

### 5. 金融工具(續)

#### b) 財務風險管理目標及政策(續)

#### iv) 流動資金風險(續)

		Within 1 year or on demand 一年內或 應要求 HK\$'000 千港元	More than 1 year but less than 2 years 超過一年 但少於兩年 HK\$'000 千港元	2 years to 5 years 兩年至 五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
<b>31 March 2016</b>	<b>二零一六年三月三十一日</b>					
Trade and other payables	應付貨款及其他應付款項	18,108	-	-	18,108	18,108
Convertible bond designated as financial liabilities at FVTPL	指定為按公平值列賬並在 損益內處理之金融負債 之可換股債券	200,000	-	-	200,000	317,650
		218,018	-	-	218,108	335,758

## 5. FINANCIAL INSTRUMENTS (continued)

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

#### v) Credit risk

As at 31 March 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds and security deposit is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and counterparties rather than the industry or country in which the customers and counterparties operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers and counterparties. The Group has no significant concentration of credit risk, with exposure spread over a wide range of counterparties and customers.

## 5. 金融工具(續)

### b) 財務風險管理目標及政策(續)

#### v) 信貸風險

於二零一七年三月三十一日，因對手方未能履行責任而導致本集團蒙受財務虧損之本集團最高信貸風險即綜合財務狀況表所列各項已確認金融資產之賬面值。

為將信貸風險減至最低，本集團管理層已指派一支團隊，負責釐定信貸額、審批信貸及執行其他監察程序，確保採取跟進行動收回逾期債務。此外，本集團審閱每筆貿易債務於各報告期間結束時之可收回金額，確保就不能收回之金額作出足夠減值虧損。就此，本公司董事認為本集團之信貸風險已大幅減低。

由於對手方為獲國際信貸評級機構給予高信貸評級之銀行，故有關流動資金及保證按金之信貸風險有限。

本集團所承受之信貸風險主要受各客戶及對手方之個別特點所影響，而非客戶及對手方經營所在之行業或國家，因此信貸風險高度集中之情況主要於本集團就個別客戶及對手方承擔重大風險時產生。本集團並無重大信貸風險集中之問題，風險分佈於多名對手方及客戶。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

#### c) Fair value

The carrying amounts of the Group's financial instruments carried amortised cost are not materially different from their fair values as at 31 March 2017 and 2016.

#### Fair value hierarchy

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

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group uses an independent valuer to perform valuations of financial instruments which are categorised into Level 2 and Level 3 of the fair value hierarchy. Valuation reports with analysis of changes in fair value measurement are prepared by the independent valuer at each interim and annual reporting date, and are reviewed and approved by the financial controller. Discussion of the valuation process and results with the financial controller is held twice a year to coincide with the reporting dates.

### 5. 金融工具(續)

#### c) 公平值

本集團以攤銷成本列賬之金融工具之賬面值與於二零一七年及二零一六年三月三十一日之公平值並無重大分別。

#### 公平值層級

下表呈列本集團金融工具之公平值，乃於報告期間結束時按經常性基準計量，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架構。將公平值計量分類之等級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據(即於計量日同類資產或負債於活躍市場之未經調整報價)計量之公平值。
- 第二級估值：使用第二級輸入數據(即未能達到第一級之可觀察輸入數據)且並未使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據為無市場數據之輸入數據。
- 第三級估值：使用重大不可觀察輸入數據計量之公平值。

本集團透過獨立估值師對分類為公平值層級第二級及第三級之金融工具進行估值。載有公平值計量變動分析之估值報告由獨立估值師於各中期及年度報告日期編製，並由財務總監審閱及批准，並配合報告日期與財務總監每年兩次討論估值過程及結果。



## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

#### c) Fair value (continued)

##### Fair value hierarchy (continued)

		Fair value measurements as at 31 March 2017 categorised into 於二零一七年三月三十一日之公平值計量分類			
		Fair value at 31 March 2017 於二零一七年 三月三十一日 之公平值 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
<b>Recurring fair value measurements</b>	<b>經常性公平值計量</b>				
Liabilities:	負債：				
Convertible bond designated as financial liabilities at FVTPL	指定為按公平值列賬並 在損益內處理之金融 負債之可換股債券	261,616	-	-	261,616

		Fair value measurements as at 31 March 2016 categorised into 於二零一六年三月三十一日之公平值計量分類			
		Fair value at 31 March 2016 於二零一六年 三月三十一日 之公平值 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
<b>Recurring fair value measurements</b>	<b>經常性公平值計量</b>				
Liabilities:	負債：				
Convertible bond designated as financial liabilities at FVTPL	指定為按公平值列賬並 在損益內處理之金融 負債之可換股債券	317,650	-	-	317,650

During the years ended 31 March 2017 and 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至二零一七年及二零一六年三月三十一日止年度，概無第一級與第二級之間轉換，或由第三級轉入或轉出。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。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

#### c) Fair value (continued)

##### Information about Level 3 fair value measurements

The fair value of the convertible bond is equal to the summation of the fair value of the liability component and conversion option component, calculated using discounted cash flows and binomial model, respectively. The assumptions adopted for the valuation of the convertible bond are as follows:

- i) The estimation of risk free rate has made reference to the yield of 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 those companies engaged in similar industry;
- iii) The discount rate was arrived at based on the Company's credit rating and select comparable corporate bonds with similar maturity and credit risk to derive the range of comparable yield to maturity as of date of valuation and the median range has been adopted.
- iv) The estimation of dividend yield is based on historical dividend payment of the Company.

### 5. 金融工具(續)

#### c) 公平值(續)

##### 有關第三級公平值計量之資料

可換股債券公平值等於負債部分與轉換期權部分分別按貼現現金流量及二項式期權定價模式計算之公平值之總和。可換股債券估值採納之假設如下：

- i) 無風險利率乃參考年期與可換股債券相同之外匯基金票據收益估計；
- ii) 相關股價波幅之估計已考慮從事類似行業之公司之過往價格變動；
- iii) 貼現率乃根據本公司之信貸評級及具有類似到期期限及信貸風險之指定可資比較公司債券而訂定，以得出於估值日之可資比較到期收益範圍，計算時採納中位範圍。
- iv) 股息收益之估計乃基於本公司過往之股息派付。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

#### c) Fair value (continued)

##### Information about Level 3 fair value measurements (continued)

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

		31 March 2017 二零一七年 三月三十一日	14 March 2017 二零一七年 三月十四日	31 March 2016 二零一六年 三月三十一日
Stock price	股價	HK\$0.48 0.48港元	HK\$0.49 0.49港元	HK\$0.63 0.63港元
Exercise price	行使價	HK\$0.20 0.20港元	HK\$0.20 0.20港元	HK\$0.20 0.20港元
Risk free rate	無風險利率	1.071%	1.384%	0.276%
Discount rate	貼現率	9.35%	9.43%	7.39%
Dividend yield	股息率	0%	0%	0%
Time to expiration	到期時間	2.95 years 2.95年	3 years 3年	0.95 year 0.95年
Stock price volatility	股價波幅	76.25%	75.97%	116.09%

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% higher with all other variables held constant, the Group's profit for the year would decrease and accumulated losses would increase by approximately HK\$773,000 (2016: increase in the Group's loss and accumulated loss by approximately HK\$1,531,000) during the year ended 31 March 2017. 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\$591,000 (2016: decrease in the Group's loss and accumulated loss by approximately HK\$1,554,000) during the year ended 31 March 2017.

### 5. 金融工具(續)

#### c) 公平值(續)

##### 有關第三級公平值計量之資料(續)

計算公平值所採納之主要參數概列如下：

公平值計量中所用之重大不可觀察輸入數據為預期股價波幅。公平值計量與預期股價波幅呈正相關。倘預期股價波幅調高5%，而所有其他變數維持不變，截至二零一七年三月三十一日止年度，本集團之年內溢利將下跌及累計虧損將增加約773,000港元(二零一六年：本集團虧損及累計虧損增加約為1,531,000港元)。倘預期股價波幅調低5%，而所有其他變數維持不變，則於截至二零一七年三月三十一日止年度，本集團之年內溢利增加及累計虧損將減少約591,000港元(二零一六年：本集團虧損及累計虧損約減少為1,554,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

#### c) Fair value (continued)

##### Reconciliation of Level 3 fair value measurements

The movement during the year in the balance of financial liability of Level 3 fair value measurements is as follows:

Convertible bond (note 25):	可換股債券(附註25)：	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At beginning of the year	於年初	317,650	244,201
<b>Total (gain)/loss recognised in profit or loss:</b>	<b>於損益中確認之(收益)/虧損總額：</b>		
Fair value change (credited)/charged to the profit or loss, included in change in fair value and loss arising from modification of convertible bond	於損益中(計入)/扣除之公平值變動，計入可換股債券之公平值變動及修訂可換股債券產生之虧損	(61,975)	73,449
Loss on translation of convertible bond denominated in a foreign currency into the functional currency, included in administrative and other operating expenses	換算以外幣計值之可換股債券為功能貨幣之虧損，計入行政及其他經營費用	19,318	13,831
Total loss included in profit or loss for the year	計入年內損益之虧損總額	(42,657)	87,280
<b>Total (gain)/loss recognised in other comprehensive income</b>	<b>於其他全面收入確認之(收益)/虧損總額</b>		
Derecognition on maturity	於到期時終止確認	(258,963)	-
Recognition on date of extension	於延期日期確認	264,904	-
Loss arising from modification of convertible bond	修訂可換股債券產生之虧損	5,941	-
Exchange difference on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣時產生之匯兌調整	(19,318)	(13,831)
At end of the year	於年末	261,616	317,650
<b>Total (gain)/loss for the year relating to financial liability held at the end of reporting period:</b>	<b>有關於報告期間結束時持有之金融負債有關之下列之年內(收益)/虧損總額：</b>		
- under change in fair value and loss arising from modification of convertible bond	- 計入可換股債券之公平值變動及修訂可換股債券產生之虧損	(3,288)	73,449
- under administrative and other operating expenses	- 計入行政及其他經營費用	6,209	13,831
		2,921	87,280

### 5. 金融工具(續)

#### c) 公平值(續)

有關第三級公平值計量之對賬  
第三級公平值計量之金融負債結  
存之年內變動如下：

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 6. REVENUE

Revenue represents the amounts received and receivable for coal sold by the Group to outside customers, less returns, discounts allowed and value added tax. An analysis of the Group's revenue is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Sales of coal	銷售煤炭	73,024	59,841

### 7. OTHER REVENUE

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest income on bank deposit	銀行存款之利息收入	2,822	5,856
Others	其他	7,121	10,159
		9,943	16,015

### 6. 收益

收益指本集團銷售煤炭予對外客戶減去退貨、折扣撥備及增值稅後之已收及應收款項。本集團之收入分析如下：

### 7. 其他收益

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 8. SEGMENT INFORMATION

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

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

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

#### Information about major customers

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

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C
Customer D	客戶D
Customer E	客戶E

\* The corresponding revenue did not contribute 10% or more of the total revenue of the Group during the year ended 31 March 2017 or 2016.

