



ROSAN RESOURCES HOLDINGS LIMITED

融信資源控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock code 股份代號: 578)

2017

年報 ANNUAL REPORT

Contents

目錄

		Pages 頁碼
Corporate Information	公司資料	2
Five Years Financial Summary	五年財務摘要	4
Chairman's Statement	主席報告	6
Management Discussion and Analysis	管理層討論及分析	10
Profile of Directors and Senior Management	董事及高級管理層履歷	18
Corporate Governance Report	企業管治報告	21
Directors' Report	董事會報告	33
Independent Auditor's Report	獨立核數師報告	43
Audited Financial Statements	經審核財務報表	
Consolidated Income Statement	綜合收益表	51
Consolidated Statement of Comprehensive Income	綜合全面收益表	52
Consolidated Statement of Financial Position	綜合財務狀況表	53
Consolidated Statement of Changes in Equity	綜合權益變動表	55
Consolidated Statement of Cash Flows	綜合現金流量表	57
Notes to the Consolidated Financial Statements	綜合財務報表附註	60

Corporate Information

公司資料

DIRECTORS

Mr. Dong Cunling (*Chairman*)
Mr. Yang Hua (Resigned in February 2018)
Mr. Chen Xu (Resigned in February 2018)
Mr. Wu Jiahong
Mr. Zhang Yi (Appointed in February 2018)
Mr. Zhou Guangwen
Mr. Li Chunyan[#]
Dr. Chen Renbao^{*}
Mr. Jiang Xiaohui^{*}
Mr. Ma Yueyong^{*}

[#] Non-Executive Director

^{*} Independent Non-Executive Directors

AUDIT COMMITTEE

Mr. Ma Yueyong (*Chairman of the Committee*)
Dr. Chen Renbao
Mr. Jiang Xiaohui

NOMINATION COMMITTEE

Mr. Ma Yueyong (*Chairman of the Committee*)
Dr. Chen Renbao
Mr. Jiang Xiaohui

REMUNERATION COMMITTEE

Dr. Chen Renbao (*Chairman of the Committee*)
Mr. Ma Yueyong
Mr. Jiang Xiaohui

COMPANY SECRETARY

Mr. Li Chun On

AUTHORISED REPRESENTATIVES

Mr. Li Chun On
Mr. Yang Hua (*Chief Executive Officer*)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3204B, 32/F
Tower 1, Admiralty Centre
No. 18 Harcourt Road
Admiralty
Hong Kong

董事

董存岭先生 (主席)
楊華先生 (於二零一八年二月辭任)
陳旭先生 (於二零一八年二月辭任)
巫家紅先生
張毅先生 (於二零一八年二月獲委任)
周廣文先生
李春彥先生[#]
陳仁寶博士^{*}
蔣曉輝先生^{*}
馬躍勇先生^{*}

[#] 非執行董事

^{*} 獨立非執行董事

審核委員會

馬躍勇先生 (委員會主席)
陳仁寶博士
蔣曉輝先生

提名委員會

馬躍勇先生 (委員會主席)
陳仁寶博士
蔣曉輝先生

薪酬委員會

陳仁寶博士 (委員會主席)
馬躍勇先生
蔣曉輝先生

公司秘書

李俊安先生

授權代表

李俊安先生
楊華先生 (行政總裁)

總辦事處及主要營業地點

香港
金鐘
夏慤道18號
海富中心第1座
32樓3204B室

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

AUDITOR

Moore Stephens CPA Limited
801-806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

PRINCIPAL REGISTRAR

Codan Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

REGISTRAR IN HONG KONG

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Construction Bank Ltd.
(Dengfeng Branch, Zhengzhou, Henan Province, PRC)

STOCK CODE

578

WEBSITE

<http://www.irasia.com/listco/hk/rrhl/>

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

核數師

大華馬施雲會計師事務所有限公司
香港
九龍
尖沙咀
廣東道30號
新港中心1座801至806室

股份過戶登記總處

Codan Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份過戶登記處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

中國銀行(香港)有限公司
中國建設銀行股份有限公司
(中國河南省鄭州登封分行)

股份代號

578

網址

<http://www.irasia.com/listco/hk/rrhl/>

Five Years Financial Summary

五年財務摘要

A summary of the published results and assets, liabilities and total equity/(capital deficiency) of the Group for the last five financial years, as extracted from the Group's audited financial statements, is set out below:

以下為本集團過去五個財政年度之已公佈業績、資產、負債及股本權益／（資本虧絀）總值摘要，乃摘錄自本集團之經審核財務報表：

(A) RESULTS 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元	2014 HK\$'000 二零一四年 千港元	2013 HK\$'000 二零一三年 千港元
Revenue	收益	529,884	718,879	721,810	481,571	322,896
Loss before income tax	除所得稅前虧損	(196,614)	(264,330)	(385,109)	(377,592)	(343,589)
Income tax credit/(expense)	所得稅抵免／ （開支）	-	3,304	14,777	3,925	(3,922)
Loss for the year	年內虧損	(196,614)	(261,026)	(370,332)	(373,667)	(347,511)
Loss attributable to non-controlling interests	非控股權益應佔虧損	17,756	24,831	35,015	26,335	24,056
Loss attributable to the owners of the Company	本公司擁有人應佔虧損	(178,858)	(236,195)	(335,317)	(347,332)	(323,455)

Five Years Financial Summary

五年財務摘要

(B) ASSETS, LIABILITIES AND TOTAL EQUITY/ (CAPITAL DEFICIENCY)

資產、負債及股本權益／(資本虧絀)總值

		As at 31 December 於十二月三十一日				
		2017	2016	2015	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		千港元	千港元	千港元	千港元	千港元
Non-current assets	非流動資產	674,564	680,166	902,177	1,266,545	1,400,060
Current assets	流動資產	1,411,855	1,243,954	1,466,044	1,140,579	1,234,757
Total assets	總資產	2,086,419	1,924,120	2,368,221	2,407,124	2,634,817
Current liabilities	流動負債	2,030,037	1,731,112	1,887,862	1,513,545	1,396,475
Non-current liabilities	非流動負債	132,970	92,593	102,531	118,201	73,097
Total liabilities	總負債	2,163,007	1,823,705	1,990,393	1,631,746	1,469,572
(Capital deficiency)/total equity	(資本虧絀)／股本權益總值	(76,588)	100,415	377,828	775,378	1,165,245
- attributable to the owners of the Company	- 本公司擁有人應佔	(8,666)	152,044	403,125	763,188	1,124,706
- Non-controlling interests	- 非控股權益	(67,922)	(51,629)	(25,297)	12,190	40,539

Chairman's Statement

主席報告

I am pleased to present on behalf of the board (the “Board”) of directors (the “Directors”) to the shareholders the report on the results on Rosan Resources Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) for the year ended 31 December 2017 (the “Year”).

MARKET REVIEW

In view of the overall performance of coal industry in People's Republic of China (the “PRC”) for the Year 2017, coal mines companies have generally achieved with positive outcome resulting from the improvement in coal price in the past two years. Referring to the Qinhuangdao Coal Price Index, the average market price of thermal coal of 4,500 kcal was approximately RMB300/ton in December 2015, RMB490/ton in December 2016 and RMB480/ton in December 2017. Along with the rebounding trend of coal price since 2016 and stable coal price in 2017, coal mine companies generally have improved their profitability. Moreover, with the stability of the PRC's economic growth, the domestic demand for energy is still high, of which, coal energy has been playing an important role for energy supply. With the accumulated coal stock level has been reducing during the period of recovery of coal industry in the past two years, coal mine companies have less pressure on determining the coal price.

Although the PRC government is encouraging the market players (both the suppliers and consumers) for using green power to replace the traditional energy sources such as coal, it may need much more time for the market to adapt, to transform or to re-invest from the traditional energy sources to the green power sources such as wind and water energy. From the coal mine companies' point of view, in order to meet the environmental protection requirements, coal mine companies need to invest continuously on their infrastructure or machineries to reduce pollution or implement more measurements.

Since 2011, the coal industry has been in excess production capacity with decreasing coal price. The national goal was to cut production capacity of coal by approximately 800 million tons in the next 3-5 years from year 2011. Since the year 2016, the coal price has been increased from the lowest point as a result of the successful control policies carried out by the government in the past few years. However, due to the coal price has been decreased for many years and the gearing ratio for most of coal enterprises were generally high, so the improvement of the coal price in year 2016 and year 2017 cannot immediate to change the fact that the industry has suffered the previous weakness.

本人謹代表董事(「董事」)會(「董事會」)欣然向股東提呈融信資源控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度(「本年度」或「年內」)之業績報告。

市場回顧

鑒於二零一七年中國(「中國」)煤炭行業的整體表現，煤礦公司一般上都因過去兩年煤價上升而實現正面表現。參考秦皇島煤價指數，4,500千卡動力煤的平均市價為：二零一五年十二月的人民幣300元／噸、二零一六年十二月的人民幣490元／噸及二零一七年十二月的人民幣480元／噸。隨著二零一六年起煤炭價格的反彈趨勢及二零一七年煤價穩定表現，煤礦公司的盈利能力整體上有所改善。此外，近年來中國經濟穩定增長，國內能源需求依然高企，煤炭能源於能源供應中發揮了重要作用。由於累計煤炭存貨水平於過去兩年煤炭行業復甦期間持續下降，煤礦公司減輕了釐定煤價的壓力。

儘管中國政府鼓勵市場參與者(包括供應商及消費者)使用綠色能源代替傳統能源(如煤炭)，但市場可能仍然需要很長時間適應、轉型或將投資由傳統能源轉向風能及水能等綠色能源。從煤礦公司角度來看，為滿足環保方面的要求，煤礦公司需要持續投資基礎設施或機械，以降低污染或實施更多措施。

自二零一一年起，煤炭行業產能過剩，煤價不斷下跌。全國性目標是自二零一一年起3至5年內將煤炭產能減少約8億噸。自二零一六年起，由於政府過去幾年實施的控制政策成功，煤價由最低位上漲。然而，由於煤價多年下跌，大部分煤炭企業的資本負債比率整體高企，二零一六年及二零一七年煤價回升無法立即改變行業此前多年來貧弱的情況。

In year 2017, the total coal production capacity of the PRC was approximately 3.45 billion tons (2016: approximately 3.34 billion tons), in which Henan Province of the PRC has achieved the coal production capacity of approximately 106.0 million tons (2016: approximately 108.5 million tons). Referring to the overall increase in the coal production capacity during the Year in the PRC, it indicated that the coal industry has been improved and recovered from the worst market moment.

During the recent years of market recovery, coal mines companies have grasped the time to improve their production efficiency and profitability as well as to achieve the target to promote safety production, environmental protection and innovative development to strengthen the future development.

Following the market practice, the Company will carry on to implement safety controls on the coal mines and will put more efforts to risk control procedures in order to maintain the safety production at a high level. The Company will strengthen the environmental safety and environmental protection, to further secure the coal production and the sales in the future.

BUSINESS REVIEW

During the Year 2017, the Company's coal production was affected by the pro-long suspension of coal mines. All the coal mines of the Company have been suspended since January 2017 by the order of the government. Nevertheless, the Company has kept its focus on the coal trading business and the Company has strived to sustain during the challenging period. Two of the Company's coal mines have received the resumption notices from the government in November 2017 and one of the coal mines has also received the resumption notice in March 2018. Although Year 2017 was still a challenging year to the Company, the revenue recorded for the Year merely dropped by approximately 26.3%, i.e. Year 2017: approximately HK\$529.9 million (Year 2016: approximately HK\$718.9 million).

二零一七年，中國總煤炭產能約為34.5億噸（二零一六年：約33.4億噸），其中中國河南省實現煤炭產能約106,000,000噸（二零一六年：約108,500,000噸）。鑒於年內中國煤炭產能整體增加，表明煤炭行業已從最糟糕的市場環境中得到改善及復甦。

近年來市場復甦期間，煤礦公司把握時機提高生產效率及盈利能力，並實現促進安全生產、環境保護及創新發展從而加強未來發展的目標。

按照市場慣例，本公司將繼續對煤礦實施安全控制，並將投入更多精力採取風險控制政策，以維持高水平安全生產。本公司未來將加強環境安全及環境保護，以進一步保障煤炭生產及銷售。

業務回顧

二零一七年，本公司煤炭生產受到煤礦長期停產影響。本公司所有煤礦均自二零一七年一月起停產。然而，本公司集中進行煤炭貿易業務，並努力應對挑戰。本公司兩個煤礦於二零一七年十一月已收到政府的復產通知，另一個煤礦亦於二零一八年三月收到政府的復產通知。儘管本年度對本公司而言仍然是具有挑戰性的一年，但本年度收入僅下跌約26.3%，即二零一七年錄得收入約529,900,000港元（二零一六年：約718,900,000港元）。

Suspension and Resumption of Coal Mines

In January 2017, a gas outburst was occurred in a coal mine of Denfeng City, Zhenzhou, the PRC. The relevant government authority has requested that all the coal mines within the Denfeng City (including all the Company's coal mines) needed to be suspended in production and operation. Till November 2017, two of the coal mines of the Company have received the resumption notices from the government and the production has been gradually resumed. One more coal mine has received the resumption notice from the government in March 2018. It is expected that the coal production may resume to normal level in the year 2018.

Focus on Trading of Purchased Coal

During the period of coal mines suspensions in Year 2017, in order to fulfill the customer's order requirement, most of the coal was supplied through coal trading business. However, as the purchase cost for coal trading was comparatively higher than the Company's own production, the Company didn't achieve a favorable gross profit or net profit results. Upon the resuming of respective coal mines since November 2017, the Company can produce its own coal in order to lower the cost and to achieve a more favorable result. The management believes that, following the resumption of coal mines, more coal will be produced by the Company's coal mines instead of purchase through coal trading, a more favorable result is expected to be achieved in the future.

Acquisition of Building Materials Company

In order to explore into different income sources, the Company has proposed to acquire a building materials company in Henan Province in October 2017 and the acquisition has been completed in early January 2018. Through the acquisition, the Group would develop a new income stream. If in the circumstance that the coal mines of the Company are suspended again in the future, the Company can have another income source during the suspension.

煤礦暫停及恢復生產

二零一七年一月，中國鄭州登封市一個煤礦發生瓦斯突出事故。有關政府部門要求，登封市所有煤礦（包括本公司所有煤礦）需暫停生產及經營。直到二零一七年十一月，本公司兩個煤礦收到政府的復產通知，煤礦生產逐步恢復。另一個煤礦已於二零一八年三月收到政府的復產通知。預計煤炭產量可於二零一八年恢復正常水平。

專注於購入煤炭貿易業務

於二零一七年煤礦停產期間，為滿足客戶的訂單要求，大部分煤炭由煤炭貿易業務供應。然而，由於煤炭貿易的採購成本高於本公司自身的生產成本，本公司未實現有利的毛利率或淨利潤業績。在各煤礦自二零一七年十一月起恢復生產後，本公司可以增加自行生產煤炭，以降低成本及實現更有利的業績。管理層相信，在煤礦恢復生產及本公司煤礦可生產更多煤炭（而非依賴煤炭貿易購入）後，未來預期可實現更有利的業績。

收購建材公司

為開拓不同收入來源，本公司於二零一七年十月建議收購河南省一間建材公司，收購已於二零一八年一月初完成。透過該收購，本集團將開發新的收入來源。如本公司煤礦未來再次停產，本公司可於停產期間獲得其他收入來源。

PROSPECT

Year 2016 and 2017, can be regarded as recovery years for coal industry in the PRC since the commencement of government control policies on coal supply in the past few years. It is expected that the PRC economic growth will remain stable in the coming years, the Group will continue to adjust its response to the market environment.

Keeping focus on the Group's existing coal business and at the same time exploring the income stream from the newly acquired building materials business, the Group will conduct safe, effective and refined production, seek for opportunities among challenges, and try every means to achieve cost efficiency and revenue growth.

The Group will put sufficient efforts on keeping up with the market to expand new development opportunities and to promote business diversification, to broaden source of revenue and to improve risk resistance of the Company.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express my most sincere thanks and gratitude to our Shareholders, and various parties for their continue encouragement and support. I would like also to thank my fellow directors and all staff their considerable contributions to the Group.

Dong Cunling

Chairman

Hong Kong, 29 March 2018

展望

自政府過去幾年開始實施控制煤炭供應的政策以來，二零一六年及二零一七年可被視為是中國煤炭行業復甦的年份。預期中中國經濟未來幾年將繼續穩步增長，本集團將繼續調整其對市場環境的反應。

本集團努力發展現有煤炭業務，同時探索新收購建材業務的收入來源，本集團將進行安全、有效及優化的生產，在挑戰中尋找機會，嘗試一切手段來實現成本效益及收入增長。

本集團將努力緊跟市場，開拓新的發展機會，促進業務多元化，拓寬收入來源，提高本公司的風險抵禦能力。

致謝

本人謹藉此機會代表董事會向股東及各界人士就其持續鼓勵與支持致以最誠摯謝意。與此同時，本人亦對各位董事及全體員工為本集團作出之寶貴貢獻表示感謝。

主席

董存嶺

香港，二零一八年三月二十九日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group's total revenue for the Year amounted to approximately HK\$529.9 million, representing a decrease of approximately 26.3% from approximately HK\$718.9 million of year ended 31 December 2016 (the "Last Year"). The decrease in revenue was primarily due to the decrease in sales volume and suspension of production and operation of coal mines in Dengfeng City, Henan Province during the Year. During the Year, the total sales volume of coal was approximately 1,300,000 tons which was less than the sales volume of the Last Year (approximately 1,896,000 tons) by approximately 31.4%, in which, approximately 1,026,000 tons or approximately 78.9% (the Last Year: approximately 1,569,000 tons or approximately 82.8%) and approximately 274,000 tons or approximately 21.1% (the Last Year: approximately 326,000 tons or approximately 17.2%) were contributed by coal trading business and sales of produced coal respectively.

Decrease in the sales volume of trading coal and produced coal was mainly caused by the suspension of all coal mines in Dengfeng City, Henan Province. In January 2017, the Group has received a notification from the relevant government authority regarding the suspension of production and operation of all coal mines in Dengfeng City. This suspension was due to a gas outburst that occurred in a coal mine in Dengfeng City in early January 2017. This suspension affected all coal mines in Dengfeng City, including all the coal mines and suppliers of the Group. The Group faced the big challenges to produce and purchase coals in Dengfeng City during the Year. The average selling price of coal has increased from approximately RMB324.5 per ton for the Last Year to approximately RMB353.4 per ton for the Year. The decrease in total revenue was mainly due to the decrease in sales volume, although it was partially offset by the improved coal prices.

Cost of Sales and Gross Loss

The cost of sales and gross loss for the Year were approximately HK\$630.4 million (the Last Year: approximately HK\$805.1 million) and approximately HK\$100.5 million (the Last Year: approximately HK\$86.2 million) respectively.

財務回顧

收益

本集團於本年度之收益總額約為529,900,000港元，較截至二零一六年十二月三十一日止年度（「上一年度」）約718,900,000港元減少約26.3%。收益減少主要是由於本年度內河南省登封市煤礦銷售額減少及暫停生產及經營。於本年度，煤炭之總銷量約1,300,000噸，較上一年度之銷量（約1,896,000噸）低約31.4%，其中，約1,026,000噸或約78.9%（上一年度：約1,569,000噸或約82.8%）及約274,000噸或約21.1%（上一年度：約326,000噸或約17.2%）分別來自煤炭貿易業務及銷售自產煤炭。

貿易煤炭及生產煤炭的銷量下降，主要是由於河南省登封市所有煤礦停工停產所致。於二零一七年一月，本集團收到有關政府部門的通知，登封市所有煤礦暫停生產及經營。是次停工停產是由於二零一七年一月初在登封市一個煤礦發生了瓦斯突出事故。是次停工停產影響登封市所有煤礦，包括本集團的所有煤礦及本集團供應商。年內，本集團面臨在登封市生產及購買煤炭的挑戰。煤炭平均售價由上一年度每噸約人民幣324.5元上升至本年度每噸約人民幣353.4元。總收益減少主要是由於銷量減少所致，儘管部分被中國煤價回升所抵銷。

銷售成本及毛損

本年度之銷售成本及毛損分別約為630,400,000港元（上一年度：約805,100,000港元）及約100,500,000港元（上一年度：約86,200,000港元）。

The gross loss margin was increased from approximately 12.0% for the Last Year to approximately 19.0% for the Year. During the Year, the average selling price per ton of the coals produced by the Group's coal mines was greater than Last Year (The Year: approximately RMB373.1 per ton, the Last Year: approximately RMB283.9 per ton). The increase in gross loss was mainly due to the increase in average unit cost of sales of produced coal during the Year. During the Year, most of the coal mines in Dengfeng City faced the challenge on the suspension order issued by the PRC government authority. The coal mines of the Group maintained limited production during the inspection period. Since the Group's coal mines have carried out limited production scale, the optimal production scale of each of the Group's coal mine cannot be reached and their production capacity cannot be fully utilized. Hence, the corresponding unit cost of sales was comparatively high and the gross loss was increased.

Net Loss Attributable to the Owners of the Company

The net loss attributable to the owners of the Company for the Year was approximately HK\$178.9 million, representing a decrease of approximately 24.3% as compared with the Last Year of approximately HK\$236.2 million. The reasons for the decrease in net loss attributable to the owners of the Company were mainly due to the decrease in impairment loss on certain non-financial assets during the impairment assessment as compared to the Last Year.

Though the coal market in the PRC has been recovered since late 2016, the performance of the coal mines of the Group was greatly affected by the suspension of all coal mines in Dengfeng City during the Year. Also, the higher requirement standards on coal mines' safety and environmental protection may induce unpredictable market trends and high operating cost. With consideration of the recent performance of the Group's coal mines and the upstream coal business in the PRC, the recoverable amount of the cash-generating unit was less than its carrying amount, the Group recognised an impairment loss of approximately HK\$15.9 million (the Last Year: approximately HK\$60.8 million) and approximately HK\$11.8 million (the Last Year: approximately HK\$64.3 million) on the property, plant and equipment and the mining rights respectively. Such amounts included the full impairment loss of approximately HK\$7.8 million and approximately HK\$13.0 million on the mining rights and related property, plant and equipment respectively of Xiaohe Coal Mine No.3, which is considered as low productivity and small scale.

毛損率由上一年度之約12.0%增加至本年度之約19.0%。於本年度，本集團煤礦所生產煤炭的每噸平均售價高於上一年度（本年度：每噸約人民幣373.1元，上一年度：每噸約人民幣283.9元）。毛損增加主要是由於本年度生產煤炭的平均單位銷售成本上升。本年度內，登封市大部分煤礦面臨中國政府部門發出的停工停產令的挑戰。經中國政府部門允許，本集團煤礦於檢查期間維持有限的生產。由於本集團煤礦進行有限的生產規模，本集團各煤礦的最優生產規模無法實現，其產能無法完全利用。因此，相關單位銷售成本較高，而毛損增加。

本公司擁有人應佔虧損淨額

於本年度，本公司擁有人應佔虧損淨額約為178,900,000港元，較上一年度之虧損淨額約236,200,000港元減少約24.3%。本公司擁有人應佔虧損淨額減少主要是由於減值評估中若干非金融資產減值虧損較上一年度減少。

儘管中國煤炭市場自二零一六年末起復甦，但本集團煤礦的表現受到本年度登封市所有煤礦停產的極大影響。此外，有關煤礦安全及環境保護的更高要求標準，可能導致市場趨勢無法預測及經營成本高企。考慮到本集團煤礦近期的表現及中國上游煤炭業務，現金產生單位之可收回金額低於其賬面值，本集團就物業、廠房及設備以及採礦權分別確認約15,900,000港元（上一年度：約60,800,000港元）及約11,800,000港元（上一年度：約64,300,000港元）之減值虧損。該金額包括小河三礦（生產效率較低，規模較小）採礦權的全額減值虧損約7,800,000港元及相關物業、廠房及設備的減值虧損約13,000,000港元。

Management Discussion and Analysis

管理層討論及分析

Administrative Expenses

During the Year, the total administrative expenses amounted to approximately HK\$53.6 million (the Last Year: approximately HK\$44.6 million) which mainly comprised of: (i) employee benefits expense of approximately HK\$21.5 million (the Last Year: approximately HK\$17.4 million), (ii) amortisation of mining right and other intangible assets amounted to approximately HK\$3.2 million (the Last Year: approximately HK\$6.4 million), and (iii) depreciation of property, plant and equipment amounted to approximately HK\$2.3 million (the Last Year: approximately HK\$2.7 million).

Finance Costs

The finance costs increased by approximately 6.8% from approximately HK\$39.7 million for the Last Year to approximately HK\$42.3 million for the Year. The increase in the finance costs was mainly due to the increase in the average amount of bank and other loans during the Year.

Accounts and Bills Receivables

As at 31 December 2017 (the “**Current Year End**”), the accounts and bills receivables amounted to approximately HK\$221.3 million, representing an increase of approximately 25.3% as compared to the accounts and bills receivables as at 31 December 2016 (the “**Last Year End**”) of approximately HK\$176.7 million. The increase was mainly because the customers of the Group have also faced with unfavorable coal market environment in Dengfeng City and have slightly slowed down the repayment period.

Amongst the total amount of accounts receivable (excluding the bills receivable) as at the Current Year End, the largest customer of the Group was also the largest debtor who has contributed approximately HK\$211.3 million (equivalent to approximately RMB176.0 million) or approximately 95.5% of the total accounts receivable amount. Considered the balance due from the largest customer as at the Current Year End has been fully settled subsequently, the Board therefore concluded that no impairment is needed to be made on the outstanding amounts.

行政開支

於本年度，行政開支總額約為53,600,000港元（上一年度：約44,600,000港元），主要包括：(i)僱員福利開支約21,500,000港元（上一年度：約17,400,000港元），(ii)採礦權及其他無形資產攤銷約3,200,000港元（上一年度：約6,400,000港元），及(iii)物業、廠房及設備折舊約2,300,000港元（上一年度：約2,700,000港元）。

財務成本

財務成本由上一年度之約39,700,000港元增加約6.8%至本年度之約42,300,000港元。財務成本增加主要是由於本年度平均銀行及其他借款金額增加。

應收賬款及票據

於二零一七年十二月三十一日（「**本年度末**」），應收賬款及票據約為221,300,000港元，較於二零一六年十二月三十一日（「**上年度末**」）之應收賬款及票據約176,700,000港元增加約25.3%。增加主要是由於本集團客戶亦面臨登封市不利的煤炭市場，略微放緩了還款期。

於本年度末應收賬款總額（不包括應收票據）中，本集團最大客戶也為最大債務人，結餘額約211,300,000港元（相等於約人民幣176,000,000元），或佔應收賬款總額約95.5%。鑒於應收最大客戶結餘已於隨後結算，因此董事會認為毋須對應收之未償還款項作出減值。

Accounts and Bills Payables

Bills payable as at the Current Year End amounted to approximately HK\$807.2 million (the Last Year End: approximately HK\$701.7 million) which contributed approximately 98.7% (the Last Year End: approximately 95.8%) of the total amount of accounts and bills payables as at the Current Year End, i.e. approximately HK\$817.9 million (the Last Year End: approximately HK\$732.8 million). In order to reduce the impact on the operational cash flow and liquidity during the period of coal mines suspension, relatively higher proportion of bills were issued to suppliers for settlement. The bills payable as at the Current Year End has increased by approximately HK\$105.5 million or approximately 15.0%.

Other Payables and Accruals

The total amount of other payables and accruals have been increased by approximately 14.8% from approximately HK\$434.9 million as at the Last Year End to approximately HK\$499.2 million as at the Current Year End. As at the Current Year End, the other payables were mainly comprised of provision for PRC retirement benefit scheme contributions amounted to approximately HK\$169.7 million (the Last Year End: approximately HK\$170.5 million), accrued coal mines related removal and relocation expenses amounted to approximately HK\$58.3 million (the Last Year End: approximately HK\$56.0 million), receipt in advance amounted to approximately HK\$43.3 million (the Last Year End: approximately HK\$22.7 million), accrued workers' wages and benefits amounted to approximately HK\$29.1 million (the Last Year End: approximately HK\$20.5 million), and advance from directors of the Company amounting to approximately HK\$16.2 million (the Last Year End: approximately HK\$8.0 million). Advance from directors of the Company were unsecured, interest-free and repayable on demand.

應付賬款及票據

本年度末之應付票據約為807,200,000港元（上年度末：約701,700,000港元），佔本年度末應付賬款及票據總額（即約817,900,000港元（上年度末：約732,800,000港元））之約98.7%（上年度末：約95.8%）。為減低受停礦時對現金流量及流動資金的影響，故向供應商發出較高比例的票據用於結算。因此，本年度末之應付票據增加約105,500,000港元或約15.0%。

其他應付款項及應計費用

其他應付款項及應計費用總額由上年度末之約434,900,000港元增加約14.8%至本年度末之約499,200,000港元。於本年度末，其他應付款項主要包括計提中國退休福利計劃供款金額約169,700,000港元（上年度末：約170,500,000港元）、應計煤礦相關拆遷及安置開支約58,300,000港元（上年度末：約56,000,000港元）、已收預付款項約43,300,000港元（上年度末：約22,700,000港元）、應計工人工資及福利約29,100,000港元（上年度末：約20,500,000港元）以及本公司一名董事提供的貸款約16,200,000港元（上年度末：約8,000,000港元）。本公司一名董事提供的貸款為無抵押、免息及須按要求償還。

Management Discussion and Analysis

管理層討論及分析

ESTIMATED COAL RESOURCES OF THE COAL MINES OF THE GROUP

The following table summarized the estimated coal resources of the coal mines of the Group as at 31 December 2017 and 2016:

本集團的煤礦之估計煤炭資源

下表概述本集團的煤礦於二零一七年及二零一六年十二月三十一日的估計煤炭資源：

	As at 31 December 2017 mt 於二零一七年 十二月 三十一日 百萬噸	As at 31 December 2016 mt 於二零一六年 十二月 三十一日 百萬噸
Coal mines owned by the Group		
(i) Xiaohe Coal Mine No.1	6.8	6.9
(ii) Xiaohe Coal Mine No.2 (note 2)	1.5	1.5
(iii) Xiaohe Coal Mine No.3 (note 2)	1.7	1.7
(iv) Xiangyang Coal Mine	14.4	14.5
(v) Xingyun Coal Mine	3.4	3.4
	27.8	28.0

Notes:

(1) Major assumptions adopted for the annual updates on the above estimated coal resources were:

(i) Original coal resources of each coal mine were made reference to the relevant coal resources reports and/or coal mine information available to the Group at the time of acquisition of the respective coal mines;

(ii) Annual updates on the estimated coal resources for each coal mine as at Current Year End were calculated as follow:

(Estimated coal resources as at the Last Year End) – (Actual coal production volume for the Year);

(iii) There was no material structural change within the coal mines that will cause the significant deviation between the actual coal resources and the above annual updates.

(2) The Group has decided to permanently close Xiaohe Coal Mine No.2 and Xiaohe Coal Mine No.3 since January 2016 and March 2018 respectively.

(3) Except for (2) disclosed above, there was no material change of the above assumptions as compared with the previous year.

附註：

(1) 對上述估計煤炭資源量進行年度更新時採用之主要假設為：

(i) 各煤礦原煤炭資源量乃參考煤炭資源量報告及／或於收購各煤礦時本集團可得到之資料；

(ii) 本年度末各煤礦之估計煤炭資源量年度更新乃按下文計算：

(上年度末估計煤炭資源量) – (年內實際煤炭產量)；

(iii) 煤礦並無出現重大結構性變動會導致實際煤炭資源量大幅偏離上述年度更新資料。

(2) 本集團已決定分別自二零一六年一月及二零一八年三月起永久關閉小河二礦及小河三礦。

(3) 除上文(2)所披露者外，上述假設與上一年度比較並無發生重大變化。

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at the Current Year End, the net liabilities of the Group was approximately HK\$76.6 million (as at the Last Year End: net assets of approximately HK\$100.4 million) and the total cash and bank balance (including pledged bank deposit) was approximately HK\$787.8 million (as at the Last Year End: approximately HK\$701.7 million). As at the Current Year End, the Group had net current liabilities of approximately HK\$618.2 million (as at the Last Year End: approximately HK\$487.2 million) and its current ratio decreased from 0.72 times as at the Last Year End to 0.70 times as at the Current Year End. The Group's working capital was mainly financed by internal cash flow generated from its operation and the banking facilities granted by financial institutions.

As at the Current Year End, the Group's accounts receivable, net of any provision for impairment amounted to approximately HK\$221.3 million (as at the Last Year End: approximately HK\$174.1 million) and certain accounts receivable were pledged to secure bank loans of the Group. Subsequent to 31 December 2017 and up to the date of this report, certain pledged accounts receivable has been fully settled.

As at the Current Year End, bank deposits amounted to approximately HK\$616.9 million (as at the Last Year End: approximately HK\$523.6 million) were pledged and not available for the operation or repayment of debts of the Group. Cash and cash equivalents which were not pledged amounted to approximately HK\$170.9 million (as at the Last Year End: approximately HK\$178.1 million).

As at the Current Year End, the Group has bank loans amounting to approximately HK\$611.0 million (as at the Last Year End: approximately HK\$473.2 million). The bank loans bear interest at interest rates ranging from 3.20% to 13.64% per annum (as at the Last Year End: at interest rates ranging from 2.90% to 13.10% per annum).

流動資金、財務資源及資本結構

於本年度末，本集團之負債淨值約為76,600,000港元（於上年度末：資產淨值約100,400,000港元），而現金及銀行結餘總額（包括已抵押銀行存款）則約為787,800,000港元（於上年度末：約701,700,000港元）。於本年度末，本集團之流動負債淨額約為618,200,000港元（於上年度末：約487,200,000港元），流動比率則由上年度末之0.72倍下降至本年度末之0.70倍。本集團之營運資金主要是通過其營運所得及金融機構授予銀行授信額度作融資。

於本年度末，本集團應收賬款（扣除任何減值撥備）約為221,300,000港元（於上年度末：約174,100,000港元），以及若干應收賬款作為本集團銀行貸款之抵押。於二零一七年十二月三十一日後至本年報日期，若干應收已抵押賬款已悉數清償。

於本年度末，已抵押銀行存款約為616,900,000港元（於上年度末：約523,600,000港元），不可用於本集團之營運或債務償還。並未抵押之現金及現金等值項目約為170,900,000港元（於上年度末：約178,100,000港元）。

於本年度末，本集團之銀行貸款總額約611,000,000港元（於上年度末：約473,200,000港元）。銀行貸款按年利率介乎3.20%至13.64%（於上年度末：年利率介乎2.90%至13.10%）計息。

Management Discussion and Analysis

管理層討論及分析

As at the Current Year End, approximately HK\$694.9 million (as at the Last Year End: approximately HK\$597.3 million) of the Group's bills payable were secured by the Group's pledged time deposits, in which approximately HK\$52.5 million (as at the Last Year End: approximately HK\$50.2 million) were guaranteed by an independent third party whereas approximately HK\$72.0 million (as at the Last Year End: approximately HK\$67.0 million) were jointly guaranteed by a shareholder of the Company, his spouse and an independent third party. Also, approximately HK\$112.3 million (as at the Last Year End: approximately HK\$104.4 million) of the Group's bills payable were guaranteed solely by an independent third party without pledging of time deposits as at the Current Year End.

