



DING HE MINING HOLDINGS LIMITED

鼎和礦業控股有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立的有限公司)

Stock Code 股份代號：705

2017
INTERIM REPORT
中期報告

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Du Jian Jun (*Chairman*)
Ms. Lu Sufang (*Vice Chairman*)
Mr. Leung Wai Kwan (*Chief Executive Officer*)
Mr. Yin Shibo
Mr. Fan Weipeng
Mr. Chen Liang

Independent Non-executive Directors

Mr. Liu Bo
Mr. Tong Zhu
Mr. Yuan Guangming
Mr. Chan Woon Wing

JOINT COMPANY SECRETARIES

Ms. Sharon Kwan
Ms. Chan Yuen Ying Stella

AUDIT COMMITTEE

Mr. Chan Woon Wing (*Chairman*)
Mr. Liu Bo
Mr. Tong Zhu
Mr. Yuan Guangming

REMUNERATION COMMITTEE

Mr. Chan Woon Wing (*Chairman*)
Mr. Liu Bo
Mr. Tong Zhu
Mr. Yuan Guangming

NOMINATION COMMITTEE

Mr. Du Jian Jun (*Chairman*)
Mr. Liu Bo
Mr. Tong Zhu
Mr. Yuan Guangming
Mr. Chan Woon Wing

AUTHORISED REPRESENTATIVES

Mr. Leung Wai Kwan
Ms. Chan Yuen Ying Stella
Ms. Sharon Kwan (*alternate*)

董事會

執行董事

杜建軍先生 (*主席*)
盧素芳女士 (*副主席*)
梁維君先生 (*行政總裁*)
尹仕波先生
范偉鵬先生
陳亮先生

獨立非執行董事

劉波先生
佟鑄先生
袁光明先生
陳煥榮先生

聯席公司秘書

關紫芳女士
陳婉縈女士

審核委員會

陳煥榮先生 (*主席*)
劉波先生
佟鑄先生
袁光明先生

薪酬委員會

陳煥榮先生 (*主席*)
劉波先生
佟鑄先生
袁光明先生

提名委員會

杜建軍先生 (*主席*)
劉波先生
佟鑄先生
袁光明先生
陳煥榮先生

授權代表

梁維君先生
陳婉縈女士
關紫芳女士 (*替任*)

LEGAL ADVISERS

As to Hong Kong Law
Michael Li & Co.

As to Malaysian Law
Tan, Goh & Associates

As to Indonesian Law
Wibowo Hadiwijaya & Co
Ombun Suryono Sidauruk & Partners

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants

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STOCK CODE

705

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香港法律
李智聰律師事務所

馬來西亞法律
Tan, Goh & Associates

印尼法律
Wibowo Hadiwijaya & Co
Ombun Suryono Sidauruk & Partners

核數師

天職香港會計師事務所有限公司
執業會計師

股份過戶登記處

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股份代號

705

公司網址

www.dinghemining.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

During the first half of 2017, due to a competition from PRC companies in commodity market and the combination of internal factors such as limited financial resources affecting the Group to perform effectively. For the six months ended 30 June 2017, the Group's reportable business segments are namely (i) the mining of dolomite and manufacture of magnesium ingots; (ii) extraction and bottling of mineral water; and (iii) exploration for iron ore, coal and manganese.

Mining of Dolomite and Manufacture of Magnesium Ingots

In the face of the challenges of the keen competition from other manufacturers and the cost-effectiveness of the operation, the smelter plant of the Group which situates in the State of Perak, Malaysia (the "Smelter") maintained its processing operation of refining magnesium crown for sale, instead of a full production line to manufacture magnesium ingots.

There is no revenue generated by the sales of magnesium ingots and related materials for the six months ended 30 June 2017, compared to those in six months ended 30 June 2016 recorded approximately HK\$6,900,000.

Extraction of dolomite from the dolomite quarry has been halted since 2012. There was no dolomite extracted from the dolomite quarry for the first six months in 2017 (six months ended 30 June 2016: nil).

In light of the continuous gross losses recorded by the Smelter, the suspension of its mining activities and the partial operation of its production line since 2012, the Directors have plan to review on the recoverable amount of this cash-generating unit at the end of financial year 2017 by referencing to the full-year market situation of magnesium so as to revise the cash flow projection for next year and calculate the value in use of dolomite and manufacture of magnesium ingots.

業務回顧

於二零一七年上半年，中國公司於商品市場的激烈競爭，且多種內部因素（如財務資源有限）共同影響本集團有效運營。截至二零一七年六月三十日止六個月，本集團的可呈報分部分別為(i)開採白雲石及生產鎂錠；(ii)提取及裝瓶礦泉水；及(iii)勘探鐵礦石、煤及錳。

開採白雲石及生產鎂錠

面對其他製造商的激烈競爭及營運成本效益等挑戰，本集團位於馬來西亞霹靂州的冶煉廠（「冶煉廠」）繼續維持加工精煉鎂球以供出售，而非生產鎂錠的全面生產線。

截至二零一七年六月三十日止六個月並無就銷售鎂錠及相關材料產生任何收入，而截至二零一六年六月三十日止六個月則錄得收入約6,900,000港元。

本集團自二零一二年起已暫停於白雲石採石場開採白雲石。於二零一七年首六個月內概無於白雲石採石場開採白雲石（截至二零一六年六月三十日止六個月：無）。

鑑於冶煉廠錄得持續毛損以及自二零一二年起暫停其採礦活動及其生產線部份運作，經參考鎂的整年市況後，董事已計劃於二零一七年財政年度末對此現金產生單位的可收回金額進行審閱，以修訂下一年的現金流量預測及計算白雲石及生產鎂錠的使用價值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pursuant to an agreement (the “**Mining Agreement**”) entered into between CVMSB and Majuperak Energy Resources Sdn. Bhd. (“**MERSB**”) (formerly known as Harta Perak Corporation Sdn. Bhd.), a subsidiary of the Perak State Development Corporation (“**PSDC**”), a shareholder of the Company, on 15 June 2006, CVMSB has been granted, at no initial cost, an exclusive right to mine and extract magnesium dolomite from the Dolomite Land for a period of 20 years, with an option to renew for a further period of 10 years. The Mining Agreement can be terminated early by CVMSB by giving one month’s written notice to MERSB. CVMSB is required to pay royalties to MERSB based on the volume of dolomite extracted, subject to a monthly minimum payment (see Note 20(b)). Due to suspension of its production plant since 2012, CVMSB did not extract any dolomite from the Dolomite Land during the six months ended 30 June 2017 and 2016.

Mining activities for this dolomite project had started in 2010 and the amortisation charge relating to the project for the period is included in “administrative expenses” (six months ended 30 June 2016: “administrative expenses”) in the condensed consolidated statement of profit or loss.

Extraction and Bottling of Mineral Water

During the first half of 2017, the investment plan of Victory Dragon Holdings Limited and its subsidiary, 龍川升龍礦泉有限公司 (Long Chuan Shen Long Mineral Water Co. Ltd.) (“**Long Chuan**”) in a new production line for sparkling water is still in abeyance due to the limited cash resources available for the Group. In view thereof, the postponement of production line automation and new product line operation had hindered the sales generated by this business segment. The Company is negotiating with certain distributors in PRC and in Hong Kong for the sales of our bottled mineral water. Long Chuan recorded a turnover of approximately HK\$291,000 (six months ended 30 June 2016: approximately HK\$288,000) and gross profit of approximately HK\$47,000 (six months ended 30 June 2016: gross loss of approximately HK\$354,000).

根據CVMSB與本公司股東霹靂州經濟發展機構(Perak State Development Corporation)(「**PSDC**」)的附屬公司Majuperak Energy Resources Sdn. Bhd.(「**MERSB**」)(前稱Harta Perak Corporation Sdn. Bhd.)訂立的協議(「**採礦協議**」),於二零零六年六月十五日, CVMSB在毋須任何初期成本的情況下獲授於白雲石地塊開採及提取鎂質白雲石的專有權,為期20年,可選擇續期10年。CVMSB可向MERSB發出一個月書面通知提早終止採礦協議。CVMSB須根據所提取白雲石的數量按每月最低付款向MERSB支付專利權費(見附註20(b))。截至二零一七年及二零一六年六月三十日止六個月,由於CVMSB的生產廠房自二零一二年起暫停營運,故其並無從白雲石地塊開採任何白雲石。

本白雲石項目的開採活動已於二零一零年開始,而有關本期間項目的攤銷費用列入簡明綜合損益表的「行政開支」(截至二零一六年六月三十日止六個月:「行政開支」)內。

提取及裝瓶礦泉水

於二零一七年上半年,由於本集團的現金資源緊絀,故投資於凱龍集團有限公司及其附屬公司龍川升龍礦泉有限公司(「**龍川**」)以開發一條製造有氣水的新生產線的計劃仍然擱置。因此,生產線自動化及新生產線運作的延遲影響此業務分部產生的銷售額。本公司正與中國及香港若干分銷商就銷售瓶裝礦泉水進行磋商。龍川錄得營業額約291,000港元(截至二零一六年六月三十日止六個月:約288,000港元)及毛利約47,000港元(截至二零一六年六月三十日止六個月:毛損約354,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

At 30 June 2017, the management performed a regular review and noted that the financial performance of Long Chuan during the six months ended 30 June 2017 was similar to that during the same period of last financial year. The Directors have already examined the discounted cash flow from Long Chuan and found no significant deterioration as compared to that of last year. The Company will review the fair value of the assets of Long Chuan at the end of this year.

There was no impairment loss recognised in the unaudited condensed consolidated statement of profit or loss for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

Exploration for Iron Ore, Coal and Manganese

The current investment of the Company in Indonesia is the exploration of manganese resources in Yogyakarta Province under the non-wholly owned subsidiary, PT. Laksbang Mediatama (“PTLM”).

As disclosed in the previous reports, the operation of PTLM (including the exploration project) has been suspended since 2012 due to the conflicts between the directors and legal representative of PTLM. In order to reinstate its operation and exploration activities, PTLM had applied to the Court in Yogyakarta for court ruling on the appointment of re-nominated directors and replacement of legal representative. In accordance with the legal opinion dated 15 March 2015 obtained from the lawyer of PTLM in Indonesia, the court has granted judgment on 19 November 2014 principally to stipulate PTLM to organise an extraordinary general meeting properly. PTLM is in the process of (i) identifying a legal firm to organise the extraordinary general meeting in accordance with the Indonesian laws and (ii) identifying suitable candidates with the appropriate experience and qualification to fill the vacancies as the legal representative and directors.

於二零一七年六月三十日，管理層進行定期審閱，發現龍川於截至二零一七年六月三十日止六個月的財務表現與上一財政年度同期相若。董事已查核龍川的已貼現現金流量，與去年相比並無重大惡化。本公司將於本年底審閱龍川資產的公平值。

於截至二零一七年六月三十日止六個月的未經審核簡明綜合損益表中概無確認減值虧損(截至二零一六年六月三十日止六個月：無)。

勘探鐵礦石、煤及錳

本公司現時於印尼的投資為透過非全資附屬公司PT. Laksbang Mediatama (“PTLM”) 於Yogyakarta省勘探錳資源。

誠如早前報告所披露，由於董事與PTLM的法律代表出現分歧，故PTLM(包括勘探項目)自二零一二年起暫停營運。為恢復PTLM的經營及勘探活動，PTLM已就委任重新提名董事及更換法律代表而向Yogyakarta省法院申請法院裁決。根據本公司於二零一五年三月十五日向PTLM的印尼律師取得的法律意見，法院已於二零一四年十一月十九日作出判決，主要為規定PTLM須妥善舉行股東特別大會。PTLM現正(i)物色一間律師事務所，以根據印尼法例舉行股東特別大會；及(ii)物色具備適當經驗及資歷的合適候選人，以填補法律代表及董事的空缺。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As a result of the postponement of the third hearing and additional time is required to identify suitable candidates to fill the vacancies, the potential revenue generating from PTLM was further delayed whereas the estimated future cash inflow derived from the exploration activities of PTLM was deferred. The Directors have already examined the discounted cash flow from the exploration activities of PTLM and found there was no significant deterioration comparing to that of last year. As at 30 June 2017, the book value of the exploration and evaluation assets under this business segment is approximately HK\$24,800. Therefore, the Directors considered that the book value is close to the fair value of the assets and will review the fair value of the assets again at the end of this year.

As explained in Note 14(c) to the condensed consolidated interim financial statements, the Group lost contact with the legal representatives of PT. Laksbang Mediatama (“PTLM”) in prior years and the re-nomination of the legal representatives has not yet been completed. PTLM holds a production operating mining permit for manganese in Indonesia. This brought to a halt to the daily operations and mining activities of PTLM and might impact the fulfillment of the obligations of PTLM in respect of its production operation mining permit for manganese and any other government regulations it would be subject to. The operations and future profitability of the Group might be affected by the loss of contact with the PTLM’s legal representatives.

The Group decides to dispose PTLM as the Directors believe that PTLM is not an profitable investment according to the current market condition. Therefore the disposal should be the best interest of the Company.

由於第三次聽證會延期並需額外時間物色合適人選填補空缺，進一步推遲PTLM所產生的潛在收入，亦因此推遲PTLM的勘探活動所產生的估計未來現金流入。董事已審查PTLM的勘探活動的已貼現現金流量，與去年相比並無重大惡化。於二零一七年六月三十日，此業務分部的勘探及評估資產的賬面值約為24,800港元。因此，董事認為資產的賬面值與公平值相若，並將於本年底再次審閱資產的公平值。

誠如簡明綜合中期財務報表附註14(c)所闡釋，本集團於過往年度與PT. Laksbang Mediatama (「PTLM」)的法律代表失去聯絡，且尚未完成重新提名法律代表。PTLM持有位於印尼的錳生產經營開採許可證，此令PTLM的日常營運及採礦活動陷入停滯狀態，並可能影響PTLM履行有關其錳生產經營開採許可證及任何其他其將須遵守的政府規例的責任。本集團的業務及未來盈利能力或會因與PTLM的法律代表失去聯絡而受到影響。

因董事相信，按照目前市況而言，PTLM並非有利可圖之投資，故此本集團決定出售PTLM。因此，有關出售乃符合本公司之最佳利益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Exploration, Development and Mining Production Activities

Geological exploration

The Group has one production operation mining permit right for manganese covering an area of approximately 195 hectares in Yogyakarta Province, Indonesia.

During the six months ended 30 June 2017, the Group's geological exploration expenditure amounted to nil (six months ended 30 June 2016: nil).

Mining of dolomite

As at 30 June 2017, the Group did not extract any dolomite from the dolomite land. Hence, the accumulated dolomite reserves identified up to 30 June 2017 remained at 19,970 MT (up to 30 June 2016: 19,970 MT).

The expenditure incurred on dolomite mining production activities, which was mainly minimum royalty payment, for the six months ended 30 June 2017 was Nil (six months ended 30 June 2016: HK\$Nil).

There were no new contracts and commitments entered into during the six months ended 30 June 2017 other than those that were disclosed in the Annual Report 2016.

Iron ore, coal and manganese

During the financial period under review, there were no development or mining production activities in respect of iron ore and coal minerals.

There were also no development or mining production activities in respect of manganese minerals in the six months ended 30 June 2017 due to the absence of the legal representative in the operation office in Indonesia. The expenditure incurred in these activities was therefore nil (six months ended 30 June 2016: nil).

There were no new contracts and commitments entered into during the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

勘探、發展及礦務生產活動

地質勘探

本集團擁有一個覆蓋印尼Yogyakarta省約195公頃範圍的錳生產經營開採許可證。

截至二零一七年六月三十日止六個月，本集團的地質勘探支出為零(截至二零一六年六月三十日止六個月：無)。

開採白雲石

於二零一七年六月三十日，本集團概無從白雲石地塊開採任何白雲石。因此，截至二零一七年六月三十日，已識別累計白雲石儲量維持19,970公噸(截至二零一六年六月三十日：19,970公噸)。

截至二零一七年六月三十日止六個月，白雲石礦務生產活動產生的支出(主要為最低專利權費)為零(截至二零一六年六月三十日止六個月：零港元)。

除二零一六年年報披露者外，本公司於截至二零一七年六月三十日止六個月內概無訂立新合約及承擔。

鐵礦石、煤炭及錳

於財政回顧期，並無就鐵礦石及煤炭礦物進行任何開發或礦務生產活動。

截至二零一七年六月三十日止六個月，由於印尼辦事處並無法律代表，故亦無就錳礦物進行任何開發或礦務生產活動。因此，用於此等活動的支出為無(截至二零一六年六月三十日止六個月：無)。

本公司於截至二零一七年六月三十日止六個月內概無訂立新合約及承擔(截至二零一六年六月三十日止六個月：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Estimated Proved Reserves

The updated mineral reserves of the Group as at 30 June 2017 and 31 December 2016 were as follows:

估計探明儲量

本集團於二零一七年六月三十日及二零一六年十二月三十一日之礦產儲量更新如下：

Minerals	Location	Total area	Reserves identified by JORC standard (metric tonnes) as at 30 June 2017 proved 於二零一七年六月三十日 JORC 規則 識別之儲量 (公噸) 探明	Reserves identified by JORC standard (metric tonnes) as at 31 December 2016 proved 於二零一六年十二月三十一日 JORC 規則 識別之儲量 (公噸) 探明
礦產	位置	總面積		
Dolomite	Lots: HS (D) 13756, PT 13404 and HS (D) 13757, PT 13405	13 hectares	19,970 ⁽¹⁾	19,970 ⁽¹⁾
白雲石	地段：HS (D) 13756, PT 13404 及 HS (D) 13757, PT 13405 Mukim: Sungai Siput 區域：Sungai Siput District: Kuala Kangsar 區：Kuala Kangsar State: Perak 州：霹靂州 Country: Malaysia 國家：馬來西亞	13公頃		
Manganese ⁽²⁾ 錳 ⁽²⁾	Village: Jatimulyo 村：Jatimulyo Subdistrict: Girimulyo 分區：Girimulyo Regency: Kulon Progo 區：Kulon Progo Province: Daerah Istimewa Yogyakarta 省：Daerah Istimewa Yogyakarta Country: Indonesia 國家：Indonesia	195 hectares 195公頃	Under exploration 勘探中	Under exploration 勘探中

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Notes:

- (1) The average % of Magnesium Oxide (“MgO”) and Magnesium (“Mg”) are as follows:

	Above Ground	Below Ground (30 metres depth)
South Hill 南山	Above Ground 地上	Below Ground (30 metres depth) 地下 (30 米深)
Average % of MgO MgO 所佔平均百分比	19.17%	18.59%
Average % of Mg Mg 所佔平均百分比	11.50%	11.15%
North Hill 北山	Above Ground 地上	Below Ground (30 metres depth) 地下 (30 米深)
Average % of MgO MgO 所佔平均百分比	20.06%	19.10%
Average % of Mg Mg 所佔平均百分比	12.04%	11.46%

- (2) During the six month ended 30 June 2017 and up to the date of this report, the operations in Yogyakarta, Indonesia, had been hampered due to the failure to contact the legal representative of PT Laksbang Mediatama.

附註：

- (1) 氧化鎂 (「MgO」) 及鎂 (「Mg」) 所佔平均百分比如下：

- (2) 截至二零一七年六月三十日止六個月及截至本報告日期，於印尼 Yogyakarta 省之業務因無法聯絡 PT Laksbang Mediatama 法律代表而受到阻礙。

Outlook

The Directors has been realized that the auditor of the Company, Baker Tilly Hong Kong (the “Auditor”), issued a disclaimer of opinions to the consolidated statement of financial statements as at 31 December 2016 due to some significance of the matters as the Auditor cannot obtain sufficient and appropriate audit evidences to provide a basis for audit opinion on the Company’s financial statements.

The Directors understand that it is the Company’s responsibility to prepare an annual report to enable shareholders to better understand the modifications and their actual or potential impact on the Company’s financial position.

Currently the Group has a plan to solve and remove most of the disclaimer of opinions in this financial year. The Directors has already discussed with the Auditors for those opinions as both parties believes that some opinions can be removed such as the fair value of the liability component and the convertible bond equity reserve of the convertible bond; impairments of prepayments, deposits and other receivables and fair value of the interest-bearing borrowings due to the repayment of debt. Moreover, the Group decides to dispose the PTLM and discontinue the operation in Indonesia, it will help to remove the opinion related to exploration and evaluations assets.

展望

董事發現，本公司之核數師天職香港會計師事務所有限公司 (「核數師」) 因所述事宜之重要性其無法獲得充足適當之審核憑據以作為對本公司財務報表作出審核意見之依據而就二零一六年十二月三十一日財務報表之綜合報表發出不發表意見。

董事明白，編製年報讓股東更好了解本公司之變更及其對本公司財務狀況之實際或潛在影響乃屬本公司責任。

本集團目前擬解決及移除本財政年度大部份不發表意見。由於董事與核數師均認為部份意見 (如負債部份及可換股債券之可換股債券權益儲備之公平值；預付款項、按金及其他應收款項之減值以及償還債務而產生計息借款之公平值) 可予移除，故此雙方已就有關意見進行商討。此外，本集團決定出售 PTLM 及終止於印尼之營運，此舉將有助移除有關勘探及評估資產之意見。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Directors believe that removal of disclaimer of opinions can help shareholders to understand more about the financial position of the Group.