### 8. 分類資料

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

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

客戶地區位置乃依據貨品交付地點釐定。本集團之收益及經營業績均源自中國之業務。在中國境外之業務並不重大。本集團之主要資產亦均位於中國。因此,並無提供地區分類資料。

#### 有關主要客戶之資料

佔總收益10%或以上之對外客戶之收益如下:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A	*	21,264
Customer B	*	8,192
Customer C	*	6,713
Customer D	20,522	*
Customer E	18,920	*

\* 於截至二零一七年或二零一六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。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 9. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after (crediting)/charging:

### 9. 除稅前溢利／(虧損)

除稅前溢利／(虧損)已(計入)／扣除下列各項：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Amount of inventories sold	出售存貨之金額	48,426	35,309
Amount of inventories recognised as an expense	確認為開支之存貨金額	48,426	35,309
Staff costs (excluding directors' remuneration (Note 13))	員工成本(董事酬金(附註13)除外)		
Basic salaries and allowances	基本薪金及津貼	9,076	9,475
Contributions to defined contribution retirement plan	定額供款退休計劃供款	626	1,137
		9,702	10,612
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,501	4,898
Amortisation of intangible assets	無形資產攤銷	2,710	8,877
Less: Amounts capitalised in inventories	減：存貨資本化金額	(1,112)	(5,665)
Amounts included in cost of sales	計入銷售成本金額	1,598	3,212
Auditor's remuneration	核數師酬金		
– audit services	– 核數服務	740	710
– other services	– 其他服務	300	300
		1,040	1,010
Operating leases charge	經營租賃開支	2,495	2,603
Net exchange loss on financial liabilities at FVTPL	按公平值列賬並在損益內處理之金融負債之匯兌虧損淨額	19,318	13,831
Other net exchange gain	其他匯兌收益淨額	(7,828)	(6,730)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	–	87
Impairment loss on intangible assets and property, plant and equipment	無形資產及物業、廠房及設備減值虧損	–	12,012
Interest income on financial assets not at fair value through profit or loss	不按公平值列賬並在損益內處理之金融資產之利息收入	(2,822)	(5,856)

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 10. INCOME TAX EXPENSE

### 10. 所得稅開支

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Tax expense comprises:</b>	<b>所得稅開支包括：</b>		
Hong Kong Profits Tax	香港利得稅		
– current year	– 本年度	–	–
Tax in other jurisdictions	其他司法權區之稅項		
– current year	– 本年度	7,127	7,579
– under-provision in prior years	– 過往年度撥備不足	206	–
		<b>7,333</b>	7,579
Deferred tax (Note 27)	遞延稅項(附註27)	<b>1,821</b>	(1,511)
		<b>9,154</b>	6,068

Hong Kong Profits Tax has not been provided for in the consolidated financial statements as there was no estimated assessable profits being derived from Hong Kong for both years ended 31 March 2017 and 2016. Where there is Hong Kong assessable profits, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

由於截至二零一七年及二零一六年三月三十一日止兩個年度內，並無源自香港之估計應課稅溢利，故並無於綜合財務報表就香港利得稅作出撥備。倘有源自香港之應課稅溢利，則香港利得稅按估計應課稅溢利之16.5%來計算。



## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 10. INCOME TAX EXPENSE (continued)

The Company is incorporated in Bermuda and is exempted from income tax in Bermuda. The Company's subsidiary established in the British Virgin Islands is exempted from income tax in the British Virgin Islands.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The tax expense for the year can be reconciled to the profit/(loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

### 10. 所得稅開支(續)

本公司於百慕達註冊成立並獲豁免繳納百慕達所得稅。本公司於英屬處女群島成立之附屬公司獲豁免繳納英屬處女群島所得稅。

根據中華人民共和國企業所得稅法(「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%。

本年度稅項開支與綜合損益及其他全面收益表中除稅前溢利/(虧損)之對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit/(loss) before tax	除稅前溢利/(虧損)	57,421	(73,540)
Notional tax on profit/(loss) before tax, calculated at the rates applicable to profit/(loss) in the countries concerned	按照在相關國家獲得溢利/(虧損)之適用稅率計算除稅前溢利/(虧損)之名義稅項	10,280	(11,705)
Tax effect of expenses not deductible for tax purposes	不作扣稅開支之稅務影響	8,267	17,460
Tax effect of deductible temporary difference previously not recognised	過往未確認之可扣稅暫時差額之稅務影響	11	-
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(9,606)	(554)
Tax effect of temporary differences and tax losses not recognised	未確認之暫時差額及稅項虧損之稅務影響	(4)	867
Under-provision in prior years	過往年度撥備不足	206	-
Tax expense for the year	本年度稅項開支	9,154	6,068

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 11. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2017, nor has any dividend been proposed since the end of the current reporting period (2016: Nil).

### 12. EARNINGS/(LOSS) PER SHARE

#### a) Basic earnings/(loss) per share

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

### 11. 股息

於截至二零一七年三月三十一日止年度內既無派付亦無建議派付股息，而自本報告期間結束以來亦無建議派付任何股息(二零一六年：無)。

### 12. 每股盈利/(虧損)

#### a) 每股基本盈利/(虧損)

本公司擁有人應佔年內每股基本盈利/(虧損)乃根據下列數據計算：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Profit/(loss)</b>		
<b>Profit/(loss) for the purpose of basic earnings/(loss) per share (Profit/(loss) for the year attributable to owners of the Company)</b>	<b>溢利/(虧損)</b> 用以計算每股基本盈利/(虧損)之溢利/(虧損) (本公司擁有人應佔年內溢利/(虧損))	
	<b>48,267</b>	(79,608)
<b>Weighted average number of ordinary shares</b>	<b>普通股加權平均數</b>	
<b>Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share</b>	<b>用以計算每股基本盈利/(虧損)之普通股加權平均數</b>	
	<b>765,373,584</b>	765,373,584

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 12. 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 (diluted)

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit/(loss) for the year attributable to owners	48,267	(79,608)
Change in fair value and loss arising from modification of convertible bonds*	(56,034)	-
Exchange loss on convertible bonds*	19,318	-
Profit/(loss) attributable to owners (diluted)	11,551	(79,608)

#### ii) Weighted average number of ordinary shares (diluted)

	2017 二零一七年	2016 二零一六年
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	765,373,584	765,373,584
Effect of conversion of convertible bond*	1,000,000,000	-
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	1,765,373,584	765,373,584

\* The calculation of diluted loss per share for the year ended 31 March 2016 does not assume the conversion of convertible bond since its conversion would result in a decrease in loss per share. The basic and diluted loss per share are the same.

### 12. 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)(經攤薄)

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit/(loss) for the year attributable to owners	48,267	(79,608)
Change in fair value and loss arising from modification of convertible bonds*	(56,034)	-
Exchange loss on convertible bonds*	19,318	-
Profit/(loss) attributable to owners (diluted)	11,551	(79,608)

#### ii) 普通股加權平均數(經攤薄)

	2017 二零一七年	2016 二零一六年
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	765,373,584	765,373,584
Effect of conversion of convertible bond*	1,000,000,000	-
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	1,765,373,584	765,373,584

\* 由於轉換可換股債券會導致每股虧損減少，故計算截至二零一六年三月三十一日止年度每股攤薄虧損時並無假設有轉換。每股基本及攤薄虧損相同。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

#### a) Directors' emoluments

The emoluments paid or payable to each of the six (2016: seven) directors were as follows:

For the year ended 31 March 2017

### 13. 董事及高級管理人員酬金

#### a) 董事酬金

已付或應付各六名(二零一六年:七名)董事之酬金如下:

截至二零一七年三月三十一日止年度

	Fees 袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 總額 HK\$'000 千港元
		Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Retirement benefits scheme contributions 退休福利計劃供款 HK\$'000 千港元	
<b>Executive directors: 執行董事:</b>				
Lo Fong Hung 羅方紅	–	700	18	718
Wang Xiangfei 王翔飛	–	480	12	492
Kwan Man Fai 關文輝	500	–	–	500
<b>Independent non-executive directors: 獨立非執行董事:</b>				
Wong Man Hin, Raymond 黃文顯	288	–	–	288
Lam Ka Wai, Graham 林家威	288	–	–	288
Chan Yiu Fai, Youdey 陳耀輝	288	–	–	288
	<b>1,364</b>	<b>1,180</b>	<b>30</b>	<b>2,574</b>