The Group's gearing ratio (as a ratio calculated by (a) the sum of bank and other loans and amount due to an associate; divided by (b) the net assets/(liabilities) of the Group) was 974.7% (as at the Last Year End: 563.5%).

CORPORATE SOCIAL RESPONSIBILITY

To enhance the business social responsibility and to improve its result, the Group has always been dedicated to fulfilling its social responsibility. In deciding the appropriate policies, the Group takes into consideration the impact on the environment, the community and its employees, The Group has objective to achieve the balance between economic benefit and the environmental protection, as well as sustainable development for the entire community.

The Group will inform its employees about the environmental protection information that they can utilise in their working environment. It is a wish that with a concept to be developed amongst the employees, the Group and the employees as a whole can contribute in environment protection.

In addition to the normal remuneration packages entitled to the employees, the Group has provided them with other benefits, such as medical subsidies and insurance, etc., for the purpose of giving them job security. This has cultivated stronger sense of belonging to the Group for its employees and created a working environment of high spirit.

CAPITAL COMMITMENTS

Save as disclosed in note 37 to the consolidated financial statements, the Group did not have any other capital commitments as at 31 December 2017.

於本年度末，本集團之應付票據約694,900,000港元（於上年度末：約597,300,000港元）由本集團之已抵押定期存款作為抵押，其中約52,500,000港元（於上年度末：約50,200,000港元）由一名獨立第三方擔保，而約72,000,000港元（於上年度末：約67,000,000港元）由本公司一名股東、其配偶與一名獨立第三方共同擔保。於本年度末，本集團之應付票據約112,300,000港元（於上年度末：約104,400,000港元）完全由一名獨立第三方擔保，未抵押定期存款。

本集團之資本負債比率（按(a)銀行及其他貸款及應付聯營公司款項之總和；除以(b)本集團資產／（負債）淨值計算之比率）為974.7%（於上年度末：563.5%）。

企業社會責任

為增強企業社會責任及改善業績，本集團始終致力於履行社會責任。在決定適當的政策時，本集團會考慮對環境、社區及其僱員的影響。本集團的目標是實現經濟利益與環境保護之間的平衡，並實現整個社區的可持續發展。

本集團將向其僱員告知在工作環境中可利用的環境保護資料。本集團的願景是，隨著僱員中形成一種觀念，本集團及僱員整體能夠為環境保護作出貢獻。

除僱員可獲得的正常薪酬外，本集團亦向僱員提供其他福利，如醫療補貼及保險等，為彼等帶來工作安全感。此舉已培養僱員對本集團的較強歸屬感，創造充滿活力的工作環境。

資本承擔

除本綜合財務報表附註37所披露者外，於二零一七年十二月三十一日，本集團並無任何其他資本承擔。

DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the Year.

SAFETY PRODUCTION AND ENVIRONMENT PROTECTION

The Group has always paid great attention to production safety and environmental protection while achieving growth in coal production. Thus, the Group makes great efforts in promoting safety management and strengthening measures for environmental protection, aiming at building itself into a safety-oriented and environmentally-friendly enterprise.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board recognises its responsibility to ensure the Company maintains a sound and effective risk management and internal control system. The Group's internal control system is designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. Review of the Group's internal controls covering major financial, operational and compliance controls, as well as risk management functions. The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group's risk management framework includes risk identification, risk assessment, risk treatment and monitoring and reviewing of the effectiveness of the measures. This risk management framework is guided by the three-tier risk management approach. At the first line of defense, business units are responsible for identifying, assessing and monitoring risks associated with each business or deal. The management, as the second line of defense, defines rule sets and models, provides technical support, develops new systems and oversees portfolio management. It ensures that risks are within the acceptable range and that the first line of defense is effective. As the final line of defense, the audit committee of the Company, with the professional advices and opinions from the external professional consultant by whom internal audit work of the Group was conducted on annual basis, ensures that the first and second lines of defense are effective through constant inspection and monitoring.

股息

董事會不建議就本年度派付任何末期股息。

安全生產及環境保護

於煤炭生產取得增長的同時，本集團亦一直重視生產安全及環境保護。故此，本集團加大力度，促進安全管理，並加強環保措施，以成為安全為本之環保企業。

風險管理及內部監控系統

董事會承認其有責任確保本公司維持完善有效的風險管理及內部監控系統。設計及建立本集團內部監控系統的目標是確保資產免受不當使用或處置，遵守及符合相關規則及法規，按照相關會計準則及監管申報規定保存可靠的財務及會計記錄，並適當識別及管理可能影響本集團表現的主要風險。檢討本集團的內部監控涵蓋重大財務、經營及合規控制，以及風險管理職能。內部監控系統只能就防止重大失實陳述或損失提供合理而非絕對的保證，原因是其設計目標為管理（而非消除）未能實現業務目標的風險。

本集團風險管理框架包括風險識別、風險評估、風險處理及監督以及評估相關措施的有效性。風險管理框架按三級風險管理法指導。作為第一道防線，業務單位負責識別、評估及監督與各業務或交易有關的風險。管理層作為第二道防線，制定規則及模型，提供技術支持，開發新提供及監督組合管理。其確保風險處於可接受範圍內及第一道防線有效。作為最後一道防線，本公司審核委員會獲外聘專業顧問（每年對本集團內部審核工作進行檢討）提供專業建議及意見，透過持續檢查及監督而確保第一道及第二道防線有效。

Profile of Directors and Senior Management

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Dong Cunling, aged 56, has been the executive director of the Company and chairman of the Board since December 2011 and March 2012. He holds a professional diploma in Chinese Language of Henan University, the PRC. Mr. Dong was a college teacher in Dengfeng Municipal of Henan Province, the PRC. Mr. Dong joined Henan Jinfeng Coal Industrial Group Company Limited (“**Jinfeng**”), i.e. a subsidiary of the Company, since 2003. He held several positions in Jinfeng and he is currently a director of Jinfeng. He has extensive experience in the management of coal mines.

Mr. Wu Jiahong, aged 51, has been the executive director of the Company since 2006. He holds a Bachelor of Art diploma from the Beijing Foreign Studies University of Beijing, the PRC and a Master of Business Administration degree from the Georgetown University in the United States. He has over 21 years of experience in corporate finance and strategic management. He is responsible for the management and financial operation of the Group.

Mr. Zhang Yi, aged 31, has been the executive director of the Company since February 2018. He graduated in 2008 from Yangtze University major in Human Resources Management. He has approximately 6 years of experience in the financial industry, specialize in feasibility study of projects, investment analysis and project development. He is currently a manager of a real estate company. He has also served as customer service manager of a bank in China.

Mr. Zhou Guangwen, aged 49, has been the executive director of the Company since February 2012. He graduated with Doctor of Philosophy from Peking University of the PRC. Mr. Zhou has extensive working experience as a senior management in certain local bank and security company in the PRC. He is currently the president of Ginkgo Capital Management Co., Limited which specialises in asset management and securities investment. Mr. Zhou is one of the first batch of the people in the PRC to engage in securities industry.

執行董事

董存嶺先生，56歲，分別自二零一一年十二月起為本公司之執行董事及自二零一二年三月起為董事會主席。彼持有中國河南大學的中文專業文憑。董先生於中國河南省登封市曾任職中學教師。董先生於二零零三年起加入本公司之附屬公司，河南金豐煤業集團有限公司（「**金豐**」）。彼曾於金豐擔任多個職位及現任為金豐之董事。彼於管理煤礦擁有豐富經驗。

巫家紅先生，51歲，自二零零六年起為本公司之執行董事。彼持有中國北京外國語大學學士學位及美國喬治敦大學工商管理碩士學位。彼於企業融資及策略管理方面擁有逾21年經驗，負責本集團的管理及財務經營。

張毅先生，31歲，自二零一八年二月起擔任本公司執行董事。彼於二零零八年畢業於長江大學，專修人力資源管理。彼於金融行業擁有約六年經驗，專門從事項目之可行性研究、投資分析以及項目開發。彼現時為一家房地產公司之經理。彼亦曾擔任中國一間銀行之客戶服務經理。

周廣文先生，49歲，自二零一二年二月起為本公司之執行董事。彼畢業於中國北京大學，取得哲學博士學位。周先生曾於一些中國本地之銀行及證券公司擔任高級管理層職務並擁有豐富之相關工作經驗。彼現任銀杏資本管理有限公司（專門從事資產管理及證券投資）之總裁。周先生是中國第一批從事證券行業的人士之一。

Profile of Directors and Senior Management

董事及高級管理層履歷

NON-EXECUTIVE DIRECTOR

Mr. Li Chunyan, aged 53, has been the non-executive director of the Company since December 2011. He is currently a registered lawyer at Henan Shi Ji Tong Law Firm (河南世紀通律師事務所) in the PRC and is also a certified public accountant, certified public valuer and certified tax agent in the PRC. Mr. Li has acted as a legal adviser to the Henan Provincial People's Hospital, the Henan TV Station and certain listed companies in the PRC. Mr. Li was an independent non-executive director in six PRC listed companies during the period from 2002 to 2008. He is currently an independent non-executive director (appointed in 2014 and will be retired in 2020) of Zhengzhou Yutong Bus Co., Ltd which listed on the Shanghai Stock Exchange of the PRC. Mr. Li is also currently an independent non-executive director of Zhongyu Gas Holdings Limited since October 2010, which is listed on the main board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Chen Renbao, aged 55, has been the independent non-executive director of the Company since December 2011. He received his Bachelor of Arts in Economics from Anhui University, the PRC, in 1985. After graduated from Anhui University, Dr. Chen received his Master of Arts in Demography in 1989, Ph.D. in insurance and Ph.D. in Demography from the University of Pennsylvania, the United States, in 1993. Dr. Chen acted as a director of US Keywise Capital Management and consultant for the NUS Endowment Fund. He was an independent non-executive director (resigned in 2013) of Guangdong Midea Electric Appliances Co., Ltd which is listed in Shenzhen Stock Exchange of the PRC. He currently acts as a consultant in a number of PRC and overseas companies to provide financial and risk management consultation and training services to those companies.

Mr. Jiang Xiaohui, aged 51, has been the independent non-executive director of the Company since July 2014. He graduated with bachelor degree of laws from Southwest University of Political Science and Law in China. He has been engaged in the legal profession since 1990 and he is currently an associate professor of Law in Henan University of Economics and Law. He has served as legal counsel for several state-owned banks in China as well as some well-known enterprises located in Henan Province. Mr. Jiang has also involved in the legal education and research in relation to the areas of economic, civil and commercial. He has also participated in economic and civil litigations for over 18 years.

非執行董事

李春彥先生，53歲，自二零一一年十二月起為本公司之非執行董事。彼現為河南世紀通律師事務所之中國註冊律師，亦為中國之註冊會計師、註冊資產評估師及註冊稅務師。李先生曾任河南省人民醫院、河南省電視台及其他於中國上市之上市公司之法律顧問。李先生由二零零二年至二零一八年期間，曾擔任六家中國上市公司的獨立非執行董事。彼現任於中國上海證券交易所上市的鄭州宇通客車股份有限公司之獨立非執行董事（於二零一四年獲委任，將於二零二零年退休）。李先生亦自二零一零年十月起擔任中裕燃氣控股有限公司（於聯交所主板上市）之獨立非執行董事。

獨立非執行董事

陳仁寶博士，55歲，自二零一一年十二月起為本公司之獨立非執行董事。彼於一九八五年畢業於安徽大學經濟系。於安徽大學畢業後，陳博士於一九八九年從美國賓夕法尼亞大學獲得人口學碩士學位，並於一九九三年取得保險學及人口學博士學位。陳博士亦為美國Keywise基金之董事及為新加坡國立大學教育基金的顧問。彼曾任中國深圳證券交易所上市公司廣東美的電器股份有限公司獨立非執行董事（於二零一三年辭任）。彼目前為多家中國公司及海外公司的顧問，向該些公司提供財務、風險管理的諮詢及培訓服務。

蔣曉輝先生，51歲，自二零一四年七月起為本公司之獨立非執行董事。彼畢業於中國西南政法大學法律系，獲得法學學士學位。彼自一九九零年從事律師專業及現為河南財經政法大學法學副教授。彼曾擔任中國數間國有銀行及河南省一些知名企業等的常年法律顧問。蔣先生亦從事有關經濟、民事及商業方面的法律教學及研究工作。彼亦參與經濟及民事訴訟業務超過十八年。

Profile of Directors and Senior Management

董事及高級管理層履歷

Mr. Ma Yueyong, aged 53, has been the independent non-executive director since December 2011. He holds a Bachelor Degree in Accounting from Zhongnan University of Economics and Law (formerly known as Zhongnan University of Finance and Economics), the PRC. He has also achieved postgraduate qualification in Accounting from Shanghai University of Finance and Economics, the PRC. Mr. Ma was appointed as an executive director and an independent non-executive director in three PRC listed companies during the period from 1998 to 2004. Mr. Ma was an independent non-executive director (resigned in 2014) of Henan Linzhou Heavy Machinery Co., Ltd. which is listed on Shenzhen Stock Exchange of the PRC. He is a certified public accountant in Reanda Certified Public Accountant Co., Ltd. Henan Branch in the PRC since April 2011. Mr. Ma is a financial controller of Zhengzhou New Dafang Heavy Industry Science & Technology Co., Ltd since January 2013.

SENIOR MANAGEMENT

Mr. Yang Hua, aged 39, was the executive director and deputy chairman of the Company during the period from June 2010 to February 2018. Mr. Yang has been the chief executive officer of the Company since April 2012. He graduated with Master of Business Administration from the Business School of National University of Singapore and with a Bachelor of Art from Beijing Foreign Studies University. After graduation from the university in Beijing, he has joined a state-owned enterprise and involved in energy trading, economic environment analysis on global energy market and risk control. He has also acted as a trader in PRC for international commodities futures contracts and derivative products. Mr. Yang has extensive experience in financial market and risk management.

Mr. Li Chun On, aged 43, joined the Group in September 2006 and was the executive director of the Company during the period from 2009 to 2013. Mr. Li is currently the company secretary, the chief financial officer and the authorised representative of the Company. He graduated with bachelor degree in accounting from the Hong Kong Polytechnic University. Mr. Li has more than 20 years of experience in accounting and corporate financial management. Mr. Li is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of The Association of Chartered Certified Accountants, United Kingdom.

馬躍勇先生，53歲，自二零一一年十二月起為獨立非執行董事。彼持有中國中南財經政法大學（前稱中南財經大學）的會計學士學位及取得上海財經大學會計學研究生學位。馬先生於一九九八年至二零零四年期間在中國三家上市公司曾任職獨立非執行董事。馬先生曾任於中國深圳證券交易所上市的河南林州重機集團股份有限公司之獨立非執行董事（於二零一四年辭任）。彼於二零一一年四月起擔任利安達會計事務所（河南分所）之註冊會計師。馬先生自二零一三年一月起擔任鄭州新大方重工科技有限公司之財務總監。

高級管理層

楊華先生，39歲，於二零一零年六月至二零一八年二月期間為本公司執行董事及副主席。楊先生自二零一二年四月起現擔任本公司行政總裁。彼畢業於新加坡國立大學商學院及北京外國語大學，分別獲工商管理碩士及文學學士學位。自在北京完成大學學業後，彼曾於一家國有企業任職，從事全球能源市場及風險控制領域的能源貿易及經濟環境分析。彼亦曾在中國擔任國際商品期貨合約及衍生產品之交易商。楊先生擁有非常豐富之金融市場及風險管理經驗。

李俊安先生，43歲，於二零零六年九月加入本集團，於二零零九年至二零一三年期間為本公司執行董事，現任本公司之公司秘書、財務總監及授權代表。彼畢業於香港理工大學，獲會計學士學位。李先生於會計及公司財務管理方面擁有逾20年經驗。李先生為香港會計師公會會員及英國特許會計師公會資深會員。

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 31 December 2017, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), except for the deviation as set out below.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive director and independent non-executive directors (“INEDs”) of the Company do not have a specific term of appointment, but are subject to rotation in accordance with bye-law 111 of the Bye-laws of the Company. As the non-executive director and INEDs of the Company are subject to rotation in accordance with the Bye-laws of the Company, the Board considers that the non-executive director and INEDs of the Company so appointed with no specific term will not impair the quality of corporate governance of the Company as required by the principle of good governance laid down in A.4 of the CG Code.

Code provision A.6.7 of the CG Code requires that the independent non-executive directors and the non-executive directors should attend general meetings. However, the non-executive director of the Company, Mr. Li Chunyan, and all the independent non-executive directors of the Company, were unable to attend the annual general meeting of the Company held in Hong Kong on 26 May 2017 due to other business.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code throughout the Year.

遵守企業管治守則

截至二零一七年十二月三十一日止年度，本公司已遵守聯交所證券上市規則（「上市規則」）附錄十四企業管治守則（「企業管治守則」）所載守則條文，惟下文所載偏離除外。

企業管治守則條文A.4.1規定非執行董事之委任應有指定任期，並須接受重選。本公司非執行董事及獨立非執行董事（「獨立非執行董事」）並無指定任期，惟須根據本公司之公司細則第111條輪值退任。由於本公司非執行董事及獨立非執行董事須根據本公司之公司細則輪值退任，董事會認為本公司非執行董事及獨立非執行董事並非按指定任期獲委任，概不會損害本公司按企業管治守則A.4條設定之良好管治原則所要求之企業管治質素。

企業管治守則條文A.6.7規定，獨立非執行董事及非執行董事須出席股東大會。然而，本公司非執行董事李春彥先生及本公司所有獨立非執行董事因其他事務而均未能出席本公司於二零一七年五月二十六日於香港舉行之股東週年大會。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市公司董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易的操守守則。經作出具體查詢，全體董事於整個本年度內一直全面遵守標準守則所載的所需標準。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

As at the date of this report, the Board comprises nine Directors and its composition is set out as follows:

Executive Directors

Mr. Dong Cunling (*Chairman*)
Mr. Wu Jiahong
Mr. Zhang Yi (appointed in February 2018)
Mr. Zhou Guangwen

Non-Executive Director

Mr. Li Chunyan

INEDs

Dr. Chen Renbao
Mr. Ma Yueyong
Mr. Jiang Xiaohui

The brief biographical details of the Directors and the relationship among them are set out in the section headed "Profile of Directors and Senior Management" in the 2017 annual report of the Company, of which this report forms part.

RESPONSIBILITY OF BOARD AND MANAGEMENT

The Board determines the overall strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group's strategic objectives. Matters reserved for the Board are those affecting the Group's overall strategic policies, finances and shareholders including financial statements, dividend policies, significant changes in accounting policy, material contracts and major investment. Day-to-day management of the Group's businesses is delegated to the executive Directors or senior management. The Board reviews the delegation of power and functions from time to time to ensure effectiveness and appropriateness.

董事會

於本報告日期，董事會有九名董事，其成員如下：

執行董事

董存嶺先生 (主席)
巫家紅先生
張毅先生 (於二零一八年二月獲委任)
周廣文先生

非執行董事

李春彥先生

獨立非執行董事

陳仁寶博士
馬躍勇先生
蔣曉輝先生

董事簡歷及彼等之間的關係載於本公司二零一七年年報 (本報告為其中一部份) 「董事及高級管理層履歷」一節。

董事會及管理層之責任

董事會負責制訂整體策略、監控經營及財務表現以及制訂適當的風險管理政策，以達致本集團的策略目標。董事會須處理影響本集團整體策略政策、財務與股東的事宜，包括財務報表、股息政策、會計政策重大改變、重大合約及主要投資。本集團業務的日常管理由執行董事及高級管理層負責。董事會不時檢討所授權力及所委派的職責，以確保其效率及適當性。

ATTENDANCE OF THE BOARD AND BOARD COMMITTEES

The Board meets regularly during the Year and the Directors have made active contribution to the affairs of the Group. The following table shows the attendance of all the Directors at the meetings held during the year ended 31 December 2017:

出席董事會及委員會會議次數

董事會於年內定期舉行會議及各董事亦就本集團之事務作出積極貢獻。下表顯示全體董事於截至二零一七年十二月三十一日止年度內出席會議的情況：

Directors 董事	Board 董事會	Attendance/Number of Meetings 出席率／會議次數				General Meeting 股東大會
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會		
Executive Directors 執行董事						
Mr. Dong Cunling 董存嶺先生	4/4	-	-	-	-	1/2
Mr. Chen Xu 陳旭先生	2/4	-	-	-	-	1/2
Mr. Wu Jiahong 巫家紅先生	2/4	-	-	-	-	0/2
Mr. Yang Hua 楊華先生	4/4	-	-	-	-	1/2
Mr. Zhang Yi 張毅先生	-	-	-	-	-	-
Mr. Zhou Guangwen 周廣文先生	2/4	-	0/1	-	-	0/2
Non-Executive Director 非執行董事						
Mr. Li Chunyan 李春彥先生	1/4	-	-	-	-	1/2
INEDs 獨立非執行董事						
Dr. Chen Renbao 陳仁寶博士	2/4	2/2	1/1	1/1	1/1	0/2
Mr. Ma Yueyong 馬躍勇先生	4/4	2/2	1/1	1/1	1/1	1/2
Mr. Jiang Xiaohui 蔣曉輝先生	1/4	1/2	0/1	0/1	0/1	0/2

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions and roles of Chairman of the Board and Chief Executive Officer of the Company are held and performed separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman, being Mr. Dong Cunling is responsible for corporate planning and market development. The Chief Executive Officer, being Mr. Yang Hua, who performs the functions of chief executive of the Group, is responsible for the day-to-day management of the Group.

主席及行政總裁

董事會主席與本公司行政總裁的職位及職責由兩名人士分別擔任及履行，以加強彼等各自的獨立性、問責性及責任性。主席董存嶺先生負責企業規劃及市場發展。行政總裁楊華先生執行本集團行政總裁職務，負責本集團的日常管理。

INEDS

One-third of the members of the Board consist of INEDs and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each independent non-executive director of the Company an annual confirmation of his independence for the year ended 31 December 2017 pursuant to Rule 3.13 of the Listing Rules and the Company considers all INEDs to be independent during the Year.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election. The non-executive Directors are not appointed for specific terms but they are subject to retirement by rotation and re-election at the annual general meetings ("AGM") of the Company. Pursuant to bye-law 111 of the Bye-laws of the Company, each director of the Company shall be subject to retirement by rotation at least once every three years. The Board considers that the non-executive Directors so appointed with no specific term will not impair the quality of corporate governance of the Group required by the principle of good governance laid down in A.4 of the CG Code.

The procedures for Shareholders to propose a person for election as a director of the Company are available and accessible on the Company's website at <http://www.irasia.com/listco/hk/rrhl>.

BOARD DIVERSITY POLICY

During the Year, the Board has adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The nomination committee will give consideration to the Board Diversity Policy when identifying suitably qualified candidates, to become members of the Board.

獨立非執行董事

董事會三分之一成員為獨立非執行董事及其中最少一名擁有適合專業資格或會計或相關財務管理專業。本公司已接獲本公司每名獨立非執行董事按照上市規則第3.13條發出就於截至二零一七年十二月三十一日止年度之年度獨立性確認書，本公司認為所有獨立非執行董事均具獨立性。

委任及重選董事

根據企業管治守則條文A.4.1，非執行董事須按指定任期委任及重選。非執行董事概無指定任期，惟須於本公司股東週年大會（「股東週年大會」）上輪值退任及重選。根據本公司之公司細則第111條，每名本公司之董事均須最少每三年在股東週年大會上輪值退任一次。董事會認為非執行董事之委任並無指定任期，並不損害本集團按企業管治守則A.4部份設定之良好管治原則所要求之企業管治質素。

有關股東提名候選本公司之董事的程序載於本公司網站（<http://www.irasia.com/listco/hk/rrhl>）以供查閱。

董事會多元化政策

年內，董事會採納董事會多元化政策（「多元化政策」），該政策載列實現董事會多元化之方式。本公司明白，加強董事會成員之多元化將有助本公司實現策略目標及可持續發展。

本公司尋求透過考慮多種因素實現董事會多元化，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資。最終決定將基於選定候選人將為董事會帶來之好處及貢獻作出。

當物色具備合適資格可擔任董事會成員時，提名委員會將根據多元化政策作出考慮。

REMUNERATION COMMITTEE

The Company established a remuneration committee (the “**Remuneration Committee**”) with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises three INEDs, namely Dr. Chen Renbao (as chairman), Mr. Jiang Xiaohui and Mr. Ma Yueyong as at the date of this report. During the Year, the Remuneration Committee held one meeting. The attendance record of the committee is set out in the table on page 23 of the annual report.

The principal role and functions of the Remuneration Committee are to review the remuneration packages of individual executive Directors and key executives, including salaries, bonuses, benefits in kind and the terms on which they participate in any share options and other plans considering factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and key executives, employment conditions elsewhere in the Group and desirability of performance-based remuneration and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The Company established a nomination committee (the “**Nomination Committee**”) with terms of reference in compliance with the CG Code. The Nomination Committee comprises three INEDs, namely Dr. Chen Renbao, Mr. Jiang Xiaohui and Mr. Ma Yueyong (as chairman) as at the date of this report. During the Year, the Nomination Committee held one meeting. The attendance record of the committee is set out in the table on page 23 of the annual report.

The main duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and to identify individuals suitably qualified to become board members. It is also responsible for assessing the independence of INEDs and making recommendations to the Board on relevant matters relating to the appointment or reappointment of director and succession planning for Directors. The Nomination Committee reviewed the board diversity policy and the progress on achieving the objectives set for implementing the said policy. The recommendations of the nomination committee are then put forward for consideration and adoption where appropriate, by the Board.

薪酬委員會

本公司已遵照企業管治守則成立薪酬委員會（「**薪酬委員會**」），並訂定書面職權範圍。於本報告日期，薪酬委員會成員包括三名獨立非執行董事陳仁寶博士（主席）、蔣曉輝先生及馬躍勇先生。薪酬委員會之職權範圍載於聯交所及本公司網站。年內，薪酬委員會曾舉行一次會議。委員會成員之出席紀錄載於年報第23頁表內。

薪酬委員會的主要職責及職權為透過參考比較公司所付薪金、董事及主要行政人員的工作時間及職責、本集團其他成員公司的僱傭條件及按表現發放酬金的適當性，檢討個別執行董事及主要行政人員的酬金待遇，包括薪金、花紅、實物利益及彼等參與購股權及其他計劃的條款，以及不時向董事會提供建議。

提名委員會

本公司已遵照企業管治守則成立提名委員會（「**提名委員會**」），並訂定書面職權範圍。於本報告日期，提名委員會成員包括三名獨立非執行董事陳仁寶博士、蔣曉輝先生及馬躍勇先生（主席）。年內，提名委員會曾舉行一次會議。委員會成員之出席紀錄載於年報第23頁表內。

提名委員會的主要職責為定期檢討董事會的架構、人數及組成（包括技能、知識及經驗）以及物色合資格成為董事會成員之人士。委員會亦負責評估獨立非執行董事之獨立性及就有關委任或重新委任董事及董事繼任安排之相關事宜向董事會提供建議。提名委員會已檢討董事會多元化政策及實施該政策之目標之進展。提名委員會的建議其後將提交董事會考慮及於適當時經董事會採納。

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with terms of reference in compliance with the CG Code. The Audit Committee comprises three INEDs, namely Dr. Chen Renbao, Mr. Jiang Xiaohui and Mr. Ma Yueyong (as chairman) as at the date of this report. The principal role and functions of the Audit Committee are to review and provide supervision over the Group's financial reporting process, internal controls and risk management. The Audit Committee also serves as a channel of communication between the Board and the external auditor.

During the Year, the Audit Committee held two meetings. The attendance record of the committee members at these meetings are set out in the table on page 23 of the annual report. The work performed by the audit committee during the Year included reviewing the audited consolidated financial statements of the Group for the year ended 31 December 2017, the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2017 and recommended such financial statements to the Board for approval and also the effectiveness of the internal control and risk management practices of the Group.

The Audit Committee has recommended to the Board that Moore Stephens CPA Limited be nominated for re-appointment as auditor of the Company at the forthcoming AGM of the Company.

The Board has delegated the responsibilities for performing the corporate governance duties to the Audit Committee to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; to review and monitor the training and continuous professional development of Directors; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct applicable to employees and Directors; and to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

It also reviewed the Company's progress in implementing the corporate governance requirements as set out in the CG Code.

審核委員會

本公司已遵照企業管治守則成立審核委員會（「**審核委員會**」），並訂定書面職權範圍。於本報告日期，審核委員會成員包括三名獨立非執行董事陳仁寶博士、蔣曉輝先生及馬躍勇先生（主席）。審核委員會的主要職責及職權為檢討及監察本集團的財務報告程序、內部監控及風險管理。審核委員會亦為董事會及外聘核數師之間的溝通渠道。

年內，審核委員會曾舉行兩次會議。委員會成員出席該等會議之紀錄載於年報第23頁表內。年內，審核委員會履行之工作包括檢討本集團截至二零一七年十二月三十一日止年度的經審核綜合財務報表、本集團截至二零一七年六月三十日止六個月的未經審核綜合中期財務報表及建議董事會批准該等財務報表，以及本集團內部監控及風險管理常規之有效性。

審核委員會已向董事會推薦於本公司應屆股東週年大會上提名續聘大華馬施雲會計師事務所有限公司為本公司核數師。

董事會已授權審核委員會履行企業管治職責，制定及檢討本公司之企業管治政策及常規，並向董事會提供建議；檢討及監察董事的培訓及持續專業發展；檢討及監察本公司在遵守法律及監管規定方面的政策及常規；制定、檢討及監察僱員及董事之操守準則；以及檢討本公司遵守企業管治守則情況及在《企業管治報告》內披露。

委員會亦檢討本公司實行企業管治守則所載企業管治規定之進度。

AUDITOR'S REMUNERATION

During the year ended 31 December 2017, the remuneration paid or payable to the auditor of the Company, Moore Stephens CPA Limited are set out below:

核數師酬金

於截至二零一七年十二月三十一日止年度內已付或應付本公司核數師大華馬施雲會計師事務所有限公司之酬金如下：

Services rendered	提供之服務	Fee Paid/payable HK\$'000 已付/ 應付費用 千港元
Audit services	審核服務	875
Non-audit services (Agreed-upon procedures on interim financial statements and other services)	非審核服務 (中期財務報表之協定程序及其他服務)	915

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the Group's consolidated financial statements. The consolidated financial statements for the year ended 31 December 2017 have been prepared in accordance with Hong Kong Financial Reporting Standards, including Hong Kong Accounting Standards and applicable Interpretations issued by the Hong Kong Institute of Certified Public Accountants, and the applicable disclosure requirements of the Listing Rules and other applicable regulatory requirements.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, other than the situations described in note 3.1 to the consolidated financial statements, the Board is not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as a going concern.

The reporting responsibilities of the external auditor, Moore Stephens CPA Limited, are set out in the Independent Auditor's Report on pages 48 to 50.

董事及核數師就綜合財務報表須承擔之責任

董事確認彼等的責任為編製本公司綜合財務報表。截至二零一七年十二月三十一日止年度的綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則，包括香港會計準則及適用詮釋及上市規則的適用披露條文及其他適用監管規定編製。

董事確認，經作出一切合理查詢後就彼等所知、所悉及所信，除綜合財務報表附註3.1所述之情況外，董事會並無知悉任何重大不明朗事件或情況而可能會影響本公司的業務或對其持續經營能力構成疑問。

外聘核數師大華馬施雲會計師事務所有限公司的報告責任載於第48頁至第50頁的獨立核數師報告。

Corporate Governance Report

企業管治報告

DIRECTORS' AND OFFICERS' LIABILITY

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

According to the code provision A.6.5 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. A summary of training records received by the Directors for the Year is set out as follows:

董事及高級職員之責任

本公司已就董事及高級職員之責任購買適當保險，以保障董事及本集團高級職員就本集團業務所產生之風險。

董事之持續專業發展

按照企業管治守則之守則條文A.6.5，所有董事須參與持續專業發展，以發展及更新其知識及技能，從而確保其繼續對董事會作出知情及相關貢獻。年內董事接受培訓之記錄概述如下：

Directors	董事	Attending conference(s)/ training course(s)/ seminars relevant to the business, directors' duties or listing regulatory requirements 出席與業務、董事職責或上市監管規定有關之會議／培訓課程／研討會	Reading and/or updates relevant to the business, directors' duties or listing regulatory requirements 閱讀與業務、董事職責或上市監管規定有關之材料及／或更新
Executive Directors	執行董事		
Mr. Dong Cunling	董存嶺先生	✓	✓
Mr. Chen Xu	陳旭先生	–	✓
Mr. Wu Jiahong	巫家紅先生	–	✓
Mr. Yang Hua	楊華先生	–	✓
Mr. Zhang Yi	張毅先生	✓	✓
Mr. Zhou Guangwen	周廣文先生	–	✓
Non-Executive Director	非執行董事		
Mr. Li Chunyan	李春彥先生	–	✓
INEDs	獨立非執行董事		
Dr. Chen Renbao	陳仁寶博士	✓	✓
Mr. Ma Yueyong	馬躍勇先生	✓	✓
Mr. Jiang Xiaohui	蔣曉輝先生	–	✓

COMPANY SECRETARY

As at 31 December 2017, the Company Secretary of the Company, Mr. Li Chun On (“**Mr. Li**”), fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules. He has day-to-day knowledge of the Company's affairs. Mr. Li reports to the Chairman and is responsible for advising the Board on governance matters. For the Year under review, Mr. Li has taken over 15 hours of relevant professional training.

RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of the Board to ensure that the Company maintains sound and effective internal controls to safeguard the Shareholders' investment and the Group's assets at all times. The Company has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

Details of the Risk Management and Internal Control Systems are set out in the section headed “Risk Management and Internal Control Systems” of the “Management Discussion and Analysis” on page 17 of this annual report.

During the year, the Group engaged an external professional consultant to review and assess its risk management and internal control systems and reported to the audit committee. The review covered several parts of the systems including risk management, and operational, financial and compliance controls.