Since the beginning of last year and till the date of this Report, the Group had strived its best efforts to make strengthen its financial positions and we have seen dramatic improvements in the six months ended 30 June 2017; the subsequent completion of the final repayment of the bank loans in August has finally made the success of the bank loan restructuring program which started from the end of 2014.

The completion of the debt restructuring has turned around the Group's internal business environment from worse to ready for profit making, the Group is ready to take the next steps in its business plan, apart from improving the existing businesses, resolving past issues to clean up the corporate environment, we are also keeping eyes open for new business opportunities in a globalised prospective, these including but not limited to plans for strategic partnership alliance, business acquisitions, and investments.

FINANCIAL REVIEW

Turnover and Other Revenue

The Group's turnover for the six months ended 30 June 2017 was approximately HK\$291,000 (six months ended 30 June 2016: approximately HK\$7,230,000). The Group received interest income of HK\$58 from money deposited with approved financial institutions and no rental income from leasing of drilling machines for the six months ended 30 June 2017 (six months ended 30 June 2016: HK\$281). The Group has not recorded any gain on loans reduction for the six months ended 30 June 2017 (six months ended 30 June 2016: HK\$192,990,000) and sundry income HK\$567 (six months ended 30 June 2016: HK\$7,134).

Cost of Sales

Cost of sales of the Group for the six months ended 30 June 2017 amounted to approximately HK\$243,000 (six months ended 30 June 2016: approximately HK\$7,040,000) which mainly included staff costs, depreciation and amortisation. The decrease in the cost of sales was primarily attributable to the decrease in all components of the cost of sales for a lower operating volume at the Smelter.

董事相信，移除不發表意見有助股東更為了解本集團之財務狀況。

自去年年初以來及直至本報告日期，本集團致力於鞏固其財務狀況，於截至二零一七年六月三十日止六個月的財務狀況已有顯著改善；其後於八月份完成銀行貸款的最終還款使得自二零一四年底開始的銀行貸款重組計劃最終得以順利完成。

債務重組完成扭轉本集團的內部業務環境，使本集團有機會由虧轉盈，除改善其現有業務外，本集團已準備就緒進行下一步業務計劃，解決過往問題，進而整頓企業環境。我們亦放眼全球各地尋找新業務機遇，包括但不限於戰略聯盟合作夥伴計劃、業務收購及投資。

財務回顧

營業額及其他收入

本集團截至二零一七年六月三十日止六個月的營業額約為291,000港元(截至二零一六年六月三十日止六個月：約7,230,000港元)。截至二零一七年六月三十日止六個月，本集團就存放於認可金融機構的存款收取利息收入58港元及並無就租賃鑽探機收取租金收入(截至二零一六年六月三十日止六個月：281港元)。截至二零一七年六月三十日止六個月，本集團並無錄得貸款減少收益(截至二零一六年六月三十日止六個月：192,990,000港元)，而雜項收入為567港元(截至二零一六年六月三十日止六個月：7,134港元)。

銷售成本

本集團截至二零一七年六月三十日止六個月的銷售成本約為243,000港元(截至二零一六年六月三十日止六個月：約7,040,000港元)，主要包括員工成本、折舊及攤銷。銷售成本減少主要由於銷售成本全部組成部份因冶煉廠運作量下降而有所減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Administrative Expenses

The administrative expenses decreased by 47.9% to approximately HK\$15,407,000 in the first half of 2017 from approximately HK\$29,570,000 for the same period of last year.

Net Foreign Exchange Losses

During the period under review, the net gain of approximately HK\$4,000 (six months ended 30 June 2016: approximately HK\$140,000 on foreign exchange mainly represented the net realised gain/losses on sales receipts net off against payments to suppliers and creditors in Malaysia and Indonesia.

Looking forward, the Group will be exposed to foreign currency risk primarily through exposures in sales and purchases that are denominated in foreign currencies other than the Group's functional currency (e.g. US Dollars, Ringgit Malaysia, Chinese Renminbi and Indonesian Rupiah). The Group did not use any financial instruments for any hedging purposes during the six months ended 30 June 2017.

Finance Costs

The Group's finance costs principally consisted of interest of approximately HK\$500,000 (six months ended 30 June 2016: approximately HK\$1,480,000) for convertible bonds issued by the Company, interest expenses of approximately HK\$5,124,000 on loans from third parties (six months ended 30 June 2016: approximately HK\$150,000) and interest on the Group's bank loans of approximately HK\$Nil (six months ended 30 June 2016: approximately HK\$1,640,000).

Profit/(Loss) Before Taxation

The Group incurred a loss before taxation of approximately HK\$21,140,000 for the six months ended 30 June 2017 (six months ended 30 June 2016: profit before taxation of approximately HK\$157,810,000) primarily as a result of loss from operations of approximately HK\$15,510,000 (six months ended 30 June 2016: a result of gain from operations approximately HK\$161,120,000), finance costs of approximately HK\$5,630,000 (six months ended 30 June 2016: approximately HK\$3,310,000).

The decrease in profit is mainly due to the gain resulted from final reduced bank loans settlement of approximately HK\$193.0 million recognised in the six months ended 30 June 2016. Such gain is one-off and non-recurring in nature and the Group is expected to have operational loss regarding that period.

行政開支

行政開支由去年上半年約29,570,000港元減少47.9%至二零一七年同期約15,407,000港元。

外匯虧損淨額

於回顧期內，外匯收益淨額約4,000港元（截至二零一六年六月三十日止六個月：約140,000港元）主要指本集團銷售款項的已變現收益／虧損淨額抵銷支付予馬來西亞及印尼供應商及債權人的款項。

展望未來，本集團將主要面臨以本集團功能貨幣以外的外幣（例如美元、馬來西亞令吉、中國人民幣及印尼盧比）為單位的買賣所帶來的外匯風險。於截至二零一七年六月三十日止六個月，本集團並無使用任何金融工具作任何對沖用途。

融資成本

本集團的融資成本主要包括本公司所發行可換股債券的利息約500,000港元（截至二零一六年六月三十日止六個月：約1,480,000港元）、來自第三方貸款的利息開支約5,124,000港元（截至二零一六年六月三十日止六個月：約150,000港元）及本集團銀行貸款的利息約零港元（截至二零一六年六月三十日止六個月：約1,640,000港元）。

除稅前溢利／（虧損）

本集團於截至二零一七年六月三十日止六個月產生除稅前虧損約21,140,000港元（截至二零一六年六月三十日止六個月：除稅前溢利約157,810,000港元），主要由於產生經營虧損約15,510,000港元（截至二零一六年六月三十日止六個月：產生經營收益約161,120,000港元）、融資成本約5,630,000港元（截至二零一六年六月三十日止六個月：約3,310,000港元）所致。

有關溢利減少主要由於截至二零一六年六月三十日止六個月確認最終銀行貸款結算減少而產生收益約193,000,000港元。有關收益屬一次性及非經常性，而本集團預期該期間將錄得經營虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group incurred a loss for the period attributable to owners of the Company of HK\$20,540,000 (unaudited) compared to a loss for the same period last year of HK\$31,998,188, which excluding the gain on loans reduction of HK\$192,992,398 (unaudited), and, as at 30 June 2017, the Group's current liabilities exceeded its current assets by HK\$170,964,352 (unaudited) (31 December 2016 (audited): HK\$201,008,467).

Earnings/(Loss) per Share

Loss per share for the six months ended 30 June 2017 was HK0.36 cents (six months ended 30 June 2016: earnings per share of HK2.92 cents).

FINANCIAL POSITION

Convertible Bonds

As at 30 June 2017, the principal amount of the convertible bonds of the Company (the "Matured Bonds") in default was HK\$10,000,000 (31 December 2016: HK\$10,000,000) which were immediate due for repayment. The default interest thereon was HK\$4,115,164 (31 December 2016: interest (including default interest) of HK\$3,234,970). As at the approval date of the condensed consolidated interim financial statements, the Company has not yet concluded any alterations in the terms of the Matured Bonds with the Matured Bonds holder.

Liquidity and Financial Resources

Net current liabilities of the Group stood at HK\$170,964,352 as at 30 June 2017 (31 December 2016: HK\$201,008,467). Included in current liabilities were interest-bearing borrowings from independent third parties and finance lease creditors of HK\$99,959,971 (31 December 2016: HK\$137,658,154). The Group had a gearing ratio of approximately negative 7.75 times (which is calculated on the basis of total finance leases, interest bearing borrowings and convertible bonds over total equity attributable to owners of the Company) as at 30 June 2017 (31 December 2016: negative 3.29 times).

At 30 June 2017, the Group has cash and cash equivalents of HK\$114,477 (unaudited) (31 December 2016 (audited): HK\$493,462) which is insufficient to settle all the current liabilities, they mainly included accrued salaries of HK\$6,860,925 (unaudited) (31 December 2016 (audited): HK\$3,984,316) payables due in the immediate month, accrued interest on convertible bonds of HK\$4,115,164 (unaudited) (31 December 2016 (audited): HK\$3,321,440); and committed to contract for of HK\$14,352,735 (unaudited) (31 December 2016 (audited): HK\$13,660,426) in the Group's capital commitments.

本集團於期內產生本公司擁有人應佔虧損20,540,000港元(未經審核)，而去年同期則為虧損31,998,188港元(不包括貸款減少收益192,992,398港元(未經審核))，以及於二零一七年六月三十日，本集團流動負債超出流動資產170,964,352港元(未經審核)(二零一六年十二月三十一日(經審核)：201,008,467港元)。

每股盈利／(虧損)

截至二零一七年六月三十日止六個月的每股虧損為0.36港仙(截至二零一六年六月三十日止六個月：每股盈利2.92港仙)。

財務狀況

可換股債券

於二零一七年六月三十日，本公司違約可換股債券(「到期債券」)之本金額為10,000,000港元(二零一六年十二月三十一日：10,000,000港元)，須到期立即償還。由此產生之違約利息為4,115,164港元(二零一六年十二月三十一日：利息(包括違約利息)3,234,970港元)。於簡明綜合中期財務報表之批准日期，本公司與到期債券持有人並無對到期債券條款作出任何更改。

流動資金及財務資源

於二零一七年六月三十日，本集團的流動負債淨額為170,964,352港元(二零一六年十二月三十一日：201,008,467港元)。流動負債包括來自獨立第三方的計息借款及融資租賃債項99,959,971港元(二零一六年十二月三十一日：137,658,154港元)。本集團於二零一七年六月三十日的資產負債比率約為負7.75倍(按融資租賃、計息借款及可換股債券總額除本公司擁有人應佔權益總額計算)(二零一六年十二月三十一日：負3.29倍)。

於二零一七年六月三十日，本集團的現金及現金等價物為114,477港元(未經審核)(二零一六年十二月三十一日(經審核)：493,462港元)，其不足以支付所有流動負債(主要包括當月到期應付的應計薪金6,860,925港元(未經審核)(二零一六年十二月三十一日(經審核)：3,984,316港元)、可換股債券的應計利息4,115,164港元(未經審核)(二零一六年十二月三十一日(經審核)：3,321,440港元)及本集團資本承擔中已承擔已訂約14,352,735港元(未經審核)(二零一六年十二月三十一日(經審核)：13,660,426港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Total deficit attributable to owners of the Company was approximately HK\$14,180,000 as at 30 June 2017 which was decreased from deficit of approximately HK\$44,855,000 as at 31 December 2016 mainly due to the effect of shares issued pursuant to the loan capitalisation and share placing amounting to HK\$38,200,000 and HK\$5,628,750 respectively during the period.

The Directors have taken and/or will take the following actions to mitigate the liquidity issues faced by the Group:

- (i) The Directors review the Group's cash position regularly;
- (ii) On 13 July 2016 and 1 August 2016, the Company borrowed HK\$42,000,000 and HK\$50,000,000 respectively from an independent third party, with interests bearing at 12% and 10% per annum respectively and repayable within two months after their respective drawdown dates or within 20 business days after the lender has served the Company a written notice for immediate repayment. The Company has also pledged the issued shares of CVMSB as security for the HK\$50,000,000 loan as aforementioned;
- (iii) All the Matured Bonds of the Group were remained in default and immediately due for repayments as at 30 June 2017. The Group is using their best efforts to (i) arrange to continue to pay the overdue interests to the bondholders in due course and (ii) further re-negotiate with bondholders for the extension of maturity dates and Proposed Alteration of terms of these convertible bonds;
- (iv) On 26 July 2017, the Company borrowed unsecured loans of HK\$10,000,000 from independent third parties at interest rate 20% per annum and are repayable within six months after the drawdown date; and
- (v) The Group has extended its global searching for investors or strategic partners for the Group's projects in Hong Kong, the PRC and other part of the world.

本公司擁有人應佔虧損總額由二零一六年十二月三十一日的虧損約44,855,000港元減少至於二零一七年六月三十日的約14,180,000港元，主要由於期內貸款資本化及股份配售已發行股份的影響分別為38,200,000港元及5,628,750港元。

董事已採取及／或將會採取下列行動減輕本集團所面臨的流動資金問題：

- (i) 董事定期審閱本集團的現金狀況；
- (ii) 於二零一六年七月十三日及二零一六年八月一日，本公司分別向獨立第三方借入42,000,000港元及50,000,000港元，分別按年利率12%及10%計息，須於貸款各提款日期後兩個月內或貸方向本公司發出要求即時償還的書面通知後20個營業日內償還。本公司亦已押記CVMSB的已發行股份，作為上述50,000,000港元貸款的抵押；
- (iii) 本集團所有到期債券仍拖欠還款並於二零一七年六月三十日到期時即時償還。本集團正盡最大努力(i)適時安排向債券持有人繼續支付逾期利息及(ii)進一步與債券持有人就延長到期日及此等可換股債券的建議修改條款重新商討；
- (iv) 於二零一七年七月二十六日，本公司向獨立第三方借入無抵押貸款10,000,000港元，按年利率20%計息，須於提取日期後六個月內償還；及
- (v) 本集團就其在香港、中國及世界其他地區的項目於全球物色投資者或策略夥伴。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital Expenditure

The carrying amount of the Group's property, plant and equipment as at 30 June 2017 decreased by 0.3% to approximately HK\$142,040,000 (31 December 2016: approximately HK\$142,530,000) mainly as a result of the depreciation and amortisation charges and a foreign exchange gain incurred during the six months ended 30 June 2017.

Charge on Assets

On 30 July 2016, the Group obtained an interest-bearing loan amounting to HK\$50,000,000 from an independent third party which was secured by way of a pledge over the entire issued capital of CVMSB.

Human Resources

As at 30 June 2017 the Group had a total of approximately 80 employees (31 December 2016: 80 employees). Total staff costs (including Directors' remuneration) for the six months ended 30 June 2017 were approximately HK\$4,814,000 (six months ended 30 June 2016: approximately HK\$13,320,000) representing approximately 30.97% (six months ended 30 June 2016: 36.38%) of the Group's total cost of sales and administrative expenses. Employees are remunerated based on their performance, experience and industry practice. Bonuses are rewarded based on individual staff performance and in accordance with the Group's overall remuneration policies. The Group's management reviewed the remuneration policies and packages on a regular basis and had streamlined the workforce during the first half of this year.

資本開支

於二零一七年六月三十日，本集團物業、廠房及設備的賬面值減少0.3%至約142,040,000港元(二零一六年十二月三十一日：約142,530,000港元)，此乃主要由於截至二零一七年六月三十日止六個月錄得折舊及攤銷開支以及匯兌收益所致。

資產抵押

於二零一六年七月三十日，本集團已向獨立第三方取得計息貸款50,000,000港元，乃以質押CVMSB全部已發行股本的方式提供擔保。

人力資源

於二零一七年六月三十日，本集團共有約80名僱員(二零一六年十二月三十一日：80名僱員)。截至二零一七年六月三十日止六個月的員工成本總額(包括董事酬金)約為4,814,000港元(截至二零一六年六月三十日止六個月：約13,320,000港元)，佔本集團總銷售成本及行政開支約30.97%(截至二零一六年六月三十日止六個月：36.38%)。僱員酬金按表現、經驗及行業慣例釐定，而花紅則按員工個別表現及根據本集團整體薪酬政策發放。本集團管理層定期檢討薪酬政策及待遇，並於本年度上半年精簡人手。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

			Six months ended 30 June	
			截至六月三十日止六個月	
			2017	2016
			二零一七年	二零一六年
			HK\$	HK\$
			港元	港元
			(Unaudited)	(Unaudited)
			(未經審核)	(未經審核)
		Notes		
		附註		
Turnover	營業額	4	291,081	7,230,934
Cost of sales	銷售成本		(243,408)	(7,043,276)
Gross profit/(loss)	毛利/(損)		47,673	187,658
Other revenue	其他收入	5	625	192,999,813
Other net losses	其他虧損淨額	6	(4,326)	(144,646)
Selling and distribution expenses	出售及分銷開支		(148,197)	(2,352,119)
Administrative expenses	行政開支		(15,407,123)	(29,573,165)
Profit/(loss) from operations	經營溢利/(虧損)		(15,511,348)	161,117,541
Finance costs	融資成本	7(a)	(5,625,535)	(3,308,754)
(Loss)/Profit before taxation	除稅前(虧損)/溢利	7	(21,136,883)	157,808,787
Income tax	所得稅	8	-	-
(Loss)/Profit for the period	本期(虧損)/溢利		(21,136,883)	157,808,787
Attributable to:	以下人士應佔:			
Owners of the Company	本公司擁有人		(20,539,980)	160,994,210
Non-controlling interests	非控股權益		(596,903)	(3,185,423)
(Loss)/Profit for the period	本期(虧損)/溢利		(21,136,883)	157,808,787
(Loss)/Earnings per share	每股(虧損)/盈利			
Basic and diluted	基本及攤薄	9	(0.36) cents 仙	2.92 cents 仙

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
(Loss)/Profit for the period	本期(虧損)/溢利	(21,136,883)	157,808,787
Other comprehensive (loss)/income for the period	本期其他全面(虧損)/收益		
<i>Items that have been reclassified or may be reclassified subsequently to profit or loss:</i>	<i>已經或其後可能重新分類至損益的項目：</i>		
— Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	— 換算海外附屬公司財務報表的匯兌差異，扣除零稅項	7,278,887	(4,986,100)
Total comprehensive (loss)/income for the period	本期全面(虧損)/收益總額	(13,857,996)	152,822,687
Attributable to:	以下人士應佔：		
Owners of the Company	本公司擁有人	(13,749,867)	157,072,494
Non-controlling interests	非控股權益	(108,129)	(4,249,807)
Total comprehensive (loss)/income for the period	本期全面(虧損)/收益總額	(13,857,996)	152,822,687

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2017 於二零一七年六月三十日
(Expressed in Hong Kong dollars) (以港元列值)

			At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
	Notes 附註			
Non-current assets		非流動資產		
Property, plant and equipment	12	物業、廠房及設備	142,041,171	142,529,890
— Property, plant and equipment		— 物業、廠房及設備		
— Interests in leasehold land held for own use under operating leases		— 根據經營租賃持作自用 租賃土地權益	2,961,893	2,554,427
Goodwill	13	商譽	—	—
Exploration and evaluation assets	14	勘探及評估資產	—	—
Mining deposit		採礦按金	163,601	155,709
			145,166,665	145,240,026
Current assets		流動資產		
Trade receivables	15	應收賬款	538,867	148,646
Prepayments, deposits and other receivables		預付款項、按金及其他 應收款項	1,886,787	3,212,239
Cash and cash equivalents	16	現金及現金等價物	114,477	493,462
			2,540,131	3,854,347
Current liabilities		流動負債		
Other payables and accruals	17	其他應付款項及應計費用	59,837,930	54,760,741
Obligations under finance leases	18	融資租賃承擔	8,771	48,954
Amount due to a director	19	應付一名董事款項	1,120,686	—
Amounts due to related parties	19	應付關連方款項	2,585,896	2,443,919
Convertible bonds	20	可換股債券	10,000,000	10,000,000
Interest-bearing borrowings	21	計息借款	99,951,200	137,609,200
			173,504,483	204,862,814
Net current liabilities		流動負債淨額	(170,964,352)	(201,008,467)
Total assets less current liabilities		總資產減流動負債	(25,797,687)	(55,768,441)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2017 於二零一七年六月三十日
(Expressed in Hong Kong dollars) (以港元列值)