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

a) Directors' emoluments (continued)

For the year ended 31 March 2016

13. 董事及高級管理人員酬金(續)

a) 董事酬金(續)

截至二零一六年三月三十一日止年度

	Fees	Other emoluments		Total
		Salaries, allowances and other benefits	Retirement benefits scheme contributions	
	袍金	薪金、津貼及其他福利	退休福利計劃供款	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
<b>Executive directors: 執行董事：</b>				
Lo Fong Hung 羅方紅	–	720	18	738
Wang Xiangfei 王翔飛	–	480	18	498
Kwan Man Fai 關文輝	480	–	–	480
<b>Independent non-executive directors: 獨立非執行董事：</b>				
Wong Man Hin, Raymond 黃文顯	288	–	–	288
Lam Ka Wai, Graham 林家威	288	–	–	288
Chan Yiu Fai, Youdey 陳耀輝	288	–	–	288
Xu Xiao Sheng (resigned on 21 January 2016) 許小勝(於二零一六年一月二十一日辭任)	231	–	–	231
	1,575	1,200	36	2,811

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

#### b) Senior management's emoluments

Of the five individuals with the highest emoluments in the Group, three (2016: three) were directors of the Company whose emoluments are set out above. The emoluments of the remaining two (2016: two) highest paid individuals were as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	1,368	1,528
Retirement benefits scheme contributions	退休福利計劃供款	28	30
		<b>1,396</b>	<b>1,558</b>

The emoluments of the two (2016: two) highest paid employees fall in the following band:

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
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

c) No emoluments have been 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 two years ended 31 March 2017 and 31 March 2016.

### 13. 董事及高級管理人員酬金(續)

#### b) 高級管理人員酬金

於本集團五名最高薪人士中，三名(二零一六年：三名)為本公司董事，其酬金載於上文。餘下兩名(二零一六年：兩名)最高薪人士之酬金如下：

兩名(二零一六年：兩名)最高薪僱員之酬金介乎下列酬金範圍：

c) 於截至二零一七年三月三十一日及二零一六年三月三十一日止兩個年度，本集團並無向本公司董事或五名最高薪人士支付或應付之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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold land and buildings 租賃土地及 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, equipment and motor vehicles 傢俬、 設備及汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>				
At 1 April 2015	於二零一五年四月一日	11,588	26,984	5,406	43,978
Exchange realignment	匯兌調整	(578)	(1,339)	(296)	(2,213)
Additions	添置	353	348	1,534	2,235
Disposals	出售	-	-	(270)	(270)
At 31 March 2016	於二零一六年三月三十一日	11,363	25,993	6,374	43,730
At 1 April 2016	於二零一六年四月一日	11,363	25,993	6,374	43,730
Exchange realignment	匯兌調整	(721)	(1,659)	(405)	(2,785)
Additions	添置	-	361	44	405
Disposals	出售	-	-	(16)	(16)
At 31 March 2017	於二零一七年三月三十一日	10,642	24,695	5,997	41,334
<b>Accumulated depreciation, Amortisation and impairment</b>	<b>累計折舊、攤銷及減值</b>				
At 1 April 2015	於二零一五年四月一日	3,128	14,658	4,330	22,116
Exchange realignment	匯兌調整	(206)	(816)	(232)	(1,254)
Charge for the year	本年度支出	1,315	2,978	605	4,898
Impairment loss	減值虧損	1,219	1,569	317	3,105
Eliminated on disposals	出售時對銷	-	-	(183)	(183)
At 31 March 2016	於二零一六年三月三十一日	5,456	18,389	4,837	28,682
At 1 April 2016	於二零一六年四月一日	5,456	18,389	4,837	28,682
Exchange realignment	匯兌調整	(370)	(1,213)	(320)	(1,903)
Charge for the year	本年度支出	1,032	1,953	516	3,501
Eliminated on disposals	出售時對銷	-	-	(16)	(16)
At 31 March 2017	於二零一七年三月三十一日	6,118	19,129	5,017	30,264
<b>Carrying amount</b>	<b>賬面值</b>				
At 31 March 2017	於二零一七年三月三十一日	4,524	5,566	980	11,070
At 31 March 2016	於二零一六年三月三十一日	5,907	7,604	1,537	15,048

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT (continued)

The above property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the shorter of the term of the leases or 3.33%
Plant and machinery	10% to 25%
Furniture, equipment and motor vehicles	10% to 25%

The analysis of carrying amount of leasehold land and building is as follows:

Outside Hong Kong	位於香港境外
-------------------	--------

No impairment loss was recognized during the year ended 31 March 2017.

During the year ended 31 March 2016, in view of significant decrease in demand of coal, the directors of the Company consider that the recoverable amount (considered to be the same as the value in use (“VIU”) of the cash generating units (“CGUs”), mentioned in note 15(ii) below) of the CGUs is lower than the carrying amount. Therefore, the directors of the Company made an impairment of HK\$3,105,000 to write down the carrying amount of property, plant and equipment.

### 14. 物業、廠房及設備(續)

上述物業、廠房及設備以直線法按下列年率計提折舊：

租賃土地及樓宇	按租賃年期或3.33%之間較短者
廠房及機器	10%至25%
傢俬、設備及汽車	10%至25%

租賃土地及樓宇賬面值分析如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
4,524	5,907

於截至二零一七年三月三十一日止年度，概無確認減值虧損。

截至二零一六年三月三十一日止年度，考慮到煤炭需求嚴重下滑，本公司董事認為現金產生單位（「現金產生單位」）之可收回金額（誠如下文附註15(ii)所述被視為與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，本公司董事已作出3,105,000港元的減值，以撇減物業、廠房及設備之賬面值。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

15. INTANGIBLE ASSETS

15. 無形資產

		Exploration and evaluation assets 勘探及評估資產 (Note i, iii & iv) (附註i、iii及iv) HK\$'000 千港元	Mining right 採礦權 (Note i, ii, & iv) (附註i、ii及iv) HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>			
At 1 April 2015	於二零一五年四月一日	50,958	107,863	158,821
Exchange realignment	匯兌調整	(2,516)	(5,325)	(7,841)
At 31 March 2016	於二零一六年三月三十一日	48,442	102,538	150,980
At 1 April 2016	於二零一六年四月一日	48,442	102,538	150,980
Exchange realignment	匯兌調整	(3,076)	(6,511)	(9,587)
At 31 March 2017	於二零一七年三月三十一日	45,366	96,027	141,393
<b>Accumulated amortisation and impairment</b>	<b>累計攤銷及減值</b>			
At 1 April 2015	於二零一五年四月一日	50,958	44,117	95,075
Exchange realignment	匯兌調整	(2,516)	(2,539)	(5,055)
Charge for the year	本年度支出	-	8,877	8,877
Impairment loss	減值虧損	-	8,907	8,907
At 31 March 2016	於二零一六年三月三十一日	48,442	59,362	107,804
At 1 April 2016	於二零一六年四月一日	48,442	59,362	107,804
Exchange realignment	匯兌調整	(3,076)	(3,832)	(6,908)
Charge for the year	本年度支出	-	2,710	2,710
At 31 March 2017	於二零一七年三月三十一日	45,366	58,240	103,606
<b>Carrying amount</b>	<b>賬面值</b>			
At 31 March 2017	於二零一七年三月三十一日	-	37,787	37,787
At 31 March 2016	於二零一六年三月三十一日	-	43,176	43,176

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 15. INTANGIBLE ASSETS (continued)

Notes:

i) 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.

#### ii) Mining right

At the end of each reporting period, the management conducted impairment review of the mining right. As at 31 March 2017, with reference to valuations conducted by an independent professional valuer using discounted cash flow method, the management expected that the recoverable amount of the mining right exceeded its carrying amount, and no impairment loss was recognised during the year ended 31 March 2017.

During the year ended 31 March 2016, given that the global economy was slowing down and China's economy was under downward pressure, there was oversupply of coal leading to the continuing decrease in coal price during the year, the directors of the Company had estimated the recoverable amounts of the non-current mining assets of the coal mining business of the Group (the "Coal Mining Assets") for purposes of impairment testing.

In such connection, the Company engaged Roma Appraisals Limited, an independent professional valuer, to assess the value in use ("VIU") of the Coal Mining Assets. 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 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 26% used in assessing the VIU of the CGUs of the Coal Mining Assets.

### 15. 無形資產(續)

附註：

i) 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。

#### ii) 採礦權

於各報告期間結束時，管理層對採礦權進行減值檢討。於二零一七年三月三十一日參照獨立專業估值師使用已貼現現金流量方法作出之估值，管理層預期採礦權之可收回金額超過其賬面值，且於截至二零一七年三月三十一日止年度，概無確認減值虧損。

於截至二零一六年三月三十一日止年度，鑒於全球經濟放緩及中國經濟面臨下行壓力，煤炭供過於求導致煤炭價格於年內持續下跌，本公司董事已評估本集團煤礦業務之非流動採礦資產(「煤礦資產」)之可收回金額以作減值測試。

因此，本公司已委聘獨立專業估值師羅馬國際評估有限公司評估煤礦資產之使用價值(「使用價值」)。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(涵蓋礦場之採礦權之剩餘期間)採用可反映當前所評估之貨幣時間值及相關業務特定風險之除稅前貼現率貼現至其現值。預測現金流量所使用之參數分別包括但不限於反映市場及本集團現狀以及未來估計走勢之煤炭售價及銷量、生產成本及其他開支、資本開支、生產計劃及貼現率。

於評估各現金產生單位之適用貼現率時，已採用資本資產定價模式。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權益風險溢價兩者之總和。此外，預期現金產生單位之預期回報率將受到整體市場以外之其他固定特定風險因素所影響。權益成本乃按無風險利率、市場回報及現金產生單位之估計貝塔系數以及固定特定風險因素釐定。評估煤礦資產之現金產生單位之使用價值時所使用的除稅前貼現率為26%。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 15. INTANGIBLE ASSETS (continued)

Notes: (continued)

#### ii) Mining right (continued)

Based on the assessment, the VIU of the CGUs of the Coal Mining Assets was HK\$57,980,000 as at 31 March 2016, resulting that an impairment loss totalling HK\$12,012,000 should be made for the property, plant and equipment and the mining right. The Group allocated the impairment based on their relative carrying amounts amongst the Coal Mining Assets. Accordingly, impairment for items of property, plant and equipment of HK\$3,105,000 and impairment for mining right of HK\$8,907,000 were recognised in the consolidated statement of profit or loss and other comprehensive income during 2016.