The Board, through the audit committee, has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2017 covering all material financial, operational and compliance functions, is of the view that the effectiveness of the risk management and internal control systems of the Group are considered as effective and adequate.

公司秘書

於二零一七年十二月三十一日，本公司之公司秘書李俊安先生（「李先生」）已符合上市規則第3.28及3.29條之規定。彼熟悉本公司日常事務。李先生向主席匯報及負責就管治事宜向董事會提供意見。於回顧年度，李先生已接受超過15個小時相關專業培訓。

風險管理及內部監控

董事會有責任確保本公司始終保持健全有效的內部監控措施，保障股東投資及本集團資產。本公司採取了一系列內部監控政策及程序，旨在為實現有效運作，可靠的財務報告及遵守適用法律法規的目標提供合理的保證。

風險管理及內部監控系統的詳情載列於本年報第17頁「管理層討論及分析」中「風險管理及內部監控系統」一節。

年內，本集團已委聘一名外部專業顧問檢討及評估風險管理及內部監控系統並向審核委員會報告。檢討涵蓋了系統的數個方面，包括風險管理，以及營運、財務及合規監控。

董事會透過審核委員會對截至二零一七年十二月三十一日止年度本集團風險管理及內部監控系統的有效性進行了檢討，涵蓋所有重大的財務、營運及合規職能，並認為本集團風險管理及內部監控系統充分有效。

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board recognises the importance of good communication with Shareholders. A Shareholders' Communication Policy setting out the Company's procedure in providing the Shareholders with prompt and equal access to information about the Company, in order to enable the Shareholders to access the Company's overall performance, exercise their rights in an informed manner and engage actively with the Company. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The general meetings of the Company provide a forum for exchange of views between the Shareholders and the Board. The Chairman of the Board, the Directors and senior management of the Company and where applicable, the INEDs, are available to answer questions at the shareholders' meeting.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Directors. Details of poll voting procedures are included in all circulars to Shareholders which call for a general meeting and are explained during proceedings of the meeting.

The Company continues to enhance communications and relationships with its Shareholders and investors. Information about the Company's activities is provided in its interim and annual reports, which are sent to Shareholders, analysts and/or interested parties. Enquiries from Shareholders and investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at <http://www.irasia.com/listco/hk/rrhl>, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

與股東之溝通及投資者關係

董事會明白與股東保持良好溝通之重要性。與股東溝通的政策載列本公司迅速及平等地向各股東提供有關本公司資料之程序，從而令股東可得悉本公司之整體表現、充分行使其權利及與本公司積極交流。有關本集團之資料透過多個渠道，包括中期報告及年報、公告及通函適時向股東傳遞。

本公司股東大會為股東及董事會提供交流意見的機會。本公司董事會主席、董事及高級管理層，以及（倘適用）獨立非執行董事將於股東大會上回答提問。

每項重大事項（包括選舉個別董事）將於股東大會上以獨立決議案提呈。按股數投票表決程序之詳情載於召開股東大會之所有致股東通函，並於大會過程中解釋。

本公司持續促進與股東及投資者之溝通及關係。有關本公司業務的資料載於向股東、分析員及／或有興趣人士寄發之本公司中期報告及年報。本公司將詳盡及適時處理股東及投資者之查詢。

為促進有效溝通，本公司亦設有網站<http://www.irasia.com/listco/hk/rrhl>，以刊登詳盡資料及更新本公司業務發展及營運、財務資料、企業管治常規及其他資料。

SHAREHOLDERS' RIGHTS

Procedure for Shareholders to convene a special general meeting

Shareholders can submit a requisition to convene a special general meeting pursuant to Section 74 of the Companies Act 1981 of Bermuda (the "Act"). The number of Shareholders necessary for a requisition shall be representing not less than one-tenth of the Company's paid-up capital as at the date of requisition having the right to vote at the general meeting.

The written requisition must:

- state the purposes of the special general meeting;
- be signed by all the requisitionists (may consist of one or several documents in like form each signed by one or more requisitionists); and
- be deposited at the Company's office in Hong Kong for the attention of the Company Secretary.
- If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a special general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, any themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedure for Shareholders to put forward proposals at general meetings

Shareholders can submit a requisition to move a resolution at an annual general meeting pursuant to Section 79 of the Act.

The number of Shareholders necessary for a requisition shall be:

- representing not less than one-twentieth of the total voting rights of all Shareholders having at the date of requisition a right to vote at the meeting to which the requisition relates; or
- not less than 100 Shareholders.

股東權利

股東召開股東特別大會之程序

股東可根據百慕達一九八一年公司法（「公司法」）第74條，呈交書面請求召開股東特別大會。提出請求之股東須佔於請求日期持有股東大會投票權不少於十分之一之繳足股本。

書面請求必須：

- 列明股東特別大會之目的；
- 經所有請求人士簽署（由一名或多名請求人士簽署於一份或數份同樣格式的文件內）；及
- 寄送至本公司香港辦事處，收件人為本公司秘書。
- 倘董事於該請求書送交日期起計21日內未召開股東特別大會，則請求人或佔彼等總投票權超過一半之任何股東可自行召開股東特別大會，惟召開之任何大會不得於上述日期3個月期滿後舉行。

股東於股東大會提出動議之程序

根據公司法第79條，股東可提出書面請求於股東週年大會上提呈決議案。

請求所需之股東數目應：

- 佔該請求書提出日期有權在該會議上表決的所有股東的總表決權中不少於二十分之一；或
- 不少於100名股東。

Corporate Governance Report

企業管治報告

The written requisition must:

- state the resolution, with a statement not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the meeting;
- be signed by all the requisitionists (may consist of one or several documents in like form each signed by one or more requisitionists);
- be deposited at the Company's office in Hong Kong for the attention of the Company Secretary not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in case of any other requisition; and
- be deposited with a sum reasonably sufficient to meet the Company's expenses in giving notice of the resolution and circulating the statements of the proposed resolution to all Shareholder in accordance with the requirements under the applicable laws and rules.

Enquires to the Board

The Company's website provides email address and telephone to enable Shareholders to make any enquiries and concerns to the Board. Shareholders may send their enquiries by post or by email to the attention of the Company Secretary who will direct the enquiries to the Board for handling.

CONSTITUTIONAL DOCUMENTS

There are no changes in the Company's constitutional documents during the Year.

書面請求必須：

- 列明決議案，連同一份不多於1,000字，有關建議決議案之事項或擬於會上處理之事務之陳述書；
- 經所有請求人士簽署（由一名或多名請求人士簽署於一份或數份同樣格式的文件內）；
- 如屬發出決議案通知的情況，不少於大會前6個星期送達，如屬其他情況，則不少於1個星期前送達到本公司香港辦事處，收件人為本公司秘書；及
- 存放合理足夠金額，以應付本公司根據適用法律及規定要求向所有股東發出決議案通知及傳閱請求人士提交的陳述書所作出的開支。

向董事會提出查詢

本公司網站載有電子郵件地址及電話號碼以供股東向董事會提出任何查詢及關注。股東可以郵寄或電子郵件向公司秘書發送查詢，公司秘書將直接向董事會提交查詢以供處理。

憲章文件

年內，本公司之憲章文件並無任何改動。

The Board is pleased to present the annual report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 December 2017.

BUSINESS REVIEW AND PERFORMANCE

A review of the Group's business for the Year is set out in the sections headed "Chairman's Statement" on page 6 to page 9 and "Management Discussion and Analysis" on page 10 to page 17 of this annual report. Principal financial risks and uncertainties (or contingent liabilities) facing the Group are set out in Note 42 and Note 38 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the production and sale of coal and trading of purchased coal in the PRC.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 and the state of affairs of the Company and of the Group at that date are set out on pages 51 to 176 of this annual report.

The Board does not recommend the payment of any dividend in respect of the Year.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment are set out in Note 15 to the consolidated financial statements.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

During the year ended 31 December 2017, the Group had not made any material acquisitions and disposal of subsidiaries and associated companies or significant investment.

SHARE CAPITAL AND SHARE OPTION

Details of the Company's share capital and share option during the Year, together with the reasons therefore, are set out in Notes 32 and 33 to the consolidated financial statements respectively.

董事會欣然呈報本公司及本集團截至二零一七年十二月三十一日止年度之年報及經審核綜合財務報表。

業務回顧及表現

本集團於本年度之業務回顧載於本年報第6頁至第9頁「主席報告」及第10頁至第17頁「管理層討論及分析」等節。本集團面臨的主要財務風險及不確定性（或或然負債）載於綜合財務報表附註42及附註38。

主要業務

本集團之主要業務為在中國生產及銷售煤炭以及購入煤炭之貿易。

業績及分配

本集團於截至二零一七年十二月三十一日止年度之業績以及本公司及本集團於該日之事務狀況載於本年報第51頁至第176頁。

董事會不建議就本年度派付任何股息。

五年財務摘要

本集團於最近五個財政年度之業績以及資產及負債之摘要載於本年報第4頁及第5頁。

物業、廠房及設備

物業、廠房及設備之變動詳情載於綜合財務報表附註15。

重大收購、出售事項及重大投資

截至二零一七年十二月三十一日止年度，本集團並無任何重大收購及出售附屬公司及聯營公司事項或重大投資。

股本及購股權

年內本公司股本及購股權之變動詳情及有關原因分別載於綜合財務報表附註32及33。

Directors' Report

董事會報告

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

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

PRE-EMPTIVE RIGHTS

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

EXCHANGE RISK EXPOSURE

The sales and purchases of the Group are predominantly in RMB which is the functional currency of the related group entities. The Board therefore is of the opinion that the Group's sensitivity to the change in foreign currency is low and the Group does not hedge its foreign currency risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group has a total of approximately 1,630 employees located in Hong Kong and the PRC. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical insurance and pension funds. A share option scheme was adopted by the Group on 27 May 2014 to enable the Directors to grant share options to eligible participants including any employee of the Group as incentive to their valuable contribution to the Group.

AUDIT COMMITTEE

The Company established an Audit Committee in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management. The Audit Committee comprises three of the INEDs of the Company. The members of the Audit Committee have reviewed the consolidated financial statements of the Group for the year ended 31 December 2017 and are of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements and those adequate disclosures have been made.

CORPORATE GOVERNANCE REPORT

Details of the Corporate Governance Report are set out on pages 21 to 32 of this annual report.

購買、出售或贖回本公司上市證券

年內本公司或其任何附屬公司概無購買、出售或贖回本公司於聯交所之任何上市證券。

優先購股權

本公司之細則或百慕達法律並無涉及優先購股權之條文，規定本公司必須按比例向現有股東發售新股。

匯兌風險

本集團之銷售及購買主要以人民幣結算，人民幣亦為關連集團實體之功能貨幣。因此董事會認為本集團受外匯變動之影響較低，而本集團並無為外匯風險作對沖。

僱員及薪酬政策

於二零一七年十二月三十一日，本集團在香港及中國共有約1,630名僱員。每年本集團均會檢討彼等之薪酬，按員工個別表現釐定酬情花紅。本集團並提供其他福利，包括醫療保險及退休金。本集團於二零一四年五月二十七日採納購股權計劃，使董事可向合資格參與者（包括本集團任何僱員）授出購股權，藉以激勵該等對本集團作出重要貢獻的人士。

審核委員會

本公司已按企業管治守則之規定成立審核委員會，以審閱及監察本集團之財務申報程序、內部監控及風險管理。審核委員會由本公司三名獨立非執行董事組成。審核委員會之成員已審閱本集團截至二零一七年十二月三十一日止年度之綜合財務報表，認為有關財務報表符合適用會計準則、上市規則及法例規定，並已作出充分披露。

企業管治報告

企業管治報告之詳情載於本年報第21頁至第32頁。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the financial year.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, to the knowledge of the Board, the Group had complied with the relevant laws and regulations that have a material impact on the business of the Group in all material aspects and there were no circumstances of material breach or non-compliance of applicable laws and regulations.

RESERVES

Details of movements in the reserves of the Company and of the Group during the Year are set out in note 34 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2017 and 2016 was nil. In addition, the Company's share premium account as at 31 December 2017, in the amount of approximately HK\$235.3 million (as at 31 December 2016: approximately HK\$235.3 million), can be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the Year under review, the percentage of turnover attributable to the largest customer and the five largest customers of the Group accounted for 77.7% and 99.9% respectively. The percentage of purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for 83.9% and 99.6% respectively.

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

充足之公眾持股量

按照本公司公開可得的資料及就董事所知，於整個本財政年度，本公司已維持上市規則所訂明之充足公眾持股量。

遵守法律及法規

年內，據董事會所知，本集團已在所有重大方面遵守對本集團業務具有重大影響的相關法律及法規，且並無重大違反或未遵守適用法律及法規的情況。

儲備

年內本公司及本集團儲備之變動詳情分別載於綜合財務報表附註34及綜合權益變動表內。

可供分派儲備

於二零一七年及二零一六年十二月三十一日，本公司之可供分派儲備約為零。此外，本公司於二零一七年十二月三十一日金額約235,300,000港元（於二零一六年十二月三十一日：約235,300,000港元）之股份溢價賬可供以繳足紅股之方式分派。

主要客戶及供應商

於回顧年度，本集團最大客戶與五大客戶分別佔營業額之77.7%及99.9%。本集團最大供應商及五大供應商分別佔採購額約83.9%及99.6%。

董事或彼等之任何聯繫人或任何股東（就董事所深知擁有本公司已發行股本超過5%權益），概無在本集團五大客戶或五大供應商中擁有任何實益權益。

Directors' Report

董事會報告

DIRECTORS

The Directors during the Year and up to the date of this report are as follows:

Executive Directors:

Mr. Dong Cunling (*Chairman*)
Mr. Yang Hua (resigned in February 2018)
Mr. Chen Xu (resigned in February 2018)
Mr. Wu Jiahong
Mr. Zhang Yi (appointed in February 2018)
Mr. Zhou Guangwen

Non-Executive Director:

Mr. Li Chunyan

INEDs:

Dr. Chen Renbao
Mr. Ma Yueyong
Mr. Jiang Xiaohui

The Company has received annual confirmations of independence from all INEDs and as at the date of this annual report still considers them to be independent.

In accordance with bye-law 111 of the Company's Bye-laws, Mr. Dong Cunling, Mr. Zhang Yi, Mr. Ma Yueyong and Mr. Jiang Xiaohui will retire by rotation and, being eligible, will offer themselves for reelection at the forthcoming AGM of the Company.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 18 to 20 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No director of the Company being proposed for re-election at the forthcoming AGM of the Company has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事

本年度及直至本報告日期，董事列示如下：

執行董事：

董存嶺先生（主席）
楊華先生（於二零一八年二月辭任）
陳旭先生（於二零一八年二月辭任）
巫家紅先生
張毅先生（於二零一八年二月獲委任）
周廣文先生

非執行董事：

李春彥先生

獨立非執行董事：

陳仁寶博士
馬躍勇先生
蔣曉輝先生

本公司已接獲各獨立非執行董事之年度獨立性確認書及於本年報日期仍認為彼等均為獨立人士。

按照本公司之細則第111條，董存嶺先生、張毅先生、馬躍勇先生及蔣曉輝先生將於本公司應屆股東週年大會上輪值退任且符合資格及將膺選連任。

董事及高級管理層履歷

本集團董事及高級管理層履歷之詳情載於本年報第18頁至第20頁。

董事服務合約

擬在本公司應屆股東週年大會中膺選連任之本公司董事，並無與本公司訂立如無作出賠償（法定賠償除外）則不能由本公司於一年內終止之服務合約。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 12 to the consolidated financial statements, no director of the Company had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2017, the interests and short positions of the Directors and the 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 and Ordinance (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of the Company

Name of Directors	Nature of interest	Number of shares	Number of underlying shares	Approximate percentage of shareholdings
董事姓名	權益性質	股份數目	相關股份數目	概約百分比
Mr. Dong Cunling 董存嶺先生	Personal interest 個人權益	540,000	–	0.08%
Mr. Yang Hua 楊華先生	Personal interest 個人權益	10,089,196	–	1.42%

董事於合約中之權益

除綜合財務報表附註12所披露者外，年內各本公司董事概無在本公司或其任何附屬公司所訂立對本集團業務關係重大之任何合約中擁有直接或間接重大權益。

董事及行政總裁於本公司及其相聯法團之證券中擁有之權益及淡倉

於二零一七年十二月三十一日，董事及本公司行政總裁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根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或須載入本公司根據證券及期貨條例第352條存置之登記冊；或根據上市規則所載上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司普通股中之好倉

Directors' Report

董事會報告

Save as disclosed above, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange as at 31 December 2017.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

So far as was known to the Directors or chief executive of the Company, as at 31 December 2017, the person, other than the Directors or chief executive of the Company, who had an interest or short position in the shares or underlying shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

於二零一七年十二月三十一日，除上文所披露者外，概無任何董事及本公司行政總裁於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或須載入根據證券及期貨條例第352條存置之登記冊；或根據上市規則所載標準守則須知會本公司及聯交所之權益或淡倉。

主要股東及其他人士擁有之股份權益

據董事或本公司行政總裁所知，於二零一七年十二月三十一日，下列人士（董事或本公司行政總裁除外）於股份或相關股份中擁有根據證券及期貨條例第336條須存置之登記冊所記錄之權益或淡倉如下：

(a) Long positions in the shares

Name of Shareholders 股東名稱／姓名	Capacity 身份	Number of shares 股份數目	Approximate percentage of shareholding 股權 概約百分比
(1) Retop International Investment Limited (Note 1) 瑞拓國際投資有限公司(附註1)	Beneficial Owner 實益擁有人	141,400,000	19.84%
(2) Vestfoco International Investment Limited (“Vestfoco”) (Note 1) 維豐國際投資有限公司(「維豐」) (附註1)	Interests in controlled corporation 受控法團權益	141,400,000	19.84%
(3) Mr. Bao Hongkai (“Mr. Bao”) (Note 1) 包洪凱先生(「包先生」) (附註1)	Interests in controlled corporation 受控法團權益	141,400,000	19.84%
	Beneficial Owner 實益擁有人	675,000	0.09%
(4) Mr. Li Yupeng 李玉朋先生	Beneficial Owner 實益擁有人	71,000,000	9.96%
(5) Asia Mark Development Limited (Note 2) (附註2)	Beneficial owner 實益擁有人	49,380,000	6.93%
(6) Mr. Kwong Ying Hou (Note 2) 鄺英豪先生(附註2)	Interest in controlled corporation 受控法團權益	49,380,000	6.93%

Notes:

- (1) Retop International Investment Limited is beneficially and wholly owned by Vestfoco of which Mr. Bao is the sole beneficial owner. Accordingly, Vestfoco and Mr. Bao are deemed to be interested in the shares of the Company held by Retop International Investment Limited.
- (2) Asia Mark Development Limited is beneficially and wholly owned by Mr. Kwong Ying Hou. He is independent and not related to the Board or management of the Company.

Save as disclosed above, no persons had an interest or a short position in the shares and the underlying shares as recorded in the register required to be kept under section 336 of the SFO.

(a) 於股份中之好倉

Name of Shareholders 股東名稱／姓名	Capacity 身份	Number of shares 股份數目	Approximate percentage of shareholding 股權 概約百分比
(1) Retop International Investment Limited (Note 1) 瑞拓國際投資有限公司(附註1)	Beneficial Owner 實益擁有人	141,400,000	19.84%
(2) Vestfoco International Investment Limited (“Vestfoco”) (Note 1) 維豐國際投資有限公司(「維豐」) (附註1)	Interests in controlled corporation 受控法團權益	141,400,000	19.84%
(3) Mr. Bao Hongkai (“Mr. Bao”) (Note 1) 包洪凱先生(「包先生」) (附註1)	Interests in controlled corporation 受控法團權益	141,400,000	19.84%
	Beneficial Owner 實益擁有人	675,000	0.09%
(4) Mr. Li Yupeng 李玉朋先生	Beneficial Owner 實益擁有人	71,000,000	9.96%
(5) Asia Mark Development Limited (Note 2) (附註2)	Beneficial owner 實益擁有人	49,380,000	6.93%
(6) Mr. Kwong Ying Hou (Note 2) 鄺英豪先生(附註2)	Interest in controlled corporation 受控法團權益	49,380,000	6.93%

附註:

- (1) 瑞拓國際投資有限公司由維豐實益全資擁有，而包先生為維豐之唯一實益擁有人。因此，維豐及包先生被視為於瑞拓國際投資有限公司持有之本公司股份中擁有權益。
- (2) Asia Mark Development Limited 由鄺英豪先生實益全資擁有。彼獨立於及與本公司董事會或管理層並無關連。

除上文所披露者外，概無其他人士於根據證券及期貨條例第336條須存置之登記冊所記錄之股份及相關股份中擁有權益或淡倉。

Directors' Report

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above and note 33 to the consolidated financial statements, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PENSION SCHEME AND COSTS

Details of the Group's pension scheme and the employer's pension costs charged to the consolidated income statement for the Year are set out in notes 3.18 and 11 to the consolidated financial statements, respectively.

In the opinion of the Board, the Group had no significant obligations for long service payments to its employee pursuant to the requirements under the Employment Ordinance, Chapter 57 of the Laws of Hong Kong, at 31 December 2017.

CONNECTED TRANSACTIONS

During the year ended 31 December 2017, the Group has not conducted any "connected transaction" or "continuing connected transaction" (as defined under Chapter 14A of the Listing Rules) which is subject to reporting and annual review requirements under the Listing Rules. The transactions disclosed in note 39 to the consolidated financial statements as related party transactions did not fall under the definition of "connected transaction" or "continuing connected transaction" (as defined under Chapter 14A of the Listing Rules).

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

No Directors are considered to have interest in any business which is likely to compete directly or indirectly with that of the Group.

DONATIONS

During the year, the Group made no charitable and other donations (2016: Nil).

董事購買股份或債券之權利

除上文及綜合財務報表附註33所披露者外，於年內任何時間，本公司概無向任何董事或彼等各自之配偶或不滿十八歲之子女授予任何權利，以致彼等可藉購買本公司之股份或債券而獲益，彼等亦概無行使該等權利；本公司或其任何附屬公司亦概無訂立任何安排，使董事能夠於任何其他法人團體中取得該等權利。

退休金計劃及成本

本集團退休金計劃及年內已自綜合收益表內扣除之僱主退休金成本詳情分別載於綜合財務報表附註3.18及附註11。

董事會認為，於二零一七年十二月三十一日，根據香港法例第57章僱傭條例之規定，本集團並無重大僱員長期服務金之承擔。

關連交易

截至二零一七年十二月三十一日止年度，本集團並無進行任何須遵守上市規則之申報及年度審核規定之「關連交易」或「持續關連交易」（定義見上市規則第14A章）。綜合財務報表附註39披露為關連人士交易之交易，並不符合「關連交易」或「持續關連交易」（定義見上市規則第14A章）之定義。

董事於競爭業務之權益

概無董事被視為在可能與本集團業務直接或間接構成競爭之任何業務中擁有權益。

捐贈

年內，本集團並無作出慈善及其他捐助（二零一六年：無）。

CONTINGENT LIABILITIES

Save as disclosed in note 38 to the consolidated financial statement, the Group had not any contingent liabilities as at the 31 December 2017.

CLOSURE OF REGISTER OF MEMBERS

The 2018 Annual General Meeting (the "2018 AGM") of the Company is scheduled on Wednesday, 30 May 2018. For determining the entitlement to attend and vote at the 2018 AGM, the register of members of the Company will be closed from Friday, 25 May 2018 to Wednesday, 30 May 2018, both days inclusive. In order to be eligible to attend and vote at the 2018 AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 24 May 2018

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the Year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for the benefit of the Directors during the Year.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As disclosed in note 40(a) to the consolidated financial statement, a fund raising activity has been completed in January 2018.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Details of the events after the reporting period are disclosed in note 40 to the consolidated financial statements.

或然負債

除綜合財務報表附註38所披露者外，於二零一七年十二月三十一日，本集團並無任何或然負債。

暫停辦理股份過戶登記

本公司二零一八年股東週年大會（「二零一八年股東週年大會」）計劃於二零一八年五月三十日（星期三）舉行。為釐定出席二零一八年股東週年大會並投票之資格，本公司將於二零一八年五月二十五日（星期五）至二零一八年五月三十日（星期三）（包括首尾兩日）暫停辦理股份過戶登記手續。如欲符合資格出席二零一八年股東週年大會並投票，所有股份過戶文件連同相關股票必須於二零一八年五月二十四日（星期四）下午四時三十分前送交本公司的香港股份過戶登記處卓佳登捷時有限公司（地址為香港皇后大道東183號合和中心22樓），以進行登記。

管理合約

年內並無訂立或存在有關本公司全部或任何重大部分業務的管理及行政管理之合約。

獲准許的彌償條文

根據本公司之組織章程細則，年內有令董事受益的生效之獲准許的彌償條文（定義見香港公司條例）。

過往十二個月之集資活動

如綜合財務報表附註40(a)所披露，一項集資活動已於二零一八年一月完成。

報告期末後事項

報告期後事項之詳情於綜合財務報表附註40內披露。

Directors' Report

董事會報告

AUDITOR

The financial statements have been audited by Moore Stephens CPA Limited who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Moore Stephens CPA Limited as auditor of the Company is to be proposed at the 2018 AGM.

Dong Cunling
Chairman

Hong Kong
29 March 2018

核數師

財務報表已由大華馬施雲會計師事務所有限公司審核，其將退任並符合資格且願意膺選連任。於二零一八年股東週年大會上將提呈一項決議案，以續聘大華馬施雲會計師事務所有限公司為本公司核數師。

主席
董存嶺

香港
二零一八年三月二十九日

Independent Auditor's Report 獨立核數師報告

MOORE STEPHENS

Moore Stephens CPA Limited
801-806 Silvercord, Tower 1,
30 Canton Road, Tsimshatsui,
Kowloon, Hong Kong

T +852 2375 3180
F +852 2375 3828

www.moorestephens.com.hk

大華馬施雲
會計師事務所有限公司

To the shareholders of Rosan Resources Holdings Limited (Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Rosan Resources Holdings Limited and its subsidiaries (together, the “**Group**”) set out on pages 51 to 176, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致融信資源控股有限公司股東 (於百慕達註冊成立之有限公司)

意見

吾等已審計載列於第51至176頁的融信資源控股有限公司及其附屬公司(統稱「**貴集團**」)的綜合財務報表,當中包括於二零一七年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為,綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實而中肯地反映了 貴集團於二零一七年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例的披露規定妥為編制。

意見基準

吾等已按照香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審計工作。吾等在該等準則下承擔的責任已在本報告「核數師有關審計綜合財務報表的責任」部份中作進一步闡述。按照香港會計師公會頒佈的「專業會計師道德守則」(「**守則**」),吾等獨立於 貴集團,且吾等已按照守則履行其他專業道德責任。吾等相信,吾等獲取的審計憑證能充分及適當地為吾等審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to note 3.1 to the consolidated financial statements which indicates that the Group incurred a consolidated net loss of approximately HK\$196,614,000 for the year ended 31 December 2017 and, as of that date, the Group's has net current liabilities of approximately HK\$618,182,000 and a capital deficiency of approximately HK\$76,588,000, among which the outstanding borrowings of approximately HK\$1,468,817,000 (including bank loans of approximately HK\$610,998,000, other loans of approximately HK\$2,521,000, bills payables of approximately HK\$807,198,000 and interest-free loans provided by certain related parties of approximately HK\$48,100,000) are due to repayment within one year from the reporting date or repayable on demand.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainties Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

有關持續經營的重大不確定性

吾等提請注意綜合財務報表附註3.1，當中顯示，截至二零一七年十二月三十一日止年度，貴集團產生綜合虧損淨額約196,614,000港元，且於該日，貴集團的流動負債淨額約618,182,000港元，資本虧絀約76,588,000港元，其中未償還借款約1,468,817,000港元（包括銀行貸款約610,998,000港元、其他貸款約2,521,000港元、應付票據約807,198,000港元及由若干關連人士提供之免息貸款約48,100,000港元）須於報告日期起一年內償還或按要求償還。

該等情況顯示，貴集團於否有能力持續經營方面存在重大不明朗因素。吾等的意見並無就該事項作出修訂。

關鍵審計事項

關鍵審計事項指根據吾等的專業判斷，在吾等對本期綜合財務報表的審計中最重要的事項。該等事項在吾等對綜合財務報表進行整體審計及出具意見時處理，吾等並不就此另外提供單獨意見。除「有關持續經營的重大不確定性」一節所述事項外，吾等認為，以下所述事項為吾等報告中將傳達的關鍵審計事項。

KEY AUDIT MATTERS (continued)

Key Audit Matters

關鍵審計事項

Impairment assessment of non-financial assets

非金融資產減值評估

(Refer to notes 3.12, 4(iv), 15, 17 and 18 to the consolidated financial statements)
(請參閱綜合財務報表附註3.12、4(iv)、15、17及18)

The management of the Company had performed an impairment review in accordance with Hong Kong Accounting Standard 36 *Impairment of Assets* in relation to the Group's coal mining operation, which is considered by the management as a cash-generating unit ("CGU"). The Group had recognised an impairment loss of approximately HK\$27,732,000 for the year ended 31 December 2017, allocating to the carrying amount of property, plant and equipment of approximately HK\$15,902,000 and mining rights of approximately HK\$11,830,000.

貴公司管理層已按照香港會計準則第36號資產減值對貴集團的煤炭開採業務進行減值評估，該業務被管理層視為一個現金產生單位（「現金產生單位」）。貴集團已就截至二零一七年十二月三十一日止年度確認減值虧損約27,732,000港元，分配至物業、廠房及設備的賬面值約15,902,000港元及採礦權約11,830,000港元。

The recoverable amount of the CGU was determined based on fair value less costs of disposal, which requires significant management's judgements concerning the estimated future cash flows.

現金產生單位的可收回金額乃基於公平值減出售成本釐定，需要管理層就估計未來現金流量作出重大判斷。

Accordingly, we have identified management's impairment assessment of the CGU as a key audit matter.

因此，吾等將管理層對現金產生單位的減值評估識別為一項關鍵審計事項。

關鍵審計事項 (續)

How our audit addressed the Key Audit Matter

吾等的審計如何處理關鍵審計事項

Our key procedures to address the matter included:
吾等為處理該事項而採取的主要程序包括：

- Discussed with the management of the Company and the independent valuer engaged by the Company (the "valuer") regarding the reasonableness of the valuation methodology being adopted;
與貴公司管理層及貴公司委聘的獨立估值師（「估值師」）討論所採納估值方法的合理性；
- Discussed with the management of the Company and the valuer and the assumptions used in the cash flow projection and challenged the reasonableness of key assumptions based on our knowledge of the business and industry; and
與貴公司管理層及估值師討論現金流預測使用的假設，根據吾等對業務及行業的了解，挑戰主要假設的合理性；及
- Assessed the objectivity, competency and experience of the valuer.
評估估值師的目標勝任能力及其經驗。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

Key Audit Matters

關鍵審計事項

Impairment assessment of prepayments, deposits paid and receivables

預付款項、已付按金及應收款項的減值評估

(Refer to notes 3.14, 4(iii), 24 and 25 to the consolidated financial statements)
(請參閱綜合財務報表附註3.14、4(iii)、24及25)

As at 31 December 2017, the Group had accounts receivable and prepayments, deposits paid and other receivables amounting to approximately HK\$221,340,000 and approximately HK\$379,289,000 respectively. The Group had recognised an impairment loss on other receivables of approximately HK\$455,000 while no impairment loss was recognised for accounts receivable, during the year ended 31 December 2017.

於二零一七年十二月三十一日，貴集團的應收賬款及預付款項、已付按金及其他應收款項分別為約221,340,000港元及約379,289,000港元。截至二零一七年十二月三十一日止年度，貴集團已就其他應收款項確認減值虧損約455,000港元，並未就應收賬款確認減值虧損。

The estimated impairments are determined by the management of the Company based on the credit history of the counterparties and the current market conditions.

估計減值由貴公司管理層基於對手方的信貸歷史及現行市況釐定。

We have identified management's impairment assessment of the recoverability of the receivables and deposits paid as a key audit matter because the amounts involved are significant and the assessment require significant management judgement.