			At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
		Notes 附註		
Net liabilities	負債淨額		(25,797,687)	(55,768,441)
Capital and reserves	資本及儲備			
Share capital	股本	23	1,411,704,051	1,367,875,301
Reserves	儲備		(1,425,883,782)	(1,412,730,818)
Total deficit attributable to owners of the Company	本公司擁有人應佔虧損總額		(14,179,731)	(44,855,517)
Non-controlling interests	非控股權益		(11,617,956)	(10,912,924)
Total deficit	虧損總額		(25,797,687)	(55,768,441)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Exchange reserve	Capital reserve	Convertible bond equity reserve	Share option reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity/(deficit)
		股本	匯兌儲備	資本儲備	可換股債券權益儲備	購股權儲備	其他儲備	累計虧損	總額	非控股權益	(虧損)總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
At 1 January 2016 (audited)	於二零一六年一月一日(經審核)	1,367,875,301	66,352,572	1,338,136	7,558,200	-	30,856,527	(1,567,824,565)	(93,843,829)	(674,792)	(94,518,621)
Changes in equity for the period:	本期權益變動:										
Profit for the period	本期虧損	-	-	-	-	-	-	160,994,210	160,994,210	(3,185,423)	157,808,787
Other comprehensive income	其他全面收益	-	(3,921,716)	-	-	-	-	-	(3,921,716)	(1,064,384)	(4,986,100)
Total comprehensive income for the period	本期全面收益總額	-	(3,921,716)	-	-	-	-	160,994,210	157,072,494	(4,249,807)	152,822,687
Share options granted	已授出購股權	-	-	-	-	8,385,648	-	-	8,385,648	-	8,385,648
Redemptions of convertible bonds	贖回可換股債券	-	-	-	(492,260)	-	-	492,260	-	-	-
At 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	1,367,875,301	62,430,856	1,338,136	7,065,940	8,385,648	30,856,527	(1,406,338,095)	71,614,313	(4,924,599)	66,689,714
At 1 January 2017 (audited)	於二零一七年一月一日(經審核)	1,367,875,301	47,572,904	1,338,136	1,783,275	8,385,648	30,856,527	(1,502,667,308)	(44,855,517)	(10,912,924)	(55,768,441)
Changes in equity for the period:	本期權益變動:										
Profit for the year	年內溢利	-	-	-	-	-	-	(20,539,980)	(20,539,980)	(596,903)	(21,136,883)
Other comprehensive loss	其他全面虧損	-	7,387,016	-	-	-	-	-	7,387,016	(108,129)	7,278,887
Total comprehensive (loss)/income for the period	本期全面(虧損)/收益總額	-	7,387,016	-	-	-	-	(20,539,980)	(13,152,964)	(705,032)	(13,857,996)
Issue of shares pursuant to share placement	根據股份配售發行股份	5,628,750	-	-	-	-	-	-	5,628,750	-	5,628,750
Issue of shares pursuant to share subscription agreement for loan capitalisation	根據貸款資本化的股份認購協議發行股份	38,200,000	-	-	-	-	-	-	38,200,000	-	38,200,000
At 30 June 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	1,411,704,051	54,959,920	1,338,136	1,783,275	8,385,648	30,856,527	(1,523,207,288)	(14,179,731)	(11,617,956)	(25,797,687)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Operating activities	經營業務		
Net cash used in operating activities	經營業務所用現金淨額	(5,127,177)	(12,196,554)
Investing activities	投資業務		
Interest received	已收利息	58	281
Net cash generated from investing activities	投資業務所得現金淨額	58	281
Financing activities	融資業務		
Redemptions of convertible bonds	贖回可換股債券	–	(3,000,000)
Repayments of interest-bearing borrowings	償還計息借款	(4,611,200)	–
Capital element of finance lease rentals paid	已付融資租賃租金的資本部份	(40,183)	(117,573)
Proceeds from interest-bearing borrowings	計息借款的所得款項	5,153,200	10,000,000
Proceeds from a share placing, net of expenses incurred	股份配售所得款項(扣除產生開支)	5,628,750	–
Increase in amounts due to related parties	應付關連方款項增加	141,977	–
Interest on finance lease rentals paid	已付融資租賃租金的利息	(860)	(4,748)
Interest paid	已付利息	(1,524,675)	(2,013,231)
Net cash generated from financing activities	融資業務所得現金淨額	4,747,009	4,864,448
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(380,110)	(7,331,825)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	493,462	11,964,081
Effect of foreign exchange rate changes	匯率變動之影響	1,125	9,491
Cash and cash equivalents at end of the period	期終現金及現金等價物	114,477	4,641,747

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

1 COMPANY INFORMATION

Ding He Mining Holdings Limited (the “**Company**”) is a company incorporated and domiciled in Hong Kong. The address of its registered office is Flat B, 21/F., Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong. The address of its principal place of business is 3/F., Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2017 comprises the Company and its subsidiaries (together referred to as the “**Group**”). The Group is primarily engaged in the mining of dolomite and manufacturing and sale of magnesium ingots in the state of Perak, Malaysia, exploration of mining resources in Yogyakarta Province in the Republic of Indonesia (“**Indonesia**”) and bottling and sale of mineral water in Guangdong Province in the People’s Republic of China (the “**PRC**”).

The condensed consolidated interim financial statements are presented in HK dollars (HK\$), unless otherwise stated.

The condensed consolidated interim financial statements were approved for issue on 30 August 2017.

The condensed consolidated interim financial statements have not been audited.

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”).

1 公司資料

鼎和礦業控股有限公司(「**本公司**」)是一間於香港註冊成立及登記的公司。其註冊辦事處地址為香港灣仔告士打道128號祥豐大廈21樓B室。其主要營業地點地址為3/F, Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia。本公司股份在香港聯合交易所有限公司(「**聯交所**」)主板上市。

本公司於二零一七年六月三十日及截至該日止六個月的簡明綜合中期財務報表包括本公司及其附屬公司(統稱「**本集團**」)。本集團的主要業務為於馬來西亞霹靂州開採白雲石及生產及銷售鎂錠、於印度尼西亞共和國(「**印尼**」)Yogyakarta省勘探礦產資源及於中華人民共和國(「**中國**」)廣東省裝瓶及銷售礦泉水。

除另有說明者外，簡明綜合中期財務報表乃以港元(「**港元**」)呈列。

簡明綜合中期財務報表於二零一七年八月三十日獲批准刊發。

簡明綜合中期財務報表未經審核。

2 簡明綜合中期財務報表的編製基準

本集團的簡明綜合中期財務報表乃根據香港會計師公會(「**香港會計師公會**」)所頒佈的香港會計準則(「**香港會計準則**」)第34號「中期財務報告」及聯交所證券上市規則(「**上市規則**」)附錄16的適用披露規定所編製。

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

The financial information relating to the financial year ended 31 December 2016 that is included in the interim financial information as comparative information does not constitute the Group's annual financial statements prepared under HKFRSs for that financial year but is derived from those financial statements. Further information relating to these annual financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (the "HKCO") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the HKCO.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2016. These condensed consolidated interim financial statements do not include all the information and disclosures required for the full annual financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSS") issued by the HKICPA, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2016.

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except as otherwise disclosed in below notes.

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2016.

2 簡明綜合中期財務報表的編製基準 (續)

載於中期財務資料有關截至二零一六年十二月三十一日止財政年度作為比較資料的財務資料並不構成本集團於該財政年度根據香港財務報告準則編製的年度財務報表，惟乃源自該等財務報表。有關此等年度財務報表的進一步詳情根據香港公司條例(「香港公司條例」)第436條披露如下：

本公司已根據香港公司條例第662(3)條及其附表6第3部向香港公司註冊處處長提交截至二零一六年十二月三十一日止年度的財務報表。

所載特選解釋附註解釋對理解本集團於二零一六年十二月三十一日及截至該日止年度的上一份年度綜合財務報表以來的財務狀況及表現變動而言屬重大的事件及交易。此等簡明綜合中期財務報表並不包含根據香港會計師公會所頒佈的香港財務報告準則(「香港財務報告準則」)編製完整的年度財務報表所需的一切資料及披露事項，且應與本集團截至二零一六年十二月三十一日止年度的年度綜合財務報表一併閱讀。

除以下附註另有披露者外，簡明綜合中期財務報表乃根據歷史成本法編製。

在編製簡明綜合中期財務報表時，管理層需作出判斷、估計及假設，其將對會計政策的應用以及資產及負債、收入及支出的報告數額構成影響。實際結果可能有別於此等估計數額。

在編製簡明綜合中期財務報表時，管理層在應用本集團會計政策及估計不確定性的主要來源時所作出的重大判斷與本集團截至二零一六年十二月三十一日止年度的年度綜合財務報表所應用者相同。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

In preparing the condensed consolidated interim financial statements, the Directors have given careful consideration to the future liquidity and performance of the Group in light of the fact that:

- (i) the Group incurred a loss for the period attributable to owners of the Company of HK\$20,539,980 (unaudited) (excluding the gain on loans reduction recognised of HK\$192,992,398 (unaudited), six months ended 30 June 2016 (unaudited): HK\$31,998,188), and, as at 30 June 2017, the Group's current liabilities exceeded its current assets by HK\$170,964,352 (unaudited) (31 December 2016 (audited): HK\$201,008,467);
- (ii) at 30 June 2017, the Group has cash and cash equivalents of HK\$114,477 (unaudited) (31 December 2016 (audited): HK\$493,462) which is insufficient to settle all the current liabilities, they mainly included accrued salaries of HK\$6,860,925 (unaudited) (31 December 2016 (audited): HK\$3,984,316) payables due in the immediate month, accrued interest on convertible bonds of HK\$4,115,164 (unaudited) (31 December 2016 (audited): HK\$3,321,440); and committed to contract for of HK\$14,352,735 (unaudited) (31 December 2016 (audited): HK\$13,660,426) in the Group's capital commitments;
- (iii) as explained in Note 14(a) to the condensed consolidated interim financial statements, the production plant in Malaysia was suspended since the year ended 31 December 2012;
- (iv) as detailed in Notes 14(b) and 14(c) to the condensed consolidated interim financial statements, there were no exploration activities conducted in the six months ended 30 June 2017 for coal and manganese. This was because the Group is trying to reallocate its limited cash resources to other prospective business segments;

2 簡明綜合中期財務報表的編製基準(續)

在編製簡明綜合中期財務報表時，董事已基於以下各項事實審慎考慮本集團的未來流動資金及表現：

- (i) 除已確認貸款減少收益192,992,398港元(未經審核)(截至二零一六年六月三十日止六個月(未經審核): 31,998,188港元)外，本集團產生本公司擁有人應佔期內虧損20,539,980港元(未經審核)，以及於二零一七年六月三十日，本集團流動負債超出流動資產170,964,352港元(未經審核)(二零一六年十二月三十一日(經審核): 201,008,467港元)；
- (ii) 於二零一七年六月三十日，本集團的現金及現金等價物為114,477港元(未經審核)(二零一六年十二月三十一日(經審核): 493,462港元)，其不足以支付所有流動負債(主要包括當月到期應付的應計薪金6,860,925港元(未經審核)(二零一六年十二月三十一日(經審核): 3,984,316港元)、可換股債券的應計利息4,115,164港元(未經審核)(二零一六年十二月三十一日(經審核): 3,321,440港元))；及已承擔本集團資本承擔中已訂約14,352,735港元(未經審核)(二零一六年十二月三十一日(經審核): 13,660,426港元)；
- (iii) 誠如簡明綜合中期財務報表附註14(a)所闡釋，位於馬來西亞的生產廠房已自截至二零一二年十二月三十一日止年度起暫停營運；
- (iv) 誠如簡明綜合中期財務報表附註14(b)及14(c)所詳述，截至二零一七年六月三十日止六個月並無就煤炭及錳進行勘探活動，此乃由於本集團正在嘗試重新分配其有限的現金資源至其他潛在的業務分部；

2 BASIS OF PREPARATION OF THE
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (continued)

- (v) as explained in Note 14(c) to the condensed consolidated interim financial statements, the Group lost contact with the legal representatives of PT. Laksbang Mediatama (“PTLM”) in prior years and the re-nomination of the legal representatives has not yet been completed. PTLM holds a production operating mining permit for manganese in Indonesia. This brought to a halt to the daily operations and mining activities of PTLM and might impact the fulfillment of the obligations of PTLM in respect of its production operation mining permit for manganese and any other government regulations it would be subject to. The operations and future profitability of the Group might be affected by the loss of contact with the PTLM’s legal representatives;
- (vi) as detailed in Note 20(a) to the condensed consolidated interim financial statements, the remaining outstanding aggregate principal amount of convertible bonds of HK\$10,000,000 (the “**Matured Bonds**”) following the non-fully redemptions of Fourth Tranche Bonds on 4 March 2015, all the Matured Bonds were remained in default and immediately due for repayments as at 30 June 2017. The directors of the Company represented that (i) the Company is currently in the course of arm’s length negotiations with the holders of the Matured Bonds in relation to, among others, the possible extension of the Matured Bonds and/or other possible alteration of terms of the Matured Bonds (“**Proposed Alteration**”); (ii) as negotiated with the holders of the Matured Bonds, among them except for two holders are under settlement arrangements, they have verbally agreed not to redeem the Matured Bonds until the Proposed Alteration is confirmed; and (iii) the interest on the Matured Bonds will continue to be payable by the Company until the date of full redemption pursuant to the terms of the Matured Bonds. The interest thereon is HK\$500,000 charged to the six months ended 30 June 2017. As at the approval date of the condensed consolidated interim financial statements, the Proposed Alteration have not been fixed and confirmed yet;

2 簡明綜合中期財務報表的編製基準(續)

- (v) 誠如簡明綜合中期財務報表附註 14(c) 所闡釋，本集團於過往年度與 PT. Laksbang Mediatama (「PTLM」) 的法律代表失去聯絡，且尚未完成重新提名法律代表。PTLM 持有位於印尼的錳生產經營開採許可證，此令 PTLM 的日常營運及採礦活動陷入停滯狀態，並可能影響 PTLM 履行有關其錳生產經營開採許可證及任何其他其將須遵守的政府規例的責任。本集團的業務及未來盈利能力或會因與 PTLM 的法律代表失去聯絡而受到影響；
- (vi) 誠如簡明綜合中期財務報表附註 20(a) 所詳述，隨著第四批債券於二零一五年三月四日未予悉數贖回，餘下尚未償還可換股債券(「**到期債券**」) 的本金額合共為 10,000,000 港元。所有到期債券仍拖欠還款並於二零一七年六月三十日到期時即時償還。本公司董事表示，(i) 本公司正與到期債券持有人就(其中包括)到期債券建議延期及／或到期債券條款之其他建議修改(「**建議修改**」)進行公平磋商；(ii) 與到期債券持有人磋商後，其中，除結算安排下的兩名債券持有人外，彼等口頭同意於建議修改確認前不贖回到期債券；及(iii) 根據到期債券條款，本公司將於悉數贖回日期前繼續支付到期債券利息。截至二零一七年六月三十日止六個月的有關利息支出為 500,000 港元。於簡明綜合中期財務報表批准日期，建議修改尚未決定及確認；

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

(vii) as detailed in Note 21(b) to the condensed consolidated interim financial statements, the Company defaulted on the repayments of the outstanding aggregated loans of HK\$69,951,200 and interest accrued, handling fees and further charges during the period in relation to the outstanding loans amounting to a total sum of HK\$1,523,811. The directors of the Company represented that (i) the Company commenced a negotiation of the terms of the loans with the third party; (ii) the interest and further charges on the matured loans will continue to be payable by the Company until the matured loans and related interest and charges are repaid in full. As at the approval date of the consolidated financial statements, the revised terms have not been concluded yet;

(viii) as detailed in Note 25(b) to the condensed consolidated interim financial statements, the bondholders of the Matured Bonds may without further notice institute such proceedings as it may think fit to enforce repayment of the Matured Bonds.

The Directors have taken the following actions to mitigate the liquidity issues faced by the Group:

- (i) subsequent to the end to the reporting period, on 26 July 2017, the Company borrowed unsecured loans of HK\$10,000,000 from independent third parties at interest rate 20% per year and are repayable within six months after the drawdown date;
- (ii) the Group has extended its global searching for investors or strategic partners for the Group's projects in Hong Kong, the PRC and the rest of the world.

2 簡明綜合中期財務報表的編製基準(續)

(vii) 誠如簡明綜合中期財務報表附註21(b)所詳述，本公司拖欠未償還貸款總額69,951,200港元以及期內與未償還貸款有關之應計利息、手續費及其他費用合共1,523,811港元之還款。本公司董事表示(i)本公司已就貸款之條款與第三方展開磋商；(ii)本公司將繼續支付到期貸款之利息及其他費用，直至悉數償還到期貸款以及相關利息及費用。於綜合財務報表批准日期，尚未最終確定有關經修訂條款；

(viii) 誠如簡明綜合中期財務報表附註25(b)詳述，到期債券持有人毋需就構成其認為合適可強制償還到期債券的行動作進一步通知。

董事已採取下列行動減輕本集團所面臨的流動資金問題：

- (i) 二零一七年七月二十六日之報告期結算日後，本公司向獨立第三方借入無抵押貸款10,000,000港元，按年利率20%計息，須於提取日期後六個月內償還；
- (ii) 本集團就其在香港、中國及世界其他地區的項目於全球物色投資者或戰略夥伴。

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

The Directors consider that taking into account of the above, the cash requirements of the Group for the next twelve months from the end of the reporting period and the Group's ability to attain future profitable operations in CVMSB and its indirectly owned subsidiary, 龍川升龍礦泉有限公司 (Long Chuan Shen Long Mineral Water Co., Ltd.) ("**Long Chuan**") and all existing loans facilities will be continuously available for the Group's use, the Group will have sufficient working capital to meet in full their financial obligations as they fall due for the foreseeable future. Accordingly, the condensed consolidated interim financial statements have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of all assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in the condensed consolidated interim financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the condensed consolidated interim financial statements are consistent with those of the consolidated financial statements as at and for the year ended 31 December 2016.

The HKICPA has issued a number of new and revised HKFRSs. For those which are effective for accounting periods beginning on 1 January 2017, the adoption has no significant impact on the Group's condensed consolidated interim financial statements; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group's consolidated financial statements.

2 簡明綜合中期財務報表的編製基準 *(續)*

董事認為，經考慮以上各點，本集團由報告期間結束起計未來十二個月的現金需求、本集團日後自 CVMSB 及其間接附屬公司龍川升龍礦泉有限公司（「龍川」）的營運獲利的能力，以及全部現有貸款融資將可持續供本集團動用後，本集團將有足夠營運資金悉數償還於可見將來到期償還的財務負債。因此，簡明綜合中期財務報表乃按持續經營基準編製。

倘本集團無法持續經營，則須作出調整以撇減所有資產值至其可收回金額，並就可能產生的任何進一步負債作出撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。此等潛在調整的影響並未在簡明綜合中期財務報表內反映。

3 主要會計政策

本集團於簡明綜合中期財務報表所採用的會計政策與於二零一六年十二月三十一日及截至該日止年度的綜合財務報表所採用者一致。

香港會計師公會已頒佈多項新訂及經修訂香港財務報告準則。就於二零一七年一月一日開始的會計期間生效的香港財務報告準則而言，採納該等準則對本集團簡明綜合中期財務報表並無重大影響，而就尚未生效者而言，本集團正在評估該等準則對本集團綜合財務報表的影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

4 TURNOVER

Turnover represents the sales value of magnesium ingots and related materials, and bottled mineral water supplied to customers. The amount of each significant category of revenue recognised in turnover during the period is as follows:

4 營業額

營業額指向客戶供應鎂錠及相關物料以及瓶裝礦泉水的銷售價值。於期內確認為營業額之各重大收入類別金額如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of bottled mineral water	銷售瓶裝礦泉水	291,081	288,060
Sales of magnesium ingots and related materials	銷售鎂錠及相關物料	–	6,942,874
		291,081	7,230,934

5 OTHER REVENUE

5 其他收入

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest income	利息收入	58	281
Gain on loans reduction	貸款減少收益	–	192,992,398
Sundry income	雜項收入	567	7,134
		625	192,999,813

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

6 OTHER NET LOSSES

6 其他虧損淨額

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net foreign exchange losses	外匯虧損淨額	(4,326)	(144,646)

7 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

7 除稅前溢利/(虧損)

除稅前溢利/(虧損)已扣除：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)

(a) Finance costs:	(a) 融資成本：		
Interest on bank loans wholly repayable within 5 years	須於五年內悉數償還的銀行貸款利息	-	1,642,180
Interest on convertible bonds	可換股債券利息	500,000	1,478,826
Interest on unsecured loans from third parties wholly repayable within 5 years	須於五年內悉數償還的來自第三方無抵押貸款的利息	5,123,811	153,000
Overdraft interest	透支利息	864	-
Finance charges on obligations under finance leases	融資租賃承擔的財務費用	860	4,748
Other borrowings costs	其他借貸成本	-	30,000
		5,625,535	3,308,754

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

7 PROFIT/(LOSS) BEFORE TAXATION (continued) 7 除稅前溢利/(虧損)(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年	2016 二零一六年
		HK\$ 港元	HK\$ 港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)

(b) Staff costs (including directors' remuneration):	(b) 員工成本(包括董事薪酬):		
Salaries, wages, bonuses and other benefits	薪金、工資、花紅及其他福利	4,734,914	4,781,047
Share-based payments	以股份為基礎的付款	–	8,385,648
Contributions to defined contribution retirement plan	向界定供款退休計劃供款	79,535	150,471
		4,814,449	13,317,166

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年	2016 二零一六年
		HK\$ 港元	HK\$ 港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)

(c) Other items:	(c) 其他項目:		
Amortisation of interests in leasehold land held for own use under operating leases	根據經營租賃持作自用的租賃土地權益攤銷	51,459	55,026
Cost of inventories sold	已售存貨成本	243,408	7,043,276
Depreciation	折舊	7,349,438	8,470,097
Operating lease charges in respect of:	有關下列各項的經營租賃支出:		
— office equipment	— 辦公室設備	6,175	–
— office premises	— 辦公室物業	639,950	522,817

8 INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated. On the basis stated below, no income tax has been provided by the Group for the six months ended 30 June 2017 and 2016 (unaudited).

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2016: 16.5%) of the estimated assessable profits for the six months ended 30 June 2017. No provision for Hong Kong Profits Tax had been made as the Group did not have assessable profit which is subject to Hong Kong Profits Tax for the six months ended 30 June 2017 and 2016 (unaudited).