#### iii) Exploration and evaluation assets

The exploration and evaluation assets represented the exploration right possessed by the Group. For the year ended 31 March 2013, the exploration and evaluation assets were fully impaired in profit or loss based on a professional valuation, which concluded that no defined or reliable future economic benefit could be drawn due to the following facts and circumstances:

- the exploration right had been renewed twice and the expiry date of it would be on 20 February 2014;
- according to a legal opinion obtained by the Group, that under PRC law and regulation the exploration right could only be renewed twice, and no further renewal for period beyond 20 February 2014 could be obtained;
- On 19 March 2014, the relevant government bureau exercised an administrative discretionary right and granted a renewed exploration right with valid period from 25 February 2014 to 25 February 2016;
- On 19 May 2016, the Company further obtained a renewal permit from Xinjiang Land Development granting the renewal of the Exploration Permit with valid period from 5 April 2016 to 5 April 2017;
- On 16 May 2017, the Company further obtained a renewal permit from Xinjiang Land Development granting the renewal of the Exploration Permit with valid period from 16 May 2017 to 16 May 2019;

### 15. 無形資產(續)

附註：(續)

#### ii) 採礦權(續)

根據評估，於二零一六年三月三十一日，煤礦資產之現金產生單位之使用價值為57,980,000港元，導致應就物業、廠房及設備以及採礦權作出總計為12,012,000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。據此，物業、廠房及設備項目減值3,105,000港元以及採礦權減值8,907,000港元已於二零一六年於綜合損益及其他全面收益表內確認。

#### iii) 勘探及評估資產

勘探及評估資產指本集團擁有之勘探權。截至二零一三年三月三十一日止年度，勘探及評估資產已根據專業估值於損益中悉數減值，由此結論於以下事實及情況，本集團日後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，於中國法律及法規下，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；
- 於二零一四年三月十九日，有關政府機關行使行政酌情權並授予重續勘探權，有效期由二零一四年二月二十五日至二零一六年二月二十五日；
- 於二零一六年五月十九日，本公司再獲新疆國土資源廳重續礦產資源勘查許可證，批准礦產資源勘查許可證之重續，有效期由二零一六年四月五日起至二零一七年四月五日；
- 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；

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 15. INTANGIBLE ASSETS (continued)

Notes: (continued)

#### iii) Exploration and evaluation assets (continued)

- the management re-assessed the status and considered that the Group is 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 iv below).

As at 31 March 2017 and 2016, despite the successful renewal of the exploration right, with reference to a professional valuation conducted by an independent professional valuer, the Group concluded that no defined or reliable future economic benefit could be drawn from it and the impairment loss should not be reversed with the following reasons:

- The Group intends to hold the exploration right until the Optimization and Upgrading Plan is approved;
  - due to the Optimization and Upgrading Plan, it is not feasible and practicable for the Group to obtain a mining right; and
  - that defined or reliable future economic benefit could not be drawn based on the current progress of the Optimization and Upgrading Plan.
- iv) During the year ended 31 March 2012, the Department of Land and Resources of Xinjiang Uygur Autonomous Region (the “Xinjiang Land Department”) informed the Group that pursuant to the instructions of the National Development and Reform Commission of the PRC, the Xinjiang Land Department is planning a management restructuring of different coal mines in the Xiheishan Mining Area (the “Optimization and Upgrading Plan”), where the Group’s Kaiyuan Open Pit Coal Mine (the “Kaiyuan Mine”) and Zexu Open Pit Coal Mine (the “Zexu Mine”) are situated.

On 14 March 2012, a proposal (the “Proposal”) was issued by the People’s Government of Mulei Kazak Autonomous County, where the Group’s Kaiyuan Mine is located, to the Administrative Bureau of Coal Industry of Changji Prefecture (the “Changji Administrative Bureau”). According to the Proposal, which is part of the Optimization and Upgrading Plan, the mining area of the Kaiyuan Mine, where the Group is now conducting mining activities, is proposed to be increased to 4.12 square kilometers, with the estimated additional coal resources of approximately 131.18 million tonnes. In the Proposal, it is also stated that the production capacity of the Kaiyuan Mine will increase from 0.9 million tonnes per year to 3 million tonnes per year.

### 15. 無形資產(續)

附註：(續)

#### iii) 勘探及評估資產(續)

- 管理層重新評估情況，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iv)之目前進度，日後無法取得明確或可靠經濟利益。

於二零一七年及二零一六年三月三十一日，儘管成功重續勘探權，經參照獨立專業估值師提供之專業估值後，本集團結論為，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，乃基於以下原因：

- 本集團擬持有勘探權直至優化升級方案獲得批准；
- 基於優化升級方案，本集團認為取得採礦權並非切實可行；及
- 基於優化升級方案之目前進度，日後無法取得明確或可靠經濟利益。

iv) 截至二零一二年三月三十一日止年度，新疆維吾爾自治區國土資源廳(「新疆國土資源廳」)知會本集團，根據中國國家發展和改革委員會之指示，新疆國土資源廳已為西黑山礦區內不同煤礦作出管理重組規劃(「優化升級方案」)，本集團之凱源露天煤礦(「凱源煤礦」)及澤旭露天煤礦(「澤旭煤礦」)位於該礦區內。

於二零一二年三月十四日，本集團凱源煤礦所在之木壘哈薩克自治縣人民政府向昌吉州煤炭工業管理局(「昌吉管理局」)發出建議(「建議」)。根據為優化升級方案一部分之建議，本集團正進行開採活動之凱源煤礦之開採面積建議增至4.12平方公里，估計煤礦資源約為131.18百萬噸。於建議中，亦列明凱源煤礦之產能由每年0.9百萬噸增至每年3百萬噸。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 15. INTANGIBLE ASSETS (continued)

Notes: (continued)

iv) (continued)

The Group received a letter dated 13 June 2012 issued by the Changji Administrative Bureau (the "13 June Letter") informing the updated status of the Management Restructuring Plan. According to the 13 June Letter, the following proposals in relation to the Group's Kaiyuan Mine and Zexu Mine (the "Updated Proposals") have been submitted to the working group head office for coal industry structural upgrade work of Xinjiang Uygur Autonomous Region for consideration and approval:

- The Group's Kaiyuan Mine will be restructured and upgraded, and the exploration rights in the Zexu Mine granted to the Group will be terminated; and
- The mining area of the Kaiyuan Mine, where the Group is now conducting mining activities, is proposed to be increased from 1.1596 square kilometers to 4.12 square kilometers, with the estimated additional coal resources of approximately 131.18 million tonnes.

The directors of the Company are of the view that as the above proposals are still subject to final approval by the People's Government of Xinjiang Uygur Autonomous Region, it is uncertain whether the above changes will be materialised. The Group will engage an independent qualified valuer to value the additional coal resources when the final approval is obtained.

### 15. 無形資產(續)

附註：(續)

iv) (續)

本集團接獲昌吉管理局就通知管理重組規劃之最新情況所發出之日期為二零一二年六月十三日之函件(「六月十三日函件」)。根據六月十三日函件，下列有關本集團凱源煤礦及澤旭煤礦之建議(「更新建議」)已提呈新疆維吾爾自治區煤炭產業結構優化升級工作領導小組辦公室作審批：

- 本集團之凱源煤礦將改造及升級，而授予本集團之澤旭煤礦勘探權將終止；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，估計煤礦資源約為131.18百萬噸。

本公司董事認為由於上述建議仍有待新疆維吾爾自治區人民政府最終審批，故上述變動會否落實仍屬未知之數。倘取得最終批准，本集團將委聘獨立合資格估值師對額外煤礦資源進行估值。

### 16. GOODWILL

### 16. 商譽

		HK\$'000 千港元
<b>Cost</b>	<b>成本</b>	
At 1 April 2015, 31 March 2016 and 31 March 2017	於二零一五年四月一日、二零一六年三月三十一日及二零一七年三月三十一日	37,469
<b>Impairment</b>	<b>減值</b>	
At 1 April 2015, 31 March 2016 and 31 March 2017	於二零一五年四月一日、二零一六年三月三十一日及二零一七年三月三十一日	(37,469)
<b>Carrying amount</b>	<b>賬面值</b>	
At 31 March 2017	於二零一七年三月三十一日	-
At 31 March 2016	於二零一六年三月三十一日	-

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 16. GOODWILL (continued)

At the end of the reporting period, the carrying amount of goodwill allocated to these CGUs is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Qitai County Zexu Trading Company Limited (奇台縣澤旭商貿有限責任公司) ("E&E CGU")	奇台縣澤旭商貿有限責任公司(「勘探及評估現金產生單位」)	-	-
Mulei County Kai Yuan Coal Company Limited (木壘縣凱源煤炭有限責任公司) ("Mining CGU")	木壘縣凱源煤炭有限責任公司(「採礦現金產生單位」)	-	-
		-	-

The goodwill arising on acquisition of Qitai County Zexu Trading Company Limited (奇台縣澤旭商貿有限責任公司) and Mulei County Kai Yuan Coal Company Limited (木壘縣凱源煤炭有限責任公司) was fully impaired during the year ended 31 March 2011.