因此，吾等將管理層對應收賬款及已付按金的可收回性的減值評估作為一項關鍵審計事項，理由是涉及的金額重大，且評估需要管理層作出重大判斷。

關鍵審計事項 (續)

How our audit addressed the Key Audit Matter

吾等的審計如何處理關鍵審計事項

Our key procedures to address the matter included:

吾等為處理該事項而採取的主要程序包括：

- Obtained an ageing analysis of the deposits and receivables from the management of the Company and discussed with the management of the Company whether the amounts are recoverable; 從貴公司管理層取得按金的賬齡分析，並與貴公司管理層討論金額是否可收回；
- Challenged the management's assessment of the recoverability of long outstanding and overdue deposits paid and receivables; 挑戰管理層對長期逾期已付按金及應收款項的可收回性的評估；
- Obtained credit information of certain debtors from the management of the Company as part of the assessment of the recoverability of the deposits paid and receivables; and 作為對已付按金及應收款項的可收回性評估的一部分，從貴公司管理層獲取若干債務人的其他信貸資料；及
- Checked subsequent settlements of deposits paid and receivables on a sample basis. 抽樣檢查已付按金及應收款項的隨後結算情況。

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

The directors are responsible for the other information. The other information comprises all the information in the Group's 2017 annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The audit committee of the Company assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

除綜合財務報表及核數師報告以外的資料

董事對其他資料負責。其他資料包括 貴集團二零一七年年報中包含的除綜合財務報表及吾等的核數師報告以外的所有資料。

吾等對綜合財務報表的意見不涵蓋其他資料，且吾等並不對此發表任何形式的保證結論。

就吾等對綜合財務報表的審計而言，吾等的責任是閱讀其他資料，並同時考慮其他資料是否與綜合財務報表或吾等在審計過程中獲得的了解存在重大不一致或看似嚴重失實。倘若基於吾等進行的工作，吾等認為該其他資料存在重大失實陳述，則吾等須報告該事實。吾等在此方面沒有任何報告。

董事對綜合財務報表的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編制綜合財務報表，以令綜合財務報表作出真實而中肯的反映，及對其認為為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

在編製綜合財務報表時，董事有責任評估 貴集團持續經營的能力，披露（如適用）與持續經營有關的事項，並使用持續經營會計基準（除非董事擬將 貴集團清盤或停止經營，或除此之外並無其他替代方案）。

本公司審核委員會協助董事履行監督 貴集團財務報告程序的職責。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師審計綜合財務報表的責任

吾等的目標是就綜合財務報表整體是否不存在重大錯誤陳述（不論因欺詐或錯誤導致）取得合理保證，按照百慕達一九八一年公司法第90條僅向閣下（作為整體）並出具包含吾等意見的核數師報告，而非用於其他目的。吾等概不就本報告的內容向其他任何人負有或承擔任何責任。合理保證是高水平的保證，但並不擔保按照香港審計準則進行的審計總能發現所存在的重大錯誤陳述。錯誤陳述可能因欺詐或錯誤而產生，如個別或整體合理預期可能影響用戶基於該等綜合財務報表作出的經濟決定，則屬重大。

作為按照香港審計準則進行審計的一部分，吾等在整個審計期間作出專業判斷並保持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表中存在重大錯誤陳述（不論因欺詐或錯誤導致）的風險，設計及執行應對該等風險的審計程序，並取得充分適當的審計證據，為吾等的意見提供基礎。未發現欺詐導致重大錯誤陳述的風險高於錯誤導致重大錯誤陳述的風險，原因是欺詐可能涉及勾結、偽造、故意遺漏、虛假陳述或凌駕內部控制。
- 取得與審計相關的內部控制的理理解，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的適當性及所作出會計估計和相關披露的合理性。

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

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

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

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

核數師審計綜合財務報表的責任 (續)

- 對董事使用持續經營會計基準的適當性，及（基於所取得的審計證據）是否存在與事件或狀況相關且可能導致對 貴集團持續經營能力產生重大疑問的重大不確定性得出結論。倘若吾等認為存在重大不確定性，需要在核數師報告中提請注意綜合財務報表的相關披露或（如該披露不足）修改吾等的意見。吾等的結論基於截至核數師報告日期所獲得的審計證據。然而，未來事件或狀況可能導致 貴集團無法持續經營。
- 評價綜合財務報表的整體列報、結構及內容，包括披露及綜合財務報表是否按實現中肯列報的方式反映了相關交易及事件。
- 獲取有關 貴集團內實體或業務活動的財務資料的充分適當的審計證據，以對綜合財務報表發表意見。吾等負責指導、監督及進行集團審計。吾等仍然對吾等的審計意見承擔全部責任。

除其他事項外，吾等就（其中包括）審計的規劃範圍及時間與重大審計結果（包括吾等在審計中發現的內部控制重大缺陷）與 貴公司審核委員會溝通。

吾等亦向 貴公司審核委員會提供一份聲明，表示吾等已遵守有關獨立性的相關專業道德要求，並就合理可能導致對吾等獨立性產生疑問的所有關係及（如適用）相關防範措施與審核委員會溝通。

Independent Auditor's Report

獨立核數師報告

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

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

Moore Stephens CPA Limited
Certified Public Accountants

Li Wing Yin
Practising Certificate Number: P05035

Hong Kong, 29 March 2018

核數師審計綜合財務報表的責任 (續)

根據與 貴公司審核委員會溝通的事項，吾等認為有關事項是對審計本期間綜合財務報表而言最重要的事項，因此屬於關鍵審計事項。吾等在核數師報告中說明該等事項，除非法律或法規不允許公開披露該事項，或（在極少數情況下）由於其不利後果合理預期將超過公開披露所帶來的公共利益，吾等認為該事項不應在吾等的報告中披露。

大華馬施雲會計師事務所有限公司
執業會計師

李穎賢
執業證書編號：P05035

香港，二零一八年三月二十九日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
Revenue	收益	5	529,884	718,879
Cost of sales	銷售成本		(630,373)	(805,095)
Gross loss	毛損	5	(100,489)	(86,216)
Other income	其他收入	5	41,152	59,835
Selling and distribution expenses	銷售及分銷開支		(4,486)	(5,874)
Administrative expenses	行政開支		(53,591)	(44,580)
Other expenses	其他開支		(6,894)	(3,510)
Finance costs	財務費用	7	(42,336)	(39,656)
Share of results of associates	應佔聯營公司業績		(1,814)	(2,038)
Share of results of a joint venture	應佔一間合營企業業績		31	(135)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	36	–	2,783
Impairment loss on accounts receivable, net	應收賬款之減值虧損淨額	24	–	(20,448)
(Impairment loss)/reversal of impairment loss on other receivables, net	其他應收款項之(減值虧損)/減值虧損撥回淨額	25	(455)	551
Impairment loss on mining rights	採礦權之減值虧損	17	(11,830)	(64,274)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	15	(15,902)	(60,768)
Loss before income tax	除所得稅前虧損	8	(196,614)	(264,330)
Income tax credit	所得稅抵免	9	–	3,304
Loss for the year	年內虧損		(196,614)	(261,026)
Loss for the year attributable to:	應佔年內虧損：			
Owners of the Company	本公司擁有人		(178,858)	(236,195)
Non-controlling interests	非控股權益		(17,756)	(24,831)
			(196,614)	(261,026)
Loss per share attributable to the owners of the Company during the year	本公司擁有人應佔每股虧損			
– Basic and diluted (HK cents)	– 基本及攤薄(港仙)	10	(25.097)	(33.142)

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loss for the year	年內虧損	(196,614)	(261,026)
Other comprehensive (loss)/income for the year	年內其他全面(虧損)/收入		
Items that may be subsequently reclassified to profit or loss:	其後可重新分類至損益之項目：		
Exchange differences on translation of financial statements of foreign operations:	換算境外業務財務報表匯兌差額：		
– subsidiaries	– 附屬公司	(6,803)	(5,903)
– a joint venture	– 一間合營企業	439	(403)
– associates	– 聯營公司	7,258	(6,881)
		894	(13,187)
Share of other comprehensive loss of an associate	應佔一間聯營公司之其他全面虧損	(1,283)	(3,140)
Release of exchange fluctuation reserve upon disposal of a subsidiary	出售一間附屬公司時撥回匯兌波動儲備	–	(178)
Other comprehensive loss for the year, net of tax	年內其他全面虧損，扣除稅項	(389)	(16,505)
Total comprehensive loss for the year	年內全面虧損總額	(197,003)	(277,531)
Total comprehensive loss attributable to:	應佔全面虧損總額：		
Owners of the Company	本公司擁有人	(180,710)	(251,081)
Non-controlling interests	非控股權益	(16,293)	(26,450)
		(197,003)	(277,531)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	239,133	257,799
Goodwill	商譽	16	–	–
Mining rights	採礦權	17	326,535	318,153
Other intangible assets	其他無形資產	19	–	–
Interests in associates	於聯營公司之權益	20	101,938	97,775
Interest in a joint venture	於一間合營企業之權益	21	6,248	5,779
Available-for-sale financial assets	可供出售金融資產	22	710	660
			674,564	680,166
Current assets	流動資產			
Inventories	存貨	23	14,056	3,604
Accounts and bills receivables	應收賬款及票據	24	221,340	176,692
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	25	379,289	353,416
Tax recoverable	可收回稅款		9,412	8,516
Pledged bank deposits	已抵押銀行存款	26(a)	616,880	523,592
Cash and cash equivalents	現金及現金等值項目	26(b)	170,878	178,134
			1,411,855	1,243,954
Current liabilities	流動負債			
Accounts and bills payables	應付賬款及票據	27	817,863	732,769
Other payables and accruals	其他應付款項及應計費用	28	499,175	434,900
Provision for reclamation obligations	開墾費用撥備	29	99,480	90,222
Bank and other loans	銀行及其他貸款	30	613,519	473,221
			2,030,037	1,731,112
Net current liabilities	流動負債淨值		(618,182)	(487,158)
Total assets less current liabilities	總資產減流動負債		56,382	193,008

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
Non-current liabilities	非流動負債			
Amount due to an associate	應付一間聯營公司款項	20	99,589	92,593
Bank and other loans	銀行及其他貸款	30	33,381	–
			132,970	92,593
Net (liabilities)/assets	(負債)/資產淨值		(76,588)	100,415
EQUITY	股本權益			
Share capital	股本	32	71,267	71,267
(Deficit in reserves)/reserves	(儲備虧絀)/儲備	34(a)	(79,933)	80,777
(Deficiency)/equity attributable to the owners of the Company	本公司擁有人應佔之(虧絀)/股本權益		(8,666)	152,044
Non-controlling interests	非控股權益		(67,922)	(51,629)
(Capital deficiency)/total equity	(資本虧絀)/權益總額		(76,588)	100,415

The consolidated financial statements on pages 51 to 176 were approved and authorised for issue by the Board of Directors on 29 March 2018 and are signed on its behalf by:

第51至176頁的綜合財務報表經董事會於二零一八年三月二十九日批准及授權刊發，並由以下人士代表簽署：

Dong Cunling 董存嶺
Director 董事

Zhang Yi 張毅
Director 董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔											
		Capital					Statutory			Non-		Total	
		Share redemption	Other reserve*	Contributed surplus*	Exchange fluctuation reserve*	Capital reserve*	Statutory fund*	Accumulated losses*	Total	controlling interest	equity		
		Share premium* (Note 34(a))	reserve* (Note 34(a))	reserve* (Note 34(a))	surplus* (Note 34(a))	reserve* (Note 34(a))	reserve* (Note 34(a))	losses* (Note 34(a))	HK\$'000	HK\$'000	HK\$'000		
		資本	股份溢價*	其他儲備*	繳入盈餘*	匯兌	資本儲備*	法定公積金*	累計虧損*	總計	非控股權益	總計	
		股本	(附註34(a))	(附註34(a))	(附註34(a))	波動儲備*	(附註34(a))	(附註34(a))	千港元	千港元	千港元	千港元	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January 2016	於二零一六年一月一日	71,267	235,334	50	55,387	452,966	149,400	27,442	134,492	(723,213)	403,125	(25,297)	377,828
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(236,195)	(236,195)	(24,831)	(261,026)
Other comprehensive loss for the year	年內其他全面虧損												
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌虧損：												
- subsidiaries	- 附屬公司	-	-	-	-	-	(5,313)	-	-	-	(5,313)	(590)	(5,903)
- a joint venture	- 一間合營企業	-	-	-	-	-	(363)	-	-	-	(363)	(40)	(403)
- associates	- 聯營公司	-	-	-	-	-	(6,193)	-	-	-	(6,193)	(688)	(6,881)
Release of exchange fluctuation reserve upon disposal of an associate	出售一間附屬公司時解除匯兌波動儲備	-	-	-	-	-	(160)	-	-	-	(160)	(18)	(178)
Share of other comprehensive loss of an associate	應佔一間聯營公司其他全面虧損	-	-	-	(2,857)	-	-	-	-	-	(2,857)	(283)	(3,140)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(2,857)	-	(12,029)	-	-	(236,195)	(251,081)	(26,450)	(277,531)
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	-	-	-	(564)	564	-	118	118
Transfer from contributed surplus to accumulated losses	從繳入盈餘轉撥至累計虧損	-	-	-	(452,325)	-	-	-	452,325	-	-	-	-
Transfer from other reserve	從其他儲備轉撥	-	-	-	(17,100)	-	-	-	17,100	-	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	71,267	235,334	50	35,430	641	137,371	27,442	133,928	(489,419)	152,044	(51,629)	100,415

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔											
		Capital						Statutory			Total		
		Share	redemption	Other	Contributed	Exchange	Capital	reserve	Accumulated	Total	Non-	equity/ (capital	
		premium*	reserve*	reserve*	surplus*	fluctuation	reserve*	fund*	losses*	interest	controlling	deficiency)	
		(Note 34(a))	(Note 34(a))	(Note 34(a))	(Note 34(a))	reserve*	(Note 34(a))	(Note 34(a))				(capital	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		資本											
		股份溢價*	贖回儲備*	其他儲備*	繳入盈餘*	匯兌	資本儲備*	法定公積金*				權益總額/ (資本虧絀)	
		股本	(附註34(a))	(附註34(a))	(附註34(a))	波動儲備*	(附註34(a))	(附註34(a))	累計虧損*	總計	非控股權益	(資本虧絀)	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January 2017	於二零一七年一月一日	71,267	235,334	50	35,430	641	137,371	27,442	133,928	(489,419)	152,044	(51,629)	100,415
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(178,858)	(178,858)	(17,756)	(196,614)
Other comprehensive income/(loss) for the year	年內其他全面收入/(虧損)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (loss)/gain on translation of financial statements of foreign operations	換算境外業務財務報表之匯兌(虧損)/收益:	-	-	-	-	-	-	-	-	-	-	-	-
- subsidiaries	- 附屬公司	-	-	-	-	-	(7,613)	-	-	-	(7,613)	810	(6,803)
- a joint venture	- 一間合營企業	-	-	-	-	-	395	-	-	-	395	44	439
- associates	- 聯營公司	-	-	-	-	-	6,533	-	-	-	6,533	725	7,258
Share of other comprehensive loss of an associate	應佔一間聯營公司其他全面虧損	-	-	-	(1,167)	-	-	-	-	-	(1,167)	(116)	(1,283)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(1,167)	-	(685)	-	-	(178,858)	(180,710)	(16,293)	(197,003)
Cash received in relation to subscription of ordinary shares**	有關認購普通股之已收現金**	-	-	-	20,000	-	-	-	-	-	20,000	-	20,000
Transfer to other reserve	從其他儲備轉撥	-	-	-	12,303	-	-	-	-	(12,303)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	71,267	235,334	50	66,566	641	136,686	27,442	133,928	(680,580)	(8,666)	(67,922)	(76,588)

* These accounts comprise the consolidated deficit in reserves of approximately HK\$79.9 million (2016: reserves of approximately HK\$80.8 million) in the consolidated statement of financial position.

** The amount represents deposit of approximately HK\$20.0 million received from Retop International Investment Limited, an entity indirectly wholly owned by Mr. Bao Honghai ("Mr. Bao"), a substantial shareholder of the Company, for the subscription of ordinary shares of the Company which was completed on 3 January 2018 (Notes 34(a)(viii) and 40 (a)(i)).

* 該等賬款包括約79,900,000港元(二零一六年:儲備約80,800,000港元)之綜合財務狀況表中之綜合儲備虧絀。

** 該金額指就認購本公司普通股(於二零一八年一月三日完成)已收瑞拓國際投資有限公司(包洪凱先生(「包先生」,為本公司主要股東)間接全資擁有的實體)的按金約20,000,000港元(附註34(a)(viii)及40 (a)(i))。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
	附註		
Cash flows from operating activities	經營活動之現金流量		
Loss before income tax	除所得稅前虧損	(196,614)	(264,330)
Adjustments for:	調整項目：		
Share of results of associates	應佔聯營公司業績	1,814	2,038
Share of result of a joint venture	應佔一間合營企業業績	(31)	135
Finance costs	財務費用	42,336	39,656
Amortisation of mining rights	攤銷採礦權	3,205	6,388
Amortisation of other intangible assets	攤銷其他無形資產	—	16
Write-down of inventories, net	存貨撇減	407	197
Impairment loss on prepayments, deposits and other receivables	預付款項、按金及其他應收款項之減值虧損	455	2,337
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	15,902	60,768
Impairment loss on mining rights	採礦權減值虧損	11,830	64,274
Impairment loss on accounts receivable	應收賬款減值虧損	—	20,448
Interest income	利息收入	(3,987)	(18,423)
Depreciation	折舊	22,988	36,928
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	2,466	—
Gain on disposal of a subsidiary	出售一間附屬公司之收益	—	(2,783)
Provision for reclamation obligations	開墾費用撥備	2,345	5,884
Utilisation of provision for reclamation obligation	動用開墾費用撥備	—	(3,374)
Reversal of provision for impairment on prepayments, deposits and other receivables	撥回已付預付款項、按金及其他應收款項之減值撥備	—	(2,888)
Reversal of provision for central pension scheme	撥回中央退休金計劃之撥備	(36,915)	(39,979)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
Operating loss before working capital changes	營運資金變動前經營虧損		(133,799)	(92,708)
Increase in inventories	存貨增加		(10,188)	(179)
Increase in accounts and bills receivables	應收賬款及票據增加		(30,063)	(46,018)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)		103,593	(8,459)
Decrease in accounts and bills payables	應付賬款及票據減少		(74,742)	(215,462)
Increase in other payables and accruals	其他應付款項及應計費用增加		36,820	37,701
Cash used in operations	經營所用現金		(108,379)	(325,125)
Interest received	已收利息	5	3,987	18,423
Interest paid	已付利息	7	(42,336)	(39,636)
Income tax paid	已付所得稅		(242)	(148)
Net cash used in operating activities	經營活動所用現金淨額		(146,970)	(346,506)
Cash flows from investing activities	投資活動之現金流量			
Purchases of property, plant and equipment	購買物業、廠房及設備	15	(5,390)	(2,963)
Proceeds from disposal of property, plant and equipment	出售物業、房產及設備所得款項		628	–
Net cash inflow on disposal of a subsidiary	出售一間附屬公司之現金流入淨額	36	–	1,544
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少		(51,610)	17,529
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額		(56,372)	16,110

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
	附註		
Cash flows from financing activities	融資活動之現金流量		
Deposits received in advance in relation to the subscription of ordinary shares	有關普通股認購之預收按金 40(a)(i)	20,000	—
New bank loans	新增銀行貸款	868,290	745,316
Repayments of bank loans	償還銀行貸款	(770,295)	(763,914)
Proceeds from other loan	其他貸款所得款項 30	34,451	—
Repayments of other loan	償還其他貸款	(115)	—
Proceeds of loan from a substantial shareholder	一名主要股東貸款所得款項 28	24,577	—
Decrease in amount due to a related party	應付一名關連人士款項減少	(242)	—
Proceeds from a director's loan	一名董事貸款所得款項 28	8,000	6,679
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額	184,666	(11,919)
Net decrease in cash and cash equivalents	現金及現金等值項目淨額減少	(18,676)	(342,315)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	178,134	541,224
Effect of foreign exchange rate changes	外匯匯率變動之影響	11,420	(20,775)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	170,878	178,134

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. GENERAL INFORMATION

Rosan Resources Holdings Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The address of its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (the “**Group**”) are the production and sale of coal and the trading of purchased coal in the People’s Republic of China (the “**PRC**”). The principal activities and other particulars of its subsidiaries are set out in note 14.

The consolidated financial statements for the year ended 31 December 2017 were approved for issue by the board of directors of the Company on 29 March 2018.

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

(a) Adoption of new/revised HKFRSs effective from 1 January 2017

In the current year, the Group has applied a number of amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. These amendments have been applied by the Group for the first time in the current year unless otherwise specified.

Amendments to Hong Kong Accounting Standard (“**HKAS**”) 7 Disclosure Initiative

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to HKFRS 12 Annual improvements 2014-2016 Cycle

1. 一般資料

融信資源控股有限公司(「**本公司**」)為在百慕達註冊成立之有限公司。其註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。

本公司及其附屬公司(「**本集團**」)之主要業務為在中華人民共和國(「**中國**」)生產及銷售煤炭以及購入煤炭貿易。其附屬公司之主要業務及其他詳情載於綜合財務報表附註14。

截至二零一七年十二月三十一日止年度之綜合財務報表經本公司董事會於二零一八年三月二十九日批准刊發。

2. 採納新訂／經修訂香港財務報告準則(「**香港財務報告準則**」)

(a) 採納於二零一七年一月一日生效之新訂／經修訂香港財務報告準則

於本年度，本集團已應用香港會計師公會(「**香港會計師公會**」)頒佈的多項自二零一七年一月一日或之後開始的會計期間強制生效的香港財務報告準則。除另有指明外，該等修訂已由本集團於本年度首次應用。

香港會計準則 披露主動性
(「**香港會計準則**」)第7號
(修訂本)

香港會計準則 就未變現虧損
第12號(修訂本) 確認遞延
所得稅資產

香港財務報告準則 二零一四年
第12號(修訂本) 至二零一六年
周期的年度
改進

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs effective from 1 January 2017 (continued)

The adoption of these amendments to standards do not have significant impact of the Group’s financial performance and financial position nor any substantial changes in the Group’s accounting policies and the presentation of the consolidated financial statements.

However, additional disclosure has been included in note 26 (c) to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, Statement of Cash Flows: Disclosure Initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Also, the transitional provision set out in the amendments to HKAS 7 have been applied and hence no comparative information is provided.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納於二零一七年一月一日生效之新訂／經修訂香港財務報告準則(續)

採納該等準則修訂對本集團的財務表現及財務狀況並無重大影響，且本集團的會計政策及綜合財務報表的呈列並無重大變動。

然而，已於附註26(c)作出額外披露，以符合香港會計準則第7號修訂本現金流量表：披露主動性引入的新披露規定，該準則要求實體作出披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金流量導致的變動。此外，香港會計準則第7號所載過渡條文已應用，因此並無提供比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in the consolidated financial statements:

HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 2 Amendments	Classification and Measurement of Share-Based Payment transactions ¹
HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 15 Amendments	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹
HKAS 40 Amendments	Transfers of Investment Property ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ²
HKFRS 16	Leases ²
HKFRS 9 Amendments	Prepayment Features with Negative Compensation ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並未在綜合財務報表中應用以下已頒佈惟尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間出售或注入資產 ³
香港財務報告準則第2號(修訂本)	以股份付款交易之分類及計量 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約之收益 ¹
香港財務報告準則第15號(修訂本)	香港財務報告準則第15號來自客戶合約之收入澄清 ¹
香港會計準則第40號(修訂本)	投資物業轉撥 ¹
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價 ¹
香港財務報告準則修訂本	香港財務報告準則二零一四年至二零一六年週期之年度改進 ¹
香港財務報告準則修訂本	香港財務報告準則二零一五年至二零一七年週期之年度改進 ²
香港財務報告準則第16號	租賃 ²
香港財務報告準則第9號(修訂本)	帶有負補償的預付款特性 ²
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不確定性 ²

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
- ² Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted
- ³ The amendments were original intended to be effective for annual periods beginning on or after 1 January 2017. The effective date has now been deferred. Early application of the amendments continues to be permitted.

The Group has already commenced an assessment of the related impact of adopting the above new and revised HKFRSs. So far, it has concluded that the above new and revised HKFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

HKFRS 9 “Financial Instruments”

HKFRS 9 has introduced new requirements for a) classification and measurement of financial assets, b) impairment of financial assets and c) general hedge accounting.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

- ¹ 於二零一八年一月一日或其後開始的年度期間生效，允許提早應用
- ² 於二零一九年一月一日或其後開始的年度期間生效，允許提早應用
- ³ 修訂本原擬於二零一七年一月一日或之後開始的年度期間生效。生效日期已延遲。仍然允許提早應用修訂本。

本集團已評估應用新訂及修訂準則造成的有關影響。迄今為止，本集團的結論是上述新訂及修訂準則將於相應生效日期應用，採納其不大可能對本集團綜合財務報表造成重大影響，惟以下各項除外：

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入有關a)金融資產的分類及計量，b)金融資產減值及c)一般對沖會計處理的新規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued) HKFRS 9 “Financial Instruments” (continued)

With regards to the classification and measurement of financial assets, financial assets that are within the scope of HKFRS 9 are subsequently measured at either amortised cost or fair value. Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each of the subsequent accounting periods. All other financial assets are measured at fair value at the end of each of the subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other debt instrument financial assets and equity investments are measured at their fair value at the end of subsequent accounting periods with changes in fair value recognized in profit or loss, except that the group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is neither held for trading nor being contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and the cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續) 香港財務報告準則第9號「金融工具」(續)

就金融資產的分類及計量，所有屬香港財務報告準則第9號範圍的金融資產，須隨後按攤銷成本或公平值計量。目的為收取合約現金流量之業務模式內持有之債務工具，及合約現金流量僅為償還本金及尚未償還本金利息之債務投資，一般於各其後會計期間結算日按攤銷成本計量。所有其他金融資產於各其後會計期間結算日按公平值計量目的皆以收集合約現金流量及銷售金融資產而達成且按其業務模式內持有之債務工具，及金融資產在合約條款中僅為支付尚未償還欠款之本金和利息，一般按公平值計入其他全面收益計量(按公平值計入其他全面收益)。所有其他債務工具、金融資產及股權投資均於其後於損益確認之公平值變動報告期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，以於其他全面收益呈列股權投資(並非持作買賣，或並非收購方於香港財務報告準則第3號適用的業務合併中確認的或然代價)公平值之其後變動，一般只有股息收入於損益確認，累計公平值變動不會於投資終止確認時重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued) HKFRS 9 “Financial Instruments” (continued)

With regards to the measurement of financial liabilities designated as at fair value through profit or loss (“FVTPL”), HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. This differs from the accounting treatment under HKAS 39, whereby the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is recognised in profit or loss.

With regards to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to the incurred credit loss model required under HKAS 39. In general, the adoption of the expected credit loss model will require the group to assess at each reporting date whether there is a significant increase in credit risk of its financial assets since initial recognition and to recognise loss allowance equal to the lifetime or 12-month expected credit losses depending on whether or not there is a significant increase in credit risk.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續) 香港財務報告準則第9號「金融工具」(續)

就指定為按公平值計入損益(「按公平值計入損益」)之金融負債之計量而言，香港財務報告準則第9號要求，該金融負債之信貸風險變動以致該負債公平值變動之金額於其他全面收入內呈列，除非於其他全面收益中確認該變動會導致或擴大損益中的會計錯配。金融負債之信貸風險引致之公平值變動其後不會重新分類至損益。此準則與香港會計準則第39號不同，即指定為按公平值計入損益之金融負債之整筆公平值變動金額於損益確認。

就金融資產減值而言，香港財務報告準則第9號已採納預期信貸虧損模型，而非香港會計準則第39號規定的已發生信貸虧損模型。一般而言，採納預期信貸虧損模型將要求本集團於各報告日期評估其金融資產的信貸風險自初步確認起是否大幅增加，並確認等於終生或12個月預期信貸虧損的虧損撥備(視乎信貸風險是否大幅增加而定)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued) HKFRS 9 “Financial Instruments” (continued)

With regards to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. HKFRS 9 will provide greater flexibility as to the types of transactions eligible for hedge accounting, specifically by broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the group’s risk management activities have also been introduced.

HKFRS 9 contains specific transitional provisions for (a) classification and measurement of financial assets; (b) impairment of financial assets; and (c) hedge accounting, which will be adopted by the group when it applies HKFRS 9 in the year ending 31 December 2018.

The amendments to HKFRS 9 Prepayment Features with Negative Compensation mainly clarify and provide additional guidance as to when a debt instrument financial asset with a prepayment option would satisfy the “solely payment of principal and interest” test.

Based on the Group’s financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續) 香港財務報告準則第9號「金融工具」(續)

就新一般對沖會計法要求而言，香港財務報告準則第9號保留了香港會計準則第39號中現有的三類對沖會計機制。香港財務報告準則第9號向可作對沖會計之交易類別提供更大靈活度，尤其是擴闊合資格作為對沖工具之工具類別及可作對沖會計之非財務項目之風險分部之類別。此外，有效性測試已徹底改變，以「經濟關係」原則取代。亦不再需要對對沖有效性進行追溯評估。亦已引入有關本集團風險管理活動之加強披露規定。

香港財務報告準則第9號載有關於(a)金融資產的分類及計量；(b)金融資產減值；及(c)對沖會計處理的特定過渡條文，將由本集團於截至二零一八年十二月三十一日止年度應用香港財務報告準則第9號時採納。

香港財務報告準則第9號修訂本帶負補償的提早還款特點，主要澄清及提供有關附有提早還款選擇權的債務工具金融資產何時符合「純粹支付本金及利息」測試的額外指引。

根據本集團於二零一七年十二月三十一日的金融工具及風險管理政策，本公司董事預計首次應用香港財務報告準則第9號有以下潛在影響：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued) HKFRS 9 “Financial Instruments” (continued)

Impairment

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit or a lifetime expected credit loss, depending on the asset and the facts and circumstances. In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model was to be applied by the Group, the accumulated amount of impairment loss to be recognised by the Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on trade and other receivables. Such further impairment recognised under expected credit loss model would increase the opening accumulated losses at 1 January 2018.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續) 香港財務報告準則第9號「金融工具」(續)

減值

香港財務報告準則第9號內的新減值模式以「預期信貸虧損」模式取代香港會計準則第39號內的「已產生虧損」模式。根據預期信貸虧損模型，在確認減值虧損之前，不再需要發生虧損事件。相反，實體須確認及計量12個月預期信貸虧損或整個存續期預期信貸虧損(視乎資產及事實及情況而定)。整體而言，本公司董事預計，應用香港財務報告準則第9號的預期信貸虧損模型，將導致在本集團應用香港財務報告準則第9號後就本集團按攤銷成本計量的金融資產及須作出減值撥備的其他項目提早確認尚未產生的信貸虧損。

根據本公司董事的評估，如本集團應用預期信貸虧損模型，本集團於二零一八年一月一日將確認的減值虧損累計金額將較根據香港會計準則第39號確認的累計金額增加，主要是由於應收賬款及其他應收款項的預期信貸虧損撥備所致。根據預期信貸虧損模型確認的該等進一步減值，將增加於二零一八年一月一日的期初累計虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued) **HKFRS 9 “Financial Instruments”** (continued)

Available-for-sale financial assets

At 31 December 2017, the Group held available-for-sale equity investments stated at cost amounting to approximately HK\$710,000 which will be changed as financial assets at FVTPL unless the Group designates it as FVTOCI which the Group does not intend to do so.

Accordingly, for those available-for-sale assets that are measured at cost less any identified impairment losses at the end of the reporting period, this change in policy will have impact on the Group's financial performance and financial position, and will increase volatility in profit or loss.

HKFRS 15 – Revenue from Contracts with Customers

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續) **香港財務報告準則第9號「金融工具」**(續)

可供出售金融資產

於二零一七年十二月三十一日，本集團持有金額約710,000港元按成本列值的可供出售股本投資，將變更為按公平值計入損益之金融資產，除非本集團將其指定為按公平值計入其他全面收入，而本集團並無此意向。

因此，就於報告期末按成本減去任何已識別減值虧損計量的可供出售資產而言，該政策變動將影響本集團的財務表現及財務狀況，並將增加損益波動。

香港財務報告準則第15號－客戶合同之收益

香港財務報告準則第15號建立一個單一之綜合模型，以供實體將客戶合約產生之收益入賬。當香港財務報告準則第15號生效時，其將取代現時收益確認指引包括香港會計準則第18號收益、香港會計準則第11號建設合約及相關的詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 15 – Revenue from Contracts with Customers (continued)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, the Group will recognise revenue when a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

HKFRS 15 contains a number of transitional provisions as well as practical expedients to help preparers so through the transition. Please refer to HKFRS 15 for details.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號 – 客戶合同之收益 (續)

香港財務報告準則第15號之核心原則乃實體應確認收益以體現向客戶轉讓承諾貨物或服務之數額，並反映實體預期交換該等貨物或服務而應得之代價。具體而言，香港財務報告準則第15號引入五步法確認收益：

- 第1步：識別與客戶訂立的合約
- 第2步：識別合約內的履約責任
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合約內之履約責任
- 第5步：當實體符合履約責任時確認收益

根據香港財務報告準則第15號，當本集團符合履約責任時(即當貨物或服務有關特定履約責任的「控制權」轉移予客戶時)確認收益。

更為規範之指引已加入香港財務報告準則第15號內，以處理特別情況。此外，香港財務報告準則第15號要求作出廣泛披露。

香港財務報告準則第15號載有多項過渡條文以及可行權益方式，以幫助實現過渡。詳情請參閱香港財務報告準則第15號。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 15 – Revenue from Contracts with Customers (continued)

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, based on the preliminary assessment, they do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 “Leases”

HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

With regards to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets.

Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號 – 客戶合同之收益 (續)

本公司董事預計，未來應用香港財務報告準則第15號可能引致更多披露，然而，根據初步評估，彼等預計應用香港財務報告準則第15號不會對各報告期間確認的收入時間及金額產生重大影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號將在生效時取代現有租賃指引，包括香港會計準則第17號租賃及相關詮釋。

就承租人會計而言，香港會計準則第17號所規定的經營租約及融資租約的區分已由另一種模式取代，該模式要求承租人就所有租約確認使用權資產及相應負債，惟短期租約及低價值資產租約除外。

具體而言，使用權資產初始按成本進行計量，其後按成本(若干例外情況除外)減去累計折舊及減值虧損計量，並就租賃負債的任何重新計量進行調整。租賃負債初始以該日未支付的租約付款的現值計量。其後，租賃負債就利息及租約付款進行調整。此外，現金流量分類亦會受到影響，因為根據香港會計準則第17號的經營租約付款列為經營現金流量；而根據香港財務報告準則第16號的模式，租約付款將分為本金及利息部分，分別呈列作融資及經營現金流量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued) HKFRS 16 “Leases” (continued)

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

The total operating lease commitments of the Group in respect of leased land and buildings and office equipment as at each of the reporting dates are set out in Note 37(b), the management of the Group expects that the adoption of HKFRS 16 is unlikely to result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

2. 採納新訂／經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續) 香港財務報告準則第16號「租賃」(續)

相較承租人會計而言，香港財務報告準則第16號實質上沿用香港會計準則第17號中的出租人會計規定，並繼續要求出租人將租約分類為經營租約或融資租約。

此外，香港財務報告準則第16號要求進行廣泛披露。

本集團於各報告日期有關租賃土地及樓宇以及辦公設備的經營租約承擔總額載列於附註37(b)。本集團管理層預計，採納香港財務報告準則第16號不大可能對本集團業績產生重大影響，但預計該等租約承擔的若干部分將須於綜合財務狀況表中確認為使用權資產及租賃負債。

此外，應用新規定可能導致上文所示計量、呈列及披露的變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements on pages 51 to 176 have been prepared in accordance with HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 2.

The consolidated financial statements have been prepared under historical cost convention. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

3. 主要會計政策概要

3.1 編製基準

載於第51至176頁之綜合財務報表乃按香港財務報告準則(統稱包括香港會計師公會頒佈一切適用之個別香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋)、香港公認會計原則及香港公司條例之披露規定編製。綜合財務報表亦遵守聯交所證券上市規則(「**上市規則**」)之適用披露規定。

編製此等綜合財務報表所採用之主要會計政策概述如下。除另有所述外，該等政策已於所有呈列年度貫徹應用。採納新訂或經修訂之香港財務報告準則以及對本集團綜合財務報表之影響(如有)於附註2內披露。

綜合財務報表乃根據歷史成本常規法編製。有關計量準則詳載於下文的會計政策。

務請留意，於編製綜合財務報表時採用了會計估計及假設。儘管該等估計乃基於管理層所知及對當前事件及行動之判斷，實際結果最終卻可能與該等假設有差異。涉及高度判斷或高度複雜性之範圍，或假設及估計對綜合財務報表屬重大之範圍於附註4披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis

The Group incurred a consolidated net loss of approximately HK\$196,614,000 during the year ended 31 December 2017 and, as of that date, the Group has net current liabilities of approximately HK\$618,182,000 and a capital deficiency of approximately HK\$76,588,000, among which the outstanding borrowings of approximately HK\$1,468,817,000 (including bank loans of approximately HK\$610,998,000 (note 30), other loans of approximately HK\$2,521,000 (note 30), bills payables of approximately HK\$807,198,000 (note 27) and interest-free loans provided by certain related parties of approximately HK\$48,100,000 (note 28)) are due for repayment within one year from the reporting date or repayable on demand. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of its business.