Malaysian Income Tax is calculated at 25% (six months ended 30 June 2016: 25%) of assessable profits for the six months ended 30 June 2017. No provision for Malaysian Income Tax had been made as the Group did not have assessable profit which is subject to Malaysian Income Tax for the six months ended 30 June 2017 and 2016 (unaudited).

In accordance with the tax laws of Indonesia, companies engaged in metal, mineral and coal mining are governed by a particular contract of work and this is used for computation of the domestic income tax relating to that contract of work. Since the natural resources located in Indonesia are still in a preliminary exploration phase, the management of the Company was unable to ascertain from the local tax authorities the tax rate that should be applied to its mining operations for the six months ended 30 June 2017 and 2016. No provision for Indonesian Income Tax has been made as the Group did not have assessable profit which is subject to Indonesian Income Tax for the six months ended 30 June 2017 and 2016 (unaudited).

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (six months ended 30 June 2016: 25%) for the six months ended 30 June 2017. No provision for PRC Enterprise Income Tax has been made as the Group did not have assessable profit which is subject to the PRC Income Tax for the six months ended 30 June 2017 and 2016 (unaudited).

8 所得稅

本集團須就於本集團成員公司註冊成立及經營業務所在司法權區所產生或賺取的溢利，按實體基準繳納所得稅。基於下列基準，截至二零一七年及二零一六年六月三十日止六個月（未經審核），本集團並無就所得稅作出撥備。

香港利得稅乃根據截至二零一七年六月三十日止六個月的估計應課稅溢利按16.5%（截至二零一六年六月三十日止六個月：16.5%）計算。由於截至二零一七年及二零一六年六月三十日止六個月（未經審核）本集團並無應課稅溢利須繳納香港利得稅，故並無就香港利得稅作出撥備。

馬來西亞所得稅乃根據截至二零一七年六月三十日止六個月的應課稅溢利按25%（截至二零一六年六月三十日止六個月：25%）計算。由於截至二零一七年及二零一六年六月三十日止六個月（未經審核）本集團並無應課稅溢利須繳納馬來西亞所得稅，故並無就馬來西亞所得稅作出撥備。

根據印尼稅法，從事開採金屬、礦物及煤炭業務之公司須受個別工程合約監管，有關合約亦用於計算有關該工程合約之國內所得稅。由於位於印尼之天然資源仍處於初步勘探階段，故本公司管理層無法向當地稅務機關確定其採礦業務於截至二零一七年及二零一六年六月三十日止六個月須應用之稅率。由於截至二零一七年及二零一六年六月三十日止六個月（未經審核）本集團並無應課稅溢利須繳納印尼所得稅，故並無就印尼所得稅作出撥備。

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施細則，中國附屬公司截至二零一七年六月三十日止六個月之稅率為25%（截至二零一六年六月三十日止六個月：25%）。由於截至二零一七年及二零一六年六月三十日止六個月（未經審核）本集團並無應課稅溢利須繳納中國所得稅，故並無就中國企業所得稅作出撥備。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

8 INCOME TAX (continued)

Pursuant to the rules and regulations of the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in this jurisdiction.

At 30 June 2017 and 2016 (unaudited), the Group has not recognised deferred tax assets in respect of accumulated tax losses as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions. The tax losses do not expire under current tax legislation except for those losses made by the PRC subsidiary which will expire within five years from the year of incurrence. Other temporary differences are not material.

9 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the loss attributable to owners of the Company of HK\$20,539,980 (unaudited) (six months ended 30 June 2016 (unaudited): profit attributable to owners of the Company of HK\$160,994,210) and the weighted average number of 5,731,447,125 (unaudited) (30 June 2016 (unaudited): 5,509,623,921) ordinary shares in issue during the six months ended 30 June 2017, calculated as follows:

		2017 二零一七年 (Unaudited) (未經審核)	2016 二零一六年 (Unaudited) (未經審核)
Issued ordinary shares at 1 January	於一月一日的已發行普通股	5,509,623,921	5,509,623,921
Effect of issue of new shares pursuant to a share placing	根據股份配售發行新股份的影響	30,662,983	-
Effect of shares issued pursuant to the loan capitalisation	根據貸款資本化所發行股份的影響	191,160,221	-
Weighted average number of shares at 30 June	於六月三十日的股份加權平均數	5,731,447,125	5,509,623,921

8 所得稅(續)

根據英屬處女群島(「英屬處女群島」)規則及規例，本集團毋須在此司法權區繳納任何所得稅。

由於在相關稅務司法權區內將不大可能有可用作抵免虧損的未來應課稅溢利，故本集團於二零一七年及二零一六年六月三十日(未經審核)尚未將有關累計稅務虧損確認為遞延稅項資產。根據現行稅務法例，稅務虧損不會到期，惟中國附屬公司所產生虧損將自產生年度起計五年內到期則除外。其他暫時差異則不屬要項。

9 每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)乃基於截至二零一七年六月三十日止六個月本公司擁有人應佔虧損20,539,980港元(未經審核)(截至二零一六年六月三十日止六個月(未經審核):本公司擁有人應佔溢利160,994,210港元)及已發行普通股加權平均數5,731,447,125股(未經審核)(二零一六年六月三十日(未經審核):5,509,623,921股)計算如下:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

9 EARNINGS/(LOSS) PER SHARE (continued)

(b) Diluted earnings/(loss) per share

The computation of diluted earnings/(loss) per share does not assume the conversions/exercises of the Company's outstanding convertible bonds and share options since their conversions/exercises would have an anti-dilutive effect on the basic earnings/(loss) per share.

10 INTERIM DIVIDENDS

The Directors of the Company did not declare the payment of dividend for the six months ended 30 June 2017 and 2016.

11 SEGMENT REPORTING

The Group has identified the reportable segments set out below. The segment information reported internally to the Group's CODM for the purposes of resource allocation and performance assessment is the same as those reported in the condensed consolidated interim financial statements.

Mining of dolomite and manufacture of magnesium ingots	This segment includes trading of magnesium ingots. Currently, the Group's trading activities are mainly carried out in South America, Malaysia and China.
Exploration for iron ore, coal and manganese	This segment is engaged in the exploration for iron ore, coal and manganese in Indonesia. The activities carried out in Indonesia are through indirectly owned subsidiaries.
Extraction and bottling of mineral water	This segment is engaged in the extraction and bottling of mineral water in the PRC. The activities carried out in the PRC are through an indirectly owned subsidiary.

The accounting policies of the reportable segments are the same as those used for the preparation of the condensed consolidated interim financial statements.

9 每股盈利／(虧損)(續)

(b) 每股攤薄盈利／(虧損)

每股攤薄盈利／(虧損)的計算並無假設轉換／行使本公司尚未轉換／行使的可換股債券及購股權，此乃由於其轉換／行使將會對每股基本盈利／(虧損)產生反攤薄影響。

10 中期股息

本公司董事並無就截至二零一七年及二零一六年六月三十日止六個月宣派股息。

11 分部報告

本集團已確定下文載列的可呈報分部。為資源分配及表現評估目的而向本集團主要經營決策者內部申報的分部資料與簡明綜合中期財務報表內所申報者相同。

開採白雲石及生產鎂錠	此分部包括鎂錠貿易。目前，本集團的貿易活動主要在南美洲、馬來西亞及中國進行。
勘探鐵礦石、煤及錳	此分部在印尼從事勘探鐵礦石、煤及錳。在印尼的活動乃透過間接擁有的附屬公司進行。
提取及裝瓶礦泉水	此分部在中國從事提取及裝瓶礦泉水。在中國的活動乃透過一間間接擁有的附屬公司進行。

可呈報分部的會計政策與編製簡明綜合中期財務報表所採用者一致。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all non-current assets and current assets with the exception of pledged deposits, cash and cash equivalents and other corporate assets. Segment liabilities include non-current liabilities and current liabilities with the exception of liabilities associated with secured bank loans, convertible bonds, deferred tax liabilities, unsecured loans from third parties and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from depreciation or amortisation of assets attributable to those segments.

Segment loss represents loss resulted by each segment without allocation of central administration costs including interest on bank loans, convertible bonds and unsecured loans from third parties, and directors' emoluments, etc. This is the measure reported to the Group's CODM for the purpose of resource allocation and assessment of segment performance.

11 分部報告(續)

(a) 分部業績、資產及負債

為評估分部表現及在分部間分配資源，本集團的主要經營決策者按以下基準監控各可呈報分部應佔業績、資產及負債：

分部資產包括所有非流動資產及流動資產，惟不包括質押存款、現金及現金等價物以及其他公司資產。分部負債包括非流動負債及流動負債，惟不包括與有抵押銀行貸款、可換股債券、遞延稅項負債、來自第三方無抵押貸款及其他公司負債相關的負債。

收入及開支乃參考可呈報分部產生的銷售額及該等分部所承擔或該等分部應佔資產折舊或攤銷所產生的開支而分配至該等可呈報分部。

分部虧損指各分部所導致而未分配中央行政成本(包括銀行貸款、可換股債券及來自第三方無抵押貸款的利息以及董事酬金等)的虧損。此乃就資源分配及分部表現評估而向本集團主要經營決策者報告的措施。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

11 分部報告(續)

(a) 分部業績、資產及負債(續)

		Mining of dolomite and manufacture of magnesium ingots 開採白雲石 及生產鎂錠 HK\$ 港元	Exploration for iron ore, coal and manganese 勘探鐵礦石、 煤及錳 HK\$ 港元	Extraction and bottling of mineral water 提取及裝瓶 礦泉水 HK\$ 港元	Total 總計 HK\$ 港元
Six months ended 30 June 2017 (unaudited)	截至二零一七年六月三十日止六個月(未經審核)				
Reportable segment revenue (Note)	可呈報分部收入(附註)	-	-	291,081	291,081
Segment loss	分部虧損	(1,316,595)	(10,551)	(1,205,478)	(2,532,624)
Interest income	利息收入	-	-	29	29
Depreciation and amortisation	折舊及攤銷	(7,348,818)	(620)	-	(7,349,438)
Finance costs	融資成本	(860)	-	-	(860)
As at 30 June 2017 (unaudited)	於二零一七年六月三十日(未經審核)				
Segment assets	分部資產	145,051,185	24,864	1,236,927	146,312,976
Segment liabilities	分部負債	(3,643,164)	(1,532,534)	(4,627,153)	(9,802,851)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities

(continued)

11 分部報告 (續)

(a) 分部業績、資產及負債 (續)

		Mining of dolomite and manufacture of magnesium ingots 開採白雲石 及生產鎂錠 HK\$ 港元	Exploration for iron ore, coal and manganese 勘探鐵礦石、 煤及錳 HK\$ 港元	Extraction and bottling of mineral water 提取及裝瓶 礦泉水 HK\$ 港元	Total 總計 HK\$ 港元
Six months ended 30 June 2016 (unaudited)	截至二零一六年 六月三十日止六個月 (未經審核)				
Reportable segment revenue (Note)	可呈報分部收入(附註)	6,942,874	–	288,060	7,230,934
Segment loss	分部虧損	(8,536,416)	96,306	(6,204,956)	(14,645,066)
Interest income	利息收入	–	–	192	192
Depreciation and amortisation	折舊及攤銷	(7,914,428)	(60,844)	(324,451)	(8,299,723)
Finance costs	融資成本	(1,646,295)	–	–	(1,646,295)
As at 31 December 2016 (audited)	於二零一六年 十二月三十一日 (經審核)				
Segment assets	分部資產	145,039,355	23,544	2,244,724	147,307,623
Segment liabilities	分部負債	(2,687,243)	(1,365,054)	(5,678,306)	(9,730,603)

Note:

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the six months ended 30 June 2017 and 2016.

附註：

上文所呈報分部收入指來自外部客戶的收入。截至二零一七年及二零一六年六月三十日止六個月並無分部間銷售。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

11 分部報告(續)

(b) 可呈報分部收入、損益、資產及負債的對賬

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)
Revenue	收入		
Reportable segment revenue	可呈報分部收入	291,081	7,230,934
Profit/(loss)	溢利/(虧損)		
Reportable segment loss	可呈報分部虧損	(2,532,624)	(14,645,066)
Interest income	利息收入	29	192
Depreciation and amortisation	折舊及攤銷	(7,349,438)	(8,299,723)
Finance costs	融資成本	(860)	(1,646,295)
Other unallocated amounts	其他未分配金額		
— Interest income	— 利息收入	29	89
— Depreciation and amortisation	— 折舊及攤銷	—	(225,400)
— Finance costs	— 融資成本	(5,624,675)	(1,662,459)
— Others	— 其他	(5,629,344)	184,287,449
Consolidated (loss)/profit before taxation	除稅前綜合(虧損)/溢利	(21,136,883)	157,808,787

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

11 分部報告(續)

(b) 可呈報分部收入、損益、資產及負債的對賬(續)

		At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Assets	資產		
Reportable segment assets	可呈報分部資產	146,312,976	147,307,623
Unallocated corporate assets:	未分配公司資產：		
— Cash and cash equivalents	— 現金及現金等價物	114,477	493,462
— Others	— 其他	1,279,343	1,293,288
		147,706,796	149,094,373
Consolidated total assets	綜合總資產	147,706,796	149,094,373
Liabilities	負債		
Reportable segment liabilities	可呈報分部負債	(9,802,851)	(9,730,603)
Unallocated corporate liabilities:	未分配公司負債：		
— Convertible bonds	— 可換股債券	(10,000,000)	(10,000,000)
— Interest-bearing borrowings	— 計息借款	(99,951,200)	(137,609,200)
— Others	— 其他	(53,750,432)	(47,523,011)
		(173,504,483)	(204,862,814)
Consolidated total liabilities	綜合總負債	(173,504,483)	(204,862,814)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

(c) Geographical information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, goodwill, deposits paid for acquisition of property, plant, and equipment, exploration and evaluation assets and mining deposit ("**Specified non-current assets**"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specific non-current assets is based on: (1) the physical location of the asset in case of property, plant and equipment; and (2) the location of the operations to which they are allocated, in case of intangible assets and goodwill.

11 分部報告(續)

(c) 地理資料

下表載列有關(i)本集團來自外部客戶的收入及(ii)本集團物業、廠房及設備、商譽、收購物業、廠房及設備已付按金、勘探及評估資產以及採礦按金(「**指定非流動資產**」)的地理位置資料。客戶的地理位置乃根據交付貨品所在地而定。指定非流動資產的地理位置乃以:(1)資產(倘屬物業、廠房及設備)所在地;(2)獲分配資產(倘屬無形資產及商譽)業務所在地分類。

	South America 南美洲		Asia 亞洲		The PRC 中國		Europe 歐洲		Total 總計	
	Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Turnover 營業額	-	-	-	5,226,874	291,081	288,060	-	1,716,000	291,081	7,230,934

	Hong Kong 香港		Malaysia 馬來西亞		The PRC 中國		Indonesia 印尼		Total 總計	
	At 30 June 2017	At 31 December 2016	At 30 June 2017	At 31 December 2016	At 30 June 2017	At 31 December 2016	At 30 June 2017	At 31 December 2016	At 30 June 2017	At 31 December 2016
	於二零一七年 六月三十日	於二零一六年 十二月三十一日	於二零一七年 六月三十日	於二零一六年 十二月三十一日	於二零一七年 六月三十日	於二零一六年 十二月三十一日	於二零一七年 六月三十日	於二零一六年 十二月三十一日	於二零一七年 六月三十日	於二零一六年 十二月三十一日
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(未經審核)	(經審核)	(未經審核)	(經審核)	(未經審核)	(經審核)	(未經審核)	(經審核)	(未經審核)	(經審核)
Specified non-current assets 指定非流動資產	805,247	805,247	144,336,554	144,411,235	-	-	24,864	23,544	145,166,665	145,240,026

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

(d) Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the Group's total revenue, is set out as below:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Customer A ¹	客戶 A ¹	–	3,689,400
Customer B ¹	客戶 B ¹	–	3,253,474
Customer C ²	客戶 C ²	291,081	<u>N/A³ 不適用³</u>

¹ All revenue disclosed above is related to the mining of dolomite and manufacture of magnesium ingots segment.

² All revenue disclosed above is related to the Extraction and bottling of mineral water segment

³ The corresponding revenue did not contribute 10% or more of the Group's total revenue.

¹ 上文披露的所有收入與開採白雲石及製造鎂錠分部有關。

² 上文披露的所有收入與提取及裝瓶礦泉水分部有關。

³ 相關收入佔本集團總收入未達 10% 或以上。

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017 and 2016 (unaudited), no property, plant and equipment was acquired by the Group.

No assets were written off during the six months ended 30 June 2017 and 2016 (unaudited).

During the six months ended 30 June 2017 and 2016 (unaudited), no assets were disposed.

11 分部報告 (續)

(d) 有關主要客戶的資料

來自主要客戶的收入(每名客戶佔本集團總收入 10% 或以上)載列如下:

12 物業、廠房及設備

截至二零一七年及二零一六年六月三十日止六個月(未經審核),本集團並無收購物業、廠房及設備。

截至二零一七年及二零一六年六月三十日止六個月(未經審核),並無資產已撇銷。

截至二零一七年及二零一六年六月三十日止六個月(未經審核),並無資產獲出售。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

13 GOODWILL

13 商譽

		HK\$ 港元
Cost:	成本：	
At 1 January 2016 (audited), 31 December 2016 (audited), 1 January 2017 (audited) and 30 June 2017 (unaudited)	於二零一六年一月一日(經審核)、二零一六年十二月三十一日(經審核)、二零一七年一月一日(經審核)及二零一七年六月三十日(未經審核)	<u>252,803,090</u>
Accumulated impairment losses:	累計減值虧損：	
At 1 January 2016 (audited), 31 December 2016 (audited), 1 January 2017 (audited) and 30 June 2017 (unaudited)	於二零一六年一月一日(經審核)、二零一六年十二月三十一日(經審核)、二零一七年一月一日(經審核)及二零一七年六月三十日(未經審核)	<u>252,803,090</u>
Carrying amount:	賬面值：	
At 30 June 2017 (unaudited)	於二零一七年六月三十日(未經審核)	<u>—</u>
At 31 December 2016 (audited)	於二零一六年十二月三十一日(經審核)	<u>—</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14 EXPLORATION AND EVALUATION ASSETS 14 勘探及評估資產

		Mining of dolomite and manufacture of magnesium ingots 開採 白雲石及 生產鎂錠 HK\$ 港元	Exploration for iron ore, coal and manganese 勘探 鐵礦石、 煤及錳 HK\$ 港元	Extraction and bottling of mineral water 提取及 裝瓶礦泉水 HK\$ 港元	Total 總計 HK\$ 港元
Cost:	成本：				
At 1 January 2016	於二零一六年一月一日	4,125,190	280,307,368	153,023,605	437,456,163
Exchange adjustments	匯兌調整	—	(202,286)	(7,326,549)	(7,528,835)
At 31 December 2016	於二零一六年十二月三十一日	4,125,190	280,105,082	145,697,056	429,927,328
At 1 January 2017	於二零一七年一月一日	4,125,190	280,105,082	145,697,056	429,927,328
Exchange adjustments	匯兌調整	—	—	—	—
At 30 June 2017	於二零一七年六月三十日	4,125,190	280,105,082	145,697,056	429,927,328
Accumulated amortisation and impairment:	累計攤銷及減值：				
At 1 January 2016	於二零一六年一月一日	4,125,190	261,517,110	134,414,578	400,056,878
Impairment loss	減值虧損	—	18,648,122	17,718,053	36,366,175
Exchange adjustments	匯兌調整	—	(60,150)	(6,435,575)	(6,495,725)
At 31 December 2016	於二零一六年十二月三十一日	4,125,190	280,105,082	145,697,056	429,927,328
At 1 January 2017	於二零一七年一月一日	4,125,190	280,105,082	145,697,056	429,927,328
Impairment loss	減值虧損	—	—	—	—
Exchange adjustments	匯兌調整	—	—	—	—
At 30 June 2017	於二零一七年六月三十日	4,125,190	280,105,082	145,697,056	429,927,328
Carrying amount:	賬面值：				
At 30 June 2017	於二零一七年六月三十日	—	—	—	—
At 31 December 2016	於二零一六年十二月三十一日	—	—	—	—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14 EXPLORATION AND EVALUATION ASSETS

(continued)

(a) CVMSB has undertaken various feasibility studies in relation to the mining and extraction of dolomite in Peninsula Malaysia since 2004. On 15 June 2006, CVMSB entered into an agreement (the “**Mining Agreement**”) with Majuperak Energy Resources Sdn. Bhd. (“**MERSB**”) (formerly known as Harta Perak Corporation Sdn. Bhd.), a subsidiary of the Perak State Development Corporation (“**PSDC**”), a shareholder of the Company. Pursuant to the Mining Agreement, CVMSB has been granted, at no initial cost, an exclusive right to mine and extract magnesium dolomite from the Dolomite Land for a period of 20 years, with an option to renew for a further period of 10 years. The Mining Agreement can be terminated early by the Group by giving one month’s written notice to MERSB. CVMSB is required to pay royalties to MERSB based on the volume of dolomite extracted, subject to a monthly minimum payment (see Note 25(b)). Due to suspension of its production plant since 2012, CVMSB did not extract any dolomite from the Dolomite Land during the six months ended 30 June 2017 and 2016.