### 17. SECURITY DEPOSIT

The balance represents a deposit placed with a bank to secure the Group's obligation to restore the environment when mining activities ceased. The deposit bears interest at the prevailing bank saving interest rate and can be withdrawn upon the expiry of the Group's mining right and fulfillment of environment restoration obligation.

### 18. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost

非上市股份，按成本

### 16. 商譽(續)

於報告期間結束時，分配至該等現金產生單位之商譽賬面值如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	-	-
	-	-
	-	-

收購奇台縣澤旭商貿有限責任公司及木壘縣凱源煤炭有限責任公司所產生之商譽於截至二零一一年三月三十一日止年度已悉數減值。

### 17. 保證按金

結餘指本集團於採礦活動中止時就履行復墾環境之責任而於銀行存置之存款。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完成環境復墾責任時提取。

### 18. 於附屬公司之投資

#### The Company 本公司

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	-	-

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 18. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the principal subsidiaries held by the Company as at 31 March 2017 and 2016 are as follows:

Name of subsidiary 附屬公司名稱	Class of shares held 所持股份類別	Place of incorporation/ registration and operation 註冊成立/註冊及 經營地點	Issued shares/ registered capital 已發行股份/ 註冊資本	Percentage of equity attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
				2017 二零一七年 %	2016 二零一六年 %	
<b>Directly held:</b> 直接持有：						
Lasting Power Investments Limited 力恒投資有限公司	Ordinary 普通股	BVI 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
<b>Indirectly held:</b> 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 普通股	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 普通股	Hong Kong 香港	60,000,000 shares 60,000,000股股份	100	100	Investment holding 投資控股
Mulei County Kai Yuan Coal Company Limited 木豐縣凱源煤炭有限責任公司*	Registered 註冊資本	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
Qitai County Zexu Trading Company Limited 奇台縣澤旭商貿有限責任公司#	Registered 註冊資本	PRC 中國	RMB2,000,000 人民幣2,000,000元	100	100	Holding of an exploration right of coal mine 持有煤礦勘探權

\* Registered under the laws of PRC as wholly-foreign-owned enterprise

# Registered under the laws of PRC as domestic enterprise

\* 根據中國法例註冊為外商獨資企業

# 根據中國法例註冊為境內企業

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

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

### 18. 於附屬公司之投資(續)

本公司於二零一七年及二零一六年三月三十一日持有之主要附屬公司詳情如下：

上表列示本公司董事認為主要影響本集團業績或資產之本集團附屬公司。董事認為，詳列其他附屬公司之資料會導致篇幅過於冗長。

於年終或年內任何時間，概無附屬公司擁有任何已發行之債務證券。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 19. INVENTORIES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Consumables	消費品	371	491
Coal	煤炭	50,552	46,912
		<b>50,923</b>	<b>47,403</b>

No inventories were written down for the year ended 31 March 2017 and 2016.

### 19. 存貨

並無於截至二零一七年及二零一六年三月三十一日止年度撇減存貨。

### 20. TRADE AND OTHER RECEIVABLES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade and bills receivables	應收貨款及應收票據	10,591	–
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	1,926	2,385
Value-added tax and non-income tax receivables	應收增值稅及非所得稅	–	40
		<b>12,517</b>	<b>2,425</b>

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

The Group's sales to coal customers are largely done on payment in advance basis. For certain well-established customers, the Group allows credit period up to 180 days.

### 20. 應收貨款及其他應收款項

所有應收貨款及其他應收款項預期於一年內收回或確認為開支。

本集團向煤炭客戶之銷售大部分按預付款項基準作出。就若干關係良好之客戶而言，本集團批准之信貸期為最多180天。



## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 20. TRADE AND OTHER RECEIVABLES (continued)

At the end of reporting period, the aging analysis of the trade receivables (presented based on the invoice date) and bills receivables (presented based on the issuance date of relevant bills), net of allowance for doubtful debts was as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 90 days	90天內	6,421	-
91 days to 180 days	91天至180天	4,170	-
		10,591	-

As of the end of reporting period, no trade and bills receivables (2016: HK\$Nil) that were neither past due nor impaired. Receivables that were neither past due nor impaired related to wide range of customers and counterparties for whom there was no recent history of default.

### 21. TRANSFERS OF FINANCIAL ASSETS

As at 31 March 2017, 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 HK\$6,045,000 (2016: HK\$3,706,000). 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, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills, accordingly, 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.

### 20. 應收貨款及其他應收款項(續)

於報告期間結束時，應收貨款(按發票日期呈列)及應收票據(按相關票據發出日期呈列)，於扣除呆賬撥備後之賬齡分析如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 90 days	6,421	-
91 days to 180 days	4,170	-
	10,591	-

於報告期間結束時，應收貨款及應收票據均未逾期且並未出現減值(二零一六：零港元)。未逾期且並未出現減值之應收款項與近期並無拖欠記錄之多名客戶及對手方有關。

### 21. 轉讓金融資產

於二零一七年三月三十一日，本集團向其若干供應商背書獲多間中國銀行(「銀行」)接納之若干應收票據(「終止確認票據」)，以償付應付該等供應商賬面總值合共為6,045,000港元(二零一六年：3,706,000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」)。董事認為，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，其已取消確認終止確認票據及相關應付貨款之全數賬面值。本集團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承受所造成損失之最大風險，相等於該等票據之賬面值。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 21. TRANSFERS OF FINANCIAL ASSETS (continued)

During the year, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills (2016: HK\$Nil). No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

### 22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group amounting to approximately HK\$331,606,000 (2016: HK\$343,587,000) 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 4.68% (2016: 0.09% to 4.45%) per annum.

### 21. 轉讓金融資產(續)

年內，本集團並無於轉讓終止確認票據當日確認任何收益或虧損(二零一六年：零港元)。並無確認來自持續牽涉責任之年度或累計收益或虧損。

### 22. 現金及現金等值項目

本集團之現金及現金等值項目約331,606,000港元(二零一六年：約343,587,000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4.68厘(二零一六年：0.09厘至4.45厘)之市場年利率計息。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank balance	銀行結餘	170,265	171,214
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	161,210	172,168
Cash on hand	手頭現金	131	205
Cash and cash equivalents	現金及現金等值項目	331,606	343,587

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：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	163,918	128,722

As at 31 March 2017, the Group had balances amounted to RMB148,222,000 (equivalent to HK\$167,572,000) (2016: RMB139,606,000, equivalent to HK\$168,532,000) 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.

於二零一七年三月三十一日，本集團存於中國境內銀行之結餘為人民幣148,222,000元(相當於167,572,000港元)(二零一六年：人民幣139,606,000元，相當於168,532,000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。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 23. TRADE AND OTHER PAYABLES

At the end of reporting period, the aging analysis of the trade payables (presented based on the invoice date) were as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 90 days	90天內	8,649	6,237
91–180 days	91天至180天	4,057	1,617
181–365 days	181天至365天	1,243	1,595
Over 1 year	超過1年	27	28
Trade payables	應付貨款	13,976	9,477
Receipt in advance	預收款項	2,261	1,474
Other tax payable	其他應付稅項	1,357	–
Government levies payable	應付政府徵費		
– Economic development fees in coal resources areas	– 煤炭資源地方經濟發展費	26,651	28,458
– Others	– 其他	4,177	4,628
Accrued expenses	應計費用	2,162	1,547
Other payables	其他應付款項	5,940	7,084
		<b>56,524</b>	<b>52,668</b>

All the trade and other payables are expected to be settled or recognised as income within 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：

所有應付貨款及其他應付款項預期於一年內清償或確認為收入。

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。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 24. CAPITAL AND RESERVES

#### a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

#### The Company

		Share premium	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)		
At 1 April 2015	於二零一五年四月一日	191,534	15,544	128,013	(318,363)	16,728
Loss for the year	年內虧損	-	-	-	(79,652)	(79,652)
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	-	(3,034)	-	-	(3,034)
Total comprehensive loss for the year	年內全面虧損總額	-	(3,034)	-	(79,652)	(82,686)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及二零一六年四月一日	191,534	12,510	128,013	(398,015)	(65,958)
Profit for the year	年內溢利	-	-	-	46,499	46,499
Exchange differences on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之匯兌差額	-	(1,750)	-	-	(1,750)
Total comprehensive income/(loss) for the year	年內全面(收益)/虧損總額	-	(1,750)	-	46,499	44,749
At 31 March 2017	於二零一七年三月三十一日	191,534	10,760	128,013	(351,516)	(21,209)

Notes:

#### i) Share premium

The application of share premium is governed by Section 40 of the Bermuda Companies Act 1981.

附註:

#### i) 股份溢價

運用股份溢價須受百慕達一九八一年公司法第40條管轄。

### 24. 股本及儲備

#### a) 權益部分變動

本集團之綜合權益各個部分之年初及年末結餘對賬載於綜合權益變動表。本公司個別權益部分之年初及年末變動詳情載列如下：

#### 本公司

## 24. CAPITAL AND RESERVES (continued)

### a) Movements in components of equity (continued)

#### The Company (continued)

Notes: (continued)

#### ii) Capital reserve

Capital reserve arose from the acquisition of the additional equity interest of subsidiaries in prior years. It represents the difference between the carrying amount of the net assets of the subsidiaries attributable to the additional interest at the dates of acquisition and the fair value of consideration paid by the Group.

#### iii) Statutory reserves

##### *Statutory surplus reserve*

In accordance with the People's Republic of China (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 3(p).