In order to improve the Group's financial positions, liquidity and cash flows, the directors of the Company have adopted or in the process of adopting the following measures:

- (a) The Group has been taking stringent cost controls in different areas, such as applying cost control measures in the cost of sales and administrative expenses;

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準

截至二零一七年十二月三十一日止年度，本集團產生綜合虧損淨額約196,614,000港元，且截至該日本集團的流動負債淨額約618,182,000港元，資本虧絀約76,588,000港元，其中未償還借貸約1,468,817,000港元(包括銀行貸款約610,998,000港元(附註30)、其他貸款約2,521,000港元(附註30)、應付票據約807,198,000港元(附註27)及若干關連人士提供的免息貸款約48,100,000港元(附註28))須於報告日期起一年內償還或按要求償還。該等情況顯示本集團於是否有能力持續經營方面存在重大不明朗因素，因此本集團可能無法於正常業務中變現資產及履行負債。

為改善本集團之財務狀況、流動性及現金流量，本公司董事已採取或正採取以下措施：

- (a) 本集團一直嚴格控制各方面的成本，例如採用採納有關銷售成本及行政開支的成本控制措施；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis (continued)

- (b) The Group has been liaising with certain banks in relation to the renewal of its bank loans amounting to RMB508,851,000 (equivalent to approximately HK\$610,998,000) as at 31 December 2017, which would be due for repayment within twelve months from the reporting date. Subsequent to the end of the reporting period and up to the date when the consolidated financial statements are authorised for issuance, the Group has renewed certain bank borrowings with an aggregate principal amount of RMB273,900,000 (equivalent to approximately HK\$328,883,000). These renewed loans will be due for repayment during the period from January 2019 to March 2019 accordingly. In the opinion of the directors of the Company, taken into account the long term relationships and also their understanding from the liaison with the banks, the remaining bank borrowings with an aggregate principal amount of RMB234,951,000 (equivalent to approximately HK\$282,115,000) that will be due for repayment within 12 months from the reporting date can be renewed upon their respective maturities;

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準(續)

- (b) 本集團一直在就於二零一七年十二月三十一日金額約人民幣508,851,000元(相當於約610,998,000港元)的銀行貸款與若干銀行聯絡,該借貸將於報告日期起12個月內到期償還。於報告期末後及直至綜合財務報表獲授權刊發日期,本集團已續期本金總額人民幣273,900,000元(相當於約328,883,000港元)的若干銀行借貸。因此,該等續期貸款須分別於二零一九年一月至二零一九年三月期間到期償還。本公司董事認為,考慮到與銀行的長期關係及彼等從銀行聯絡中獲悉,餘下本金總額人民幣234,951,000元(相當於約282,115,000港元)的銀行借貸(將於報告日期起12個月內償還)將能在到期時續期;

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis (continued)

- (c) The Group has entered into three loan agreements with three shareholders of the Company, in which two of them are substantial shareholders of the Company who directly/indirectly own 23.27% and 12.26% of the Company's shares respectively as of the date of approval of these consolidated financial statements. Pursuant to the loan agreements, the three shareholders agreed to provide unsecured and interest-free loans with an aggregate amount of RMB600,000,000 (equivalent to approximately HK\$743,565,000) for a term of three years, in which part of the loans amounting to RMB80,000,000 (equivalent to approximately HK\$99,142,000) has been advanced to the Group subsequently to the reporting date (note 40 (b));
- (d) The Group has entered into subscription agreements to raise additional capital for aggregate amount of HK\$40,000,000 via issuance of new shares of the Company (note 40(a)). Such subscription has been subsequently completed on 3 January 2018; and
- (e) The Group, from time to time, reviews its investment projects and may adjust the investment strategies in order to enhance the cash flow position of the Group whenever it is necessary.

Taking into account the above measures and after assessing the Group's current and future cash flow positions, the directors of the Company are satisfied that the Group will be able to meet their financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準(續)

- (c) 本集團已與本公司三名股東(其中兩名為本公司主要股東,於該等綜合財務報表獲批准之日分別直接/間接擁有本公司股份的23.27%及12.26%)訂立三份貸款協議。根據該等貸款協議,該等股東同意提供合共總額人民幣600,000,000元(相當於約743,565,000港元)、期限三年的無抵押免息貸款,其中人民幣80,000,000元(相當於約99,142,000港元)的部分已於報告日期後提供予本集團(附註40(b));
- (d) 本集團已訂立認購協議,以透過發行本公司新股份籌集額外資本合共40,000,000港元(附註40(a))。該認購其後於二零一八年一月三日完成;及
- (e) 本集團不時檢討其投資項目,並在有需要時可能調整投資策略以改善本集團之現金流狀況。

計及上述措施以及於評估本集團現有及未來現金流狀況後,本公司董事相信本集團有能力履行其到期財務責任。因此,本公司董事認為,按持續經營基準編製綜合財務報表屬適當。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis (continued)

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of assets to their estimated recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which may arise. The effects of these adjustments have not been reflected in the consolidated financial statements.

3.2 Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2017. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below.

Changes in the Group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions.

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準(續)

如本集團無法持續經營業務，則須作出調整以將資產價值撇減至估計可收回金額，將非流動資產及非流動負債分別重新分類為流動資產及流動負債，並就日後可能產生之任何負債作出撥備。有關調整之影響並無於綜合財務報表反映。

3.2 綜合基準

該等綜合財務報表包括本公司及其附屬公司之截至二零一七年十二月三十一日止年度財務報表。附屬公司與本公司之財務報表為同一報告期，採用一致會計政策。附屬公司的業績自本集團取得控制權日期起合併，並繼續合併直至終止控制日期。

損益及其他全面收入各組成部分歸因於本集團擁有人及非控制性權益，即使此會導致其非控制性權益結餘赤字。所有集團內部交易、結餘、收入及費用均於綜合時全額抵銷。

倘有事實及情況表明一個或多於三個下述控制權元素出現變化，本集團重新評估是否控制該投資對象。

倘本集團於附屬公司的權益變動並未導致喪失控制權，則作為權益交易入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of consolidation (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any investment retained and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The group's share of components previously recognised in other comprehensive income is reclassified to the consolidated income statement or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3.3 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

3. 主要會計政策概要(續)

3.2 綜合基準(續)

倘本集團喪失對附屬公司的控制權，則出售產生的損益乃根據(i)已收代價公平值與任何保留投資公平值的總額及(ii)該附屬公司的資產(包括商譽)及負債以及任何非控股權益的過往賬面值兩者間的差額計算。從前於其他全面收入中確認之本集團組成部分之份額，現重新分類至綜合收益表或保留溢利(如適用)，與本集團直接出售相關資產或負債之要求為同一基礎。

3.3 業務合併及商譽

業務合併採用收購法入賬。轉移代價以收購日期的公平值計量，此公平值指本集團於收購當日轉移資產的公平值、本集團向被收購方前擁有人承擔之負債和本集團為獲得被收購企業的控制權所發行的股本權益之和。就每次業務合併而言，本集團選擇將於被收購方擁有的為現時所有權並令持有人在清盤時候有權獲比例獲得資產淨額之非控股權益按公平值或者按比例應佔被收購方可辨識之淨資產計量。非控股權益的所有其他部分按公平值計量。收購相關成本在實際發生時確認為開支。

當本集團收購一項業務時，會根據合約條款以及於收購日期之經濟環境和相關條件，評估將承接的金融資產及所承擔負債之分類及類別，其中包括分開處理於被收購方所訂主合約之內含衍生工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in consolidated income statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in consolidated income statement.

When a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the group obtains control), and the resulting gain or loss, if any, is recognised in the consolidated income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

若業務合併分階段進行，收購企業須按收購日期的公平值重新計量其先前在被購方持有的權益性利益，且相關的收益或損失應計入綜合收益表。

當本集團收購一項業務時，會根據合約條款以及於收購日期之經濟環境和相關條件，評估將承接的金融資產及所承擔負債之分類及類別，其中包括分開處理於被收購方所訂主合約之內含衍生工具。

若業務合併分階段進行，收購企業須按收購日期的公平值重新計量其先前在被購方持有的權益性利益，且相關的收益或損失應計入綜合收益表。

若業務合併分階段進行，收購企業須按收購日期(即本集團取得控制權日期)的公平值重新計量其先前在被購方持有的權益性利益，且相關的收益或損失應計入綜合收益表。

收購方將予轉讓的任何或然代價乃按收購日期的公平值確認。分類為屬金融工具並處於香港會計準則第39號範圍內的資產或負債的或然代價按公平值計量，公平值變動於損益確認或作為其他全面收入的變動確認。如或然代價不屬於香港會計準則第39號範圍內，則按照適當的香港財務報告準則計量。分類為權益的或然代價不予重新計量，而其後結算於權益入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale.

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

After initial recognition, goodwill is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

在本公司財務狀況表中，於附屬公司的投資按成本減去減值虧損入賬，除非投資分類為持作出售。

商譽乃指初始計量之成本，乃所轉移的代價、被收購方之非控股權益金額、及收購方先前持有被收購方股本權益之公平值(如有)之總和與所收購之可識別資產及承擔負債之收購日期淨額比較之超出數額。倘經評估後，所收購之可識別資產及承擔負債之收購日期淨額超過所轉移的代價、被收購方之非控股權益金額、及收購方先前持有被收購方股本之公平值(如有)之總和，超出部分立即確認作為議價購買收益計入綜合收益表。

初始確認後，商譽按成本扣除累計減值虧損(如有)列賬，並在綜合財務狀況表中個別列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Impairment is determined by assessing the recoverable amount of the cash-generating units (group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating units (group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit (group of cash-generating units) and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

商譽每年進行減值測試，測試或更頻繁倘事件或情況變化顯示賬面價值可能受損。本集團每年於十二月三十一日對商譽作出減值測試為進行減值測試，商譽分配到本集團有望從合併協同效應中受益之每個現金產生單位(或現金產生單位組別)，不論該現金產生單位或現金產生單位組別是否有本集團其他資產或負債。減值通過評估涉及商譽之現金產生單位(或現金產生單位組別)可收回金額確定。倘現金產生單位(或現金產生單位組別)之可收回金額低於其賬面價值，減值虧損首先予以分配以減少分配到單位(或單位組別)之商譽賬面價值，然後根據單位資產賬面價值按比例再分配至單位的其他資產。

如商譽分配予現金產生單位(或現金產生單位組別)，且該單位內部分經營被出售，則與被出售經營有關的商譽在釐定出售收益或虧損時計入經營的賬面值。在此情況下，被出售的商譽基於所出售經營及所保留現金產生單位部分的相對價值計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Subsidiaries

A subsidiary is an entity (including a structured entity) controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

3.5 Associates and joint ventures

An associate is an entity in which the Group has significant influence, which is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

3. 主要會計政策概要(續)

3.4 附屬公司

附屬公司乃本公司控制之實體(包括結構化實體)。本公司落實控制，倘本集團面對來自參與投資對象可變回報的風險或權利，及對投資對象使用其權力影響投資者回報金額的能力(即現存之權利使本集團有能力指揮投資對象之相關活動)。

倘本公司擁有(直接或間接)低於多數之投票權或與投資對象擁有相似權利，本集團考慮所有相關事實及情況以評估是否對投資對象有權力，包括：

- 與投資對象其他股東之合同安排；
- 從其他合同安排所產生的權利；及
- 本集團之投票權及潛在之投票權。

3.5 聯營公司及合營企業

聯營公司指本集團對其擁有重大影響力的實體，重大影響力指參與投資對象財務及經營決策的權力，但並非控制或共同控制該等政策。

合營企業指一種合資安排，即各方據此對合營企業的資產淨值擁有權利。共同控制權指按照合約協定而分佔一項安排的控制權，其僅在有關活動要求分佔控制權的各方作出一致同意的決定時存在。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Associates and joint ventures (continued)

Investment in associates or a joint venture is accounted for in the consolidated financial statements under the equity method, less any impairment losses, unless it is classified as held for sale. Adjustments are made to bring into line any dissimilar accounting policies that may exist. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investees' identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investees net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associates or the joint venture.

3. 主要會計政策概要(續)

3.5 聯營公司及合營企業(續)

於聯營公司或合營企業的投資根據權益法減任何減值虧損於綜合財務報表內列賬，除非其分類為持有待售。若存有不相近的會計政策，將作相應調整。根據權益法，投資初步按成本入賬，並就本集團應佔被投資公司收購當日可識別資產淨值之公平值超出投資成本的部分(如有)作出調整。此後，該投資因應本集團所佔被投資公司資產淨值份額於收購後的變動及與投資有關之任何減值虧損作出調整。收購當日出成本的任何部分、本集團年內應佔被投資公司收購後的稅後業績以及任何減值虧損於綜合收益表確認，而本集團應佔被投資公司收購後的稅後其他全面收益項目於綜合全面收益表內確認。

當本集團應佔虧損超過其於聯營公司或合營企業之權益時，本集團的權益將調減至零，及確認進一步虧損折現，惟倘本集團須承擔法定或推定責任，或代表被投資公司付款則除外。就此而言，本集團的權益是按權益法計算的投資賬面值加上實質上屬於本集團對聯營公司或合營企業投資淨額一部分的本集團長期權益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Associates and joint ventures (continued)

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in consolidated income statement. Goodwill arising from the acquisition of associates or joint venture is included as part of the Group's investments in associates or joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in consolidated income statement. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

When investment in associates or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5.

3. 主要會計政策概要(續)

3.5 聯營公司及合營企業(續)

本集團與其聯營公司及合營企業交易所產生的未變現損益，以本集團所佔被投資公司的權益為限抵銷，惟倘有證據顯示未變現虧損是由於所轉讓資產出現減值所致，則即時於綜合收益表確認。收購聯營公司或合營企業產生的商譽作為本集團於聯營公司或合營企業的投資的一部分入賬。

倘於聯營公司的投資成為於合營企業的投資或相反，則保留權益不予重新計量。反之，有關投資繼續使用權益法入賬。於所有其他情況下，當本集團喪失對聯營公司的重大影響力或對合營企業的共同控制時，視同本集團處置了對該投資對象的所有權益，產生的盈虧計入綜合收益表。於前投資對象保留的任何權益在喪失重大影響力或共同控制權日按照公平值確認，該金額視為初始確認一項金融資產的公平值。

當於聯營公司或合營企業的投資分類為持有待售時，根據香港財務報告準則第5號入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Foreign currency translation

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group’s net investment of a foreign operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item. The functional currencies of certain overseas subsidiaries, joint venture and associates are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period, and their income and expense items are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. 主要會計政策概要(續)

3.6 外幣換算

綜合財務報表以港元呈列，港元（「**港元**」）亦為本公司的功能貨幣，除另有指明者外，全部數額均湊整至最接近之千位。

本集團各實體決定其自身的功能貨幣，各實體財務報表中的項目使用該功能貨幣計量。外幣交易初步採用交易日之功能匯率入賬。以外幣計值之貨幣資產及負債，按於報告期末之功能貨幣匯率重新換算。結算或換算貨幣項目產生的差額於綜合全面收益表確認，指定為對沖本集團境外業務投資淨額一部分的貨幣項目除外。按歷史成本列賬並以外幣計量之非貨幣項目，採用初步交易日期之匯率換算。按外幣以公平值計量之非貨幣項目，採用釐定公平值當日之匯率換算。因換算按公平值計量的非貨幣項目而產生之收益或虧損按與該項目公平值變動收益或虧損確認一致之方式處理。若干海外附屬公司、合營企業及聯營公司的功能貨幣為港元以外的其他貨幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為本公司呈列貨幣，其收入及開支項目按年內加權平均匯率換算為港元。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Foreign currency translation (continued)

The resulting exchange differences are recorded in other comprehensive income and the cumulative balance is included in exchange reserve in the consolidated statement of changes in equity. On disposal of a foreign operation, the deferred cumulative amount recognised in exchange reserve relating to that particular foreign operation is recognised in the consolidated income statement. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK\$ at the weighted average exchange rates for the year.

3.7 Revenue recognition

Revenue comprises the fair value for the sale of goods, net of value-added tax, rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

- Revenue from sale of coal, ancillary materials and consumable tools and trading of purchased coal are recognised upon transfer of significant risks and rewards of ownership to the customers. This is usually taken as the time when goods are delivered and customer has accepted the goods.
- Interest income is accrued on time-proportion basis on the principal outstanding using effective interest method.

3. 主要會計政策概要(續)

3.6 外幣換算(續)

因此產生的匯兌差額在其他全面收入確認，累計結餘計入綜合權益變動表中匯兌儲備。於出售海外業務時，就特定海外業務在匯兌儲備確認的遞延累計金額於綜合收益表確認。收購海外業務產生的任何商譽以及對收購產生的資產及負債的賬面金額的任何公平值調整被視為海外業務的資產及負債並按收盤匯率進行換算。

就綜合現金流量表而言，海外附屬公司之現金流量按有關日期之匯率換算為港元。海外附屬公司年內經常產生之現金流量按年內之加權平均匯率換算為港元。

3.7 收益確認

收益包括銷售貨物的公平值，扣除增值稅、回扣及折扣。惟在可能為本集團帶來經濟利益及視乎情況能可靠計量收益與成本時，則按以下方式確認收益：

- 銷售煤、輔助材料及易耗器材以及對購入煤炭貿易之收益於主要風險及回報轉讓予客戶時確認，一般為貨品交付及客戶收取貨品時。
- 利息收入乃按時間比例基準根據實際利率法以未償還本金額得出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognized in profit or loss in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

3.9 Intangible assets (other than goodwill and mining rights)

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment loss. Amortisation for intangible assets with finite useful lives is provided on straight-line method over their estimated useful lives of two years.

Intangible assets with indefinite useful lives are carried at cost less any subsequent impairment losses. Intangible assets are tested for impairment as described below in note 3.12. Amortisation commences when intangible assets are available for use.

3. 主要會計政策概要(續)

3.8 借貸成本

購買、興建或生產合資格資產(即需經一段長時間方能作擬定用途或出售之資產)而直接產生之借款費用一律列入該資產之成本,直至資產之大部份已可作擬定用途或出售時為止。特定借款用於合資格資產之前作為短暫投資所賺取之投資收入於符合資本化之借款費用中扣除。其他借貸成本於產生期間在損益確認。

在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必需之準備工作進行時,借貸成本開始作為合資格資產成本之一部份而資本化。在使合資格資產投入擬定用途或銷售所必須之絕大部份準備工作中斷或完成時,借貸成本便會暫停或停止資本化。

3.9 無形資產(商譽及採礦權除外)

另行收購之無形資產乃按成本初步確認。初步確認後,可使用期有限的無形資產乃按成本減累計攤銷及任何減值虧損列賬。可使用期有限的無形資產攤銷按直線法按其估計可使用期兩年計提。

可使用期無限的無形資產按成本減任何繼後減值虧損列賬。無形資產須按下文附註3.12所述進行減值測試。無形資產於可供使用時開始攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Intangible assets (other than goodwill and mining rights) (continued)

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

3.10 Mining rights

Mining rights are stated at cost less accumulated amortisation and any identified impairment losses and are amortised using units-of-production method over the proved and probable reserves of the coal mines.

3.11 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of property, plant and equipment, other than construction in progress (“CIP”), are stated at cost less accumulated depreciation and any identified impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

3. 主要會計政策概要(續)

3.9 無形資產(商譽及採礦權除外)(續)

因終止確認無形資產而產生的收益或虧損，按出售所得款項淨額與資產賬面值之間的差額計量，並在資產終止確認時於綜合收益表確認。

3.10 採礦權

採礦權以成本減累計攤銷及任何已識別減值虧損列賬，並依據探明及估計之煤礦儲量使用生產單位法攤銷。

3.11 物業、廠房及設備

於租賃土地上持作自用之樓宇，倘其公平值可與租約開始時租賃土地之公平值分開計算，則連同其他物業、廠房及設備項目(在建工程(「在建工程」)除外)，按成本減累計折舊及任何已識別減值虧損後列賬。資產成本包括購買價及使資產達至預定用途之運作狀況及場所而產生之任何直接成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Property, plant and equipment (continued)

Depreciation on property, plant and equipment is provided to write off the cost less their estimated residual values over their estimated useful lives, using straight-line method, at the following rates per annum:

Buildings and mining structures	The shorter of the lease terms and 5% per annum
Plant and machineries	4% to 33% per annum
Mining related machinery and equipment	10% to 20% per annum
Furniture, fixtures and equipment	10% to 20% per annum
Leasehold improvement	The shorter of the lease terms and 10% to 20% per annum
Motor vehicles	10% to 25% per annum

The asset's estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to consolidated income statement during the financial period in which they are incurred.

3. 主要會計政策概要(續)

3.11 物業、廠房及設備(續)

物業、廠房及設備折舊按直線法於估計可使用期計算折舊，以沖銷成本減其估計餘值，年利率如下：

樓宇及煤礦建築物	以租期及每年5%之較短者為準
廠房及機器	每年4%至33%
採礦相關機器及設備	每年10%至20%
傢俬、裝置及設備	每年10%至20%
租賃物業裝修	以租期及每年10%至20%之較短者為準
汽車	每年10%至25%

資產之估計餘值、折舊方法及估計可使用期已視乎情況於各報告日期進行檢討及調整。

報廢或出售盈虧按銷售所得款項與資產賬面值之差額釐定，並於綜合收益表確認。

其後成本僅會在項目相關之未來經濟效益可能會流入本集團及能可靠計量項目成本時，始視乎情況計入資產賬面值或確認為獨立資產。維修及保養等所有其他成本，均於產生之財政期間自綜合收益表扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Property, plant and equipment (continued)

CIP, which mainly represents construction on buildings and mining structures, is stated at cost less any identified impairment losses. Cost comprises direct costs incurred during the periods of construction, installation and testing. No depreciation is provided on CIP. CIP is reclassified to the appropriate category of property, plant and equipment when the construction is completed and the asset is ready for use.

3.12 Impairment of non-financial assets

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years.

Goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the assets carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

3. 主要會計政策概要(續)

3.11 物業、廠房及設備(續)

在建工程(主要指樓宇及煤礦建築物)以成本減去任何已識別減值虧損列賬。成本包括建設、安裝及測試期間產生之直接成本。在建工程無須作出折舊。在建工程於建設完工及資產可使用時重新分類為物業、廠房及設備中的適當類別。

3.12 非金融資產之減值

在每個報告期末均會評估是否有跡象表明之前確認之減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產之可收回金額的估計有所改變時，先前就該資產確認之減值虧損(商譽除外)才可轉回，但轉回後之數額不能高於假設以往年度沒有確認減值虧損而原應釐定之賬面值(扣除任何折舊/攤銷)。

商譽及可使用期限無限或尚未可供使用的其他無形資產，不論有否出現任何減值跡象，均最少每年進行減值測試。所有其他資產在出現未必能收回有關資產賬面值的跡象時測試減值。

減值虧損按資產之賬面值超出其可收回金額之差額，即時確認為開支。可收回金額為反映市況之公平值減出售成本與使用價值兩者之較高者。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對金錢時間值及有關資產特有風險之評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Impairment of non-financial assets (continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent of those of other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. a cash-generating unit (“CGU”)). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGUs, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value-in-use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods.

3.13 Leasing

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

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

3. 主要會計政策概要(續)

3.12 非金融資產之減值(續)

為評估減值，倘資產產生之現金流入大致上不獨立於其他資產，可收回金額則按可獨立產生現金流入的最少資產組合(即現金產生單位(「現金產生單位」))釐定。因此，部份資產個別進行減值測試，另有部份按現金產生單位測試。商譽分配至在預期可受惠於相關業務合併協同效應的現金產生單位，即本集團內為內部管理目的而監控商譽之最小單位。

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公平值減出售成本或使用價值(如可釐定)外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

商譽減值虧損不會於其後期間撥回。

3.13 租賃

倘租約條款將擁有權之絕大部份風險及回報轉歸承租人所有時，有關租賃將列作融資租賃。所有其他租賃列作經營租賃。

根據融資租賃持有之資產按租賃開始時之公平值或(倘為較低者)按最低租賃付款之現值確認為本集團之資產。出租人之相應負債於綜合財務狀況表列作融資租賃承擔。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Leasing (continued)

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (note 3.8). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period of which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

3.14 Financial assets

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

3. 主要會計政策概要(續)

3.13 租賃(續)

租賃付款按比例於融資費用及減少租賃承擔之間作出分配，從而使該等負債應付餘額之息率固定。財務費用即時於損益確認，而直接有關合資格資產的財務費用，則根據本集團對借款費用的一般政策(附註3.8)資本化。或然租金於所產生之期間內確認為開支。

經營租賃付款(包括收購根據經營租賃持有土地的成本)於租期內按直線法確認為開支，除非另一系統化方法更能代表租賃資產經濟利益的消耗時間模式。經營租賃的或然租金於所產生之期間內列作開支。當訂立經營租賃時收到租賃優惠時，該等優惠被確認為負債。各項優惠以直線法遞減經營性租賃支出確認。

3.14 金融資產

所有金融資產僅於本集團成為工具合約條文之訂約方後，方可確認。日常購置之金融資產於交易日確認。金融資產初步確認時，乃按公平值計量，倘投資並非於損益賬中按公平值計算，則加直接應佔交易成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial assets (continued)

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Available-for-sale financial assets

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of the reporting period.

3. 主要會計政策概要(續)

3.14 金融資產(續)

當收取投資現金流量之權利屆滿或擁有權的絕大部份風險與回報已轉讓時解除確認金融資產。於各報告日期會對金融資產進行審閱，以評估是否有任何客觀減值證據。如有出現任何上述證據，則根據金融資產分類釐定及確認減值虧損。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生金融資產，且並無在活躍市場計算報價。貸款及應收款項其後採用實際利息法以攤銷成本，減任何減值虧損列賬。攤銷成本經考慮任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本的組成部份的各項費用。

可供出售金融資產

於活躍市場並無報價且公平值無法可靠計量之可供出售股本投資，及與該等投資掛鈎且必須透過交付該等無報價股本工具而結算之衍生工具，於報告期末按成本減任何已識別之減值虧損計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial assets (continued)

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the Group.

3. 主要會計政策概要(續)

3.14 金融資產(續)

金融資產減值

於各報告日期，本集團審閱並非按公平值於損益處理之金融資產，以釐定是否有任何客觀減值證據。

個別金融資產減值之客觀證據包括本集團得悉下列一項或多項虧損事件之明顯數據：

- 債務人出現重大財政困難；
- 違約，例如逾期支付或拖欠利息或本金；
- 債務人有可能面臨破產或其他財務重組；
- 技術、市場、經濟或法律環境產生之重大改變對債務人帶來的不利影響；及
- 股本工具投資之公平值大幅或長期下跌至低於其成本。

有關金融資產組別之虧損情況包括有可觀察數據顯示該金融資產組別之估計未來現金流量出現可計量減幅。該可觀察數據包括但不限於該組別債務人之付款情況以及與該組別資產有關之國家及本地經濟狀況出現不利變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial assets (continued)

Impairment of financial assets (continued)

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

(i) *Financial assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of loss is recognised in consolidated income statement of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in consolidated income statement of the period in which the reversal occurs.

3. 主要會計政策概要(續)

3.14 金融資產(續)

金融資產減值(續)

倘存在任何該等證據，減值虧損計量及確認如下：

(i) *按攤銷成本列賬之金融資產*

倘有客觀證據顯示貸款及應收款項已出現減值虧損，有關虧損金額以該資產賬面值與估計未來現金流量(不包括尚未產生之未來信貸虧損)按原先實際利率(即初步確認時用以計算之實際利率)折現為其現有價值兩者間之差額計量。有關虧損金額乃於產生減值期間之綜合收益表中確認。

倘其後減值虧損金額減少，而有關減少客觀上可與確認減值後發生之某一事項有關，則回撥過往確認之減值虧損，惟金融資產之賬面值不得超過假設回撥減值當日並無確認減值之原有攤銷成本。回撥金額於回撥期間於綜合收益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial assets (continued)

Impairment of financial assets (continued)

(ii) Available-for-sale financial assets

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

3.15 Financial liabilities

The Group's financial liabilities include bank and other loans, accounts and bills payables, other payables and accruals and amount due to an associate.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in consolidated income statement.

3. 主要會計政策概要(續)

3.14 金融資產(續)

金融資產減值(續)

(ii) 可供出售金融資產

就按成本列賬之可供出售股本投資而言，減值虧損金額按該資產賬面值與該資產估計未來現金流量按類似金融資產之現行市場回報率折現之現值之間的差額計算。有關減值虧損不得撥回。

3.15 金融負債

本集團之金融負債包括銀行及其他貸款、應付賬款及票據、其他應付款項及應計費用及應付一間聯營公司款項。

金融負債在本集團成為財務工具合約條文的訂約方時確認。所有與利息相關之支出均根據本集團之借貸成本會計政策確認。

當負債項下的責任獲解除或註銷或屆滿時，則解除確認金融負債。

倘現有金融負債由同一貸款人按大致不同之條款以另一項金融負債取代，或現有負債條款經大幅修改，則有關交換或修改視作解除確認原有負債及確認新負債，而有關賬面值間之差額則於綜合收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Financial liabilities (continued)

Borrowings

Borrowings, which include bank and other loans, are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in consolidated income statement over the period of the borrowings using effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Accounts and bills payables/other payables and accruals/amount due to an associate

These are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

3.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Inventories comprise coal, spare parts and consumable store for trading and own consumption purposes. Costs of coal is determined using weighted average basis whereas costs of spare parts and consumables are stated at first-in, first-out or weighted average basis as appropriate, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3. 主要會計政策概要(續)

3.15 金融負債(續)

借貸

借貸(包括銀行及其他貸款)初步按公平值(扣除已產生之交易成本)確認。借貸其後按已攤銷成本列賬,所得款項(扣除交易成本)與贖回價值之任何差額使用實際利息法於借貸期間在綜合收益表確認。

借貸分類為流動負債,惟本集團有無條件權利遞延償還負債之期限至報告日期後至少12個月則除外。

應付賬款及票據/其他應付款項及應計費用/應付一間聯營公司款項

有關款項初步乃按其公平值確認,其後使用實際利息法按攤銷成本計量。

3.16 存貨

存貨按成本及可變現淨值兩者之較低者列賬。存貨包括用作買賣及本身消耗之煤、零件及其他耗材。煤之成本按加權平均成本列賬,而零件及耗材之成本則按先入先出或加權平均兩者之適當者為基準列賬,在製品及製成品之成本包括直接材料、直接工資及按適當比例計算之間接費用。

可變現淨值是減去估計完工成本及銷售估計必須費用後於日常業務過程中的估計售價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.17 Income taxes

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:—

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

3. 主要會計政策概要(續)

3.16 存貨(續)

當存貨出售，該等存貨之賬面值確認為相關收入確認期間之費用。存貨可變現淨值及所有存貨損失之任何撇減金額確認為撇減或損失發生期間之費用。任何撥回之存貨撇減金額確認為發生撥回期間存貨金額減少之費用。

3.17 所得稅

所得稅代表本期所得稅項及遞延稅項之總和。與於損益外確認項目有關的所得稅於損益外的其他全面收入或直接於權益確認。

本期所得稅項資產及負債以頒佈或實質頒佈的稅率(及稅法)為基礎，同時考慮本集團經營之國家解釋及做法，從預期收回或支付給稅務機關之金額計量。

遞延稅項採用負債法，對所有於報告期末就資產及負債之計稅基礎與用於財務報告的賬面值之不同而引致之暫時性差異作出撥備。

遞延稅項負債乃就所有應課稅暫時差異予以確認，除非：—

- 遞延稅項負債是由非企業合併交易初始確認之資產或負債所產生，且在交易時既不影響會計利潤亦不影響應課稅損益；及

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income taxes (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. 主要會計政策概要(續)

3.17 所得稅(續)

- 就對附屬公司、聯營公司及合營企業的投資相關應課稅暫時性差異而言，倘撥回臨時差異之時間可予控制，臨時差異可能不會於可見將來撥回。

遞延稅項資產乃按所有可扣稅暫時性差異、結轉未用稅項抵免及任何未用稅損予以確認，惟將可扣稅暫時性差異、未用稅項抵免及未用可稅損的結轉確認為遞延資產的最高上限應以可供抵銷的應課稅利潤總額為限，除非：

- 遞延稅項資產是由非企業合併交易初始確認之資產或負債所產生，且在交易時既不影響會計利潤亦不影響應課稅損益；及
- 就對附屬公司、聯營公司及合營企業的投資相關可扣稅暫時性差異而言，遞延稅項資產確認為以暫時性差異將於可預見的未來撥回，且有足夠的應課稅利潤可用以抵銷為限。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income taxes (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. 主要會計政策概要(續)

3.17 所得稅(續)

遞延稅項資產的賬面值乃於每一報告期末審核，並將減少至不再可能有充裕應課稅利潤使全部或部分遞延稅項資產可動用。如有充裕應課稅利潤使全部或部分遞延稅項資產可動用，未確認之遞延資產於報告期末可重新評估及可予確認。

遞延稅項乃按於報告期末已執行或實質上已執行的稅率(及稅務法例)為基礎，根據預期適用於變現資產或償還債項期間的稅率計量(無折扣)。

倘涉及由相同之稅務機關徵收之所得稅，而本集團有意以淨額方式解決本期稅項資產和負債，遞延稅項資產及負債將被抵消。

- 遞延稅項資產是由非企業合併交易初始確認之資產或負債所產生，且在交易時既不影響會計利潤亦不影響應課稅損益；及
- 就對附屬公司、聯營公司及合營企業的投資相關可扣稅暫時差異而言，遞延稅項資產確認是以暫時性差異將於可預見的未來撥回，且有足夠的應課稅利潤可用以抵銷為限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income taxes (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.18 Employee benefits

Retirement benefit obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

3. 主要會計政策概要(續)

3.17 所得稅(續)

遞延稅項資產的賬面值乃於每一報告期末審核，並將減少至不再可能有充裕應課稅利潤使部或部分遞延稅項資產可動用。如有充裕應課稅利潤使全部或部分遞延稅項資產可動用，未確認之遞延資產於報告期末可重新評估及可予確認。

遞延稅項乃按於報告期末已執行或實質上已執行的稅率(及稅務法例)為基礎，根據預期適用於變現資產或償還債項期間的稅率計量(無折扣)。

倘涉及由相同之稅務機關徵收之所得稅，而本集團有意以淨額方式解決本期稅項資產和負債，遞延稅項資產及負債將被抵消。

3.18 僱員福利

退休福利責任

本集團根據強制性公積金計劃條例向所有香港僱員提供定額供款退休福利計劃(「強積金計劃」)。根據強積金計劃，供款乃根據僱員之基本薪金之百分比計算及於應付時於綜合收益表扣除。強積金計劃之資產與本集團之其他資產分開處理及以獨立管理之基金形式持有。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Employee benefits (continued)

Retirement benefit obligations (continued)

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme as specified by the local municipal government. The contributions are charged to the consolidated income statement as they become payable in accordance with the rules of the central pension scheme.