Mining activities for this dolomite project had started in 2010 and the amortisation charge relating to the project for the period is included in “administrative expenses” (six months ended 30 June 2016: “administrative expenses”) in the condensed consolidated statement of profit or loss.

(b) PT. Commerce Venture Iron Ore (“**PTCV Iron**”) and PT. Commerce Venture Coal (“**PTCV Coal**”), both are indirectly held subsidiaries of the Company, have exploration mining permits in relation to the mining and extraction of coal, iron ore and manganese in Indonesia. Both PTCV Iron and PTCV Coal were disposed to an independent third party on 3 April 2014 (the “**Disposal**”).

PTCV Coal holds exploration mining permits for (i) coal exploration in an area of 10,000 hectares in Beutong and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 7 October 2013 (the “**Permit 1**”); and (ii) manganese exploration in an area of 3,710 hectares in Bakongan Subdistrict, South Aceh Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 28 January 2014 (the “**Permit 2**”).

14 勘探及評估資產(續)

(a) CVMSB自二零零四年起已就在馬來西亞半島開採及提取白雲石進行多項可行性研究。於二零零六年六月十五日，CVMSB與本公司股東霹靂州經濟發展機構(Perak State Development Corporation(「**PSDC**」)的附屬公司Majuperak Energy Resources Sdn. Bhd.(「**MERSB**」)(前稱Harta Perak Corporation Sdn. Bhd.)訂立協議(「**採礦協議**」)。根據採礦協議，CVMSB在毋須任何初期成本的情況下獲授於白雲石地塊開採及提取鎂質白雲石的專有權，為期20年，可選擇續期10年。本集團可向MERSB發出一個月書面通知提前終止採礦協議。CVMSB須根據所提取白雲石的數量按每月最低付款向MERSB支付專利權費(見附註25(b))。截至二零一七年及二零一六年六月三十日止六個月，由於CVMSB的生產廠房自二零一二年起暫停營運，故其並無從白雲石地塊提取任何白雲石。

本白雲石項目的開採活動自二零一零年已經開始，而有關本期間項目的攤銷費用列入簡明綜合損益表的「行政開支」(截至二零一六年六月三十日止六個月：「行政開支」)內。

(b) 本公司間接附屬公司PT. Commerce Venture Iron Ore(「**PTCV Iron**」)與PT. Commerce Venture Coal(「**PTCV Coal**」)擁有在印尼開採及提取煤炭、鐵礦石及錳之勘探開採許可證。PTCV Iron及PTCV Coal均已於二零一四年四月三日出售予一名獨立第三方(「**出售**」)。

PTCV Coal持有的勘探開採許可證可(i)於印尼Nanggroe Aceh Darussalam省Nagan Raya區的Beutong及Tadu Raya分區10,000公頃面積從事煤炭勘探，有效期至二零一三年十月七日(「**1號許可證**」)；及(ii)於印尼Nanggroe Aceh Darussalam省South Aceh區的Bakongan分區3,710公頃面積從事錳勘探，有效期至二零一四年一月二十八日(「**2號許可證**」)。

14 EXPLORATION AND EVALUATION ASSETS

(continued)

(b) (continued)

PTCV Iron holds exploration mining permits for (i) coal exploration in an area of 9,825 hectares in Kuala and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 5 March 2014 (the “**Permit 3**”); and (ii) iron ore exploration in an area of 450 hectares in Pananggalan Subdistrict, Subulussalam City, Nanggroe Aceh Darussalam Province of Indonesia, valid until 14 December 2012 (the “**Permit 4**”). On 5 September 2013, the relevant local authorities informed the Group that the Permit 4 could not be extended or renewed due to environmental issues surrounding the relevant exploration activities location and the authorities will reconsider the renewal application if the situation has improved.

During the year ended 31 December 2013, the Permit 1, 2 and 4 had expired and Group did not submit applications to the relevant local authorities for extension of these permits in the view that the Group is going to dispose of all its equity interests in PTCV Coal and PTCV Iron.

There were not any impact of the above subsidiaries thereafter since they were all disposed since 3 April 2014.

(c) PTLM holds a production operation mining permit for manganese (the “**Mining Permit**”) in an area of 195 hectares in the Jatimulyo Village, Girimulyo Subdistrict, Kulon Progo Regency, Daerah Istimewa Yogyakarta Province, Indonesia (the “**Mining area**”). The Mining Permit is used for mining activities including construction, mining, processing and refining or smelting as well as hauling and sales of manganese in the Mining area. The Mining Permit is valid for a period of 10 years from 24 February 2011 and is capable of being extended for two further terms of 10 years each at the maximum. In prior years, PTLM had undertaken various feasibility studies in relation to the mining of and exploration for manganese in the Mining area.

14 勘探及評估資產 (續)

(b) (續)

PTCV Iron持有的勘探開採許可證可(i)於印尼 Nanggroe Aceh Darussalam 省 Nagan Raya 區 的 Kuala 及 Tadu Raya 分區 9,825 公頃面積從事煤炭勘探，有效期至二零一四年三月五日(「**3號許可證**」)；及(ii)於印尼 Nanggroe Aceh Darussalam 省 Subulussalam 市 Pananggalan 分區 450 公頃面積從事鐵礦石勘探，有效期至二零一二年十二月十四日(「**4號許可證**」)。於二零一三年九月五日，相關地方政府機關通知本集團4號許可證因相關勘探活動地區周邊的環境問題而不獲批續期或續領，而有關政府機關將於情況有所改善時重新考慮續領申請。

截至二零一三年十二月三十一日止年度，1號、2號及4號許可證經已屆滿，由於本集團將出售其於PTCV Coal及PTCV Iron的全部股權，本集團尚未向相關地方政府機關申請為該等許可證續期。

自二零一四年四月三日以來，由於上述附屬公司已全部出售，故上述附屬公司並無構成任何影響。

(c) PTLM持有錳生產經營開採許可證(「**開採許可證**」)，涉及面積195公頃，位於印尼 Daerah Istimewa Yogyakarta 省 Kulon Progo 區的 Girimulyo 分區 Jatimulyo 村(「**礦區**」)。開採許可證乃用作採礦活動，包括於礦區興建、採礦、選礦及精煉或冶煉以及運輸及銷售錳。開採許可證有效期為二零一一年二月二十四日起計10年，最多可再續期兩次，每次10年。於過往年度，PTLM曾進行有關在礦區開採及勘探錳的各種可行性研究。

14 EXPLORATION AND EVALUATION ASSETS

(continued)

(c) (continued)

No exploration activities were conducted in the mine as the Group lost contact with the legal representatives of PTLM in 2012. This brought to a halt to the daily operations and mining activities of PTLM and might impact the fulfillment of the obligations of PTLM in respect of its Mining Permit and any other government regulations it would be subject to. During the year ended 31 December 2014, re-nominating the legal representatives according to the relevant legal requirements of Indonesia was being undertaken. On 21 August 2014 and 13 October 2014 respectively, PTLM received warning letters from Trade and Energy Industries of Resource of Minerals Office Government of Kulon Progo Regency reminding PTLM to immediately implement its obligations as the holder of Mining Permit by submitting the tax form and reporting of PTLM's status to the relevant Indonesian authority with the legal representatives' signatures, not later than one month from the date of these letters. On 22 September 2014 and 4 November 2014 respectively, the management of the Company reiterated that it is currently undergoing management restructuring and therefore all activities are currently being suspended temporarily until the management restructuring is completed. Besides, once the management restructuring has been completed, PTLM will resume with investment and other mining activities. Due to previous failure in calling for extraordinary meetings for appointing new directors and legal representative to the board of PTLM, PTLM had applied to the Court in Yogyakarta for a court ruling on the appointment of re-nominated directors and replacement of legal representative. Nevertheless, the third hearing was further postponed by the court to 30 September 2014. On 19 November 2014, court judgement stipulated that the holding company of PTLM could organize an extraordinary general meeting (the "EGM") of the Company to undergo the re-nomination of the legal representative. The EGM and the re-nomination of the legal representative according to the relevant legal requirement of Indonesia are still in process as at the approval date of the condensed consolidated interim financial statements.

14 勘探及評估資產(續)

(c) (續)

於二零一二年，由於本集團與PTLM的法律代表失去聯絡，故並無於礦山進行勘探活動，令PTLM的日常營運及採礦活動陷入停滯狀態，並可能影響PTLM履行有關其開採許可證及任何其他其將須遵守的政府規例的責任。截至二零一四年十二月三十一日止年度，已根據印尼相關法律規定重新提名法律代表。PTLM分別於二零一四年八月二十一日及二零一四年十月十三日接獲Trade and Energy Industries of Resource of Minerals Office Government of Kulon Progo區發出的警告函，提示PTLM不得遲於此等函件發出日期起計一個月向有關印尼當局提交附有法定代表署名的稅項表格及就PTLM的狀況作出匯報，即時履行其作為開採許可證持有人的責任。本公司管理層分別於二零一四年九月二十二日及二零一四年十一月四日重申，現正進行管理架構重組，因此所有活動現已暫時停止，直至管理架構重組完成為止。此外，管理架構重組一旦完成，PTLM將恢復投資及其他採礦活動。由於早前未能就PTLM董事會委任新董事及法律代表召開特別大會，故PTLM已就委任該等獲重新提名董事及替任法律代表而向Yogyakarta省法院申請法院裁決。然而，法院已將第三次聽證會進一步延期至二零一四年九月三十日。於二零一四年十一月十九日，法院判決訂明PTLM的控股公司可舉行本公司股東特別大會(「股東特別大會」)以重新提名法律代表。於簡明綜合中期財務報表批准日期，根據印尼相關法律規定舉行的股東特別大會及重新提名法律代表的事宜仍在進行中。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14 EXPLORATION AND EVALUATION ASSETS

(continued)

(c) (continued)

No exploration and evaluation costs were capitalised and no income was derived from the mining of manganese during the six months ended 30 June 2017 and 2016.

(d) Long Chuan holds a mineral water permit (礦泉水取水許可證) to extract maximum volume of water up to 33,000 meter cube per annum in relation to the Longchuan Spring (the “**Water Permit**”) from 1 March 2007 to 26 February 2015. The application for renewal of the Water Permit was submitted in December 2014 and has been renewed on 1 March 2015. Long Chuan had also been granted in prior years a mineral water extraction permit (礦泉水採礦許可證) with a right to extract mineral water in the stipulated mining area for a period from 23 December 2011 to 23 December 2021. Nonetheless, the statutory required mineral water registration certificate (礦泉水註冊登記證) (the “**Water Registration Certificate**”) had expired on 31 December 2012 already and not yet been renewed up to the approval date of the condensed consolidated interim financial statements. The main reason was due to the change in approval procedures of the State Land Resources Bureau in Guangzhou since August 2012 whereas the approval power has been delegated to County Land Resources Bureau in Guangzhou who has no relevant experience of how to approve such licenses or registration certificates. This had caused a substantial delay in the renewal of the Water Registration Certificate. Long Chuan had submitted a renewal application of the Water Registration Certificate in December 2014 and had passed through to the intermediate stage of the renewal process because Long Chuan had received from County Land Resources Bureau in Guangzhou an acknowledgement of receipt in writing on 17 December 2014 and a progress confirmation on 15 March 2016 of its renewal application being in process.

14 勘探及評估資產 (續)

(c) (續)

截至二零一七年及二零一六年六月三十日止六個月，錳礦並無任何勘探及評估成本被資本化及並無產生任何收入。

(d) 龍川持有礦泉水取水許可證(「取水許可證」)，二零零七年三月一日至二零一五年二月二十六日龍川泉最大提取水量為每年最多33,000立方米。重續取水許可證的申請已於二零一四年十二月提交，並已於二零一五年三月一日獲重續。龍川於過往年度亦獲授予礦泉水採礦許可證以於自二零一一年十二月二十三日起至二零二一年十二月二十三日止期間在指定開採區域抽取礦泉水。然而，所須的規定礦泉水註冊登記證(「水註冊登記證」)已於二零一二年十二月三十一日屆滿，且於簡明綜合中期財務報表批准日期尚未重續。主要原因乃由於自二零一二年八月起廣州市國土資源局的審批程序變動所致，據此，審批權已下放至廣州縣國土資源局，其並無審批有關許可證或註冊登記證的相關經驗，故導致重續水註冊登記證出現重大延誤。龍川已於二零一四年十二月提交水註冊登記證的重續申請，並已通過重續過程的中期階段，此乃由於龍川已於二零一四年十二月十七日接獲廣州縣國土資源局發出收到申請的書面確認，並於二零一六年三月十五日收到進度確認，確認其重續申請正在進行中。

14 EXPLORATION AND EVALUATION ASSETS

(continued)

(d) *(continued)*

The Longchuan Spring is situated at Damiao Village Longmu Town Longchuan County Heyuan City (河源市龍川縣龍母鎮大廟村), the PRC, with an aggregate mining area of approximately 0.3956 km². It is well connected with the source of the East River (Dongjiang) which supplies fresh water to Hong Kong and parts of Guangdong Province. The Longchuan Spring is protected by a protection zone of 30 km in radius with no significant industrial pollution source within a radius of up to 50 km. Longchuan Spring contains six of the eight prescribed minerals in sufficient quantity to quality, including free carbon dioxide.

According to the technical report prepared by 廣東省地質技術工程諮詢公司 (unofficially translated as Guangdong Province Geological Engineering Consulting Firm) in July 2003, the Longchuan Spring provides about 270,000 tons of minerals water annually and the water contains significant amounts of minerals including potassium, sodium, calcium, magnesium, lithium, strontium and zinc.

Taking into consideration the performance of the mine which recorded sustained operating losses and unable to generate positive cash flow from the date of acquisition in April 2012 to 30 June 2017, the business operated by Long Chuan is not commercially viable, as a result, the mineral water extraction permit had not been reclassified to an intangible asset.

14 勘探及評估資產 (續)

(d) (續)

龍川泉位於中國河源市龍川縣龍母鎮大廟村，總開採面積約為0.3956平方公里，與東江水源相連，向香港及廣東省部份地區供應淡水。龍川泉保護區半徑綿延30公里，在長達50公里半徑範圍內無任何重大工業污染源。龍川泉含八種規定礦物中的六種(包括遊離二氧化碳)，從數量到質量均合乎要求。

根據廣東省地質技術工程諮詢公司於二零零三年七月編製的技術報告，龍川泉每年提供約270,000噸礦泉水，該礦泉水含大量礦物，包括鉀、鈉、鈣、鎂、鋰、鋇及鋅。

經考慮持續錄得經營虧損及由二零一二年四月收購日至二零一七年六月三十日未能產生正面現金流量的礦區表現後，龍川經營的業務商業上屬不可行，因此，礦泉水採礦許可證並無重新分類為無形資產。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

15 TRADE RECEIVABLES

15 應收賬款

		At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trade receivables	應收賬款	538,867	211,924
Less: provision for impairment	減：減值撥備	—	(63,278)
		538,867	148,646

All of the trade receivables are expected to be recovered within one year.

所有應收賬款預期將於一年內收回。

(a) Ageing analysis

An ageing analysis of trade receivables, based on the invoice date, is as follows:

(a) 賬齡分析

根據發票日期的應收賬款賬齡分析如下：

		At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Current, neither past due nor impaired	即期，並無逾期或減值	345,654	—
Less than 1 month past due	逾期少於一個月	—	492
1 month to 2 months past due	逾期一個月至兩個月	—	386
More than 2 months but less than 12 months past due	逾期超過兩個月但少於十二個月	—	47,930
Over 12 months past due	逾期超過十二個月	193,213	99,838
Amounts past due	逾期金額	193,213	148,646
Total	總計	538,867	148,646

15 TRADE RECEIVABLES *(continued)*

(a) Ageing analysis *(continued)*

Trade receivables derived from sales of magnesium ingots are due within 14 days (unaudited) (31 December 2016 (audited): 14 days) from the date of the bill of lading for exports sales or date of invoice for local sales. Other than that the Group has a policy of allowing customers for domestic trading and distribution in the PRC with credit terms or normally cash on delivery.

Receivables that were neither past due nor impaired related to independent customers that have a good track record with the Group. Based on past experience, the Directors believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group does not hold any collateral over these balances.

- (b)** At 30 June 2017, none of trade receivables (unaudited) (31 December 2016 (audited): HK\$Nil) were pledged as security for banking facilities granted to the Group.

15 應收賬款 *(續)*

(a) 賬齡分析 *(續)*

來自銷售鎂錠的應收賬款自出口銷售的提單日期或本地銷售的發票日期起計14日(未經審核)(二零一六年十二月三十一日(經審核): 14日)內到期。除此以外,本集團的政策可向於中國本地買賣及分銷的客戶提供信貸期,或一般以貨到付款形式進行交易。

並無逾期或減值之應收款項與本集團有良好往績記錄之獨立客戶有關。根據過往經驗,董事相信,對此等結餘毋須作出減值撥備,原因為信貸質素並無重大變動,且有關結餘仍被視為可全數收回。本集團並無就此等結餘持有任何抵押品。

- (b)** 於二零一七年六月三十日,並無應收賬款(未經審核)(二零一六年十二月三十一日(經審核): 零港元)已予質押,作為取得授予本集團銀行融資的抵押品。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

16 預付款項、按金及其他應收款項

		At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Other receivables	其他應收款項	1,997,366	3,415,350
Advance payment to a contractor (Note (a))	向一名承包商墊款(附註(a))	12,210,939	11,621,941
Prepayments for raw materials and machinery (Note (b))	原料及機器的預付款項(附註(b))	554,755	527,997
Deposits and prepayments	按金及預付款項	1,312,421	1,174,889
		16,075,481	16,740,177
Less: Impairment losses	減：減值虧損		
— other receivables	— 其他應收款項	(1,300,000)	(1,300,000)
— advance payment to a contractor (Note (a))	— 向一名承包商墊款 (附註(a))	(12,210,939)	(11,621,941)
— prepayments for raw materials and machinery (Note (b))	— 原料及機器的預付款項 (附註(b))	(554,755)	(527,997)
— deposits and prepayments	— 按金及預付款項	(123,000)	(78,000)
		1,886,787	3,212,239

Apart from certain of the Group's deposits and prepayments of HK\$701,410 as at 30 June 2017 (unaudited) (31 December 2016 (audited): HK\$732,536), the remaining prepayments, deposits and other receivables of the Group are expected to be recovered or recognised as expenses within one year.

除本集團於二零一七年六月三十日的若干按金及預付款項701,410港元(未經審核)(二零一六年十二月三十一日(經審核): 732,536港元)外, 預期本集團的其餘預付款項、按金及其他應收款項將於一年內收回或確認為開支。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

- (a) In prior years, the Group advanced a total of HK\$12,210,939 (unaudited) (31 December 2016 (audited): HK\$11,621,941) to a contractor for ratification works in the production plant of magnesium ingots in Malaysia. This contractor was put under creditor's winding up in 2012. The Group's management assessed the recoverability of these advances was remote and had made a full provision against them as at 30 June 2017 and 31 December 2016.
- (b) In prior years, the Group had made prepayments of HK\$554,755 (unaudited) (31 December 2016 (audited): HK\$527,997) to an entity for purchase of raw materials and machinery. No goods and/or machinery have been received by the Group from that entity in settlement of the prepayments made. The Group's management assessed the recoverability of these prepayments was remote after suspension of the production plant in Malaysia, and thus a full provision against them had been made as at 30 June 2017 and 31 December 2016.

16 預付款項、按金及其他應收款項(續)

- (a) 於過往年度，本集團就馬來西亞的鎂錠生產廠房的認可工程向一名承包商墊付合共12,210,939港元(未經審核)(二零一六年十二月三十一日(經審核): 11,621,941港元)。該名承包商於二零一二年被債權人清盤。本集團管理層評定收回此等墊款的機會甚微，並已於二零一七年六月三十日及二零一六年十二月三十一日作出全數撥備。
- (b) 於過往年度，本集團就購買原料及機器向一間實體支付預付款項554,755港元(未經審核)(二零一六年十二月三十一日(經審核): 527,997港元)。本集團並無接獲該實體就償付所支付的預付款項的任何貨品及/或機器。本集團管理層評定於馬來西亞的生產廠房暫停營運後收回此等預付款項的機會甚微，故已於二零一七年六月三十日及二零一六年十二月三十一日作出全數撥備。

17 OTHER PAYABLES AND ACCRUALS

17 其他應付款項及應計費用

		At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Accrued interest on convertible bonds	可換股債券應計利息	4,115,164	3,321,440
Accrued interest on other borrowings	其他借款應計利息	17,402,293	13,702,293
Accrued salaries	應計薪金	6,860,924	3,984,316
Other payables and accrued expenses	其他應付款項及應計開支	31,459,549	33,752,692
		59,837,930	54,760,741

All of the above payables are expected to be settled or recognised as income within one year, or are repayable on demand.

預期上述所有應付款項將於一年內結清或確認為收入，或須於要求時償還。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

18 OBLIGATIONS UNDER FINANCE LEASES

At 30 June 2017, the Group had obligations under finance leases repayable as follows:

18 融資租賃承擔

於二零一七年六月三十日，本集團的應償還融資租賃承擔如下：

		At 30 June 2017		At 31 December 2016	
		於二零一七年六月三十日		於二零一六年十二月三十一日	
		Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
		最低租賃付款現值	最低租賃付款總值	最低租賃付款現值	最低租賃付款總值
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
		(未經審核)	(未經審核)	(經審核)	(經審核)
Within 1 year	一年內	8,771	8,813	48,954	49,793
Less: total future interest expenses	減：未來利息開支總額		(42)		(839)
Present value of lease obligations	租賃承擔現值		8,771		48,954

The policies of the Group are to lease certain of its motor vehicles under finance leases expiring in 1 year (unaudited) (31 December 2016 (audited): 1 year). As at 30 June 2017, the effective borrowing rates of the Group was 6.75% p.a. (unaudited) (31 December 2016 (audited): 6.75% p.a.). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has an option to purchase the motor vehicles at nominal prices.