#### v) Special reserve

The amount in special reserve represents the difference between the consideration paid for acquiring a further 49% equity interest in Star Fortune and the decrease in the carrying amount of the non-controlling interests of Star Fortune.

#### vi) Contributed surplus

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued shares of the companies being acquired and the value of net assets of the underlying companies acquired at the time of the Group's reorganisation in preparation for its listing in 1995. Under the Companies Act 1981 of Bermuda, the Company may make distributions to its members out of the contributed surplus in certain circumstances.

## 24. 股本及儲備(續)

### a) 權益部分變動(續)

#### 本公司(續)

附註：(續)

#### ii) 股本儲備

股本儲備源於過往年度收購附屬公司額外股本權益。該儲備指於收購日期有關額外權益應佔該等附屬公司資產淨值之賬面值與本集團所付代價公平值之間之差額。

#### iii) 法定儲備

##### *法定盈餘儲備*

根據中華人民共和國(「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*

根據中國相關規例，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性開支時動用。已動用維簡及生產資金將由專項儲備賬轉撥至保留溢利。

#### iv) 匯兌儲備

匯兌儲備包括換算功能貨幣至呈列貨幣時產生之全部外匯差額。該儲備根據附註3(p)所載會計政策處理。

#### v) 特別儲備

特別儲備金額相當於進一步收購星力富鑫49%股本權益已付代價與星力富鑫非控股權益賬面值減額間之差額。

#### vi) 繳入盈餘

本公司之繳入盈餘指本公司為交換所收購公司已發行股份而發行之本公司股份面值，與所收購相關公司於本集團在一九九五年為籌備上市進行重組時之資產淨值之差額。根據百慕達一九八一年公司法，本公司可在若干情況下自繳入盈餘向其股東作出分派。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 24. CAPITAL AND RESERVES (continued)

#### b) Authorised and issued share capital

		Number of ordinary shares of HK\$0.10 each 每股面值 0.10港元之 普通股數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Balance at 1 April 2015, 31 March 2016, 1 April 2016 and 31 March 2017	於二零一五年四月一日、 二零一六年三月三十一日、 二零一六年四月一日及 二零一七年三月三十一日 之結餘	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Balance at 1 April 2015, 31 March 2016, 1 April 2016 and 31 March 2017	於二零一五年四月一日、 二零一六年三月三十一日、 二零一六年四月一日及 二零一七年三月三十一日 之結餘	765,373,584	76,537

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

#### c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, and to generate sufficient profit to maintain growth and provide a satisfactory return to its shareholders.

### 24. 股本及儲備(續)

#### b) 法定及已發行股本

		Number of ordinary shares of HK\$0.10 each 每股面值 0.10港元之 普通股數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Balance at 1 April 2015, 31 March 2016, 1 April 2016 and 31 March 2017	於二零一五年四月一日、 二零一六年三月三十一日、 二零一六年四月一日及 二零一七年三月三十一日 之結餘	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Balance at 1 April 2015, 31 March 2016, 1 April 2016 and 31 March 2017	於二零一五年四月一日、 二零一六年三月三十一日、 二零一六年四月一日及 二零一七年三月三十一日 之結餘	765,373,584	76,537

普通股持有人有權收取不時宣派之股息，並可於本公司會議上享有一股一票之權利。所有普通股在分攤本公司之剩餘資產方面均享有同等權益。

#### c) 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，以及賺取足夠利潤以維持增長，及為股東賺取滿意回報。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 24. CAPITAL AND RESERVES (continued)

#### c) Capital management (continued)

The management actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic condition. In view of this, the Group will balance its overall capital structure through the payment of dividend or the issue of new debt. No changes were made in the objectives or policies during the year.

The Group monitors its capital structure on the basis of a debt-to-equity ratio. For this purpose, total debt represented convertible bond designated as financial liabilities at fair value through profit or loss. Equity comprises all components of equity.

The debt-to-equity ratio at 31 March 2017 and 2016 are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current liability	非流動負債		
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券	261,616	-
Current liability	流動負債		
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券	-	317,650
Total debt	總負債	261,616	317,650
Total equity	總權益	115,367	72,887
Debt-to-equity ratio	權益負債比率	2.27	4.36

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

### 24. 股本及儲備(續)

#### c) 資本管理(續)

管理層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資本架構之基準。就此而言，總負債即指定為按公平值列賬並在損益內處理之金融負債之可換股債券。權益包括權益之所有組成部分。

於二零一七年及二零一六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間所施加之資本規定之限制。

## 25. CONVERTIBLE BOND

On 14 March 2008, the Company issued zero-coupon convertible bond with an aggregate principal amount of HK\$200,000,000 to Ascent Goal simultaneously upon completion of the issue and allotment of 400,000,000 ordinary shares of HK\$0.1 each. The bond is denominated in HK\$ and entitles the holders to convert them into ordinary shares of the Company at any time between the date of issue of the bond and its settlement date on 13 March 2011 in multiples of HK\$1,000,000 at a conversion price HK\$0.20 (subject to adjustments) per share. The shares to be issued and allotted upon conversions shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue. If the convertible bond has not been converted, the Company shall repay the principal amount of the outstanding convertible bond to Ascent Goal at 13 March 2011.

On 11 February 2011, the Company entered into a deed of amendment with Ascent Goal (1<sup>st</sup> extended Convertible Bond), to extend the maturity date of the convertible bond for 36 months and the conversion period will accordingly be extended for 36 months from 14 March 2011 (date of extension) to 13 March 2014. Apart from the extension of the maturity date and the conversion period, all terms of the convertible bond remain unchanged from the original terms.

Following the change of functional currency from HK\$ to RMB, the board of directors is of the view that the convertible bond upon extension of maturity date (“Convertible Bond”) was no longer convertible at a fixed for fixed relationship. Accordingly, the Convertible Bond was designated as a financial liability at FVTPL in the consolidated statement of financial position.

On 21 January 2014, the Company entered into a second deed of amendment with Ascent Goal (“2<sup>nd</sup> extended Convertible Bond”), to extend the maturity date of the Convertible Bond for 36 months and the conversion period will accordingly be extended for 36 months from 14 March 2014 (date of extension) to 13 March 2017 (“2<sup>nd</sup> extended Maturity Date”). Apart from the extension of maturity date and the conversion period, all terms of the convertible bond remain unchanged from the original terms.

## 25. 可換股債券

於二零零八年三月十四日，本公司於完成發行及配發400,000,000股每股面值0.1港元之普通股之同時，向晉標發行本金總額為200,000,000港元之零息可換股債券。該債券以港元計值，賦予持有人權利於該債券發行日期至結算日期二零一一年三月十三日期間，隨時按轉換價每股0.20港元（可予調整）將之轉換為本公司普通股，轉換時須為1,000,000港元之倍數。轉換時發行及配發之股份彼此之間及與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，董事會認為可換股債券（「可換股債券」）於到期日延期時不可再以固定關係轉換。因此，可換股債券於綜合財務狀況表內指定為按公平值列賬並在損益內處理之金融負債。

於二零一四年一月二十一日，本公司與晉標訂立第二份修訂契據（「第二次延期可換股債券」），以將可換股債券之到期日延期36個月，而轉換期將因此從二零一四年三月十四日（延期日期）延期36個月至二零一七年三月十三日（「第二次延期到期日」）。除延長到期日及轉換期外，所有可換股債券條款按原有條款維持不變。



## 25. CONVERTIBLE BOND (continued)

The 2<sup>nd</sup> extended Maturity Date is considered to be a substantial modification of terms of the Convertible bond as the discounted present value of the cash flows of the 2<sup>nd</sup> extended Convertible Bond is more than 10% different from the discounted present value of the cash flows of the outstanding Convertible Bond prior to the extension of maturity date. As such, the 1<sup>st</sup> extended Convertible Bond was derecognised and the 2<sup>nd</sup> extended Convertible Bond was recognised. The fair value of the 2<sup>nd</sup> extended Convertible Bond as at 14 March 2014 amounting to approximately HK\$200,000,000. An extinguishment loss of approximately HK\$211,000 has been recognised in profit or loss.

On 25 January 2017, the Company entered into a third deed of amendment with Ascent Goal (“3<sup>rd</sup> extended Convertible Bond”), to further extend the maturity date of the 2<sup>nd</sup> extended Convertible Bond for 36 months and the conversion period will accordingly be extended for 36 months from 14 March 2017 (date of extension) to 13 March 2020 (“3<sup>rd</sup> extended Maturity Date”). Apart from the extension of maturity date and the conversion period, all terms of the convertible bond remain unchanged from the original terms.

The 3<sup>rd</sup> extended Maturity Date is considered to be a substantial modification of terms of the 2<sup>nd</sup> extended Convertible bond as the discounted present value of the cash flows of the 3<sup>rd</sup> extended Convertible Bond is more than 10% different from the discounted present value of the cash flows of the 2<sup>nd</sup> extended Convertible Bond prior to the extension of maturity date. As such, the 2<sup>nd</sup> extended Convertible Bond was derecognised and the 3<sup>rd</sup> extended Convertible Bond was recognised. The fair value of the 3<sup>rd</sup> extended Convertible Bond as at 14 March 2017 amounting to approximately HK\$264,904,000. An extinguishment loss of approximately HK\$5,941,000 has been recognised in profit or loss.

The 2<sup>nd</sup> extended Convertible Bond and 3<sup>rd</sup> extended Convertible Bond were valued by the directors of the Company with reference to valuation reports issued by independent qualified valuers not connected to the Group.