Short-term employee benefits

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

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees and its directors.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

3. 主要會計政策概要(續)

3.18 僱員福利(續)

退休福利責任(續)

本集團於中國經營之附屬公司之僱員須參加由地方市政府設立之中央退休金計劃。該等中國附屬公司須按其薪資成本之若干比例向當地市政府指定之中央退休金計劃供款。根據地方退休金計劃之條例須支付有關供款時，從綜合收益表扣除該供款。

短期僱員福利

薪金、年度花紅、帶薪年假及非貨幣福利成本，均於僱員提供有關服務的年度計算。如付款或結算被推遲，且影響重大，該等金額則按其現值入賬。

以股份為基礎支付僱員報酬

本集團就其僱員及董事之薪酬設立以股本結算的以股份為基礎的報酬計劃。

本集團以股份為基礎的報酬獲得的所有相關服務均按公平值計算價值，以所授出購股權的價值間接釐定。計價以授出日期為準，須扣除與市場無關的歸屬條件影響的價值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Employee benefits (continued)

Share-based employee compensation (continued)

All share-based compensation is recognised as an expense in consolidated income statement with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the share issued are reallocated to share capital with any excess being recorded as share premium. When the vested share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in equity will be transferred to retained profits.

3.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

3. 主要會計政策概要(續)

3.18 僱員福利(續)

以股份為基礎支付僱員報酬(續)

所有以股份為基礎的報酬在綜合收益表中確認為開支，同時在購股權儲備計入相應的數額。倘若有歸屬期或其他歸屬條件的規定，則基於對預期歸屬的購股權數目的最佳估計，將開支在歸屬期內分期確認。在有關預期可行使購股權數目的假設中會包括與市場無關的歸屬條件。如其後有跡象顯示預期歸屬的購股權數目與之前所估計數目不同，則會修改估計。如最終行使的購股權數目少於原來所歸屬，亦不會對以往期間所確認的開支作出調整。

行使購股權後，所得款項減去任何直接應佔交易成本(以已發行股份面值為上限)將重新分配至股本，而任何多出差額入賬為股份溢價。倘已歸屬之購股權失效、被沒收或於屆滿日期仍未行使，則先前在權益確認的數額將轉撥至保留溢利。

3.19 現金及現金等值項目

現金及現金等值包括手頭現金及活期存款，及易於轉換為已知金額現金之短期高流動性投資，其價值變動風險低，並自購入後時限一般在三個月內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.21 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

3. 主要會計政策概要(續)

3.20 股本

普通股分類為權益。發行新股份或購股權直接應佔的新增成本，於權益中列為所得款項的減項（扣除稅項）。

3.21 撥備及或然負債

倘本集團因過往事件須承擔現時責任（法定或推定），且承擔該責任可能導致經濟利益外流，倘責任數額能夠可靠地估計，則確認為撥備。倘金錢之時間價值重大，則撥備會以承擔責任預期所需支出之現值入賬。

所有撥備均於各報告日期審閱並經調整以反映當期之最佳估計。

倘若導致經濟利益外流之可能性不大，或未能可靠預計該責任之金額，則該責任會披露為或然負債，除非導致經濟利益外流之可能性極低。潛在責任（須視乎日後是否發生一宗或多宗不確定事件且完全不在本集團控制範圍內而確定其會否實現）亦會披露為或然負債，除非導致經濟利益外流之可能性極低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Provisions and contingent liabilities

(continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

3.22 Segment reporting

The Group identifies operating segment and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs.

3. 主要會計政策概要(續)

3.21 撥備及或然負債(續)

財務擔保合約

財務擔保合約乃規定發行人在由於某債務人未能按照某債務工具的條款在到期時付款而出現虧損時向持有人作出具體償付的合約。

本集團發出的財務擔保合約初步按公平值計量，如並非指定為按公平值計入損益，則於隨後按以下各項中的較高者計量：

- 根據合約所須承擔的責任涉及的金額，有關金額根據香港會計準則第37號「撥備、或然負債及或然資產」釐定；及
- 初步確認的金額減去(如適用)按照收入確認政策確認的累計攤銷。

3.22 分部報告

本集團根據定期向執行董事呈報之內部財務資料確定其經營分部及編製分部資料，該等財務資料乃供執行董事決定分配資源至本集團各業務分部及檢討該等業務分部表現之基準。向執行董事呈報之內部財務資料之業務分部乃按本集團之主要產品和服務類別來劃分。

本集團根據香港財務報告準則第8號報告分部業績使用之計量政策與根據香港財務報告準則編製綜合財務報表時使用者相同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Provision for reclamation obligations

The Group is required to make payments for reclamation of the land after the underground sites have been mined. Provision for reclamation obligation is required when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimation of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

3.24 Fair value measurement

A number of assets and liabilities included in the Group's consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs;

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

3. 主要會計政策概要(續)

3.23 開墾費用撥備

本集團須就地下場地開採以後土地之復墾支付款項。當本集團因過往事件而擁有現時責任以及倘本集團可能須清償該責任時，須計提復墾責任撥備。該等撥備按於報告期末董事對須清償責任所需開支之最佳估計量，並折現至現值(倘有關影響屬重大)。

3.24 公平值計量

本集團財務綜合報表中包括的多項資產及負債需要按公平值計量及/或披露公平值。

本集團之金融及非金融資產及負債之公平值計量盡可能利用可觀察市場資料輸入及數據。釐定公平值計量時使用之資料輸入按照估值技術使用可觀察資料之方式分為不同級別(「公平值等級」)，為：

第1級：相同項目於活躍市場之報價(未作調整)；

第2級：除第1級資料輸入以外的直接或間接可觀察之資料輸入；

第3級：難以觀察資料輸入(即並非源自市場數據)。

項目基於對項目公平值計量具有重大影響之最低資料輸入級別，分類至上述級別。不同級別之間的项目轉移於產生期間確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Fair value measurement (continued)

The Group measures the CGU of production and sale of coal impairment at fair value less cost of disposal.

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

3.25 Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

or

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

3. 主要會計政策概要(續)

3.24 公平值計量(續)

本集團按公平值減出售成本計量生產及銷售煤炭的現金產生單位減值。

有關上述項目公平值計量之更詳細資料，請參閱適用附註。

3.25 關連人士

(a) 該名人士於符合以下條件時，該名人士或其家族之近親即與本集團有關連：

- (i) 對本集團擁有控制權或共同控制權；
- (ii) 對本集團擁有重大影響力；或
- (iii) 為本集團或本公司母公司之主要管理層人員。

或

(b) 實體於適用以下任何條件時，即與本集團有關連：

- (i) 實體與本集團為同一集團成員，即母公司、附屬公司及同系附屬公司各自彼此相互關連。
- (ii) 某一實體為另一實體之聯營公司或合營企業，或為另一實體所屬集團成員之聯營公司或合營企業。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Related parties (continued)

(b) (continued)

- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. 主要會計政策概要(續)

3.25 關連人士(續)

(b) (續)

- (iii) 實體均為同一第三方之合營企業。
- (iv) 實體為第三實體之合營企業，而另一實體為第三實體之聯營公司。
- (v) 實體乃為本集團或與本集團有關之實體之僱員福利而設之離職後福利計劃。
- (vi) 實體受(a)所界定人士控制或共同控制。
- (vii) (a)(i)所界定人士對實體擁有重大影響力或為實體或該名實體母公司之主要管理層人員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本公司之母公司提供主要管理人員服務。

一名人士的近親屬指預期可能影響該人士與該實體的往來或受此影響的家庭成員。

4. 重大會計估計及判斷

估計及判斷將按過往經驗及其他因素(包括相信在當時情況下合理發生的未來事項預期)作出持續評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. However, other than the judgement made by the directors in respect of going concern as disclosed in note 3.1 above, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation

Other than CIP, the Group depreciates property, plant and equipment using straight-line method over the estimated useful lives ranging between 3 to 25 years, starting from the date on which the assets are ready for productive use. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The carrying amount of property, plant and equipment as at 31 December 2017 was approximately HK\$239.1 million (2016: approximately HK\$257.8 million). Further details are disclosed in note 15.

(ii) Amortisation of mining rights

The Group amortises its mining rights using a units-of-production method, utilising only proved and probable coal reserves as the depletion base. The estimated coal reserves and the related future economic benefits were estimated by the directors of the Company. Accounting policy on mining rights is set out in note 3.10. The carrying amount of mining rights as at 31 December 2017 was approximately HK\$326.5 million (2016: approximately HK\$318.2 million). Further details are disclosed in note 17.

4. 重大會計估計及判斷(續)

重大會計估計及假設

本集團作出有關未來的估計及假設。定義上，會計估計與相關實際結果甚少相同。然而，除上文附註3.1所披露董事就持續經營作出的判斷外，存在可能導致下一財政年度之資產及負債賬面值重大調整之重大風險的估計及假設載列如下。

(i) 折舊

除在建工程外，本集團使用直線法由資產可用作具生產力之用途當日起計3至25年之估計可使用期內就物業、廠房及設備計算折舊。估計可使用期為董事估計本集團計劃透過使用本集團之物業、廠房及設備衍生未來經濟利益之期間。於二零一七年十二月三十一日，物業、廠房及設備之賬面值約為239,100,000港元(二零一六年：約257,800,000港元)。進一步詳情披露於附註15。

(ii) 採礦權攤銷

本集團僅以探明及估計礦產儲量為基準，利用單位生產法攤銷採礦權。估計礦產儲量及相關未來經濟利益由本公司董事估計。採礦權的會計政策載於附註3.10。於二零一七年十二月三十一日，採礦權之賬面值約為326,500,000港元(二零一六年：約318,200,000港元)。進一步詳情披露於附註17。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(iii) Impairment of prepayments, deposits paid and receivables

The Group's management determines impairment of prepayments, deposits paid and receivables on a regular basis. This estimate is based on credit history of its counter parties and current market conditions. Management reassesses the impairment of prepayments, deposits paid and receivables at the reporting date.

The Group's management reviews prepayments, deposits paid and receivables on a regular basis to determine if any provision for impairment is necessary. The impairment loss on prepayments, deposits paid and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables, to receive the services, products or acquire the business operations according to the original terms of contracts. Significant financial difficulties of the counter parties, probability that the counter parties will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the deposit/receivable is impaired. The impairment loss of accounts receivable and other receivables provided during the year ended 31 December 2017 were nil (2016: approximately HK\$20.4 million) and approximately HK\$0.5 million (2016: approximately HK\$2.3 million) respectively. Further details are disclosed in notes 24 and 25 respectively.

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(iii) 預付款項、已付按金及應收款項減值

本集團管理層定期釐定預付款項、已付按金及應收款項減值。此估計乃根據其對手方之信貸記錄及現時市況而作出。管理層於報告日期重新評估預付款項、已付按金及應收款項減值。

本集團管理層定期檢討預付款項、已付按金及應收款項，以確定是否需要計提減值撥備。倘有客觀證據顯示本集團將無法根據應收款項之原有條款收回所有欠付款項，及根據合約之原有條款獲得服務、產品或收購業務運營，則預付款項、已付按金及應收款項出現減值虧損。對手方面對重大財務困難、對手方可能破產或進行財務重組，以及拖欠或逾期付款，均被視為按金／應收款項減值之跡象。截至二零一七年十二月三十一日止年度計提的應收賬款及其他應收款項之減值虧損分別約零港元(二零一六年：約20,400,000港元)及約500,000港元(二零一六年：約2,300,000港元)。進一步詳情分別披露於附註24及25。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(iv) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that non-financial assets with definite lives may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets in accordance with the accounting policy stated in note 3.12. In assessing whether there is any indication that non-financial assets may be impaired, the Group considers indications from both internal and external sources of information such as evidence of obsolescence or decline in economic performance of the assets, changes in market conditions and economic environment. These assessments are subjective and require management's judgements and estimations.

During the year ended 31 December 2017, impairment loss on property, plant and equipment of approximately HK\$15.9 million (2016: approximately HK\$60.8 million) was recognised by the Group and details of this impairment are set in notes 15 and 18.

During the year ended 31 December 2017, impairment loss on mining rights of approximately HK\$11.8 million (2016: approximately HK\$64.3 million) was recognised by the Group and details of this impairment are set out in notes 17 and 18.

(v) Provision for reclamation obligations

The provision is reviewed regularly to verify that it properly reflects the remaining obligation arising from current and past mining activities. Provision for land reclamation is determined by management based on their best estimates of the current and future costs, latest government policies and past experiences. The carrying amount of provision for reclamation obligations as at 31 December 2017 was approximately HK\$99.5 million (2016: approximately HK\$90.2 million). Further details are disclosed in note 29.

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(iv) 非金融資產減值

本集團於每個報告日期評估是否有任何跡象表明具有確定年期的非金融資產可能已減值。如存在任何相關跡象，本集團按照附註3.12所述會計政策估計資產的可收回金額。在評估是否有任何跡象表明非金融資產可能已減值時，本集團考慮內部及外部來源的跡象，如資產過時或經濟表現下降的證據、市況及經濟環境變動。該等評估具有主觀性，需要管理層作出判斷及估計。

截至二零一七年十二月三十一日止年度，本集團確認物業、廠房及設備的減值虧損約15,900,000港元(二零一六年：約60,800,000港元)，減值詳情載於附註15。

截至二零一七年十二月三十一日止年度，本集團確認採礦權的減值虧損約11,800,000港元(二零一六年：約64,300,000港元)，減值詳情載於附註17及18。

(v) 開墾費用撥備

撥備定期檢討，以核實及恰當反映現時及過去開採活動產生之餘下承擔責任。土地開墾撥備由管理層按目前及未來成本、最新政府政策及過往經驗之最佳估計而釐訂。於二零一七年十二月三十一日，開墾費用撥備之賬面值約為99,500,000港元(二零一六年：約90,200,000港元)。進一步詳情披露於附註29。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(v) Provision for reclamation obligations (continued)

Management determined that the probability to make payment of such liability within twelve months after the reporting period is remote taking into account the industry practice and the Group's scenario, facts and circumstances. However, management also considered that the relevant government authorities have the sole discretion to request payment of such liability. As the Group does not have unconditional right to defer settlement of such liability for at least twelve months after the reporting period, accordingly, the provision for reclamation obligations is classified as current liabilities in accordance with HKAS 1(Revised).

(vi) Central pension scheme

Certain subsidiaries of the Group in PRC are required to contribute certain percentage on their payroll costs for employees to the central pension scheme. However, the implementation and settlement of the contribution to the central pension scheme varies among various Social Security Bureaus in cities of the PRC, and the Group has not finalised its contribution calculation and payments with the local Social Security Bureau in the PRC. Accordingly, significant judgement is required in determining the amount of the contribution. The Group recognised the contribution based on management's best estimates according to the understanding of the rules of the central pension scheme.

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(v) 開墾費用撥備(續)

經考慮行業慣例及本集團的情形、事實及情況，管理層認為，於報告期後十二個月內支付該負債的可能性很低。然而，管理層亦認為，相關政府部門可全權酌情要求支付該負債。由於本集團並無將負債遞延至報告期後至少十二個月結算的無條件權利，因此開墾費用撥備按照香港會計準則第1號(經修訂)分類為流動負債。

(vi) 中央退休金計劃

本集團若干於中國的附屬公司須按僱員薪酬的若干百分比向中央退休金計劃供款。然而，於中國城市多個社會保障部門向中央退休金計劃實行及結算供款大相逕庭，及本集團尚未落實其供款計算及向中國社會保障部門作出付款。因此，釐定供款金額須作出重大判斷。本集團根據管理層的最佳估計及對中央退休金計劃規則的理解確認供款金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. REVENUE AND OTHER INCOME

Revenue represents the income arising from the Group's principal activities which are the production and sale of coal and the trading of purchased coal.

Revenue and other income recognised during the year are as follows:

5. 收益及其他收入

收益指本集團主要業務(即煤炭生產及銷售以及購入煤炭貿易)產生之收入。

年內確認之收益及其他收入如下：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Revenue	收益		
Production and sale of coal	煤炭生產及銷售	117,987	108,219
Trading of purchased coal	購入煤炭貿易	411,897	610,660
		529,884	718,879
Gross (loss)/profit derived from:	(毛虧)/毛利來自於：		
Production and sale of coal	煤炭生產及銷售	(100,291)	(92,941)
Trading of purchased coal	購入煤炭貿易	(198)	6,725
		(100,489)	(86,216)
Other income	其他收入		
Bank interest income	銀行利息收入	3,987	18,423
Reversal of provision for central pension scheme	撥回中央退休金計劃撥備	36,915	39,979
Sale of ancillary materials	輔助材料銷售	160	120
Others	其他	90	1,313
		41,152	59,835

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company (the “Executive Directors”) for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. The business components in the internal financial information reported to the Executive Directors are determined following the Group’s major product and service lines.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Executive Directors in order to allocate resources and assess performance of the segment. For the years presented, the Executive Directors have determined that the Group has only one operating segment as the Group is principally engaged in the business of production and sale of coal and the trading of purchased coal which is the basis to allocate resources and assess performance.

Geographical information

The Group’s revenue from external customers is all derived from the PRC and most of its non-current assets are located in the PRC. The Company is an investment holding company incorporated in Bermuda where the Group does not have any activities. The Group has the majority of its operations and workforce in the PRC, and therefore, the PRC is considered as the Group’s country of domicile for the purpose of disclosures as required by HKFRS 8 Operating Segments.

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the location of asset.

6. 分部資料

本集團根據定期向本公司執行董事（「執行董事」）呈報之內部財務資料確定其經營分部及編製分部資料，該等財務資料乃供執行董事決定分配資源至本集團各業務分部及檢討該等業務分部表現之基準。向執行董事呈報之內部財務資料之業務分部乃按本集團之主要產品和服務類別來劃分。

經營分部指本集團從事可賺取收益及產生開支之業務活動之組成部分，並按內部管理報告資料之基準確定經營分部，而執行董事定期審閱所提供之內部管理報告資料以分配資源及評估分部表現。於所呈報年度，執行董事認為本集團只擁有一個經營分部，鑒於本集團主要從事煤炭生產及銷售業務以及購入煤炭之貿易業務（其為分配資源及評估表現之基準）。

地區資料

本集團外界客戶之所有收益均來自中國，而大部份非流動資產位於中國。本公司為一間於百慕達註冊成立之投資控股公司，而本集團於當地並無任何業務。本集團之主要業務及員工均位於中國，故按香港財務報告準則第8號「經營分部」之規定，就披露目的而言，中國被視為本集團之所在國家。

客戶之所在地區按提供服務或交付貨品之地區而定。非流動資產之所在地區按資產位置而定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENT INFORMATION (continued)

Information about major customers

During the year ended 31 December 2017, approximately HK\$487.1 million or 92% (2016: approximately HK\$628.5 million or 87.4%) of the Group's revenue was derived from two customers (2016: one customer), in which approximately HK\$75.2 million (2016: approximately HK\$17.8 million) was contributed from production and sale of coal operation and approximately HK\$411.9 million (2016: approximately HK\$610.7 million) was contributed from trading of purchased coal operation.

7. FINANCE COSTS

6. 分部資料(續)

主要客戶資料

截至二零一七年十二月三十一日止年度，本集團收入約487,100,000港元或92%(二零一六年：約628,500,000港元或87.4%)來自兩名客戶(二零一六年：一名客戶)，其中約75,200,000港元(二零一六年：約17,800,000港元)由煤炭生產及銷售業務貢獻，約411,900,000港元(二零一六年：約610,700,000港元)由購入煤炭貿易業務貢獻。

7. 財務費用

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
An analysis of finance costs is as follows:	財務費用之分析如下：		
Interests on bank and other loans	銀行貸款之利息開支	39,976	36,085
Bank charges on bills receivable discounted with recourse	有追索權已貼現應收票據之銀行收費	2,360	3,571
		42,336	39,656

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/
(crediting):

8. 除所得稅前虧損

除所得稅前虧損已扣除／(計入):

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Amortisation of mining rights** (note 17)	採礦權攤銷**(附註17)	3,205	6,388
Amortisation of other intangible assets** (note 19)	其他無形資產攤銷**(附註19)	-	16
Auditor's remuneration**	核數師酬金**		
– Audit services	– 審核服務	875	875
– Non-audit services	– 非審核服務	915	775
Cost of inventories recognised as expenses	確認為開支之存貨成本	527,047	681,695
Depreciation* (note 15)	折舊*(附註15)	22,988	36,928
Employee benefits expense (including compensation of key management personnel) (note 11)	僱員福利開支(包括主要管理人 員薪酬)(附註11)	98,318	94,501
Exchange differences, net	匯兌差額淨額	-	(1)
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備之 虧損淨額	2,466	-
Minimum lease payments under operating leases on land, buildings and office equipment**	有關土地、樓宇及辦公室設備之 經營租賃項下最低租賃付款**	1,363	1,581
Provision for reclamation obligations (note 29)	開墾費用撥備(附註29)	2,345	5,884

* Depreciation of approximately HK\$20.7 million (2016: approximately HK\$34.2 million) has been included in cost of sales and approximately HK\$2.3 million (2016: approximately HK\$2.7 million) has been included in administrative expenses in the consolidated income statement.

** Included in administrative expenses in the consolidated income statement.

* 約20,700,000港元(二零一六年:約34,200,000港元)之折舊已計入銷售成本及約2,300,000港元(二零一六年:約2,700,000港元)已計入綜合收益表的行政開支內。

** 已計入綜合收益表的行政開支內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. INCOME TAX CREDIT

No Hong Kong Profits Tax has been provided for the year in the consolidated financial statements as the Group has tax losses brought forward from previous years (2016: Nil).

During the year ended 31 December 2017, corporate income tax arising from operations in the PRC was calculated at the statutory income tax rate of 25% of the estimated assessable profits as determined in accordance with the relevant income tax rules and regulations in the PRC. No corporate income tax has been provided for the year ended 31 December 2017 as there was no assessable profits arising from operations in the PRC during the year.

9. 所得稅抵免

鑒於本集團有自以往年度結轉之稅項虧損，故年內並無就香港利得稅於綜合財務報表作出撥備(二零一六年：無)。

截至二零一七年十二月三十一日止年度，根據中國相關所得稅規則及規例，中國經營業務之企業所得稅乃按估計應課稅溢利之法定所得稅稅率25%計算。截至二零一七年十二月三十一日止年度並無就企業所得稅作出撥備，原因是本年度中國經營並無產生應課稅溢利。

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Current tax – Corporate income tax 即期稅項 – 企業所得稅		
– Under-provision in respect of prior years 一過往年度撥備不足	–	148
Deferred tax 遞延稅項	–	148
– Current year (note 31) 一本年度(附註31)	–	(3,452)
	–	(3,304)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. INCOME TAX CREDIT (continued)

A reconciliation between income tax credit to loss before income tax at applicable tax rates is as follows:

9. 所得稅抵免(續)

所得稅抵免與除所得稅前虧損按適用稅率之對賬如下：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loss before income tax	除所得稅前虧損	(196,614)	(264,330)
Tax on loss before income tax, calculated at the applicable rates in the tax jurisdictions concerned	按相關稅務司法權區適用稅率 計算有關除所得稅前虧損 之稅項	(45,762)	(65,199)
Tax effect of non-taxable income	毋須課稅收入之稅項影響	-	(696)
Tax effect of non-deductible expenses	不可扣稅開支之稅項影響	27,986	42,499
Tax effect of deductible temporary differences not recognised	未確認可抵扣暫時性差異的 稅務影響	(249)	(4,310)
Tax losses not recognised	未確認稅項虧損	18,067	24,309
Utilisation of previously unrecognised tax losses	動用過往未確認稅項虧損	(42)	(55)
Under-provision in respect of prior year	過往年度撥備不足	-	148
Income tax credit	所得稅抵免	-	(3,304)

The share of income tax expense attributable to a joint venture amounting to Nil (2016: Nil) is included in share of results of a joint venture in the consolidated income statement.

一間合營企業應佔所得稅開支為零(二零一六年：零)已計入綜合收益表之「應佔一間合營企業業績」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

10. 本公司擁有人應佔每股虧損

本公司擁有人應佔之每股基本及攤薄虧損乃按以下數據計算：

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share	(178,858)	(236,195)
	2017 Number of shares '000 二零一七年 股份數目 千股	2016 Number of shares '000 二零一六年 股份數目 千股
Number of ordinary shares for the purpose of basic and diluted loss per share	712,674	712,674

There were no dilutive potential ordinary shares during the years ended 31 December 2017 and 2016 and therefore, the amount of diluted loss per share is same as the amount of basic loss per share.

截至二零一七年及二零一六年十二月三十一日止年度並無潛在攤薄普通股，因此每股攤薄虧損金額與每股基本虧損金額相同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

11. EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS REMUNERATION)

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Wages, salaries, allowance and other benefits in kind 工資、薪金、津貼及其他實物利益	71,921	70,350
Retirement benefit scheme contribution defined contribution plans 退休福利計劃供款定額供款計劃	26,397	24,151
	98,318	94,501

At 31 December 2017, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2016: Nil).

於二零一七年十二月三十一日，本集團並無可用於削減未來年度退休金計劃供款之已沒收供款(二零一六年：無)。

12. DIRECTORS' REMUNERATION

The emoluments paid or payable to the directors, disclosed pursuant to the Listing Rules and disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, were as follows:

12. 董事酬金

已付或應付董事酬金(根據上市規則及香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部之規定予以披露)如下：

	Fees HK\$'000 袍金 千港元	Salaries and allowances HK\$'000 薪金及津貼 千港元	Retirement Benefit Scheme Contributions HK\$'000 退休福利 計劃供款 千港元	Total HK\$'000 總計 千港元
2017				
Executive Directors 執行董事				
Wu Jiahong 巫家紅	-	650	18	668
Yang Hua* 楊華*	-	247	7	254
Dong Cunling 董存嶺	-	1,038	-	1,038
Zhou Guangwen 周廣文	-	300	-	300
Chen Xu* 陳旭*	-	240	-	240

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIRECTORS' REMUNERATION (continued)

12. 董事酬金(續)

		Fees HK\$'000	Salaries and allowances HK\$'000	Retirement Benefit Scheme Contributions HK\$'000	Total HK\$'000
		袍金 千港元	薪金及津貼 千港元	退休福利 計劃供款 千港元	總計 千港元
Non-Executive Director	非執行董事				
Li Chunyan	李春彥	300	-	-	300
Independent Non-Executive Directors	獨立非執行董事				
Chen Renbao	陳仁寶	150	-	-	150
Ma Yueyong	馬躍勇	150	-	-	150
Jiang Xiaohui	蔣曉輝	150	-	-	150
		750	2,475	25	3,250

* Yang Hua and Chen Xu resigned as executive directors of the Company with effect from 8 February 2018.

* 楊華及陳旭自二零一八年二月八日起辭任本公司執行董事。

		Fees HK\$'000	Salaries and allowances HK\$'000	Retirement Benefit Scheme Contributions HK\$'000	Total HK\$'000
		袍金 千港元	薪金及津貼 千港元	退休福利 計劃供款 千港元	總計 千港元
2016	二零一六年				
Executive Directors	執行董事				
Wu Jiahong	巫家紅	-	650	18	668
Yang Hua	楊華	-	247	6	253
Dong Cunling	董存嶺	-	1,040	-	1,040
Zhou Guangwen	周廣文	-	300	-	300
Chen Xu	陳旭	-	240	-	240

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIRECTORS' REMUNERATION (continued)

12. 董事酬金(續)

		Fees HK\$'000	Salaries and allowances HK\$'000	Retirement Benefit Scheme Contributions HK\$'000	Total HK\$'000
		袍金 千港元	薪金及津貼 千港元	退休福利 計劃供款 千港元	總計 千港元
Non-Executive Director	非執行董事				
Li Chunyan	李春彥	300	–	–	300
Independent Non-Executive Directors	獨立非執行董事				
Chen Renbao	陳仁寶	150	–	–	150
Ma Yueyong	馬躍勇	150	–	–	150
Jiang Xiaohui	蔣曉輝	150	–	–	150
		750	2,477	24	3,251

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2016: Nil).

年內，本集團概無付予董事任何酬金作為加入本集團或邀請加入本集團時之獎勵或損失職位之補償(二零一六年：無)。

During the year, no share options were granted to the directors in respect of their services to the Group (2016: Nil).

年內，並無就董事為本集團提供服務而授出購股權(二零一六年：無)。

There was no arrangement under which a director or chief executive waived or agreed to waive any remuneration during the year (2016: Nil).

年內，並無訂立任何有關董事或行政總裁放棄或同意放棄任何酬金的安排(二零一六年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

13. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year included four (2016: four) directors whose emoluments are reflected in the analysis presented in note 12. The emoluments payable to the remaining one individual (2016: one individual), whose emolument fall within the salary band of HK\$2,000,001 – HK\$2,500,000, during the year ended 31 December 2017 were as follows:

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Basic salaries, housing benefits, other allowances and benefits in kind	2,080	2,080
Retirement benefit scheme contributions	18	18
	2,098	2,098

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2016: Nil).

During the year ended 31 December 2017, no share options were granted to the remaining one highest paid individual of the Group to subscribe for ordinary shares of the Company (2016: Nil).