本集團的政策是根據融資租賃出租其若干汽車，年期為一年(未經審核)(二零一六年十二月三十一日(經審核)：一年)。於二零一七年六月三十日，本集團實際借貸年利率為6.75%(未經審核)(二零一六年十二月三十一日(經審核)：6.75%)。利率按合約日期釐定，因此，本集團承受公平值利率風險。所有租約按固定還款基準釐定，且並無就或然租賃付款訂立安排。於各租賃期末，本集團可選擇按名義價格購買汽車。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

19 AMOUNTS DUE TO A DIRECTOR AND RELATED PARTIES

19 應付一名董事及關連方款項

		At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trading account	貿易賬戶	(2,585,896)	(2,443,919)
Current account	往來賬戶	(1,120,686)	—
		<u>(3,706,582)</u>	<u>(2,443,919)</u>
Classified as:	分類為：		
Amount due to a director (Note 27b))	應付一名董事款項(附註27(b))	(1,120,686)	—
Amounts due to related parties (Note 27(c))	應付關連方款項(附註27(c))	<u>(2,585,896)</u>	<u>(2,443,919)</u>
Total	總計	<u>(3,706,582)</u>	<u>(2,443,919)</u>

The amounts due are unsecured, interest-free and have no fixed terms of repayment.

該等款項為無抵押、免息且無固定還款期。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS

- (a) On 1 September 2011, the Company entered into a placing agreement with a placing agent, Cheong Lee Securities Limited for the issue of convertible bonds with maturity period of eight months to three years from the date of issue for an aggregate principal amount of HK\$80,000,000. The convertible bonds bear interest at 10% p.a. payable annually and are unsecured. As at the end of the reporting period, the remaining outstanding aggregate principal amount of convertible bonds being available was HK\$10,000,000 (unaudited) (31 December 2016 (audited): HK\$10,000,000).

The bondholders at any time before maturity can convert the whole or part of the principal amount of the convertible bonds into ordinary shares of the Company at the conversion price of HK\$0.10 per share. As a result of the share consolidation in July 2013, the conversion price of outstanding convertible bonds of the Company was adjusted from HK\$0.10 per share to HK\$0.40 per share with effect on 29 July 2013.

Upon maturity any unredeemed and unconverted bonds will be redeemed at par value of the outstanding principal amount in cash.

The convertible bonds may be early redeemed at par value of the outstanding principal amount of the bond at any time at the option of the Company up to maturity provided that the Company has given not less than 7 business days' prior notice to the bondholder(s) of its intention to make that redemption.

20 可換股債券

- (a) 於二零一一年九月一日，本公司與配售代理昌利證券有限公司訂立配售協議，內容有關發行本金總額80,000,000港元的可換股債券，可換股債券自發行日期起八個月至三年內到期。可換股債券按年利率10%計息及無抵押，利息須每年支付。於報告期末，可供轉換的可換股債券餘下尚未償還本金總額為10,000,000港元（未經審核）：（二零一六年十二月三十一日（經審核）：10,000,000港元）。

債券持有人可於到期前的任何時間按每股0.10港元的換股價將全部或部份可換股債券的本金額轉換成本公司的普通股。由於二零一三年七月進行股份合併，本公司尚未轉換的可換股債券的換股價由每股0.10港元調整至每股0.40港元，於二零一三年七月二十九日生效。

任何未贖回及未轉換的債券將於到期後以現金按未償還本金額的面值贖回。

可換股債券可由本公司選擇，於直至到期日為止任何時間按債券未償還本金額的面值提早贖回，惟本公司須已給予債券持有人不少於7個營業日的事先通知，表示其有意進行該贖回。

20 CONVERTIBLE BONDS (continued)

(a) (continued)

The original maturity date of the five principal amounts (out of which 2 principal amounts were redeemed in prior years) of remaining outstanding convertible bonds of HK\$Nil (“**First Tranche Bonds**”), HK\$Nil (“**Second Tranche Bonds**”), HK\$Nil (“**Third Tranche Bonds**”), HK\$10,000,000 (“**Fourth Tranche Bonds**”) and HK\$Nil (“**Fifth Tranche Bonds**”) is 1 December 2014, 29 December 2014, 9 January 2015, 4 March 2015 and 22 March 2015 respectively. The above remaining outstanding aggregate principal amount of HK\$10,000,000 is collectively referred to as the “Matured Bonds”. As at 30 June 2017, all the Matured Bonds were remained in default and immediately due for repayments. The directors of the Company represented that (i) the Company is currently in the course of arm’s length negotiations with the holders of the Matured bonds in relation to the Proposed Alteration; (ii) as negotiated with the holders of the Matured Bonds, they have verbally agreed not to redeem the Matured Bonds until the Proposed Alteration is confirmed; and (iii) the interest on the Matured Bonds will continue to be payable by the Company until the date of full redemption pursuant to the terms of the Matured Bonds. As at the approval date of the condensed consolidated interim financial statements, the Proposed Alteration of the Matured Bonds have not been fixed and confirmed yet.

20 可換股債券 (續)

(a) (續)

本金額分別為零港元(「**第一批債券**」)、零港元(「**第二批債券**」)、零港元(「**第三批債券**」)、10,000,000港元(「**第四批債券**」)及零港元(「**第五批債券**」)之五批(其中,有兩批已於過往年度贖回)餘下尚未轉換的可換股債券之原始到期日分別為二零一四年十二月一日、二零一四年十二月二十九日、二零一五年一月九日、二零一五年三月四日及二零一五年三月二十二日。上述剩餘未償還本金總額10,000,000港元,統稱為「**到期債券**」。於二零一七年六月三十日,所有到期債券仍拖欠還款且須到期立即償還。本公司董事表示,(i)本公司正與到期債券持有人就建議修改進行公平磋商;(ii)與到期債券持有人磋商後,彼等口頭同意於建議修改確認前不贖回到期債券;及(iii)根據到期債券條款,本公司將於悉數贖回日期前繼續支付到期債券利息。於簡明綜合中期財務報表批准日期,該等到期債券之建議修改尚未決定及確認。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS (continued)

(a) (continued)

At 30 June 2017, convertible bonds are due for repayment as follows:

	At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Already past due or within 1 year	<u>10,000,000</u>	<u>10,000,000</u>
已逾期或一年內		

The interest charged for the six months ended 30 June 2017 is calculated by applying an effective interest rate with a range from 10% p.a. (unaudited) (30 June 2016 (unaudited): a range from 17.54% p.a. to 33.73% p.a.) to the liability component for the number of days to the end of the reporting period since the bonds were issued.

The directors of the Company estimate the fair value of the liability component of the Matured Bonds as at 30 June 2017 to be approximately HK\$10,000,000 (31 December 2016 (audited): HK\$10,000,000). The fair value is assumed to be its principal amount.

20 可換股債券(續)

(a) (續)

於二零一七年六月三十日，可換股債券於以下期間到期償還：

截至二零一七年六月三十日止六個月的利息支出乃採用負債部份10%至(未經審核)(二零一六年六月三十日(未經審核)：介乎17.54%至33.73%)的實際年利率，按債券發行起至報告期末止的天數計算。

本公司董事估計於二零一七年六月三十日到期債券負債部份的公平值約為10,000,000港元(二零一六年十二月三十一日(經審核)：10,000,000港元)。該公平值假定為其本金額。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS (continued)

(a) (continued)

The net proceeds received from the issuance of the convertible bonds have been split into the liability and equity components, as follows:

		First Tranche Bonds	Second Tranche Bonds	Third Tranche Bonds	Fourth Tranche Bonds	Fifth Tranche Bonds	Total
		第一批債券	第二批債券	第三批債券	第四批債券	第五批債券	總金額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
At 1 January 2016 (audited)	於二零一六年一月一日 (經審核)	-	12,000,000	-	10,000,000	7,000,000	29,000,000
Redemptions of convertible bonds	贖回可換股債券	-	(12,000,000)	-	-	(7,000,000)	(19,000,000)
Liability component as at 31 December 2016 (audited)	於二零一六年十二月三十一日的負債部份 (經審核)	-	-	-	10,000,000	-	10,000,000
At 1 January 2017 (audited)	於二零一七年一月一日 (經審核)	-	-	-	10,000,000	-	10,000,000
Redemptions of convertible bonds	贖回可換股債券	-	-	-	-	-	-
Liability component as at 30 June 2017 (unaudited)	於二零一七年六月三十日的負債部份 (未經審核)	-	-	-	10,000,000	-	10,000,000

(b) In 2012, the Company issued convertible bonds with maturity date on the fifth anniversary of the date of issue (i.e. 17 April 2017) for an aggregate principal amount of HK\$106,840,000 as part consideration for the acquisition of Victory Dragon Group in 2012. The convertible bonds bear interest at 5% p.a. payable annually and are unsecured.

20 可換股債券 (續)

(a) (續)

發行可換股債券所得款項淨額已分為負債部份及權益部份如下：

(b) 於二零一二年，本公司發行本金總額106,840,000港元的可換股債券，作為於二零一二年收購凱龍集團之部份代價。可換股債券的到期日為發行日期五週年（即二零一七年四月十七日）。可換股債券按年利率5%計息及無抵押，利息須每年支付。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS (continued)

(b) (Continued)

The bondholder of the convertible bonds at any time before maturity can convert the whole or part of the principal amount of the convertible bonds in whole multiples of HK\$1,000,000 into ordinary shares of the Company at a fixed conversion price of HK\$0.126 per share. As a result of the share consolidation in July 2013, the conversion price of outstanding convertible bonds of the Company was adjusted from HK\$0.126 per share to HK\$0.504 per share with effect on 29 July 2013.

Upon maturity any unredeemed and unconverted bonds will be redeemed at par value of the outstanding principal amount in cash.

The Company may at any time before the original maturity date early redeem the convertible bonds.

On 15 January 2013, the convertible bonds in the principal amount of HK\$43,840,000 were converted into 347,936,507 ordinary shares of the Company at HK\$0.025 each.

Pursuant to an agreement signed for acquisition of 51% of the issued share capital of Victory Dragon Group, Voice Key Group Limited (the “**First Vendor**”) and the guarantor, Mr. Chu Yuk Lung (the “**Guarantor**”) irrevocably warrants and guarantees to the Group that the audited consolidated net profit after tax and any extraordinary and exceptional items (the “**Audited Profit**”) of Victory Dragon Group will not be less than RMB30,000,000 (the “**Guaranteed Profit**”) for the period of twelve months commencing from the date of completion of the acquisition (the “**Guaranteed Period**”).

20 可換股債券(續)

(b) (續)

可換股債券持有人可於到期前的任何時間按每股0.126港元的固定換股價將全部或部份本金額為1,000,000港元之完整倍數的可換股債券轉換成本公司普通股。由於在二零一三年七月進行股份合併，本公司尚未轉換的可換股債券的換股價自二零一三年七月二十九日起由每股0.126港元調整至每股0.504港元。

任何未贖回及未轉換的債券將於到期後以現金按未償還本金額的面值贖回。

本公司可於原始到期日前隨時提前贖回可換股債券。

於二零一三年一月十五日，本金額為43,840,000港元之可換股債券已獲轉換為347,936,507股每股面值0.025港元之本公司普通股。

根據就收購凱龍集團已發行股本的51%而簽訂之協議，Voice Key Group Limited(「**第一賣方**」)及擔保人朱浴龍先生(「**擔保人**」)不可撤銷地向本集團承諾及擔保，凱龍集團自完成收購日期起計12個月期間(「**保證期**」)之除稅及任何特殊及非經常項目後的經審核綜合純利(「**經審核溢利**」)將不少於人民幣30,000,000元(「**保證溢利**」)。

20 CONVERTIBLE BONDS (continued)

(b) (continued)

If the Guaranteed Profit is not achieved for the Guaranteed Period, the Group will be entitled to deduct from the outstanding principal amount of the convertible bonds on a dollar for dollar basis which is equivalent to the difference between the Audited Profit and Guaranteed Profit. If Victory Dragon Group record a consolidated net loss after tax and any extraordinary and exceptional items for the Guarantee Period, the Group will be entitled to deduct from the outstanding principal amount of the convertible bonds which is equivalent to an amount of the summation of the loss and the Guaranteed Profit provided that the maximum compensation amount shall not exceed HK\$50,000,000.

The First Vendor (i.e. the bondholder) agrees that unless and until the delivery of the consolidated audited financial statements of Victory Dragon Group for the Guarantee Period showing that the Guaranteed Profit has been fulfilled, it will not convert, transfer or dispose of the convertible bonds such that the outstanding principal amount of the convertible bonds shall be less than HK\$50,000,000 or otherwise cause the outstanding principal amount of the convertible bonds below HK\$50,000,000.

On 30 August 2013, the Directors announced the audited financial statements of Victory Dragon Group for the Guarantee Period showed a net loss after tax and any extraordinary and exceptional items of HK\$8,228,917. Based on the exchange rate at that time, the Guaranteed Profit was HK\$38,090,401 (equivalent to RMB30,000,000), and hence, the actual shortfall between the audited net loss and the Guaranteed Profit was HK\$46,319,318. As such on 16 October 2013, the convertible bonds in the principal amount of HK\$46,319,318 was cancelled and deducted.

During the year ended 31 December 2015, all the outstanding principal amount of convertible bonds in relation to the Victory Dragon Group was redeemed.

20 可換股債券 (續)

(b) (續)

倘於保證期內未能達致保證溢利，本集團將有權按等額現金基準自可換股債券的未償還本金額中扣除相等於經審核溢利與保證溢利之間的差額。倘凱龍集團於保證期內錄得除稅及任何特殊及非經常項目後綜合虧損淨額，本集團將有權自可換股債券的未償還本金額中扣除相等於虧損及保證溢利總值的金額，惟最高補償金額不得超過50,000,000港元。

第一賣方(即債券持有人)同意，除非及直至凱龍集團呈交保證期之綜合經審核財務報表，顯示已達致保證溢利，否則其將不會轉換、轉讓或出售可換股債券而致使可換股債券之未償還本金額少於50,000,000港元，或以其他方式致使可換股債券之未償還本金額少於50,000,000港元。

於二零一三年八月三十日，董事宣佈，凱龍集團於保證期的經審核財務報表顯示，凱龍集團錄得除稅及任何特殊及非經常項目後虧損淨額8,228,917港元。按當時的匯率計算，保證溢利為38,090,401港元(相當於人民幣30,000,000元)，因此，經審核虧損淨額與保證溢利之間的實際差額為46,319,318港元。因此，於二零一三年十月十六日，本金額為46,319,318港元之可換股債券已獲註銷及扣除。

截至二零一五年十二月三十一日止年度，與凱龍集團有關的可換股債券的所有尚未償還本金額均已獲贖回。

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20 CONVERTIBLE BONDS (continued)

(b) (continued)

The net proceeds received from the issuance of the convertible bonds have been split into the liability and equity components, as follows:

	Liability component 負債部份	Equity component 權益部份	Total 總計
	HK\$	HK\$	HK\$
	港元	港元	港元
At 31 December 2016 (audited), 1 January 2017 (audited) and 30 June 2017 (unaudited)	於二零一六年十二月 三十一日(經審核)、 二零一七年一月一日 (經審核)及二零一七年 六月三十日(未經審核)	-	-

20 可換股債券(續)

(b) (續)

發行可換股債券所得款項淨額已分為負債部份及權益部份如下：

21 INTEREST-BEARING BORROWINGS

21 計息借款

	At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Unsecured bonds 2% 2017 (note 21 (a))	二零一七年到期之2%無抵押債券 (附註21(a))	30,000,000
Loans from third parties (note 21 (b))	來自第三方貸款(附註21(b))	107,609,200
	99,951,200	137,609,200

All of the interest-bearing borrowings are expected to be settled within one year.

所有計息借款預期於一年內償還。

21 INTEREST-BEARING BORROWINGS (continued)

(a) Unsecured bonds

As at 30 June 2017, the outstanding amount of unsecured bonds to independent third parties was HK\$30,000,000 (unaudited) (31 December 2016 (audited): HK\$30,000,000), with interests bearing at 2% per month and will mature on one year from the date of issuance of the bonds.

(b) Loans from third parties

On 13 July 2016 and 18 August 2016, the Company borrowed an aggregate of HK\$101,609,200 and HK\$1,000,000 from an independent third party, with interests bearing at 10%–12% per annum and 4% per month respectively and repayable within two months after their respective drawdown dates or within 20 business days after the lender has served the Company a written notice for immediate repayment. The Company has also pledged the issued shares of CVMSB as security for the HK\$50,000,000 loan as included in aforementioned.

During the year ended 31 December 2016, the Company defaulted on the repayments of the above-mentioned loans and breached one of the covenants of the loan facilities. On 31 December 2016, the Company received a letter issued by the independent third party requiring to repay the outstanding loans of HK\$102,609,200 (the “**Defaulted Loans**”) together with interest accrued, handling fees and further charges in relation to the outstanding loans amounting to a total sum of HK\$16,337,418 within 7 days from the date of the letter. According to the letter, legal proceedings may commence to recover the payments without further notice. The directors of the Company represented that (i) the Company commenced a negotiation of the terms of the loans with this third party; (ii) the interest and further charges on the matured loans will continue to be payable by the Company until the matured loans and related interest and charges are repaid in full. As at the approval date of the consolidated financial statements, the revised terms have not been concluded yet.

21 計息借款(續)

(a) 無抵押債券

於二零一七年六月三十日，向獨立第三方發出之無抵押債券之未償還金額為30,000,000港元(未經審核)(二零一六年十二月三十一日(經審核)：30,000,000港元)，按每月2%的利率計息，並將於發出債券日期後一年到期。

(b) 來自第三方貸款

於二零一六年七月十三日及二零一六年八月十八日，本公司分別向獨立第三方借入總額101,609,200港元及1,000,000港元，分別按年利率10%至12%以及每月4%的利率計息，須於貸款各提款日期後兩個月內或貸方向本公司發出要求即時償還的書面通知後20個營業日內償還。本公司亦已押記CVMSB的已發行股份，作為上述50,000,000港元貸款的抵押。

截至二零一六年十二月三十一日止年度，本公司未能償還上述貸款及違反其中一份銀行融資契諾。於二零一六年十二月三十一日，本公司接獲獨立第三方發出的函件，要求於函件日期起七日內償還未償還貸款102,609,200港元(「**拖欠貸款**」)連同未償還貸款的應計利息、手續費及其他費用總額16,337,418港元。根據此函件，可通過法律訴訟收回支付款項，而無須另行通知。本公司董事表示，(i)本公司開始與該名第三方磋商貸款的條款；(ii)本公司將於到期貸款及相關利息及費用悉數償還前繼續支付到期貸款的利息及其他費用。於綜合財務報表批准日期，經修訂條款尚未最終確定。

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簡明綜合中期財務報表附註

21 INTEREST-BEARING BORROWINGS (continued)

(b) Loans from third parties (continued)

On 11 November 2016 and 6 December 2016, the Company borrowed unsecured interest bearing loans of HK\$3,000,000 and HK\$2,000,000 respectively from independent third parties, with interests bearing at 2% and 4% per month.

On 22 February, 2017, 1 March 2017 and 17 March 2017, the Company borrowed unsecured loans of HK\$2,000,000, HK\$2,000,000 and HK\$1,000,000 respectively from independent third parties, with interest rate at the range from 3% to 5% per month and are repayable within one to three months after the drawdown date.

In pursuant to the subscription agreements with the lender, on 16 May 2017 and 29 May 2017, the Company has issued 250,000,000 ordinary shares and 700,000,000 ordinary shares respectively to offset the outstanding loan in the amount of HK\$10,200,000 and HK\$28,000,000 respectively.

21 計息借款(續)

(b) 來自第三方貸款(續)

於二零一六年十一月十一日及二零一六年十二月六日，本公司分別向獨立第三方借入3,000,000港元及2,000,000港元的無抵押計息貸款，以每月2%及4%的利率計息。

於二零一七年二月二十二日、二零一七年三月一日及二零一七年三月十七日，本公司分別向獨立第三方借入2,000,000港元、2,000,000港元及1,000,000港元的無抵押貸款，以每月3%至5%的利率計息。該等貸款須於提取日期起計一至三個月內償還。

根據與貸款人訂立的認購協議，於二零一七年五月十六日及二零一七年五月二十九日，本公司已分別發行250,000,000股及700,000,000股普通股以抵銷金額分別為10,200,000港元及28,000,000港元的未償還貸款。

22 SHARE CAPITAL

22 股本

Notes 附註	At 30 June 2017 於二零一七年六月三十日		At 31 December 2016 於二零一六年十二月三十一日	
	Number of shares 股份數目	Amount 金額 HK\$ 港元	Number of shares 股份數目	Amount 金額 HK\$ 港元
	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)

Ordinary shares, issued and fully paid: 普通股，已發行及繳足：

At 1 January	於一月一日	5,509,623,921	1,367,875,301	5,509,623,921	1,367,875,301
Shares issued pursuant to a share placing	根據股份配售而發行的股份	(i) 150,000,000	5,628,750	-	-
Shares issued pursuant to the loan capitalisation	根據貸款資本化而發行的股份	(i) 950,000,000	38,200,000	-	-
At 30 June/31 December	於六月三十日/十二月三十一日	6,609,623,921	1,411,704,051	5,509,623,921	1,367,875,301

22 SHARE CAPITAL (continued)

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 regard to the Company's residual assets.