## 25. 可換股債券(續)

由於第二次延期可換股債券之現金流量已貼現現值超過與延長到期日前之尚未行使可換股債券之現金流量已貼現現值相差超過10%，故第二次延長到期日到期日被視為可換股債券條款之重大修改。因此，已終止確認第一次延期可換股債券及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。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，而轉換期將因此從二零一七年三月十四日（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與延長到期日前之第二次延期可換股債券現金流量已貼現現值相差超過10%，故第三次延長到期日被視為可換股債券條款之重大修改。因此，已終止確認第二次延期可換股債券及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。約5,941,000港元清償虧損已於損益中確認。

第二次延期可換股債券及第三次延期可換股債券經本公司董事參考與本集團並無關連之獨立合資格估值師所出具估值報告進行估值。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 25. CONVERTIBLE BOND (continued)

The movement of the 2<sup>nd</sup> extended Convertible Bond and the 3<sup>rd</sup> extended Convertible Bond for the year is set out below:

### 25. 可換股債券(續)

第二次延期可換股債券及第三次延期可換股債券於年內之變動載列如下：

		<b>2<sup>nd</sup> extended Convertible Bond</b> 第二次延期可換股債券	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	317,650	244,201
Fair value change (credited)/charged to the profit or loss	於損益(計入)/扣除之公平值變動	(58,687)	73,449
Loss on translation of 2 <sup>nd</sup> extended Convertible Bond denominated in a foreign currency into the functional currency	換算以外幣計值之第二次延期可換股債券為功能貨幣之虧損	13,109	13,831
Exchange adjustment arising on translation of functional currency to presentation currency and credited to other comprehensive income	換算功能貨幣為呈列貨幣時產生之匯兌調整，並計入其他全面收入	(13,109)	(13,831)
Derecognition on maturity on 13 March 2017	於二零一七年三月十三日到期時終止確認	(258,963)	-
Balance at end of the year	年末結餘	-	317,650
Analysed for reporting as:	報告分析為：		
Current liabilities	流動負債	-	317,650
Non-current liabilities	非流動負債	-	-
Difference between carrying amount and maturity amount:	賬面值與到期金額之差額：		
2 <sup>nd</sup> extended Convertible Bond at fair value	第二次延期可換股債券之公平值	-	317,650
Amount payable on maturity	於到期時應付金額	-	(200,000)
		-	117,650

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 25. CONVERTIBLE BOND (continued)

### 25. 可換股債券(續)

		<b>3<sup>rd</sup> extended Convertible Bond 第三次延期 可換股債券 HK\$'000 千港元</b>
Recognition of 3 <sup>rd</sup> extended Convertible Bond on 14 March 2017 (date of extension)	於二零一七年三月十四日 (延期日期)確認之第三次延期 可換股債券	264,904
Fair value change credited to the profit or loss	於損益計入之公平值變動	(3,288)
Loss on translation of 3 <sup>rd</sup> extended Convertible Bond denominated in a foreign currency into the functional currency	換算以外幣計值之第三次延期 可換股債券為功能貨幣之虧損	6,209
Exchange adjustment arising on translation of functional currency to presentation currency and credited to other comprehensive income	換算功能貨幣為呈列貨幣時 產生之匯兌調整，並計入 其他全面收入	(6,209)
Balance at end of the year	年末結餘	261,616
Analysed for reporting as: Non-current liabilities	報告分析為： 非流動負債	261,616
Difference between carrying amount and maturity amount:	賬面值與到期金額之差額：	
Convertible bond at fair value	可換股債券之公平值	261,616
Amount payable on maturity	於到期時應付金額	(200,000)
		61,616

None of the 2<sup>nd</sup> extended Convertible Bond or 3<sup>rd</sup> extended Convertible Bond had been converted into ordinary shares of the Company during the years ended 31 March 2017 and 2016.

截至二零一七年及二零一六年三月三十一日止年度並無第二次延期可換股債券或第三次延期可換股債券已獲轉換為本公司普通股。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 26. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS 26. 關閉、復墾及環境成本撥備

		HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	2,808
Accretion expense	遞增開支	176
Exchange difference	匯兌差額	(182)
At 31 March 2017	於二零一七年三月三十一日	2,802

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, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or results of operations of the Group. The PRC government, however, has moved and may move further towards the adoption of more stringent environmental standards. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to, coal mines and land development areas, whether operating, closed or sold, (ii) the extent of required cleanup efforts, (iii) varying costs of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites.

The provision for close down, restoration and environmental clean up costs has been determined by management 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.

開採活動可能導致地陷或損害，從而可令開採地區之居民遭受損失。根據中國相關法規，本集團須就地陷或損害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，管理層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)確實出現污染之性質及程度；(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。

管理層已根據彼等過往經驗，以及對未來開支之最佳估計，並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可得之事實及情況而審閱，並相應更新撥備。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 27. DEFERRED TAX

The following are the major deferred tax liabilities/(assets) recognised and movement thereof during the current and prior reporting periods.

### 27. 遞延稅項

以下為已確認之主要遞延稅項負債／(資產) 以及其於本報告期間及過往報告期間之變動。

		Intangible assets 無形資產 HK\$'000 千港元	Inventories 存貨 HK\$'000 千港元	Accrual expenses 應計費用 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	15,937	(63)	(7,483)	8,391
Exchange realignment	匯兌調整	(697)	3	369	(325)
Charge/(credit) to profit or loss for the year	於年內損益 扣除/(計入)	(4,446)	2,935	-	(1,511)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日 及二零一六年四月一日	10,794	2,875	(7,114)	6,555
Exchange realignment	匯兌調整	(670)	(240)	451	(459)
Charge/(credit) to profit or loss for the year	於年內損益 扣除/(計入)	(677)	2,498	-	1,821
At 31 March 2017	於二零一七年三月三十一日	9,447	5,133	(6,663)	7,917

Reconciliation to the consolidated statement of financial position:

綜合財務狀況表對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net deferred tax liability recognised in the consolidated statement of financial position	於綜合財務狀況表確認之 遞延稅項負債淨額	7,917	6,555
		7,917	6,555

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 27. DEFERRED TAX (continued)

At 31 March 2017, the Group had unused tax losses of HK\$230,000 (2016: HK\$996,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profits streams. Tax losses will be expired in 5 years.

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 HK\$131,951,000 (2016: HK\$112,670,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 28. 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 ("CSI") (note a) – rental expenses (note b)	安中國際石油有限公司 (「安中國際」)(附註a) – 租金開支(附註b)
--	--

Notes:

- a) CSI is an intermediate holding company of the Company.
- b) Operating lease commitment for future minimum lease payments under non-cancellable operating lease with CSI was amounted to HK\$630,000 (2016: HK\$585,000).

### 27. 遞延稅項(續)

於二零一七年三月三十一日，本集團之未動用稅項虧損為230,000港元(二零一六年：996,000港元)可用作對銷未來溢利。由於難以預測日後之溢利來源，因此未有就稅項虧損確認遞延稅項資產。稅項虧損將於五年內到期。

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稅項溢利應佔之暫時差額131,951,000港元(二零一六年：112,670,000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。

### 28. 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：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
795	735

附註：

- a) 安中國際為本公司之中介控股公司。
- b) 根據與安中國際訂立之不可撤銷經營租賃，未來應付最低租賃款項之經營租賃承擔達630,000港元(二零一六年：585,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 28. RELATED PARTY TRANSACTIONS (continued)

#### b) Compensation of key management personnel

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	3,912	4,303
Post-employment benefits	離職後福利	58	66
		<b>3,970</b>	<b>4,369</b>

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

### 29. OPERATING LEASE COMMITMENTS

#### 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 three 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:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	1,076	1,044

### 28. 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。

### 29. 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。該等物業之租約期經磋商後介乎一年至三年不等，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：

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 29. OPERATING LEASE COMMITMENTS (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 to three years 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:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year 一年內	—	173

### 30. 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. 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\$626,000 (2016: HK\$1,137,000) represents contributions payable to the schemes by the Group in respect of the current financial year.

### 29. 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。該等物業之租約期經磋商後介乎一年至三年不等，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：

### 30. 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托人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入5%向計劃供款，最高每月相關收入為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，並在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626,000港元(二零一六年：約1,137,000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 FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

31. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION 31. 公司層面之財務狀況表

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備		173	267
Investments in subsidiaries	於附屬公司之投資	18	-	-
			173	267
<b>Current assets</b>	<b>流動資產</b>			
Amounts due from subsidiaries	應收附屬公司款項		153,816	153,794
Other receivables	其他應收款項		240	252
Cash and cash equivalents	現金及現金等值項目		163,918	174,852
			317,974	328,898
<b>Current liabilities</b>	<b>流動負債</b>			
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券		-	317,650
Other payables and accruals	其他應付款項及應計費用		1,203	936
			(1,203)	(318,586)
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>316,771</b>	10,312
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>316,944</b>	10,579
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	24	76,537	76,537
Reserves	儲備	24	(21,209)	(65,958)
<b>Total Equity</b>	<b>總權益</b>		<b>55,328</b>	10,579
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券		261,616	-
			<b>316,944</b>	10,579

Approved and authorised for issue by the board of directors on 20 June 2017.