The emoluments paid or payable to members of senior management were within the following bands:

	2017 No. of individual 二零一七年 人數	2016 No. of individual 二零一六年 人數
Emolument band		
Nil – HK\$1,000,000	8	8
HK\$1,000,001 – HK\$1,500,000	1	1
HK\$1,500,001 – HK\$2,000,000	–	–
HK\$2,000,001 – HK\$2,500,000	1	1

13. 五名最高薪人士及高級管理層酬金

年內，本集團五名最高薪人士包括四名(二零一六年：四名)董事，彼等之酬金已於附註12呈列之分析反映。其餘一名(二零一六年：一名)人士(其酬金處於2,000,001港元至2,500,000港元薪金區間內)於截至二零一七年十二月三十一日止年度之酬金如下：

年內，本集團並無向五名最高薪人士支付任何酬金作為加入本集團或邀請加入本集團時之獎勵或損失職位之補償(二零一六年：無)。

截至二零一七年十二月三十一日止年度，並無向本集團餘下一名最高薪人士授出購股權以供認購本公司普通股(二零一六年：無)。

已付或應付高級管理層成員之酬金介乎以下範圍：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2017 and 2016, the Company had direct and indirect interests in the following subsidiaries:

14. 於附屬公司之投資

於二零一七年及二零一六年十二月三十一日，本公司於以下附屬公司有直接及間接權益：

Name	Place of incorporation and type of legal entity	Issued and paid up capital	Percentage of ownership interest held by the Company	Place of operation and principal activities
名稱	註冊成立地點及法律實體類型	已發行及繳足股本	本公司所持擁有人權益百分比	經營地點及主要業務
Directly held				
直接持有				
⁽¹⁾ Beat World Limited	Hong Kong, limited liability company	HK\$1	100	Management service in Hong Kong
弘中有限公司	香港，有限責任公司	1港元	100	於香港從事管理服務
⁽²⁾ Clear Interest Limited ("CIL")	British Virgin Island (the "BVI"), limited liability company	US\$200	100	Investment holding in the PRC
	英屬處女群島（「英屬處女群島」），有限責任公司	200美元	100	於中國從事投資控股
⁽³⁾ Star Central Limited	BVI, limited liability company	US\$1	100	Investment holding in Hong Kong
	英屬處女群島，有限責任公司	1美元	100	於香港從事投資控股
⁽⁴⁾ Rosan Clean Energy Development Company Limited	Hong Kong, limited liability company	HK\$10,000	51	Investment holding in Hong Kong
融信清潔能源發展有限公司	香港，有限責任公司	10,000港元	51	於香港從事投資控股
⁽⁵⁾ Xinfa Investments Limited	BVI, limited liability company	US\$1	100	Investment holding in Hong Kong
新發投資有限公司	英屬處女群島，有限責任公司	1美元	100	於香港從事投資控股
⁽⁶⁾ Bermnsa Limited	BVI, limited liability company	US\$1	100	Management service in Hong Kong
	英屬處女群島，有限責任公司	1美元	100	於香港從事管理服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name	Place of incorporation and type of legal entity	Issued and paid up capital	Percentage of ownership interest held by the Company	Place of operation and principal activities
名稱	註冊成立地點及法律實體類型	已發行及繳足股本	本公司所持擁有人權益百分比	經營地點及主要業務
Indirectly held				
間接持有				
(7) Popular Sky Coal Industrial Limited 普天煤業有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	Investment holding in the PRC 於中國從事投資控股
(8) Hong Kong Zhongyuan Energy Co., Limited 香港中原能源有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	Investment holding in the PRC 於中國從事投資控股
(9) Hong Kong Zhongzhou Energy Co., Limited 香港中州能源有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	Investment holding in the PRC 於中國從事投資控股
(10) Highlink Investments Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100 100	Investment holding in Hong Kong 於香港從事投資控股
(11) Alive Investments Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100 100	Investment holding in Hong Kong 於香港從事投資控股
(12) Dynamic Coal Company Limited 合動煤業有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	Investment holding in Hong Kong 於香港從事投資控股
(13) Dynamic Energy Development (Shenzhen) Company Limited# 合動能源開發(深圳)有限公司	PRC, wholly foreign-owned limited liability company 中國·外商獨資有限公司	HK\$20,000,000 20,000,000港元	100 100	Investment holding in the PRC 於中國從事投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name	Place of incorporation and type of legal entity	Issued and paid up capital	Percentage of ownership interest held by the Company	Place of operation and principal activities
名稱	註冊成立地點及法律實體類型	已發行及繳足股本	本公司所持擁有人權益百分比	經營地點及主要業務
(14) Beijing Zhong Yue Heneng Technology Company Limited#	PRC, wholly foreign-owned limited liability company	HK\$160,000,000	100	Investment holding in the PRC
北京中岳和能科技有限 公司	中國·外商獨資有限公司	160,000,000港元	100	於中國從事投資控股
(15) Henan Jinfeng Coal Industrial Group Company Limited# (“Jinfeng”)	PRC, limited liability company	RMB118,000,000	90	Production and sale of coal in the PRC
河南金豐煤業集團有限 公司(「金豐」)	中國·有限責任公司	人民幣 118,000,000元	90	於中國從事煤炭生產及銷售
(16) Shenzhen Zhongzhou Energy Company Limited#	PRC, limited liability company	RMB10,000,000	90	Investment holding in the PRC
深圳市中州能源有限 公司	中國·有限責任公司	人民幣 10,000,000元	90	於中國從事投資控股
(17) Xingyun Coal Industry Company Limited#	PRC, limited liability company	RMB60,000,000	90	Production and sale of coal in
登封市向陽煤業有限 公司	中國·有限責任公司	人民幣 60,000,000元	90	於中國從事煤炭生產及銷售
(18) Xiangyang Coal Industry Company Limited#	PRC, limited liability company	RMB50,000,000	90	Production and sale of coal in the PRC
登封市興運煤業有限 責任公司	中國·有限責任公司	人民幣 50,000,000元	90	於中國從事煤炭生產及銷售

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name	Place of incorporation and type of legal entity	Issued and paid up capital	Percentage of ownership interest held by the Company	Place of operation and principal activities
名稱	註冊成立地點及法律實體類型	已發行及繳足股本	本公司所持擁有人權益百分比	經營地點及主要業務
(19) Zhengzhou Huirui Shangmo Company Limited# 鄭州輝瑞商貿有限公司	PRC, limited liability company 中國·有限責任公司	RMB125,000,000 人民幣 125,000,000元	96	Trading of purchased coal 購入煤炭貿易
(20) Henan Zhongyuan JiuAn Foundation & Investment Co., Ltd.# 河南中原久安創業投資有限公司	PRC, sino-foreign equity joint venture 中國·中外合資企業	RMB272,387,000 人民幣 272,387,000元	100	Investment holding in the PRC 於中國從事投資控股
(21) Beijing Kaisheng Guanhua Investment Company Limited# ("Kaisheng") 北京凱盛冠華投資有限公司(「凱盛」)	PRC, sino-foreign equity joint venture 中國·中外合資企業	RMB80,000,000 人民幣 80,000,000元	91	Project investment, asset management and consultation of investment in the PRC 於中國從事項目投資、資產管理及投資諮詢
#	For identification purpose only	#		僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings and mining structures HK\$'000	Plant and machineries HK\$'000	Mining related machinery and equipment HK\$'000	Furniture, fixtures, equipment and leasehold improvement HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
		樓宇及 煤礦建築物 千港元	廠房及機器 千港元	採礦相關 機器及設備 千港元	傢俬、裝置、 設備及 租賃物業裝修 千港元	汽車 千港元	在建工程 千港元	總計 千港元
Year ended 31 December 2016 截至二零一六年十二月三十一日								
	止年度							
Opening net book value	年初賬面淨值	277,770	7,202	70,430	3,192	-	14,348	372,942
Currency translation differences	貨幣換算差額	(15,219)	(376)	(3,520)	(178)	-	(760)	(20,053)
Additions	添置	509	4	1,135	-	-	1,315	2,963
Transfer	轉讓	-	-	2,729	-	-	(2,729)	-
Derecognition on disposal of a subsidiary	出售一間附屬公司時終止確認	-	(337)	-	(20)	-	-	(357)
Impairment loss	減值虧損	(46,553)	(1,159)	(10,147)	(540)	-	(2,369)	(60,768)
Depreciation	折舊	(19,312)	(534)	(17,015)	(67)	-	-	(36,928)
Closing net book value	年終賬面淨值	197,195	4,800	43,613	2,386	-	9,805	257,799
As at 31 December 2016 於二零一六年十二月三十一日								
Cost	成本	495,161	26,095	197,217	10,581	22,946	14,863	766,863
Accumulated depreciation	累計折舊	(124,269)	(17,187)	(108,524)	(6,398)	(22,643)	-	(279,021)
Accumulated impairment loss	累計減值虧損	(173,697)	(4,108)	(45,080)	(1,797)	(303)	(5,058)	(230,043)
Net book value	賬面淨值	197,195	4,800	43,613	2,386	-	9,805	257,799
Year ended 31 December 2017 截至二零一七年十二月三十一日								
	止年度							
Opening net book value	年初賬面淨值	197,195	4,800	43,613	2,386	-	9,805	257,799
Currency translation differences	貨幣換算差額	14,269	379	2,772	185	-	323	17,928
Additions	添置	214	334	1,489	374	97	2,882	5,390
Transfer	轉讓	12,161	298	551	-	-	(13,010)	-
Disposal	出售	(1,243)	(2)	(1,755)	-	(94)	-	(3,094)
Impairment loss	減值虧損	(13,187)	(68)	(2,601)	(46)	-	-	(15,902)
Depreciation	折舊	(12,406)	(147)	(10,229)	(203)	(3)	-	(22,988)
Closing net book value	年終賬面淨值	197,003	5,594	33,840	2,696	-	-	239,133
As at 31 December 2017 於二零一七年十二月三十一日								
Cost	成本	542,792	28,683	206,903	11,770	23,804	-	813,952
Accumulated depreciation	累計折舊	(145,240)	(18,600)	(121,869)	(7,093)	(23,478)	-	(316,280)
Accumulated impairment loss	減值虧損	(200,549)	(4,489)	(51,194)	(1,981)	(326)	-	(258,539)
Net book value	賬面淨值	197,003	5,594	33,840	2,696	-	-	239,133

Provision for impairment of approximately HK\$15.9 million (2016: approximately HK\$60.8 million) has been made during the year ended 31 December 2017 for those property, plant and equipment within the CGU of production and sale of coal (note 18).

截至二零一七年十二月三十一日止年度，已於生產及銷售煤炭的現金產生單位就該等物業、廠房及設備作出減值撥備約15,900,000港元(二零一六年：約60,800,000港元)(附註18)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

(continued)

As at 31 December 2017, property, plant and equipment with carrying amount of approximately HK\$21.0 million (2016: Nil) have been pledged to secure other loans (note 30).

16. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

At beginning and end of the year	於年初及年末
Gross carrying amount	賬面總值
Accumulated impairment loss	累計減值虧損
Net carrying amount	賬面淨值

Goodwill arising in prior years related to the acquisitions of CIL and its subsidiaries for the CGU of production and sale of coal and Huirui for the CGU of trading of purchase coal, respectively. Goodwill arise from these acquisitions have been fully impaired in the previous years and the differences between the years solely represent the realignment of exchange differences.

15. 物業、廠房及設備(續)

於二零一七年十二月三十一日，賬面值約21,000,000港元(二零一六年：無)的物業、廠房及設備已抵押，以擔保其他貸款(附註30)。

16. 商譽

商譽賬面淨值可分析如下：

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
259,690	241,449
(259,690)	(241,449)
-	-

過往年度產生的商譽分別涉及就煤炭生產及銷售收購CIL及其附屬公司以及就購入煤炭貿易收購輝瑞。因該等收購產生的商譽已於過往年度完全減值，各年度之間的差異完全為匯兌差額調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

17. MINING RIGHTS

17. 採礦權

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Cost	成本		
At 1 January	於一月一日	659,940	705,635
Currency translation differences	貨幣換算差額	49,856	(45,695)
		709,796	659,940
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	(117,791)	(119,421)
Amortisation for the year	年內攤銷	(3,205)	(6,388)
Currency translation differences	貨幣換算差額	(9,030)	8,018
		(130,026)	(117,791)
Accumulated impairment loss	累計減值虧損		
At 1 January	於一月一日	(223,996)	(173,852)
Impairment loss for the year	年內減值虧損	(11,830)	(64,274)
Currency translation differences	貨幣換算差額	(17,409)	14,130
		(253,235)	(223,996)
Net carrying amount	賬面淨值	326,535	318,153

As of 31 December 2017, the Group has 5 (2016: 5) coal mining rights in Dengfeng City, Zhengzhou, the PRC. Amongst these mining rights, one coal mine had been fully impaired in 2015. The Group has not applied to renew one of its mining rights ("Xiaohu Coal Mine No. 3") since the expiry date, taken into account that its productivity is low and scale is small, full impairment amounting to approximately HK\$7.8 million has been provided by the Group for the year ended 31 December 2017. Impairment loss was also recognised on the related property, plant and equipment of Xiaohu Coal Mine No.3 amounting to approximately HK\$13.0 million as at 31 December 2017.

於二零一七年十二月三十一日，本集團在中國鄭州登封市有5項（二零一六年：5項）採煤權。該等採礦權中，一個煤礦已於二零一五年完全減值。其中一項採礦權（「小河三礦」）到期後，本集團未申請續期。鑒於其生產效率低、規模小，截至二零一七年十二月三十一日止年度本集團已就其計提全部減值約7,800,000港元。於二零一七年十二月三十一日，亦就小河三礦的相關物業、廠房及設備確認約13,000,000港元的減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

17. MINING RIGHTS (continued)

The remaining 3 coal mining rights with the aggregate carrying amount of approximately HK\$326.5 million will be expired from August 2018 to January 2023. In the opinion of the directors of the Company, with reference to the legal opinion received by the management, there should be no legal barrier for the Group to renew such mining rights and that renewals can be obtained for indefinite times period at minimal cost.

For the year ended 31 December 2017, provision for impairment of mining rights amounting to approximately HK\$11.8 million (2016: approximately HK\$64.3 million) has been made by the Group's management. Particulars of impairment testing of mining rights are set out in note 18.

As at 31 December 2017, mining rights with carrying amounts of approximately HK\$326.5 million (equivalent to approximately RMB271.9 million) (2016: approximately HK\$310.6 million (equivalent to approximately RMB278.2 million)) have been pledged to banks to secure the Group's bank loans as included in the asset-backed financing (note 30).

17. 採礦權(續)

餘下總賬面值約326,500,000港元的3份採煤權將於二零一八年八月至二零二三年一月間到期。參考管理層收到的法律意見，本公司董事認為，本集團續期其開採礦權應該不存在法律障礙，且能按極低成本無限取得續期。

截至二零一七年十二月三十一日止年度，本集團管理層已作出採礦權減值撥備約11,800,000港元(二零一六年：約64,300,000港元)。採礦權減值測試的詳情載於附註18。

於二零一七年十二月三十一日，賬面值約326,500,000港元(相當於約人民幣271,900,000元)(二零一六年：約310,600,000港元(相當於約人民幣278,200,000元))的採礦權已抵押予銀行，以擔保本集團的銀行貸款(包括在資產支持融資內)(附註30)。

18. IMPAIRMENT TESTING ON MINING RIGHTS AND PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2017, the recoverable amount of the CGU was determined using fair value less costs of disposal, which was based on income approach using a cash flow projection covering a detailed five-year budget plan, followed by an extrapolation of discounted cash flows by reference to the actual selling price and the average market coal price with similar heating power in the PRC with adjustments, where necessary, to reflect the differences. In determining the recoverable amount of the Group's CGU, the directors of the Company have taken account of the coal reserves of the mines after deducting the cumulative amounts of coal already extracted and sold. Accordingly, as the Group depletes its coal reserves, the recoverable amount of its CGU will also decrease. In the opinion of the directors, all coal mines owned by the Group are collectively regard as a single CGU.

Taking into account that the low productivity and small scale of Xiaohe Coal Mine No.3, full impairment losses of approximately HK\$7.8 million and approximately HK\$13.0 million were recognised on the mining rights and related property, plant and equipment respectively for the year ended 31 December 2017.

In addition, the recoverable amount of the CGU is less than the carrying amount of the CGU. As a result, the Group made further impairment loss of approximately HK\$2.9 million (2016: approximately HK\$60.8 million) and approximately HK\$4.0 million (2016: approximately HK\$64.3 million) on the property, plant and equipment and the mining rights respectively associated with this CGU (notes 15 and 17 respectively). The impairment loss is allocated according to the carrying amounts of property, plant and equipment and mining rights.

Fair value hierarchy

An independent valuation was performed by the valuer, Asset Appraisal Limited (2016: Asset Appraisal Limited), to determine the fair value less costs of disposal of the CGU of production and sale of coal as at 31 December 2017. The impairment losses are included in consolidated income statement. The fair value measurement of the CGU is classified as a Level 3 fair value measurement.

18. 採礦權及物業、廠房及設備的減值測試

於二零一七年十二月三十一日，現金產生單位之可收回金額參考中國類似熱能之煤炭之實際售價及平均市場價格（並作出必要調整以反映差別），按照公平值減出售成本計算（基於收入法，使用涵蓋一項詳盡之五年預算計劃的現金流預測），然後就折現現金流量作出推算而釐定。於釐定本集團之現金產生單位之可收回金額時，本公司董事已考慮到煤礦之煤儲量，並減去已開採及出售之累計煤量。故此，隨著本集團耗用其煤儲量，其現金產生單位之可收回金額亦會減少。董事認為，本集團擁有的所有煤礦共同被視為一個現金產生單位。

鑒於小河三礦生產效率低且規模小，截至二零一七年十二月三十一日止年度已就採礦權及相關物業、廠房及設備計提全部減值虧損分別約7,800,000港元及約13,000,000港元。

此外，現金產生單位的可收回金額低於現金產生單位的賬面值。因此，本集團分別就與該現金產生單位相關的物業、廠房及設備及採礦權進一步作出減值虧損約2,900,000港元（二零一六年：約60,800,000港元）及約4,000,000港元（二零一六年：約64,300,000港元）（分別見附註15及17）。減值虧損根據物業、廠房及設備及採礦權的賬面值分配。

公平值級別

估值師中誠達資產評估顧問有限公司（二零一六年：中誠達資產評估顧問有限公司）已進行一次獨立估值，以釐定生產及銷售煤炭之現金產生單位於二零一七年十二月三十一日之公平值減出售成本。減值虧損已計入綜合收益表內。現金產生單位的公平值計量分類為第三級公平值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

18. IMPAIRMENT TESTING ON MINING RIGHTS AND PROPERTY, PLANT AND EQUIPMENT (continued)

Valuation processes of the Group

The Group's CGU were valued as at 31 December 2017 by independent professionally qualified valuer, Asset Appraisal Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors and have recent experience in the valuation of mining industries.

The Group's finance department, which directly reports to the chief financial officer, reviewed the valuations performed by the independent valuer for financial reporting purposes, which is determined based on the cash flow projection prepared by the management. The finance department holds discussions with the independent valuer on the valuation assumptions and valuation results.

Management's key assumptions were used in the determination of recoverable amount of the CGU for the year ended 31 December 2017. The following described each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Net profit margins – Management determined net profit margin based on past experience in this market and its expectations for market development.

Discount rate – The discount rate reflects specific risks relating to the mining industry.

Forecast price of coal are based on the actual selling price and average market coal price with similar heating power in the PRC with adjustments, where necessary, to reflect the differences.

Sales and production volumes – Estimated production volumes are based on detailed life-of-mine plans and take into account development plans for the mines established by management as part of the long-term planning process. Production volumes are dependent on a number of variables, such as the recoverable quantities, the production profile, the cost of the development of the infrastructure necessary to extract the reserves, the production costs, the contractual duration of mining rights and the selling price of coal.

18. 採礦權及物業、廠房及設備的減值測試(續)

本集團之估值程序

本集團之現金產生單位於二零一七年十二月三十一日由獨立專業合資格估值師中誠達資產評估顧問有限公司進行估值，該公司職員為香港測量師學會成員，且具備採礦行業評估之近期經驗。

就財務報告目的而言，本集團之財務部門(直接向財務總監匯報)審閱獨立估值師進行之估值(基於管理層編製的現金流預測釐定)。財務部就估值假設及估值結果與獨立估值師進行討論。

釐定截至二零一七年十二月三十一日止年度現金產生單位之可收回金額減出售成本時，管理層已採用主要假設。下文描述管理層在進行商譽減值測試時對其現金流量預測採用之各項主要假設。

淨利潤率 – 管理層按過往市場經驗及其對市場發展之預期釐定淨利潤率。

折現率 – 折現率反映有關煤礦業之特定風險。

煤炭預測價格基於實際售價及中國類似熱能的平均市場煤炭價格，並在必要時作出調整，以反映差異。

銷量及產量 – 估計產量基於詳細的礦山壽命計劃，考慮管理層作為長期規劃程序一部分而制定的煤礦發展計劃。產量取決於多項可變因素，如可開採數量、生產狀況、開採儲量所需基礎設施的開發成本、生產成本、採礦權的合約期限及煤炭售價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

18. IMPAIRMENT TESTING ON MINING RIGHTS AND PROPERTY, PLANT AND EQUIPMENT (continued)

Valuation processes of the Group (continued)

The discount rate and growth rates on the estimated selling price used to extrapolate in the cash flow projection are shown as below:

18. 採礦權及物業、廠房及設備的減值測試(續)

本集團之估值程序(續)

現金流量預測中推斷使用之折現率及增長率如下：

		2017 二零一七年	2016 二零一六年
Growth rate on the estimated selling price of coal	估計售價的增長率	2.6% Per annum 每年	2.9% per annum 每年
Growth rate on sales and production volumes of coal	煤炭銷售及生產量增長率	3.3% Per annum 每年	3.7% per annum 每年
Discount rate	折現率	13.93% Per annum 每年	14.59% Per annum 每年

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. OTHER INTANGIBLE ASSETS

19. 其他無形資產

		Computer software licence 電腦軟件使用權	
		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
At 1 January	於一月一日		
Gross carrying amount	賬面總值	1,891	1,891
Accumulated amortisation	累計攤銷	(1,891)	(1,875)
Net carrying amount	賬面淨值	-	16
Net carrying amount at 1 January	於一月一日之賬面淨值	-	16
Amortisation	攤銷	-	(16)
Net carrying amount at 31 December	於十二月三十一日之 賬面淨值	-	-
At 31 December	於十二月三十一日		
Gross carrying amount	賬面總值	1,891	1,891
Accumulated amortisation	累計攤銷	(1,891)	(1,891)
Net carrying amount	賬面淨值	-	-

20. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

20. 於聯營公司之權益及應付一間聯營公司款項

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Interest in associates – Share of net assets	於聯營公司之權益 – 應佔資產淨值	101,938	97,775
Amount due to an associate*	應付一間聯營公司款項*	99,589	92,593

* Amount due to an associate is unsecured, interest-free and repayable after twelve months from the reporting date and are therefore shown in the consolidated statement of financial position as non-current.

* 應付一間聯營公司款項為無抵押、免息及須於報告日期起十二個月後償還，因此在本綜合財務狀況表中列為非流動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

20. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

The particulars of the associates of the Group as at the end of the reporting period were as follows:

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Particulars of registered capital 註冊資本詳情		Percentage of voting right held by the Group 本集團所持投票權百分比		Attributable equity interests to the Group 本集團應佔之股本權益		Place of operation and principal activities 經營地點及主要業務
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
(1) Beijing Zhaohua Hefu Investment Management Limited* (北京兆華合富投資管理有限公司) (“Zhaohua Hefu”) 北京兆華合富投資管理有限公司 (「兆華合富」)	the PRC, limited liability company 中國·有限責任公司	RMB2,000,000 人民幣 2,000,000元	RMB2,000,000 人民幣 2,000,000元	25% 25%	25% 25%	25% 25%	25% 25%	Investment management, asset management and consultation of investment in the PRC 於中國從事投資管理、資產管理及投資諮詢
(2) Beijing Shuozhan Zhongfu Investment Centre(Limited Partnership)* (北京碩展中富投資中心(有限合夥)) (the “Partnership”) (Note) 北京碩展中富投資中心(有限合夥) (「合夥企業」) (附註)	the PRC, limited partnership 中國·有限合夥企業	RMB100,000,000 人民幣 100,000,000元	RMB100,000,000 人民幣 100,000,000元	33% 33%	33% 33%	99% 99%	99% 99%	Project investment, investment management, assets management and consultation service in the PRC 於中國從事項目投資、投資管理、資產管理及諮詢服務

* For identification purpose only

Note:

Pursuant to the partnership agreements entered into in May 2012 and June 2012, the general partner of the Partnership is Zhaohua Hefu (the “General Partner”), which is an associate of the Group, owns 1% of the equity interest of the Partnership. The General Partner is responsible for management and control of the business of the Partnership through the power to appoint two-third of the committee member of the investment committee while Kaisheng, the limited partner of the Partnership, possesses significant influence over the operating and financial policies of the Partnership through the power to appoint the remaining one-third of committee member of the investment committee. As abovementioned, although the Group owned 99% equity interest in the Partnership, the Group only possess significant influence over the operating and financial policies of the Partnership, therefore, the investment has been classified as interests in associates in the consolidated statement of financial position as at the reporting date.

20. 於聯營公司之權益及應付一間聯營公司款項(續)

於報告期末，本集團聯營公司之詳情如下：

僅供識別

附註：

根據於二零一二年五月及二零一二年六月訂立之合夥協議，合夥企業之普通合夥人為兆華合富(「普通合夥人」)，其為本集團之聯營公司並擁有合夥企業1%股權。普通合夥人須透過委任投資委員會三分之二成員的權力負責管理及監控合夥企業之業務，而凱盛(合夥企業之有限合夥人)則通過委任投資委員會餘下三分之一成員的權力。對合夥企業之經營及財務政策產生重大影響力。如上所述，儘管本集團擁有合夥企業99%股權，本集團僅對合夥企業之經營及財務政策擁有重大影響力，故此，投資於報告日期於綜合財務狀況表內歸類為於聯營公司之權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

20. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

The following illustrates the summarised financial information of the Group's material associate, the Partnership, extracted from its management accounts which have been adjusted to ensure consistency in accounting policies adopted by the Group.

20. 於聯營公司之權益及應付一間聯營公司款項(續)

以下為本集團重大聯營公司(即合夥企業)之財務資料概要,乃摘錄自其管理賬目(已作調整以確保與本集團採納之會計政策一致)。

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
As at 31 December	於十二月三十一日		
Non-current assets	非流動資產	109,016	102,611
Current liabilities	流動負債	(8,702)	(5,827)
Year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	-	-
Loss for the year	年內虧損	(2,341)	(2,380)
Total comprehensive loss for the year	年內全面虧損總額	(3,633)	(5,544)

Reconciliation of the above summarised financial information to the carrying amount of the interests in the associates recognised in the consolidated financial statements:

以上概述的財務資料與綜合財務報表所確認於聯營公司的權益賬面值的對賬如下:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Net assets of the associate	聯營公司之淨資產	100,314	96,784
Group's interest in the associate	本集團於聯營公司之權益	99%	99%
Carrying amount of the Group's interest in the associate	本集團於聯營公司之權益之賬面值	99,310	95,816

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

20. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

The summarised financial information of Zhaohua Hefu, which is an immaterial associate of the Group is set out below:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Year ended 31 December	截至十二月三十一日止年度		
The Group's share of profit for the year	本集團應佔年內溢利	504	319
The Group's share of comprehensive Income for the year	本集團應佔年內全面收入	500	311

21. INTEREST IN A JOINT VENTURE

20. 於聯營公司之權益及應付一間聯營公司款項(續)

有關兆華合富(為本集團之不重要聯營公司)之財務資料概要載列如下:

21. 於一間合營企業之權益

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Share of net assets	應佔資產淨值	6,248	5,779

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

21. INTEREST IN A JOINT VENTURE (continued)

The particulars of the joint venture of the Group as at 31 December 2017 were set out as below:

Name	Place of incorporation and type of legal entity	Particulars of registered capital	Percentage of issued capital held by the Group 本集團所持 已發行股本 百分比	Place of operation and principal activities 經營地點及 主要業務
名稱	註冊成立地點及 法律實體類型	註冊資本詳情		
Henan Chalco Li Chuang Resources Company Limited# ("Henan Chalco") (Note)	PRC, other limited liability company	RMB10,000,000	51%	Sale of alumina in the PRC
河南中鋁立創礦業有限公司(「河南中鋁」) (附註)	中國, 其他有限責任公司	人民幣 10,000,000元	51%	於中國銷售氧化鋁

For identification purpose only

Note: Although the Group owned 51% equity interest in Henan Chalco, the Group and the other shareholder of Henan Chalco have joint control over Henan Chalco and none of the participating parties have unilateral control over the economic activity pursuant to the joint venture agreement entered into in July 2012. Therefore, the Group classified the investment in Henan Chalco as a joint venture as at the reporting date.

21. 於一間合營企業之權益(續)

於二零一七年十二月三十一日, 本集團合營企業之詳情如下:

Particulars of registered capital	Percentage of issued capital held by the Group 本集團所持 已發行股本 百分比	Place of operation and principal activities 經營地點及 主要業務
註冊資本詳情		
RMB10,000,000	51%	Sale of alumina in the PRC
人民幣 10,000,000元	51%	於中國銷售氧化鋁

僅供識別

附註: 儘管本集團擁有河南中鋁51%權益, 但本集團及河南中鋁之其他股東對河南中鋁有共同控制權, 根據二零一二年七月訂立之合營協議, 概無參與方就經濟活動有單方面控制權。因此, 於報告日期, 本集團將河南中鋁之投資分類為合營企業。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

21. INTEREST IN A JOINT VENTURE (continued)

Set out below is the summarised financial information for Henan Chalco which was accounted for using the equity method:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
As at 31 December	於十二月三十一日		
Current assets	流動資產	12,251	11,943
Current liabilities	流動負債	-	(612)
Included in the above amounts are:	上述金額包括：		
Cash and cash equivalents	現金及現金等值項目	8,137	7,503
Year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	-	1,298
Profit/(loss) for the year	年內溢利／(虧損)	61	(265)
Total comprehensive income/(loss)	全面收入／(虧損)總額	61	(265)
Included in the above amounts are:	上述金額包括：		
Depreciation	折舊	-	2
Interest income	利息收入	74	103
Income tax expense	所得稅開支	-	5

There were no contingent liability or other commitments relating the Group's interest in its joint venture.

21. 於一間合營企業之權益(續)

河南中鋁(以權益法入賬)之財務資料概述如下：

本集團並無就其合營企業產生任何或然負債或其他承擔。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

21. INTEREST IN A JOINT VENTURE (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Net assets of the joint venture	合營企業資產淨額	12,251	11,331
Group's interest in the joint venture	本集團於合營企業之權益	51%	51%
Carrying amount of the Group's interest in the joint venture	本集團於合營企業之權益之賬面值	6,248	5,779

21. 於一間合營企業之權益(續)

以上概述的財務資料與綜合財務報表所確認於一間合營企業的權益賬面值的對賬如下：

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Non-current	非流動
Unlisted equity securities	非上市股本證券

As at 31 December 2017 and 2016, the unlisted equity investments were stated at cost less any identified impairment because the range of reasonable fair value estimates was so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

22. 可供出售金融資產

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Unlisted equity securities	710	660

於二零一七及二零一六年十二月三十一日，該等非上市證券按成本減去任何已識別減值計量，原因是公平值合理估計的範圍過大，本公司董事認為其公平值無法可靠計量。

23. INVENTORIES

Coal	煤
Spare parts and consumables	零件及耗材

23. 存貨

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Coal	12,013	1,570
Spare parts and consumables	2,043	2,034
	14,056	3,604

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

24. ACCOUNTS AND BILLS RECEIVABLES

24. 應收賬款及票據

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Accounts receivable	應收賬款	257,700	207,945
Bills receivable	應收票據	-	2,553
		257,700	210,498
Less: Provision for impairment	減：減值撥備	(36,360)	(33,806)
		221,340	176,692

During the prior and the current years, the Group discounted part of its trade debtors with full recourse to a financial institution. In the event of default by the debtors, the Group is obliged to pay the financial institution the amount in default. Interest is charged at a range from 3.2% to 4.4% (2016: 2.9% to 4.4%) per annum on the proceeds received from the financial institution until the day the debtors pay. The Group is therefore exposed to the risks of credit losses and late payment in respect of the discounted debts.

The discounting transactions do not meet the requirements in HKAS 39 for derecognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted trade debts. At 31 December 2017, trade debtors of approximately HK\$195.7 million (2016: HK\$131.2 million) continue to be recognised in the Group's consolidated financial statements even though they have been legally transferred to the financial institution. The proceeds of the discounting transactions are included in borrowings as asset-backed financing (note 30) until the trade debts are collected or the Group settles any losses suffered by the financial institution. At 31 December 2017, the asset-backed financial liability amounted to approximately HK\$167.9 million (2016: approximately HK\$138.3 million). The carrying amount of the transferred assets and their associated liabilities approximates their fair values in both 2017 and 2016.

Because the trade debts have been transferred to the financial institution legally, the Group did not have the authority to determine the disposition of the trade debts.

於本年度及過往年度，本集團將其具有追索權的應收賬款部分貼現予一家金融機構。如債務人違約，本集團有義務向該金融機構支付違約金額。利息就從該金融機構收到的款項按介乎每年3.2%至4.4%（二零一六年：2.9%至4.4%）收取，直至債務人還款為止。因此，本集團就已貼現債務面臨信貸損失及逾期風險。

貼現交易不符合香港會計準則第39號終止確認金融資產的規定，原因是本集團保留已貼現應收賬款的絕大部分風險及回報。於二零一七年十二月三十一日，應收賬款約195,700,000港元（二零一六年：131,200,000港元）繼續於本集團綜合財務報表中確認，儘管在法律上已轉讓予該金融機構。貼現交易所得款項作為資產支持融資（附註30）計入借貸，直到應收賬款已收回或本集團結算該金融機構受到的任何損失為止。於二零一七年十二月三十一日，資產支持金融負債約167,900,000港元（二零一六年：約138,300,000港元）。於二零一七年及二零一六年，所轉讓資產及相關負債的賬面值與其公平值相若。

由於應收賬款已合法轉讓予該金融機構，本集團不再有權決定應收賬款的狀況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

24. ACCOUNTS AND BILLS RECEIVABLES

(continued)

The Group's sales are billed to customers according to the terms of the relevant agreements. Normally, credit periods ranging from 30 to 180 days (2016: 30 to 180 days) are allowed to certain customers. The ageing analysis of the accounts receivable of the Group, net of provision for impairment, based on the invoice dates is as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
0 – 90 days	0至90日	88,074	165,226
91 – 180 days	91至180日	109,332	4,360
181 – 365 days	181至365日	–	3,995
Over 365 days	超過365日	23,934	558
		221,340	174,139

Ageing analysis of the Group's accounts receivable net of provision for impairment, is as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Neither past due nor impaired	未逾期且未減值	195,221	169,586
Past due for less than 3 months	逾期少於三個月	2,184	3,995
Past due for more than 3 months but less than 6 months	逾期三個月以上但少於六個月	–	558
Past due for more than 6 months but less than 1 year	逾期六個月以上但少於一年	19,353	–
Past due for more than 1 year	逾期一年以上	4,582	–
		221,340	174,139

24. 應收賬款及票據(續)

本集團根據有關協議條款向客戶開具銷售發票。向若干客戶准許之信貸期一般介乎30日至180日(二零一六年: 30日至180日)。於報告日期,本集團之應收賬款(扣除減值撥備)按發票日期計算之賬齡分析如下:

本集團之應收賬款(扣除減值撥備)之賬齡分析如下:

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

24. ACCOUNTS AND BILLS RECEIVABLES

(continued)

Movements in the allowance for impairment of accounts receivable are as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
At 1 January	於一月一日	33,806	15,260
Impairment loss on accounts receivable	應收賬款之減值虧損	-	20,448
Currency translation differences	貨幣換算差額	2,554	(1,902)
At 31 December	於十二月三十一日	36,360	33,806

At each reporting date, the Group reviews accounts receivable for evidence of impairment on an individual and collective bases. As at 31 December 2017, the Group determined accounts receivable of approximately HK\$36.4 million as individually impaired (2016: approximately HK\$33.8 million). No impairment loss has been recognised in the consolidated income statement during the year (2016: impairment loss of approximately HK\$20.4 million).

Accounts receivable that were neither past due nor impaired related to customers for whom there was no recent history of default.

Accounts receivable that were past due but not impaired related to customers that had been the Group's customers for more than 1 year and had a good track record of credit with the Group with no history of default in the past. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of accounts receivable past due but not impaired.

24. 應收賬款及票據(續)

應收賬款減值撥備變動如下：

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
At 1 January	33,806	15,260
Impairment loss on accounts receivable	-	20,448
Currency translation differences	2,554	(1,902)
At 31 December	36,360	33,806

於各報告日期，本集團按個別及集體基準檢討應收賬款是否出現減值跡象。於二零一七年十二月三十一日，本集團釐定個別減值之應收賬款約36,400,000港元(二零一六年：約33,800,000港元)。年內概無減值虧損於綜合收益表確認(二零一六年：減值虧損約20,400,000港元)。

未逾期且未減值之應收賬款與近期無欠款記錄之客戶有關。

已逾期但未減值之應收賬款涉及為本集團客戶超過1年、與本集團有良好往績信用記錄，且過往並無拖欠歷史之客戶。根據過往信用記錄，鑑於信用質素並無發生重大變動，且結餘仍被視為將可全額收回，管理層相信無須就該等結餘作出任何減值撥備。本集團未就該等已過期但未減值之應收賬款持有任何抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

25. 預付款項、按金及其他應收款項

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Prepayments	預付款項	5,078	1,300
Deposits	已付按金	334,933	260,230
Other receivables	其他應收款項	89,084	138,365
		429,095	399,895
Provision for impairment	減值撥備	(49,806)	(46,479)
		379,289	353,416

The balances of deposits included approximately HK\$282.1 million (2016: approximately HK\$260.2 million) paid to Henan Jiatuo Coal Trading Company Limited* (河南嘉拓煤炭運銷有限公司), the major supplier under the “trading of purchased coal” operation (the “Major Supplier”), as deposits for purchase of trading coal in the subsequent period. Since no transaction with the Major Supplier from November 2017 as the Group sourced the coal supplies from other suppliers and accordingly, the deposits were fully refunded to the Group subsequent to the reporting date in March 2018.

As at 31 December 2017, the remaining balances of deposits mainly comprise of approximately HK\$52.5 million (2016: nil) cash advanced to Henan Yulian Energy Group Company Limited* (河南豫聯能源集團有限公司) (“Yulian”) for potential purchasing coal in subsequent period. In the opinion of the directors of the Company, Yulian is an independent third party. The transaction has not been carried out eventually, and the balance was fully refunded to the Group subsequently.