(i) Issue of shares

On 16 May 2017, 250,000,000 ordinary shares were issued in pursuant to the agreement of subscription of new shares at HK\$0.0408 each by loan capitalization of HK\$10,200,000.

On 25 May 2017, 150,000,000 ordinary shares were issued by placing at HK\$0.0395 each for cash consideration of HK\$5,628,750 net of expenses incurred.

On 29 May 2017, 700,000,000 ordinary shares were issued in pursuant to the agreement of subscription of new shares at HK\$0.04 each by loan capitalization of HK\$28,000,000.

23 SHARE-BASED PAYMENTS

Pursuant to the written resolution passed on 4 February 2016, the Company adopted a new share option scheme (the "Scheme") to (i) motivate the eligible persons to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain on going business relationship with the eligible persons whose contributions are or will be beneficial to the long-term growth of the Group. The Scheme is to remain in force for a period of 10 years from the date of adoption of such scheme and will expire on 3 February 2026.

Under the Scheme, the Directors may at their discretion grant options to (i) any directors, employees, executives or officers of the Company or any subsidiary; or (ii) any consultant, adviser, supplier, customer or agent of the Company or any subsidiary; or (iii) any other person determined by the Directors from time to time to subscribe for the shares of the Company (the "Shares").

22 股本(續)

普通股持有人有權收取不時宣派的股息，並有權按每股一票在本公司大會上投票。所有普通股就本公司的剩餘資產而言享有同等權益。

(i) 發行股份

於二零一七年五月十六日，250,000,000股普通股已透過貸款資本化10,200,000港元的方式根據按每股0.0408港元認購新股份的協議發行。

於二零一七年五月二十五日，150,000,000股普通股已透過配售按每股0.0395港元的價格發行，現金代價為5,628,750港元(扣除產生開支)。

於二零一七年五月二十九日，700,000,000股普通股已透過貸款資本化28,000,000港元的方式根據按每股0.04港元認購新股份的協議發行。

23 以股份為基礎的付款

本公司根據於二零一六年二月四日通過之書面決議案採納新購股權計劃(「計劃」)，旨在(i)激勵合資格人士為本集團利益而提高工作效率；及(ii)吸引及挽留或維持與其貢獻有利於或將會有利於本集團之長期發展的合資格人士的持續業務關係。計劃自其採納當日起計十年內有效，並將於二零二六年二月三日屆滿。

根據計劃，董事可酌情向(i)本公司或任何附屬公司的任何董事、僱員、行政人員或高級人員；或(ii)本公司或任何附屬公司的任何顧問、諮詢人、供應商、客戶或代理；或(iii)董事不時釐定的任何其他人士授出可認購本公司股份(「股份」)的購股權。

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23 SHARE-BASED PAYMENTS (continued)

Options granted must be taken up within 30 days of the date of grant, upon payment of HK\$1 per option. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

Options granted to directors, substantial shareholders or any of their respective associates (as defined in the Listing Rules) are required to be approved by the independent non-executive directors (excluding any independent non-executive director who is a grantee). Options granted to substantial shareholders, independent non-executive directors or any of their respective associates (as defined in the Listing Rules) in aggregate in excess of 0.1% of the issued share capital of the Company or with a value in excess of HK\$5 million must be approved in advance by the shareholders of the Company.

Options granted may be exercised at any time from date of grant of the share option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the higher of the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options and the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

23 以股份為基礎的付款(續)

授出的購股權須在授出日期後30日內支付每份購股權1港元付款方獲接納。可能根據計劃授出的購股權所涉股份數目上限不得超過計劃獲採納當日本公司已發行股本10%。該上限可隨時更新，惟新上限合共不得超過股東在股東大會上批准當日本公司已發行股本10%。然而，可能因行使根據計劃及本公司任何其他計劃授出的所有未行使並仍可獲行使的購股權而發行的股份總數，合共不得超過本公司不時已發行股份的30%。於任何十二個月期間可授予任何個別人士的購股權所涉股份數目上限不得超過本公司該十二個月期間屆滿當日已發行股份的1%，惟已根據上市規則獲本公司股東批准除外。

向董事、主要股東或任何彼等各自的聯繫人(定義見上市規則)授出的購股權，須獲獨立非執行董事(不包括身為承授人的任何獨立非執行董事)批准。向主要股東、獨立非執行董事或任何彼等各自的聯繫人(定義見上市規則)授出的購股權合共超過本公司已發行股本0.1%或價值超過5,000,000港元，須事先獲本公司股東批准。

購股權可自授出購股權當日至授出購股權十週年止期間(可由董事釐定)隨時行使。行使價由董事釐定，且不得低於授出購股權日期聯交所每日報價表所列每股收市價及緊接授出購股權日期前五個營業日聯交所每日報價表所列每股收市價的平均價兩者之較高者。

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23 SHARE-BASED PAYMENTS (continued)

On 12 May 2016, the Company granted 245,178,252 share options in aggregate to certain directors, employees and consultants of the Group under the Scheme. The terms and conditions of the options granted are as follows:

		Number of share options	Vesting conditions	Contractual life of options	Expiry date
		購股權數目	歸屬條件	購股權的 合約年期	屆滿日期
Options granted to directors	授予董事的購股權	173,553,145	(i)	10 years 十年	11 May 2026 二零二六年 五月十一日
Options granted to employees	授予僱員的購股權	66,115,485	(i)	10 years 十年	11 May 2026 二零二六年 五月十一日
Options granted to consultants	授予顧問的購股權	5,509,622	(i)	10 years 十年	11 May 2026 二零二六年 五月十一日
Total share options granted	授出購股權的總數	<u>245,178,252</u>			

Note:

- (i) become exercisable from the date of grant to the 10th anniversary of the date of grant.

23 以股份為基礎的付款(續)

於二零一六年五月十二日，本公司根據計劃向本集團若干董事、僱員及顧問合共授出245,178,252份購股權。已授出購股權的條款及條件如下：

附註：

- (i) 購股權可自授出購股權當日授出購股權十週年止期間行使。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

23 SHARE-BASED PAYMENTS (continued)

Details of the outstanding share options are as follows:

23 以股份為基礎的付款(續)

尚未行使購股權詳情如下：

		2017 二零一七年		2016 二零一六年	
		Number of share options 購股權數目 (Unaudited) (未經審核)	Weighted average exercise price 加權平均 行使價 (Unaudited) (未經審核)	Number of share options 購股權數目 (Audited) (經審核)	Weighted average exercise price 加權平均 行使價 (Audited) (經審核)
Outstanding at 1 January	於一月一日尚未行使	245,178,252	HK\$0.100	-	N/A 不適用
Granted during the period/year	於期內/年內授出	-	0.100 港元 N/A 不適用	245,178,252	HK\$0.100 0.100 港元
Lapsed during the period/year	於期內/年內失效	2,754,811	N/A 不適用	-	N/A 不適用
Outstanding at 30 June/31 December	於六月三十日/十二月 三十一日尚未行使	242,423,441	HK\$0.100 0.100 港元	245,178,252	HK\$0.100 0.100 港元
Exercisable at 30 June/31 December	於六月三十日/十二月 三十一日可予行使	242,423,441	HK\$0.100 0.100 港元	245,178,252	HK\$0.100 0.100 港元

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 10 years.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial model. Expectations of early exercise are incorporated into the binomial model.

於報告期末尚未行使購股權的加權平均餘下合約年期為十年。

以授出購股權作為酬謝所收取服務之公平值，乃根據所授出購股權的公平值計量。所授出購股權的公平值是根據二項式模型估計。對提早行使的預期納入二項式模型內。

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23 SHARE-BASED PAYMENTS (continued)

The inputs into the model were as follows:

Grant date	12 May 2016
Spot price	HK\$0.069
Contractual life	10 years
Exercise price	HK\$0.100
Expected volatility	88.649%
Risk-free rate	1.243%
Dividend yield	0%

The expected volatility is based on the historical volatility of the Company's share price over the most recent period commensurate with the contractual life of the share options.

24 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding as at 30 June 2017 not provided for in the condensed consolidated interim financial statements were as follows:

23 以股份為基礎的付款(續)

該模型的輸入數據如下：

授出日期	二零一六年五月十二日
現價	0.069 港元
合約年期	十年
行使價	0.100 港元
預期波幅	88.649%
無風險率	1.243%
股息率	0%

預期波幅乃根據本公司股價於最近期(相當於購股權的合約年期)的歷史波幅計算。

24 承擔

(a) 資本承擔

於二零一七年六月三十日，並無於簡明綜合中期財務報表中撥備的未償付資本承擔如下：

	At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Contracted for	14,352,735	13,660,426
Authorised but not contracted for	—	—
	14,352,735	13,660,426

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 COMMITMENTS (continued)

(b) Future minimum royalty payments

Pursuant to the Mining Agreement (Note 14(a)), the royalties to MERSB are subject to a monthly minimum payment of RM30,000 (equivalent to approximately HK\$54,534) (unaudited) (31 December 2015 (audited): RM30,000 (equivalent to approximately HK\$51,903)) for a period of 20 years, unless early terminated by the Group by giving one month's written notice to MERSB. The total minimum royalties amounted to RM5,220,000 (equivalent to approximately HK\$9,488,839) (unaudited) (31 December 2016 (audited): RM5,220,000 (equivalent to approximately HK\$9,031,142)) over the 20 years period.

(c) Operating lease commitments

At 30 June 2017, the total minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year	314,045	257,265
After 1 year but within 5 years	1,011,614	1,002,355
After 5 years	-	93,971
	1,325,659	1,353,591

The Group is the lessee in respect of certain office premises held under operating leases. The leases typically run for an initial period of one year, with an option to renew the lease when all terms are renegotiated. The leases do not include a contingent rental.

24 承擔(續)

(b) 未來最低專利權費

根據採礦協議(附註14(a))，須按每月最低付款支付予MERSB的專利權費為30,000馬幣(相當於約54,534港元)(未經審核)(二零一五年十二月三十一日(經審核): 30,000馬幣(相當於約51,903港元))，為期20年，除非本集團向MERSB發出一個月書面通知提前終止。20年期間的最低專利權費總額為5,220,000馬幣(相當於約9,488,839港元)(未經審核)(二零一六年十二月三十一日(經審核): 5,220,000馬幣(相當於約9,031,142港元))。

(c) 經營租賃承擔

於二零一七年六月三十日，根據不可撤銷經營租賃的應付最低租賃付款總額如下：

本集團為持作經營租賃的若干辦公室物業承租人。租約一般初步為期一年，並可選擇於重新議定所有條款後續約。所有租約均不包括或然租金。

24 COMMITMENTS (continued)

(d) Environmental contingencies

The Group has not incurred any significant expenditure for environment remediation and has not accrued any amounts for environmental remediation relating to its operations. Under existing legislations, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. Laws and regulations protecting the environment have generally become more stringent in recent years and could become more stringent in the future. 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 the mines and processing plants;
- (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 amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under proposed for future environmental legislation cannot be reasonably estimated at present and could be material.

24 承擔 (續)

(d) 環境或然事項

本集團並未因環境補救問題產生任何重大支出，亦無就任何與業務相關的環境補救問題產生任何應計提款項。根據現行法例，管理層相信不會發生任何對本集團財務狀況或經營業績有重大負面影響的負債。保護環境的法律及法規近年在整體上變得較為嚴格並且在未來會更加嚴格。環保負債涉及多項不明朗因素，可影響本集團估計最終補救成本的能力。該等不明朗因素包括：

- (i) 礦山及選礦廠所發生污染的實際性質和程度；
- (ii) 所需清理工作的程度；
- (iii) 替代補救措施的不同成本；
- (iv) 環境補救規定的改變；及
- (v) 新實施補救措施地點的確認。

由於尚未確定可能發生污染之程度和可能需要之補救措施之時間和程度等因素，因此無法確定未來可能產生此類費用所需之金額，故目前無法合理地估計日後環境法規建議可能產生的環境負債，而有關負債可為重大。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

25 CONTINGENT LIABILITIES

(a) Corporate guarantees issued

As at 30 June 2017, the Company has issued corporate guarantees totalling RM133,004 (equivalent to approximately HK\$241,773) (unaudited) (31 December 2016 (audited): RM133,004 (equivalent to approximately HK\$230,000)) for finance lease creditors in respect of the purchase of motor vehicles and equipment by CVMSB.

In respect of the Company's corporate guarantee provided in relation to above other financing facilities granted to a supplier of liquefied petroleum gas made by CVMSB and the guarantee given to finance lease creditors of motor vehicles and equipment purchased by CVMSB, the Directors consider the possibility of being materialised is remote and immaterial. The Directors consider that no such liabilities are required to be recognised as at 30 June 2017 (unaudited) and 31 December 2016 (audited).

The Company has not recognised any deferred income in respect of the corporate guarantees as its fair value cannot be reliably measured and its transaction price was HK\$Nil for the six months ended 30 June 2017 and 2016 (unaudited).

(b) Contingent liability arising from default of convertible bonds

As explained in Note 20(a) to the condensed consolidated interim financial statements, the Matured Bonds were remained in defaulted and immediately due for repayments as at 30 June 2017. Pursuant to the convertible bonds agreements, at any time after the convertible bonds have become payable, the respective convertible bondholders may without further notice institute such proceedings as it may think fit to enforce payment of the monies due.

25 或然負債

(a) 已發出公司擔保

於二零一七年六月三十日，本公司就 CVMSB 購置汽車及設備的融資租賃債項發出公司擔保合共 133,004 馬幣（相當於約 241,773 港元）（未經審核）（二零一六年十二月三十一日（經審核）：133,004 馬幣（相當於約 230,000 港元））。

就有關 CVMSB 向一名液化石油氣供應商授出的上述其他財務融資，以及 CVMSB 購買汽車及設備之融資租賃債項授出的擔保而提供的本公司公司擔保而言，董事認為作出公司擔保的可能性不大。於二零一七年六月三十日（未經審核）及二零一六年十二月三十一日（經審核），董事認為概無有關負債須予確認。

截至二零一七年及二零一六年六月三十日止六個月（未經審核），本公司並無確認公司擔保的任何遞延收入，乃因其公平值無法可靠地計量且其交易價格為零港元。

(b) 自拖欠可換股債券產生的或然負債

誠如簡明綜合中期財務報表附註 20(a) 所述，到期債券仍拖欠還款並於二零一七年六月三十日到期時即時償還。根據可換股債券協議，於可換股債券成為應付後的任何時間，各可換股債券持有人毋須就構成其認為合適可強制償還到期款項的行動作進一步通知。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

26 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2017 and 2016, in addition to the transactions and balances disclosed in Note 19 to the condensed consolidated interim financial statements, the following related party transactions took place between the Group and related parties on terms mutually agreed by the parties concerned.

26 重大關連方交易

截至二零一七年及二零一六年六月三十日止六個月，除簡明綜合中期財務報表附註19所披露的交易及結餘外，以下關連方交易在本集團與關連方之間按有關雙方互相協定的條款進行。

Name of party 關連方名稱	Relationship 關係
Ho Wah Genting Berhad ("HWGB")	A shareholder of the Company
Ho Wah Genting Berhad (「HWGB」)	本公司股東
Ho Wah Genting Poipet Resorts Sdn. Bhd. ("HWGP")	An associate of HWGB
Ho Wah Genting Poipet Resorts Sdn. Bhd. (「HWGP」)	HWGB 的聯營公司
Perak State Development Corporation ("PSDC")	A shareholder of the Company
Perak State Development Corporation (「PSDC」)	本公司股東
Majuperak Energy Resources Sdn. Bhd. ("MERSB")	A subsidiary of PSDC
Majuperak Energy Resources Sdn. Bhd. (「MERSB」)	PSDC 的附屬公司
PT Ho Wah Genting Berhad ("PTHWG")	A subsidiary of HWGB
PT Ho Wah Genting Berhad (「PTHWG」)	HWGB 的附屬公司
HK New Huang Pu Finance Holdings Limited ("HKNHPF")	A company with common director of the Company
香港新黃埔金融控股集團有限公司(「香港新黃埔金融」)	與本公司有共同董事的公司

Particulars of significant transactions between the Group and the above related parties are as follows:

本集團與上述關連方進行的重大交易詳情如下：

(a) Recurring transactions

(a) 經常交易

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年	2016 二零一六年
		HK\$ 港元	HK\$ 港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)

Office rent payable to:	應付辦公室租金予：		
HWGB	HWGB	42,548	45,498

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

26 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(b) Amount due to a director

	At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Leung Wai Kwan 梁維君	1,120,686	-

Leung Wai Kwan

梁維君

1,120,686

-

The amount due is unsecured, interest-free and has no fixed terms of payment.

該款項為無抵押、免息且無固定還款期。

(c) Amounts due to related parties

	At 30 June 2017 於二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
MERSB	2,295,136	2,184,429
PTHWG	290,760	259,490
	2,585,896	2,443,919

MERSB
PTHWG

MERSB
PTHWG

2,295,136

2,184,429

290,760

259,490

2,585,896

2,443,919

The amounts are trade in nature, unsecured, interest-free and have no fixed terms of repayment.

該等款項為貿易性質、無抵押、免息且無固定還款期。

26 重大關連方交易 (續)

(b) 應付一名董事款項

(c) 應付關連方款項

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

26 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(d) Key management personnel remuneration

26 重大關連方交易 (續)

(d) 主要管理人員酬金

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Directors' fees	董事袍金	1,380,000	1,306,290
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,320,000	827,500
Share-based payments	以股份為基礎的付款	–	6,595,020
Retirement scheme contributions	退休計劃供款	24,000	16,300
		2,724,000	8,745,110

27 NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in Notes 2 and 21 to the condensed consolidated interim financial statements, there are no other material non-adjusting events subsequent to the end of the reporting period and up to the approval date of the condensed consolidated interim financial statements.

27 報告期末後非調整事項

除簡明綜合中期財務報表附註2及21所披露外，於報告期末後及直至簡明綜合中期財務報表批准日期止，並無其他重大非調整事項。

OTHER INFORMATION 其他資料

INTERIM DIVIDEND

The Board of Directors of the Company resolved not to declare the payment of any dividend in respect of the six months ended 30 June 2017 (six months ended 30 June 2016: nil). Accordingly, there will be no closure of the register of members of the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2017, the Company has adopted the applicable code provisions and certain recommended best practices stipulated in the Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Listing Rules. No Director is aware of any information that reasonably reveals that there is any non-compliance with the code provisions on the Code by the Company during any time of the interim period, except for certain deviations which are summarised below:

Code Provision A.4.1

Code Provision A.4.1 of the Code provides that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors of the Company (the “Independent Non-executive Directors”) were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code.

Code Provision A.5.1

Code Provision A.5.1 of the Code provides that the Company should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. Following the retirement of Chan Kin Ho Philip (“Mr. Chan”) as independent non-executive Director on 30 June 2017, he also ceased to act as the chairman of the nomination committee of the Company (the “Nomination Committee”). The Nomination Committee failed to be chaired by the Chairman of the Board or an independent non-executive Director since then until the appointment of Mr. Du Jian Jun, the Chairman of the Board, as the chairman of the Nomination Committee on 6 July 2017.

中期股息

本公司董事會議決不就截至二零一七年六月三十日止六個月派付任何股息(截至二零一六年六月三十日止六個月：無)。因此，本公司不會暫停辦理股份過戶登記手續。

遵守企業管治常規守則

截至二零一七年六月三十日止六個月，本公司已採納上市規則附錄14所載企業管治守則(「守則」)中所訂適用守則條文及若干建議的最佳常規。據董事所知，並無任何資料合理顯示本公司於中期期間任何時間有任何違反守則的守則條文的情況，惟下文概述若干偏離行為除外：

守則條文第A.4.1條

守則的守則條文第A.4.1條規定非執行董事的委任應有指定任期，並須經重選連任。本公司獨立非執行董事(「獨立非執行董事」)的委任並無指定任期，惟須根據本公司組織章程細則條文輪值退任並於本公司股東週年大會上重選連任。因此，本公司認為已採取足夠措施，確保本公司的企業管治常規不遜於守則規定。

守則條文第A.5.1條

守則的守則條文第A.5.1條規定，本公司應設立提名委員會，由董事會主席或獨立非執行董事擔任主席，成員大多數須為獨立非執行董事。繼陳建豪先生(「陳先生」)於二零一七年六月三十日退任獨立非執行董事後，彼亦終止擔任本公司提名委員會(「提名委員會」)主席。直至二零一七年七月六日委任董事會主席杜建軍先生為提名委員會主席前，提名委員會並非由董事會主席或獨立非執行董事擔任主席。

Code Provision C.2.5

Code Provision C.2.5 of the Code provides that an issuer should have an internal audit function. The Company does not maintain an internal audit function for the six months ended 30 June 2017. Taking into account the size and complexity of the operations of the Group and the potential costs involved in setting up an internal audit function, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient risk management and internal control for the Group. The Board will review regularly the need to set up an internal audit function or engage an independent professional service provider to review the Group's internal control and risk management system.