On behalf of the board

**Kwan Man Fai**  
關文輝  
Director  
董事

於二零一七年六月二十日由董事會批准及授權刊發。

代表董事會

**Wang Xiangfei**  
王翔飛  
Director  
董事

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### 32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2017

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments and new standards which are not yet effective for the year ended 31 March 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

HKFRS 9	Financial Instrument <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>4</sup>
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 7	Disclosure Initiative <sup>2</sup>
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

#### HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

### 32. 於截至二零一七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二零一七年三月三十一日止年度尚未生效之修訂及新訂準則，而該等準則並無於該等財務報表獲採納。當中包括可能與本集團有關之以下各項。

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	客戶合約收益及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>4</sup>
香港(國際財務報告詮釋委員會) – 詮釋22號	外幣交易及預付代價 <sup>1</sup>
香港財務報告準則第2號之修訂本	以股份為基礎支付之分類及計量 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間之資產銷售或注資 <sup>3</sup>
香港會計準則第7號之修訂本	披露計劃 <sup>2</sup>
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產 <sup>2</sup>
香港財務報告準則之修訂本	香港財務報告準則二零一四年至二零一六年週期之年度改進 <sup>5</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零一七年一月一日或之後開始之年度期間生效

<sup>3</sup> 於待定期限或之後開始之年度期間生效

<sup>4</sup> 於二零一九年一月一日或之後開始之年度期間生效

<sup>5</sup> 於二零一七年一月一日或二零一八年一月一日或之後開始之年度期間生效(視情況而定)

#### 香港財務報告準則第9號金融工具

香港財務報告準則第9號引入就金融資產及金融資產減值要求之分類及計量之新規定。

**32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**HKFRS 9 Financial Instruments (continued)**

Key requirements of HKFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39 "Financial Instruments: Recognition and Measurement", the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

**32. 於截至二零一七年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)**

**香港財務報告準則第9號金融工具(續)**

與本集團有關之香港財務報告準則第9號之主要規定：

- 在香港財務報告準則第9號範圍內確認之所有金融資產其確認及計量須按規定其後按攤銷成本或公平值計量。具體而言，就以收取合約現金流為目的之業務模式持有之債務投資，以及擁有純粹為支付本金及未償還本金利息之合約現金流之債務投資，一般於其後會計期末按攤銷成本計量。於目標為同時收取合約現金流及出售金融資產之業務模式中持有之債務工具，以及其金融資產合約條款於特定日期產生純粹為支付本金及未償還本金利息之現金流之債務工具，按公平值計入其他全面收入之方式計量(FVTOCI)。所有其他債務投資及股本投資均於其後會計期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇於其他全面收入呈列股本投資(並非持作買賣)之其後公平值變動，而一般僅於損益內確認股息收入。
- 就計量指定為按公平值列賬並在損益內處理之金融負債而言，香港財務報告準則第9號規定除非於其他全面收入中確認該負債之信貸風險變動之影響會於損益中產生或擴大會計錯配，否則，因負債之信貸風險變動而引致金融負債公平值金額之變動乃於其他全面收入中呈列。金融負債之信貸風險變動引致之金融負債公平值變動其後不會重新分類至損益內。根據香港會計準則第39號「金融工具：確認及計量」，指定為按公平值列賬並在損益內處理之金融負債之公平值變動金額，乃全數於損益中呈列。

**32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**HKFRS 9 Financial Instruments (continued)**

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The management of the Group anticipates that the application of HKFRS 9 in the future may have impact on the Group's financial liabilities. The change in fair value of the Group's convertible bond designated as financial liabilities at fair value through profit or loss that is attributable to changes in credit risk could be presented in other comprehensive income. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

**32. 於截至二零一七年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)**

**香港財務報告準則第9號金融工具(續)**

- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。
- 新一般對沖會計法規定保留目前見於香港會計準則第39號之三類對沖會計法。然而，根據香港財務報告準則第9號，該會計法向可作對沖會計之交易類別引入更大靈活度，尤其是擴闊合資格作為對沖工具之工具類別及可作對沖會計之非金融項目之風險分部之類別。此外，該準則已移除追溯定量評估效用測試，及引入增加有關實體風險管理活動披露的規定。

本集團管理層預期，於往後應用香港財務報告準則第9號或會對本集團金融負債造成影響。因信貸風險變動導致指定為按公平值列賬並在損益內處理之金融負債之本集團可換股債券之公平值變動可於其他全面收入呈列。然而，於本集團進行更詳盡審閱前提供香港財務報告準則第9號影響之合理估計屬不切實際。

**32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**HKFRS 15 Revenue from Contracts with Customers**

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

**32. 於截至二零一七年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)**

**香港財務報告準則第15號客戶合約收益**

香港財務報告準則第15號制定一項單一全面模式供實體用作自客戶合約所產生之收益入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋之收益確認指引。

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入五個確認收益之步驟：

- 第一步： 識別與客戶訂立之合約
- 第二步： 識別合約中之履約責任
- 第三步： 釐定交易價
- 第四步： 將交易價分配至合約中之履約責任
- 第五步： 於實體完成履約責任時確認收益

根據香港財務報告準則第15號，實體於完成履約責任時確認收益，即有關特定履約責任之商品或服務之「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確指引。此外，香港財務報告準則第15號規定作出更詳盡之披露。

於二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、主體對代理代價及發牌的應用指引。

**32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**HKFRS 15 Revenue from Contracts with Customers (continued)**

The directors anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

**HKFRS 16 Leases**

As disclosed in note 3(q), 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 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.

**32. 於截至二零一七年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)**

**香港財務報告準則第15號客戶合約收益(續)**

董事預期，日後應用香港財務報告準則第15號可能會作出更多披露。然而，董事預期應用香港財務報告準則第15號將不會對本集團於各報告期已確認收益之時間與金額造成重大影響。

**香港財務報告準則第16號租賃**

誠如附註3(q)所披露，目前本集團分類租賃至融資租賃及經營租賃，並計入不同的租賃安排(取決於租賃的分類)。本集團(作為承租人)訂立若干租賃。

預期香港財務報告準則第16號將不會對出租人根據租賃將彼等權利及義務入賬的方式造成重大影響。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，受實際權益方法的規限，承租人將以類似方式將所有租約入賬列作現有融資租賃會計處理方法，即於該租賃開始日期，承租人將按最低日後租賃款項的現值確認及計量租賃負債，及將確認相應的「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結餘所產生的利息開支及使用權資產折舊，而非於租期內按系統基準確認根據經營租約所產生的租賃開支的現有政策。作為實際權益方法，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)及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

### 32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2017 (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 profit or loss over the period of the lease. As disclosed in note 29, at 31 March 2017 the Group's future minimum lease payments under non-cancellable operating leases amount to HK\$1,076,000 (2016: HK\$1,044,000), the majority of which is payable within 1 year 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.

#### Amendments to HKAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specially, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

Except those mentioned above, the directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impact on the consolidation financial statements.

### 32. 於截至二零一七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)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租賃期間於損益確認開支的時間。誠如附註29所披露，於二零一七年三月三十一日，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金額達1,076,000港元(二零一六年：1,044,000港元)，且大部份款項須於報告日期後一年內支付。因此，一旦採納香港財務報告準則第16號，部份該等款項可能須按照相應使用權資產確認為租賃負債。經考慮實際權益方法的適用性及調整現時與採納香港財務報告準則第16號之間已訂立或終止的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的新資產及負債的金額。

#### 香港會計準則第7號之修訂本披露計劃

該等修訂規定實體披露能讓財務報表使用者評估融資活動產生的負債的變動，包括現金流量引致之變動及非現金變動。尤其是，修訂規定披露以下負債變動：(i)來自融資現金流量的變動；(ii)來自取得或失去附屬公司或其他業務的控制權的變動；(iii)外幣匯率變動的影響；(iv)公平值變動；及(v)其他變動。

應用修訂將導致有關本集團融資活動的額外披露，尤其是融資活動產生的負債於綜合財務狀況表的期初與期末結餘的對賬，將於應用修訂時披露。

除上述者外，本公司董事預計應用新訂及經修訂香港財務報告準則將不會對綜合財務報表造成重大影響。

# FIVE-YEAR FINANCIAL SUMMARY

## 五年財務摘要

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

A summary of the published results, assets and liabilities, and non-controlling interests 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、資產及負債以及非控股權益載列如下。

### RESULTS

### 業績

		Year ended 31 March 截至三月三十一日止年度				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
<b>REVENUE</b>	收益	<b>73,024</b>	59,841	124,463	123,100	165,041
<b>PROFIT/(LOSS) FROM OPERATIONS</b>	經營溢利/(虧損)	<b>1,563</b>	12,108	45,450	1,402	8,937
Finance costs	融資成本	(176)	(187)	-	-	(23)
Change in fair value and loss arising from modification of convertible bond	可換股債券之公平值變動及修訂可換股債券產生之虧損	<b>56,034</b>	(73,449)	(38,970)	(15,373)	24,031
Change in fair value of structured deposit	結構性存款之公平值變動	-	-	656	-	-
(Impairment loss)/reversal on intangible asset and property, plant and equipment	無形資產及物業、廠房及設備(減值虧損)/撥回	-	(12,012)	-	-	(49,928)
Impairment loss on goodwill	商譽之減值虧損	-	-	-	-	-
Profit/(loss) before tax	除稅前溢利/(虧損)	<b>57,421</b>	(73,540)	7,136	(13,971)	(16,983)
Income tax expense	所得稅開支	<b>(9,154)</b>	(6,068)	(12,655)	515	6,803
Profit/(loss) for the year	年內溢利/(虧損)	<b>48,267</b>	(79,608)	(5,519)	(13,456)	(10,180)
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	<b>42,480</b>	(85,924)	(5,342)	(10,221)	(9,101)
Non-controlling interests	非控股權益	-	-	-	-	-
		<b>42,480</b>	(85,924)	(5,342)	(10,221)	(9,101)



## FIVE-YEAR FINANCIAL SUMMARY 五年財務摘要

For the year ended 31 March 2017  
截至二零一七年三月三十一日止年度

### ASSETS AND LIABILITIES AND NON-CONTROLLING INTERESTS 資產及負債以及非控股權益

		At 31 March 於三月三十一日				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		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	448,504	456,185	475,242	433,948	426,547
Total liabilities	總負債	(333,137)	(383,298)	(316,431)	(269,795)	(252,173)
Non-controlling interests	非控股權益	-	-	-	-	-
Net assets	資產淨值	115,367	72,887	158,811	164,153	174,374