Code Provision D.1.4

Code Provision D.1.4 of the Code provides that, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for its Directors. However, they are subject to retirement by rotation at least once in every three years in accordance with the Articles. In addition, the Directors have followed the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors actively comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

守則條文第C.2.5條

守則的守則條文第C.2.5條規定，發行人應具有內部審核功能。截至二零一七年六月三十日止六個月，本公司並無內部審核功能。考慮到本集團經營的規模及複雜程度及設立內部審核功能涉及的潛在成本，本公司認為現有組織架構及管理層密切監管可為本集團提供充分風險管理和內部控制。董事會將定期審閱設立內部審核功能的必要性或委任獨立專業服務提供商審核本集團內部控制及風險管理系統。

守則條文第D.1.4條

守則的守則條文第D.1.4條規定，本公司應有正式董事委任書，訂明有關委任的主要條款及條件。本公司並無正式董事委任書。然而，董事須根據細則至少每三年輪值退任一次。此外，董事已遵循公司註冊處頒布的「董事責任指引」及香港董事學會出版的「董事指引」及「獨立非執行董事指南」（倘適用）所載指引，以履行彼等作為本公司董事的職務及責任。另外，董事積極遵守根據法規及普通法的規定、上市規則、法律及其他監管規定及本公司業務及管治政策。

OTHER INFORMATION 其他資料

BOARD OF DIRECTORS AND BOARD COMMITTEES

As at the date of this report, the composition of the board of Directors of the Company (“**Board**”) was as follows:

Executive Directors

Mr. Du Jian Jun (*Chairman*)
Ms. Lu Sufang (*Vice Chairman*)
Mr. Leung Wai Kwan (*Chief Executive Officer*)
Mr. Yin Shibo
Mr. Fan Weipeng
Mr. Chen Liang

Independent Non-executive Directors

Mr. Liu Bo
Mr. Tong Zhu
Mr. Yuan Guangming
Mr. Chan Woon Wing

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SECURITIES

As at 30 June 2017, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”)) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive have taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”), were as follows:

董事會及董事委員會

於本報告日期，本公司董事會（「**董事會**」）成員如下：

執行董事

杜建軍先生（*主席*）
盧素芳女士（*副主席*）
梁維君先生（*行政總裁*）
尹仕波先生
范偉鵬先生
陳亮先生

獨立非執行董事

劉波先生
佟鑄先生
袁光明先生
陳煥榮先生

董事及主要行政人員於證券之權益

於二零一七年六月三十日，各董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「**證券及期貨條例**」）第XV部）之股份、相關股份及債券中擁有須(i)根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關條文董事及主要行政人員被當作或視為擁有之權益及淡倉）；(ii)記錄於本公司根據證券及期貨條例第352條存置之登記冊之權益及淡倉；或(iii)根據上市發行人董事進行證券交易的標準守則（「**標準守則**」）知會本公司及聯交所之權益及淡倉如下：

OTHER INFORMATION 其他資料

Long positions in the shares:

股份之好倉：

Name	Note	Capacity	Number of ordinary shares held	Number of underlying shares held under equity derivatives	Approximate percentage of interest in the issued shares of the Company (Note 1)
姓名	附註	身份	持有普通股數目	根據股本衍生工具持有的相關股份數目	佔本公司已發行股份權益之概約百分比(附註1)
Du Jian Jun 杜建軍	2	Beneficial owner 實益擁有人	–	55,096,239	0.83%
Leung Wai Kwan 梁維君	3	Beneficial owner 實益擁有人	2,095,500	55,096,239	0.87%
		Interest of spouse (Note) 配偶權益(附註)	4,986,750	–	0.08%
Fan Weipeng 范偉鵬	2	Beneficial owner 實益擁有人	–	11,019,247	0.17%
Yin Shibo 尹仕波	2	Beneficial owner 實益擁有人	–	5,509,623	0.08%
Liu Bo 劉波	2	Beneficial owner 實益擁有人	–	2,754,811	0.04%

Notes:

附註：

- The percentage of share of the Company in issue is based on 6,609,623,921 shares of the Company issued as at 30 June 2017.
- These figures represent the share options granted to the Directors under the share option scheme adopted on 4 February 2016 (the “**New Share Option Scheme**”) on 12 May 2016.
- This figure represents 1,087,500 shares beneficially owned by Mr. Leung Wai Kwan and 55,096,239 share options granted to him under the New Share Option Scheme on 12 May 2016. Mr. Leung was also deemed, by virtue of SFO, to be interested in 4,986,750 shares of the Company in which his spouse has a long position.

- 本公司已發行股份百分比乃根據本公司於二零一七年六月三十日已發行6,609,623,921股股份計算。
- 該等數據指於二零一六年五月十二日根據於二零一六年二月四日採納之購股權計劃(「**新購股權計劃**」)授予董事之購股權。
- 該數字指梁維君先生實益擁有之1,087,500股股份及於二零一六年五月十二日根據新購股權計劃授予彼之55,096,239份購股權。根據證券及期貨條例，梁先生亦被視作於彼之配偶於其中擁有好倉之本公司4,986,750股股份中擁有權益。

OTHER INFORMATION 其他資料

Save as disclosed above, at no time during the period under review was the Company or its subsidiary a party to any arrangement to enable the Directors and chief executives of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of the Company or its subsidiaries.

除上文披露者外，於回顧期內，本公司或其附屬公司概無訂立任何安排，使董事及本公司主要行政人員（包括其配偶及年齡未滿十八歲子女）可藉收購本公司或其附屬公司股份或相關股份或債券而獲益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2017, the interests of persons, other than the directors or chief executive of the Company in the shares and the underlying shares of the Company representing 5% or more that nominal value of shares comprised in the relevant share capital of the Company as recorded in the register kept by the Company under Section 336 of the SFO were as follow:

主要股東於證券之權益

於二零一七年六月三十日，個人（董事或本公司主要執行人員除外）於本公司股份及相關股份的權益（記錄於本公司根據證券及期貨條例第336條存置之登記冊，佔本公司相關股本所包括股份面值的5%或以上）如下：

Name of Shareholder 股東姓名	Note 附註	Capacity 身份	Total number of ordinary shares /underlying shares interested or deemed to be interested 擁有或被視為擁有權益之普通股／相關股份總數	Approximate percentage of shares of the Company in issue 佔本公司權益之概約百分比 (Note 1) (附註1)
Gu Zhuoheng 谷卓恒		Beneficial owner 實益擁有人	129,606,000	1.96%
	2	Interest in controlled corporation 受控制法團權益	850,000,000	12.86%
Ji Wei 吉為	3	Interest in controlled corporations 受控制法團權益	407,370,000	6.16%

Notes:

1. The percentage of share of the Company in issue is based on 6,609,623,921 shares of the Company issued as at 30 June 2017.
2. 850,000,000 shares are held by Hong Kong Media Enterprises Holdings Limited, which is wholly-owned by Mr. Gu Zhuoheng. Thus he is deemed to be interested in such shares pursuant to the SFO.
3. 221,538,000 shares and 185,832,000 shares are held by Ability Rise Investments Limited and Star Treasure Investments Holdings Limited respectively, both companies are wholly-owned by Ji Wei. Thus, Ji Wei was deemed to be interested in these 407,370,000 shares pursuant to the SFO.

Save as disclosed above, at no time during the period under review is known to the Directors and the chief executives of the Company, no person has interests or short positions in the shares and underlying shares of the Company or any of its associated corporations which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 336 of the SFO, or, were directly or indirectly, interested in 5% or more of the nominal value of share capital carrying rights to vote in all circumstances at general meetings of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code during the six months ended 30 June 2017 and up to the date of this interim report.

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

For the six months ended 30 June 2017, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

附註：

1. 本公司已發行股份百分比乃根據本公司於二零一七年六月三十日已發行6,609,623,921股股份計算。
2. 850,000,000股由谷卓恒先生全資擁有之香港傳媒集團控股有限公司持有，故根據證券及期貨條例，彼被視為於有關股份中擁有權益。
3. 221,538,000股及185,832,000股分別由Ability Rise Investments Limited及Star Treasure Investments Holdings Limited持有，兩間公司均由吉為全資擁有。因此，根據證券及期貨條例，吉為被視為於該407,370,000股股份中擁有權益。

除上文披露者外，於回顧期內，董事及本公司主要行政人員概無知悉任何人士於本公司或其任何相聯法團之股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部之條文向本公司披露之權益或淡倉以及記錄於證券及期貨條例第336條規定本公司須予存置之登記冊之權益或淡倉，或直接或間接擁有附帶權利可在任何情況下於本公司股東大會上投票之股本面值5%或以上之權益。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載標準守則作為董事進行證券交易的操守守則。經向董事會全體成員作出具體查詢後，本公司確認全體董事於截至二零一七年六月三十日止六個月及截至本中期報告日期均已全面遵守標準守則訂明的相關準則。

購買、出售或贖回本公司上市證券

截至二零一七年六月三十日止六個月，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

OTHER INFORMATION 其他資料

SHARE OPTION SCHEME

The share option scheme of the Company (“**Scheme**”) was adopted on 14 October 2008. The purpose of the Scheme is to attract and retain the best quality personnel for the development of the Company’s businesses; to provide additional incentives to the employees; to provide eligible participants with the opportunity to acquire proprietary interests in the Company; and to promote the long term financial success of the Company by aligning the interests of grantees to the Shareholders. Under the Scheme, the Board shall be entitled at any time (except for the period as defined under the Listing Rules whereby a price sensitive event or a price sensitive matter has been the subject of a decision) within 10 years commencing on the date of adoption of the Scheme to make an offer for the grant of an option to any employee (including any officer or Director, whether executive or non-executive, of the Company or its subsidiaries), and any consultant, adviser, supplier, customer or subcontractor of the Company or any other person determined by the Board as appropriate.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per option. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders’ approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 10% of the shares in issue from time to time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing rules. Options granted to substantial shareholders or independent non-executive directors in excess of issued share capital of the Company or with a value in excess of HK\$5 million must be approved in advance by the shareholders of the Company.

購股權計劃

本公司於二零零八年十月十四日採納本公司購股權計劃(「該計劃」)。該計劃旨在吸引及挽留精英人才發展本公司業務；為僱員提供額外獎勵；為合資格參與人士提供認購本公司股本權益的機會；以及藉連繫承授人與股東的利益，促進本公司長期財務成就。根據該計劃，董事會有權自採納該計劃當日起計10年內隨時(不包括上市規則所界定之價格敏感事件或價格敏感事宜為決定對象之期間)向本公司任何僱員(包括本公司或其附屬公司的高級職員或執行或非執行董事)及本公司任何顧問、諮詢人、供應商、客戶或分包商或董事會決定的任何其他人士(如適用)授出購股權。

授出的購股權須在授出日期後28日內支付每份購股權1港元付款接納。可能根據該計劃授出的購股權所涉股份數目上限不得超過本公司採納該計劃當日本公司已發行股本10%。該上限可隨時更新，惟新上限合共不得超過股東在股東大會上批准當日本公司已發行股本10%。然而，可能因行使根據該計劃及本公司任何其他計劃授出的所有未行使並仍可獲行使的購股權而發行的股份總數，合共不得超過不時已發行股份的10%。於任何十二個月期間可授予任何個別人士的購股權所涉股份數目上限不得超過本公司該十二個月期間屆滿當日已發行股份的1%，惟已根據上市規則獲本公司股東批准除外。向主要股東或獨立非執行董事授出的購股權超過本公司已發行股本或價值超過5,000,000港元，須事先獲本公司股東批准。

Options granted may be exercised at any time from date of grant of the share option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the higher of the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options, the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options, and the nominal value of a share.

New Share Option Scheme

In view of the fact that the existing Share Option Scheme will expire and the amendments to the relevant Listing Rules since the adoption of the existing Share Option Scheme, an ordinary resolution was duly passed in the extraordinary general meeting held on 4 February 2016 to terminate the existing Share Option Scheme and adopt the New Share Option Scheme.

The purpose of the New Share Option Scheme is (i) to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. Under the New Share Option Scheme, the Board shall be entitled at any time (except for the period as defined under the Listing Rules whereby price sensitive event or a price sensitive matter has been the subject of a decision) within 10 years commencing on the date of adoption of the Scheme to make an offer for the grant of an option to any employee (including any officer or director, whether executive or non-executive, of the Company or its subsidiaries), and any consultant, adviser, supplier, customer or subcontractor of the Company or any other person determined by the Board as appropriate.

購股權可自授出購股權當日至授出購股權當日十週年止期間(可由董事釐定)隨時行使。行使價由董事釐定，且不得低於授出購股權日期聯交所每日報價表所列每股收市價、緊接授出購股權日期前五個營業日聯交所每日報價表所列每股平均收市價及股份面值三者之較高者。

新購股權計劃

由於現有購股權計劃即將到期，加上自現有購股權計劃獲採納以來相關上市規則有所修訂，一項普通決議案已於二零一六年二月四日舉行之股東特別大會獲正式通過，以終止現有購股權計劃及採納本公司的新購股權計劃。

新購股權計劃旨在(i)鼓勵合資格參與人士為本集團利益而提高工作效率；及(ii)吸納及留聘對或將對本集團長遠發展帶來有利貢獻的合資格參與人士，或以其他方式與之維持持續的業務關係。根據新購股權計劃，董事會有權自採納該計劃當日起計10年內隨時(不包括上市規則所界定之價格敏感事件或價格敏感事宜為決定對象之期間)向本公司任何僱員(包括本公司或其附屬公司的高級職員或執行或非執行董事)及本公司任何顧問、諮詢人、供應商、客戶或分包商或董事會決定的任何其他人士(如適用)授出購股權。

OTHER INFORMATION 其他資料

Subject to the refreshment of the Scheme Limit, the maximum number of shares in respect of which options may be granted (including shares in respect of which options, whether exercised or still outstanding, have already been granted) under the New Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the adoption date of the New Share Option Scheme (the “**Scheme Limit**”), excluding for this purpose Shares which would have been issuable pursuant to Options which have lapsed in accordance with the terms of the New Share Option Scheme (or any other share option schemes of the Company). The total number of shares of the Company issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each grantee must not exceed 1% of the shares of the Company in issue, such further grant shall be subject to separate approval by the Shareholders in general meeting with the relevant grantee and his associates abstaining from voting. Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time (the “**Maximum Limit**”).

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of grant; and (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant. The acceptance date of an offer shall be a date not later than 30 days after the offer date. HK\$1.00 is payable by the grantee to the Company on acceptance of the offer of the option. The period within which the shares of the Company must be taken up under an option shall be determined by the Board in its absolute discretion at the time of grant, but such period shall not exceed 10 years from the date of grant of the relevant option.

受計劃限額的更新所規限，根據新購股權計劃及本公司任何其他購股權計劃可予授出的購股權所涉及的股份數目上限（包括已授出的已行使或尚未行使購股權所涉及的股份），合共不得超過新購股權計劃採納日期已發行股份總數的10%（「**計劃限額**」），就此而言，不包括根據新購股權計劃或本公司任何其他購股權計劃的條款已失效的購股權原應可予發行的股份。在任何十二個月期間，因為每位承授人行使獲授之購股權（包括已行使或尚未行使者）而已發行及將發行之股份總數不得超過本公司已發行股份之1%，進一步授出購股權須於股東大會上獲股東的獨立批准，且有關承授人及其聯繫人不得於會上投票。因悉數行使根據新購股權計劃及本公司任何其他購股權計劃已授出但尚未行使之購股權而可予發行之股份，不得超過不時已發行股份之30%（「**最高限額**」）。

任何特定購股權的認購價須為董事會於授出有關購股權時全權釐定的價格，惟認購價不得低於以下較高者：(i) 於授出日期本公司股份在聯交所每日報價表所列收市價；及(ii) 緊接授出日期前五個營業日本公司股份在聯交所每日報價表所列收市價的平均價。建議接納日期不得遲於自建議日期起計30日當日。承授人接納購股權建議時須向本公司支付1.00港元。董事會授出購股權時全權酌情釐定根據購股權認購本公司股份的期限，惟該期限不得超過授出有關購股權日期起計10年。

OTHER INFORMATION 其他資料

Details of movement of the share options during the six months ended 30 June 2017 under the New Share Option Scheme are as follows:

新購股權計劃項下購股權於截至二零一七年六月三十日止六個月的變動詳情如下：

Name and category of participant	Date of grant	Exercise period	Exercise price per share	Number of share options				
				At 1 January 2017	Granted during the period	Exercised during the period	Lapsed/Cancelled during the period	At 30 June 2017
參與人士的姓名及類別	授出日期	行使期	每股行使價 (HK\$) (港元)	於二零一七年一月一日	期內已授出	期內已行使	期內失效/註銷	於二零一七年六月三十日
Directors/former Directors								
董事/前董事								
Du Jian Jun 杜建軍	12.05.2016	12.05.2016 – 12.05.2026	0.10	55,096,239	-	-	-	55,096,239
Ji Kuang (note 2) 嵇匡(附註2)	12.05.2016	12.05.2016 – 12.05.2026	0.10	11,019,247	-	-	-	11,019,247
Leung Wai Kwan 梁維君	12.05.2016	12.05.2016 – 12.05.2026	0.10	55,096,239	-	-	-	55,096,239
Li Po Wai (note 2) 李寶偉(附註2)	12.05.2016	12.05.2016 – 12.05.2026	0.10	11,019,247	-	-	-	11,019,247
Meng Xiao Ying (note 2) 孟小英(附註2)	12.05.2016	12.05.2016 – 12.05.2026	0.10	11,019,247	-	-	-	11,019,247
Fan Wei Peng 范偉鵬	12.05.2016	12.05.2016 – 12.05.2026	0.10	11,019,247	-	-	-	11,019,247
Yin Shibo 尹仕波	12.05.2016	12.05.2016 – 12.05.2026	0.10	5,509,623	-	-	-	5,509,623
Chan Kin Ho Philip (note 2) 陳建豪(附註2)	12.05.2016	12.05.2016 – 12.05.2026	0.10	5,509,623	-	-	-	5,509,623
Tian Jinghua (note 1) 田晶華(附註1)	12.05.2016	12.05.2016 – 12.05.2026	0.10	2,754,811	-	-	(2,754,811)	-
Li Zhenzhen (note 3) 李珍珍(附註3)	12.05.2016	12.05.2016 – 12.05.2026	0.10	2,754,811	-	-	-	2,754,811
Liu Bo 劉波	12.05.2016	12.05.2016 – 12.05.2026	0.10	2,754,811	-	-	-	2,754,811
Subtotal 小計				173,553,145	-	-	(2,754,811)	170,798,334
Employees 僱員	12.05.2016	12.05.2016 – 12.05.2026	0.10	66,115,485	-	-	-	66,115,485
Consultants 顧問	12.05.2016	12.05.2016 – 12.05.2026	0.10	5,509,622	-	-	-	5,509,622
Total 總計				245,178,252	-	-	(2,754,811)	242,423,441

OTHER INFORMATION 其他資料

Notes:

1. Ms. Tian Jinghua retired as independent non-executive Director on 28 June 2016. Pursuant to the terms of the New Share Option Scheme, she may exercise the share options up to her entitlement within twelve months from the date of her retirement as a Director.
2. Mr. Ji Kuang, Mr. Li Po Wai and Ms. Meng Xiao Ying retired as executive Directors and Mr. Chan Kin Ho Philip retired as independent non-executive Director on 30 June 2017. Pursuant to the terms of the New Share Option Scheme, each of them may exercise his/her share options up to his/her entitlement within twelve months from the date of his/her retirement as a Director.
3. Ms. Li Zhenzhen resigned as independent non-executive Director on 13 July 2017. Pursuant to the terms of the New Share Option Scheme, she may exercise the share options up to her entitlement within twelve months from the date of her resignation as a Director.

AUDIT COMMITTEE REVIEW

The audit committee of the Company comprises wholly independent non-executive Directors, has reviewed the consistency of the accounting principles and practices adopted by the Group and also discussed issues related to financial reporting, including the review of the Group's unaudited interim results. The unaudited interim results for the period under review have not been audited or reviewed by the auditors of the Company but have been reviewed by the audit committee. The audit committee is of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

附註：

1. 田晶華女士於二零一六年六月二十八日退任獨立非執行董事。根據新購股權計劃條款，彼可於自其退任董事日期起計十二個月內行使彼の購股權配額。
2. 於二零一七年六月三十日，嵇匡先生、李寶偉先生及孟小英女士退任執行董事，而陳建豪先生則退任獨立非執行董事。根據新購股權計劃條款，彼等可於自其退任董事日期起計十二個月內行使彼の購股權配額。
3. 李珍珍女士於二零一七年七月十三日辭任獨立非執行董事。根據新購股權計劃條款，彼可於自其辭任董事日期起計十二個月內行使彼の購股權配額。

審核委員會審閱

由全體獨立非執行董事組成的本公司審核委員會已審閱本集團採納的會計原則及慣例是否一致，並已討論有關財務報告的事宜，包括審閱本集團的未經審核中期業績。回顧期間的未經審核中期業績並未經本公司核數師審核或審閱，惟已由審核委員會審閱。審核委員會認為有關報表符合適用會計準則、上市規則及法律規定，且已作出充足披露。



DING HE MINING HOLDINGS LIMITED
鼎和礦業控股有限公司