按金餘額包括已支付予河南嘉拓煤炭運銷有限公司(為「購入煤炭貿易」業務的主要供應商(「主要供應商」))，作為隨後期間購買貿易煤炭的按金約282,100,000港元(二零一六年：約260,200,000港元)。自二零一七年十一月起並無與主要供應商進行交易，原因是本集團已從其他供應商採購煤炭供應，因此，按金已於報告日期後於二零一八年三月後悉數退還予本集團。

於二零一七年十二月三十一日的按金餘額主要包括就可能於隨後期間採購煤炭而支付予河南豫聯能源集團有限公司(「豫聯」)的約52,500,000港元(二零一六年：無)。本公司董事認為，豫聯為獨立第三方。交易最終未進行，該餘額已於期後悉數退還予本集團。

For identification purpose only

* 僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Movement in the allowance for impairment of prepayments, deposits and other receivables is as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
At 1 January	於一月一日	46,479	50,639
Impairment loss	減值虧損	455	2,337
Disposal of a subsidiary	出售一間附屬公司	-	(1,010)
Reversal of impairment loss	撥回減值虧損	-	(2,888)
Currency translation differences	匯兌差額	2,872	(2,599)
At 31 December	於十二月三十一日	49,806	46,479

At each reporting date, the Group reviews prepayments, deposits and other receivables for evidence of impairment on an individual and collective bases. As at 31 December 2017, due to the significant financial difficulties of several counterparties, the Group determined deposits and other receivables of approximately HK\$49.8 million as individually impaired (2016: approximately HK\$46.5 million). Impairment loss of approximately HK\$0.5 million (2016: approximately HK\$2.3 million) has been recognised in the consolidated income statement during the year. In the opinion of the directors, the remaining balance not impaired related to customers which have no history of default and creditworthy, therefore they believe that no impairment allowance is necessary in respect of these balances and considered these balances are to be fully recoverable.

25. 預付款項、按金及其他應收款項(續)

預付款項、按金及其他應收款項減值撥備變動如下：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
At 1 January	於一月一日	46,479	50,639
Impairment loss	減值虧損	455	2,337
Disposal of a subsidiary	出售一間附屬公司	-	(1,010)
Reversal of impairment loss	撥回減值虧損	-	(2,888)
Currency translation differences	匯兌差額	2,872	(2,599)
At 31 December	於十二月三十一日	49,806	46,479

於各報告日期，本集團按個別及集體基準檢討預付款項、按金及其他應收款項是否出現減值跡象。於二零一七年十二月三十一日，由於數名對手方出現嚴重財務困難，本集團確定個別減值之按金及其他應收款項約49,800,000港元(二零一六年：約46,500,000港元)。年內已在綜合收益表確認約500,000港元(二零一六年：約2,300,000港元)之減值虧損。董事認為，未減值餘額涉及並無拖欠歷史且信譽可靠的客戶，因此董事相信毋須就該等餘額作出減值撥備，並認為該等餘額可完全收回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

26. PLEDGED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Pledged bank deposits

The effective interest rates of the pledged bank deposits are at 3.95% (2016: 4.18%) per annum. As at 31 December 2017 and 2016, pledged bank deposits are used to secured bills payables of the Group as at 31 December 2017 (note 27).

(b) Cash and cash equivalents

As at 31 December 2017, included in cash and cash equivalents of the Group is approximately HK\$150.3 million (2016: approximately HK\$176.1 million) of bank balances denominated in RMB placed with the banks in the PRC. RMB is not a freely convertible currency; however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through the banks authorised to conduct foreign exchange business in the PRC.

26. 已抵押銀行存款、現金及現金等值項目及其他現金流量資料

(a) 已抵押銀行存款

已抵押銀行存款的實際利率為每年3.95% (二零一六年: 4.18%)。於二零一七及二零一六年十二月三十一日, 已抵押銀行存款用於擔保本集團於二零一七年十二月三十一日的應付票據(附註27)。

(b) 現金及現金等值項目

於二零一七年十二月三十一日, 本集團現金及現金等值項目包括以人民幣列賬並存放於國內銀行之銀行結餘約150,300,000港元 (二零一六年: 約176,100,000港元)。人民幣並非可自由匯兌之貨幣; 然而, 根據中國之外匯管制條例及結匯、售匯及付匯管理規定, 本集團獲准許透過中國獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

26. PLEDGED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(c) Reconciliation of liabilities from financing activities

The table below details changes in the Group's major liabilities from financing activities, including both cash and non-cash changes.

26. 已抵押銀行存款、現金及現金等值項目(續)

(c) 融資活動所產生的負債對賬

下表詳述本集團融資活動所產生的主要負債變動，包括現金流量及非現金流量導致的變動。

		Bank and other loans (Note 30)	Loans from a director (Note 28)	Loans from Mr. Bao, a substantial shareholder of the Company (Note 28) 本公司主要股東 包先生提供的 貸款 (附註28)	Loans from a family member of Mr. Bao (Note 28) 包先生近親屬 提供的貸款 (附註28)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	473,221	7,951	-	6,835
Changes from financing activities:	融資活動產生的變動：				
New bank loans	新增銀行貸款	868,290	-	-	-
Repayments of bank loans	償還銀行貸款	(770,295)	-	-	-
Proceeds from other loan	其他貸款所得款項	34,451	-	-	-
Repayments of other loan	償還其他借款	(115)	-	-	-
Proceeds from loans of a director	一名董事貸款所得款項	-	8,000	-	-
Proceeds from loans of Mr. Bao	包先生貸款所得款項	-	-	24,577	-
Advance from a family member of Mr. Bao	包先生近親屬提供的墊款	-	-	-	208
Repayments to a family member of Mr. Bao	償還包先生近親屬款項	-	-	-	(450)
Total changes from financing activities	融資活動產生的變動總額	132,331	8,000	24,577	(242)
Exchange adjustments	匯率調整	41,348	96	473	506
At 31 December 2017	於二零一七年十二月三十一日	646,900	16,047	25,050	7,099

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

27. ACCOUNTS AND BILLS PAYABLES

Accounts payable 應付賬款
Bills payable 應付票據

The bills payable were mainly issued to the Major Supplier for the “trading of purchased coal” operation (note 25).

The Group was granted by its certain suppliers with credit periods normally ranging from 30 to 90 days (2016: 30 to 90 days). The ageing analysis of accounts payables of the Group presented based on the invoice dates was as follows:

0 – 90 days	0至90日
91 – 180 days	91日至180日
181 – 365 days	181日至365日
Over 365 days	超過365日

As at 31 December 2017, bills payable of approximately HK\$694.9 million (2016: approximately HK\$597.3 million) were secured by the pledged bank deposits of the Group (note 26 (a)).

As at 31 December 2017, bills payable of approximately HK\$164.8 million (2016: approximately HK\$154.6 million) were guaranteed by Henan Zhongfu Industrial Company Limited[#] (河南中孚實業股份有限公司) or its subsidiaries (collectively referred to as “**Zhongfu Group**”), the major customer (the “**Major Customer**”), and approximately HK\$72.0 million (2016: HK\$67.0 million) were jointly guaranteed by Mr. Bao, the spouse of Mr. Bao and the Major Customer.

[#] For identification purpose only

27. 應付賬款及票據

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
10,665	31,111
807,198	701,658
817,863	732,769

應付票據主要就「購入煤炭貿易」業務向主要供應商發出(附註25)。

若干供應商向本集團授予一般介乎30至90日(二零一六年: 30至90日)之除賬期。按發票日期計算之本集團應付賬款之賬齡分析呈列如下:

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
1,995	3,987
1,162	277
145	342
7,363	26,505
10,665	31,111

於二零一七年十二月三十一日, 應付票據約694,900,000港元(二零一六年: 約597,300,000港元)以本集團已抵押銀行存款作為抵押(附註26(a))。

於二零一七年十二月三十一日, 應付票據約164,800,000港元(二零一六年: 約154,600,000港元)由河南中孚實業股份有限公司或其附屬公司(統稱「**中孚集團**」)(為主要客戶(「**主要客戶**」))擔保, 約72,000,000港元(二零一六年: 67,000,000港元)由包先生、包先生的配偶及主要客戶共同擔保。

[#] 僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

28. OTHER PAYABLES AND ACCRUALS

28. 其他應付款項及應計費用

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Accruals	應計費用	198,757	195,614
Other payables	其他應付款項	257,165	216,504
Receipts in advance	預收款項	43,253	22,782
		499,175	434,900

The balances of other payables as of 31 December 2017 included the followings:-

- (a) Loans amounting to approximately HK\$16.0 million (2016: approximately HK\$8.0 million) were advanced from a shareholder of the Company as of the date of these consolidated financial statements, who was also a director of the Company till 8 February 2018;
- (b) Loans amounting to approximately HK\$7.1 million (2016: approximately HK\$6.8 million) were advanced from a family member of Mr. Bao;
- (c) Loans amounting to approximately HK\$25.0 million (2016: Nil) were advanced from Mr. Bao; and
- (d) The remaining balances of approximately HK\$209.1 million (2016: approximately HK\$201.7 million) mainly comprises accrued coal mines related removal and relocation expenses, payables to suppliers for acquisition of property, plant and equipment in the prior years, cash advanced from Gongyi Hotel Company Limited# (鞏義市賓館有限公司) (“Gongyi”) and certain miscellaneous expenses payables. In the opinion of the directors of the Company, Gongyi is an independent third party.

These balances are unsecured, interest-free and repayable on demand or due for repayment within one year.

For identification purpose only

於二零一七年十二月三十一日，其他應付款項餘額包括以下各項：

- (a) 約16,000,000港元(二零一六年：約8,000,000港元)之貸款由本綜合財務報表日期本公司一名股東(於二零一八年二月八日前亦為本公司董事)提供；
- (b) 約7,100,000港元(二零一六年：約6,800,000港元)之貸款由包先生一名家庭成員提供；
- (c) 約25,000,000港元(二零一六年：無)之貸款由包先生提供；及
- (d) 餘額約209,100,000港元(二零一六年：約201,700,000港元)主要包括就應計煤礦相關拆除及搬遷開支、過往年度收購物業、廠房及設備應付供應商款項、鞏義市賓館有限公司(「鞏義」)提供的現金及若干雜項開支。本公司董事認為，鞏義為獨立第三方。

該等餘額為無抵押、免息及須按要求的償還或於一年內償還。

僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

29. PROVISION FOR RECLAMATION OBLIGATIONS

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
At 1 January	於一月一日	90,222	93,905
Provision made during the year	年內撥備	2,345	5,884
Utilisation during the year	年內動用	-	(3,374)
Currency translation differences	貨幣換算差額	6,913	(6,193)
		99,480	90,222
At 31 December	於十二月三十一日		

Provision for land restoration, environmental restoration and safety costs pursuant to the relevant PRC regulations and current mining activities are determined by management based on their best estimates. However, the estimate of the associated costs may be subject to change in the near term in view of the effect of land and the environment from current mining activities becomes apparent in future periods. The amounts provided in relation to restoration and safety costs are reviewed regularly based upon the facts and circumstances available at the time and the provisions are updated accordingly.

根據相關中國規例及現時採礦業務所作之土地復原、環境復原及安全成本之撥備由管理層按最佳估計而釐訂。然而，鑒於現時之採礦活動對土地及環境影響之程度於未來期間變得明顯，相關成本之估計在短期內或會有變動。有關復原及安全成本之撥備金額按當時所知事實及情況定期進行撥備，並相應地更新撥備。

30. BANK AND OTHER LOANS

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Current	流動		
Bank loans (Note (a))	銀行貸款 (附註(a))	610,998	473,221
Other loans (Note (b))	其他貸款 (附註(b))	2,521	-
		613,519	473,221
Non-current	非流動		
Other loans (Note (b))	其他貸款 (附註(b))	33,381	-
		646,900	473,221

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

30. BANK AND OTHER LOANS (continued)

Notes:

(a)

		2017 二零一七年		
		Annual effective contractual interest rate (%) 實際合約年利率 (%)	Maturity 到期	HK\$'000 千港元
Secured	有抵押	3.20% – 4.35%	on demand 須按要求	119,895
Secured	有抵押	4.35% – 5.61%	2018	108,067
Unsecured	無抵押	4.79% – 10.68%	on demand 須按要求	204,126
Unsecured	無抵押	4.79% – 13.64%	2018	178,910
				610,998

As at 31 December 2017, bank loans of approximately HK\$167.9 million (2016: approximately HK\$138.3 million) were secured by certain accounts receivable (note 24) and certain mining rights of the Group (note 17). A bank loan of approximately HK\$60.1 million (2016: bank loans of approximately HK\$100.5 million) was secured by a mining right of the Group (note 17) (2016: secured by certain mining rights).

As at 31 December 2017, bank loans of approximately HK\$257.0 million (2016: approximately HK\$356.0 million) were guaranteed by the Major Customer.

As at 31 December 2017, bank loans of approximately HK\$96.1 million were jointly guaranteed by Mr. Bao directly/indirectly and the Major Customer (2016: approximately HK\$89.3 million were jointly/solely guaranteed by Mr. Bao, the Major Customer and/or independent third parties).

As at 31 December 2017, bank loans of approximately HK\$150.0 million (2016: approximately HK\$27.9 million) were jointly guaranteed by Mr. Bao, the spouse of Mr. Bao and the Major Customer.

30. 銀行及其他貸款(續)

附註：

(a)

		2016 二零一六年		
		Annual effective contractual interest rate (%) 實際合約年利率 (%)	Maturity 到期	HK\$'000 千港元
		2.90% – 9.00%	on demand 須按要求	138,301
		4.84% – 7.31%	2017	100,476
		4.79%	on demand 須按要求	22,328
		4.79% – 13.10%	2017	212,116
				473,221

於二零一七年十二月三十一日，約167,900,000港元（二零一六年：約138,300,000港元）之銀行貸款以本集團之若干應收賬款（附註24）及若干採礦權（附註17）作為抵押。銀行貸款約60,100,000港元（二零一六年：銀行貸款約100,500,000港元）以本集團採礦權抵押（附註17）（二零一六年：以若干採礦權抵押）。

於二零一七年十二月三十一日，銀行貸款約257,000,000港元（二零一六年：約356,000,000港元）由主要客戶擔保。

於二零一七年十二月三十一日，銀行貸款約96,100,000港元由包先生直接／間接及主要客戶共同擔保（二零一六年：約89,300,000港元由包先生、主要客戶及／或獨立第三方共同／獨自擔保）。

於二零一七年十二月三十一日，銀行貸款約150,000,000港元（二零一六年：約27,900,000港元）由包先生、包先生的配偶及主要客戶共同擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

30. BANK AND OTHER LOANS (continued)

Notes: (continued)

- (b) On 6 July 2017, the Group entered into an agreement with a financing company, an independent third party, pursuant to which the Group has agreed to transfer the ownership of certain mining machinery and equipment (the "Machinery and Equipment") to the financing company as disclosed in note 15, at a consideration of RMB30.0 million (equivalent to HK\$34.5 million) and lease back the Machinery and Equipment for a period of 3 years subject to the terms and conditions of the agreement. The transaction was completed in July 2017.

Upon discharging all the Group's obligations under the agreement, the financing company will return the ownership of the Machinery and Equipment to the Group for a nominal amount of RMB1. Despite the agreement involves a legal form of a lease, the Group accounted for the agreement as collateralised loan according with the actual substance of such agreement.

31. DEFERRED TAX

As at 31 December 2017, all tax losses and deductible temporary differences of the Group have no expiry dates under the current tax legislation except for the tax losses amounting to approximately HK\$448.6 million (equivalent to approximately RMB373.6 million) (2016: approximately HK\$407.3 million (equivalent to approximately RMB364.8 million)) incurred by three subsidiaries in the PRC, which will expire after 5 years from the year in which the losses were incurred. The Group has taxable losses arising in Hong Kong of approximately HK\$1.3 million (2016: approximately HK\$1.6 million). The unused tax losses are subject to the approval by the respective local tax authorities. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and the unpredictability of future profits.

30. 銀行及其他貸款(續)

附註(續)

- (b) 於二零一七年七月六日，本集團與一間融資公司(為獨立第三方)訂立一份協議，據此，本集團已同意將若干採礦機器及設備(「機器及設備」)的所有權轉讓予該融資公司(如附註15所披露)，代價為人民幣30,000,000元(相當於34,500,000港元)，並租回機器及設備三年期間(受限於該協議的條款及條件)。該交易於二零一七年七月完成。

在本集團於該協議項下所有義務履行後，該融資公司將以人民幣1元的名義金額將機器及設備的所有權歸還予本集團。儘管該協議涉及租賃法律形式，但本集團根據該協議的實質將該協議作為抵押貸款入賬。

31. 遞延稅項

於二零一七年十二月三十一日，根據現時稅務條例，本集團所有稅項虧損及可扣減暫時性差異並無屆滿期，三家中國附屬公司產生的金額約448,600,000港元(相當於約人民幣373,600,000元)(二零一六年：約407,300,000港元(相當於約人民幣364,800,000元)的稅項虧損除外，其將於虧損產生年度起計五年後屆滿。本集團於香港產生應課稅虧損約1,300,000港元(二零一六年：約1,600,000港元)。未動用稅項虧損須獲各當地稅務部門批准。由於虧損乃產生自於較長期間出現虧損之附屬公司及未能預計未來溢利，因此並無就該等虧損確認遞延稅項資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

31. DEFERRED TAX (continued)

Movement in deferred tax liabilities/(assets) during the year is as follows:

31. 遞延稅項(續)

年內遞延稅項負債/(資產)之變動如下:

		Impairments of mining rights and property, plant and equipment	Amortisation allowance on mining rights for tax purpose in excess of related amortisation for accounting purpose	Total
		採礦權 及物業、 廠房及 設備減值 HK\$'000 千港元	就稅務用途 而言的採礦權 攤銷撥備 (超過就會計 用途而言的 相關攤銷) HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	(23,752)	27,278	3,526
(Credited)/debited to profit or loss (note 9)	(貸記)/借記入損益 (附註9)	(6,140)	2,688	(3,452)
Exchange difference	匯兌差額	1,813	(1,887)	(74)
At 31 December 2016 and 1 January 2017	於二零一六年十二月 三十一日及二零一七 年一月一日	(28,079)	28,079	—
(Credited)/debited to profit or loss (note 9)	(貸記)/借記入損益 (附註9)	(1,640)	1,640	—
Exchange difference	匯兌差額	(2,189)	2,189	—
At 31 December 2017	於二零一七年十二月 三十一日	(31,908)	31,908	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

31. DEFERRED TAX (continued)

As at 31 December 2017, deferred tax liabilities amounted to approximately HK\$3.6 million (2016: approximately HK\$3.8 million) in respect of the aggregate amount of temporary differences of approximately HK\$36 million (2016: approximately HK\$38 million) associated with the undistributed earnings of certain of the Group's subsidiaries have not been recognised. No deferred tax liabilities have been recognised in respect of the differences because it is considered that the Group's subsidiaries in the PRC will not pay any dividend to their overseas holding companies in the foreseeable future and the Group is in a position to control the dividend policies of these subsidiaries and it is probable that such differences will not reverse in the foreseeable future.

31. 遞延稅項(續)

於二零一七年十二月三十一日，本集團若干附屬公司未分配盈利之暫時性差異總額約3,600,000港元(二零一六年：約3,800,000港元)，相關之本集團遞延稅項負債達約36,000,000港元(二零一六年：約38,000,000港元)款項未確認。未就差異確認遞延稅項負債乃由於本集團於中國之附屬公司被視為於可見將來不會向海外控股公司支付任何股息，且本集團可控制該等附屬公司之股息政策，且該等差異或不會於可見之將來撥回。

32. SHARE CAPITAL

32. 股本

		2017 二零一七年		2016 二零一六年	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
Authorised:	法定：				
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017, ordinary shares of HK\$0.1 each	於二零一六年一月一日、 二零一六年十二月 三十一日、二零一七年 一月一日及二零一七 年十二月三十一日，每 股面值0.1港元之普通 股	30,000,000	3,000,000	30,000,000	3,000,000
Issued and fully paid:	已發行及繳足：				
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017 ordinary shares of HK\$0.1 each	於二零一六年一月一日、 二零一六年十二月 三十一日、二零一七年 一月一日及二零一七 年十二月三十一日，每 股面值0.1港元之普通 股	712,674	71,267	712,674	71,267

There was no movement in the Company's share capital for the years ended 31 December 2017 and 2016.

截至二零一七年及二零一六年十二月三十一日止年度，本公司股本並無變動。

33. SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants ("Participants") of the share option scheme include any employee of the Company or any of its subsidiaries (including any director of the Company or any of its subsidiaries). The shareholders of the Company approved the termination of the share option scheme adopted on 20 October 2004 (the "Old Scheme") and adoption of the new share option scheme (the "New Scheme") in place of the Old Scheme at the annual general meeting on 27 May 2014. The New Scheme became effective on 27 May 2014 and, unless otherwise cancelled or amended, will remain in force for ten years from that date until 26 May 2024.

Under the New Scheme, the board of directors of the Company may at its discretion grant options to the Participants to subscribe for shares provided that the total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 10% of the shares in issue as at the adoption date. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 30% of the shares in issue from time to time.

Details of the said termination of the Old Scheme and adoption of the New Scheme were also set out in the Company's circular dated 24 April 2014.

No share options were granted during the years ended 31 December 2017 and 2016. As at 31 December 2017 and 2016, the Company had no share options outstanding under the New Scheme.

33. 購股權計劃

本公司推行購股權計劃藉以給予對本集團業務成功有所貢獻之合資格參與者鼓勵及獎賞。購股權計劃之合資格參與者(「參與者」)包括本公司或其任何附屬公司之任何僱員(包括本公司或其任何附屬公司之董事)。於二零一四年五月二十七日之股東週年大會上，股東批准終止於二零零四年十月二十日採納之購股權計劃(「舊計劃」)並採納新購股權計劃(「新計劃」)以取代舊計劃。新計劃於二零一四年五月二十七日生效，除非被註銷或加以修訂，否則將由該日期起至二零二四年五月二十六日止十年仍屬有效。

根據新計劃，本公司董事會可酌情授出購股權予參與者以認購股份，惟根據新計劃及本公司任何其他購股權計劃將予授出之購股權全數獲行使時可予發行之股份總數不得超過本公司於採納日期已發行之股份之10%。因行使所有根據新計劃及本公司任何其他購股權計劃已授出但未行使之購股權而發行之股份總數，不得超過本公司當時已發行之股份之30%。

上述終止舊計劃及採納新計劃之詳情亦載列於本公司日期為二零一四年四月二十四日之通函。

截至二零一七年及二零一六年十二月三十一日止年度，並無購股權獲授出。於二零一七年及二零一六年十二月三十一日，本集團根據新計劃並無未行使購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

34. DEFICIT IN RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

- (i) Share premium account of the Group includes the premium arising from issue of shares of the Company at a premium.
- (ii) Capital redemption reserve arose from the purchase of the Company's share for cancellation and represents a transfer from the Company's retained profits equivalent to the nominal value of the shares purchased for cancellation.
- (iii) Contributed surplus of the Group arose as a result of (i) the Group reorganisation in 1997 and represents the difference between the nominal value of the Company's shares issued under the reorganisation scheme and the nominal value of the aggregate share capital of the subsidiaries then acquired; (ii) the Group reorganisation in 2007 and represents the reduction of capital of HK\$64.1 million pursuant to a special resolution passed on 1 November 2007; and (iii) the Group reorganisation in 2012 and represents the reduction of capital of HK\$641.4 million pursuant to a special resolution.
- (iv) The capital reserve arose from the capitalisation of retained profits of a PRC subsidiary.
- (v) In accordance with the relevant PRC regulations, the Group's PRC subsidiaries are required, at the discretion of their directors, to appropriate a certain percentage of their profit after tax, if any, to the statutory reserve fund for the future development and capital expenditure on staff welfare facilities purposes.

34. 儲備虧絀

(a) 本集團

本集團於本年度及過往年度之儲備及其變動於綜合財務報表之綜合權益變動表內呈報。

- (i) 本公司按溢價發行股份產生之溢價計入本集團之股份溢價賬。
- (ii) 因購回本公司股份作註銷而產生之資本贖回儲備，乃轉撥自本公司之保留溢利，數額相當於購回作註銷之股份之面值。
- (iii) 本集團之繳入盈餘乃源於(i)於一九九七年進行之集團重組，乃指根據集團重組計劃本公司之已發行股份面值與所收購附屬公司之股本總面值之差額；(ii)於二零零七年進行之集團重組，乃指根據二零零七年十一月一日通過之特別決議案減少股本64,100,000港元；及(iii)於二零一二年進行之集團重組，乃指根據特別決議案減少股本641,400,000港元。
- (iv) 資本儲備乃由於一間中國附屬公司的保留溢利資本化而產生。
- (v) 根據相關中國法規，本集團於中國之附屬公司須在董事酌情要求情況下，將其稅後溢利(如有)之若干比例撥備為法定公積金以作日後發展之用，及資本開支以作員工福利設施之用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

34. DEFICIT IN RESERVES (continued)

(a) Group (continued)

- (vi) Pursuant to regulations in the PRC, certain subsidiaries of the Group were required to make a transfer of production maintenance fee and safety fund to other reserve based on fixed amounts per tonne of raw coal mined (net of usage). According to the relevant regulations, production maintenance fee, safety fund and other expense of similar nature are required to be charged to cost of production and credited to reserve. Accordingly, the related funds are appropriated from retained profits.
- (vii) The available-for-sale investment revaluation reserve (which grouped as other reserve in the consolidated statement of changes in equity) represents accumulated gains and losses arising on the revaluation of available-for-sale investments of an associate that have been recognised in other comprehensive income.
- (viii) Deposit of approximately HK\$20.0 million was received before the end of the reporting period from Retop International Investment Limited, an entity indirectly wholly-owned by Mr. Bao, for the subscription of ordinary shares of the Company, which was completed on 3 January 2018 (Note 40 (a)(i)). Substantive conditions including approval from shareholders of the Company were satisfied before the end of the reporting period and hence the amount was recognised in equity and will be transferred to "share capital" and "share premium" when the relevant shares are issued.

34. 儲備(續)

(a) 本集團(續)

- (iv) 根據中國法規，本集團若干附屬公司須按已開採原煤每噸固定金額(扣除使用)，將生產維簡費及安全基金轉撥至其他儲備。根據相關規例，須就維簡費、安全基金及其他類似性質之費用計入生產成本及儲備內，而非自保留溢利分配基金至儲備。因此，有關基金已自保留溢利作出分配。
- (vii) 可供出售投資重估儲備(在綜合權益變動表中分類為其他儲備)指因重估已於其他全面收入確認的一間聯營公司之可供出售投資而產生的累計收益及虧損。
- (viii) 按金約20,000,000港元乃於報告期末前就認購本公司普通股(於二零一八年一月三日完成)從瑞拓國際投資有限公司(包先生間接全資擁有的實體)收取(附註40(a)(i))。實質性條件(包括本公司股東批准)已於報告期末前達成，因此該款項於權益確認，將在相關股份發行法時轉入「股本」及「股份溢價」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

34. DEFICIT IN RESERVES (continued)

(b) Company

34. 儲備(續)

(b) 本公司

		Share premium	Capital redemption reserve	Contributed surplus	Other reserves	Accumulated losses	Total
		股份溢價 HK\$'000 千港元	贖回儲備 資本 HK\$'000 千港元	繳入盈餘 HK\$'000 千港元	其他儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	235,334	50	452,325	-	-	687,709
Transfer from contributed surplus to accumulated losses	從繳入盈餘轉撥至累計虧損	-	-	(452,325)	-	452,325	-
Loss for the year	年內虧損	-	-	-	-	(658,561)	(658,561)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	235,334	50	-	-	(206,236)	29,148
Cash advanced in relation to subscription of ordinary shares (note 40 (a)(i))	有關認購普通股墊款現金 (附註40(a)(i))	-	-	-	20,000	-	20,000
Loss for the year	年內虧損	-	-	-	-	(124,097)	(124,097)
At 31 December 2017	於二零一七年十二月三十一日	235,334	50	-	20,000	(330,333)	(74,949)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

34. DEFICIT IN RESERVES (continued)

(b) Company (continued)

The contributed surplus of the Company arose as a result of the reorganisations referred to in note 34(a) and represents (i) the excess of the fair value of the shares of the subsidiaries then acquired, over the nominal value of the Company's shares issued in exchange thereof; (ii) the reduction of capital pursuant to a special resolution passed on 1 November 2007; and (iii) the reduction of capital pursuant to a special resolution passed on 10 October 2012. Under the Bermuda Companies Act 1981 (as amended), the contributed surplus is also available for distribution to the owners of the Company. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

Details of share premium account and capital redemption reserve of the Company are set out in note 34(a) above.

Pursuant to the special resolution, the directors of the Company be and are hereby authorised to use the amount standing to the credit of the contributed surplus in any manner as may be permitted by the Bermuda Companies Act 1981 and the bye-laws of the Company including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time without further authorisation from the shareholders. During the prior year ended 31 December 2016, the contributed surplus was fully utilised following approximately HK\$452.3 million were set off with the accumulated losses.

34. 儲備(續)

(b) 本公司(續)

本公司由於進行附註34(a)所述重組產生之繳入盈餘乃指(i)當時所收購附屬公司股份之公平值超出因收購該等附屬公司而發行之本公司股份面值之數額；(ii)根據二零零七年十一月一日通過之特別決議案進行之股本削減；及(iii)根據於二零一二年十月十日通過之特別決議案進行之股本削減。根據百慕達一九八一年公司法(經修訂)，繳入盈餘亦可供分派予本公司擁有人。然而，如出現以下情況，則本公司不得自繳入盈餘中宣派或派付股息或作出分派：

- (a) 未能支付其到期債務，或於作出派付後將無法償還負債；或
- (b) 其資產之可變現價值低於其負債及已發行股本及股份溢價賬之總值。

有關本公司股份溢賬及資本贖回儲備之詳情已載於上文附註34(a)。

根據特別決議案，本公司董事謹此獲授權按百慕達一九八一年公司法及本公司之公司細則可能許可之任何方式使用繳入盈餘中當時之任何進賬項而毋須股東進一步授權，包括但不限於消除或抵銷本公司不時之累計虧損。截至二零一六年十二月三十一日止年度，約452,300,000港元之繳入盈餘賬已用於抵銷累計虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

35. NON-CONTROLLING INTERESTS

Jinfeng, a 90% owned subsidiary of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to Jinfeng and its subsidiaries, before intra-group eliminations, is presented below:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	498,328	718,879
Loss for the year	年內虧損	(174,873)	(246,305)
Loss allocated to NCI	分配至非控股權益之虧損	(17,487)	(24,605)
For the year ended 31 December	截至十二月三十一日止年度		
Cash flows from operating activities	經營活動之現金流量	(237,326)	(193,986)
Cash flows from investing activities	投資活動之現金流量	(56,371)	16,109
Cash flows from financing activities	融資活動之現金流量	207,019	(46,645)
Net cash outflows	現金流出淨額	(86,678)	(224,522)
As at 31 December	於十二月三十一日		
Current assets	流動資產	1,321,134	1,123,907
Non-current assets	非流動資產	674,088	680,066
Current liabilities	流動負債	(2,578,769)	(2,206,722)
Non-current liabilities	非流動負債	(132,969)	(92,593)
Net liabilities	負債淨額	(716,516)	(495,342)
Accumulated balance of NCI	非控股權益之累計結餘	(67,935)	(51,345)

Note:

On 2 May 2017, an entity indirectly held by Mr. Bao acquired the 10% equity interest in Jinfeng from the previous equity holder. Mr. Bao became the holder of non-controlling interest of Jinfeng since then.

35. 非控股權益

本公司擁有90%權益之附屬公司金豐擁有重大非控股權益(「非控股權益」)。所有其他並非由本集團擁有100%權益之附屬公司之非控股權益被視為不重大。

有關金豐及其附屬公司之財務資料(於集團內部公司間對銷前)概述如下:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	498,328	718,879
Loss for the year	年內虧損	(174,873)	(246,305)
Loss allocated to NCI	分配至非控股權益之虧損	(17,487)	(24,605)
For the year ended 31 December	截至十二月三十一日止年度		
Cash flows from operating activities	經營活動之現金流量	(237,326)	(193,986)
Cash flows from investing activities	投資活動之現金流量	(56,371)	16,109
Cash flows from financing activities	融資活動之現金流量	207,019	(46,645)
Net cash outflows	現金流出淨額	(86,678)	(224,522)
As at 31 December	於十二月三十一日		
Current assets	流動資產	1,321,134	1,123,907
Non-current assets	非流動資產	674,088	680,066
Current liabilities	流動負債	(2,578,769)	(2,206,722)
Non-current liabilities	非流動負債	(132,969)	(92,593)
Net liabilities	負債淨額	(716,516)	(495,342)
Accumulated balance of NCI	非控股權益之累計結餘	(67,935)	(51,345)

附註:

於二零一七年五月二日,包先生間接持有的一間實體向前股東收購金豐的10%股權。此後,包先生成為金豐的非控股股東。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

36. DISPOSAL OF A SUBSIDIARY

During the year ended 31 December 2016, the Group entered into a sale and purchase agreement with an independent third party to dispose of all equity interest in Jinfeng Mining Equipment, an indirect 90% owned subsidiary, that carried out trading of mining equipment and consumable tools, at a consideration of RMB1,324,000 (equivalent to approximately HK\$1,546,000). The disposal was completed on 28 June 2016, since then, the Group has no more control of Jinfeng Mining Equipment.

Analysis of assets and liabilities of the subsidiary over which the control was lost:

36. 出售一間附屬公司

截至二零一六年十二月三十一日止年度，本集團與一名獨立第三方訂立買賣協議，出售金豐礦山設備，一間由本集團間接擁有90%權益的附屬公司，從事採煤設備及耗材貿易業務)的全部股權，代價人民幣1,324,000元(相當於約1,546,000港元)。出售於二零一六年六月二十八日完成，此後本集團不再控制金豐礦山設備。

已喪失控制權的附屬公司之資產及負債分析：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	357
Inventories	存貨	1,803
Trade receivables	應收賬款	22,076
Other receivables, net	其他應收款項淨額	18
Cash and cash equivalents	現金及現金等值項目	2
Trade payables	應付賬款	(17,031)
Other payables	其他應付款項	(3,453)
Tax payables	應付稅項	(11)
Dividend payables	應付股息	(4,938)
Non-controlling interests	非控股權益	100
Net liabilities attributable to the owners to the Company disposal of	已出售本公司擁有人應佔負債淨額	(1,077)
Release of exchange fluctuation reserve upon disposal of a subsidiary	出售一間附屬公司時撥回匯兌波動儲備	(160)
		(1,237)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	2,783
Total consideration	總代價	1,546
Net cash inflow on disposal of a subsidiary for the current year:	本年度出售一間附屬公司時現金流入淨額：	
Consideration received in cash and cash equivalents	現金及現金等值項目中已收代價	1,546
Less: cash and cash equivalents of a subsidiary disposed of	減：已出售附屬公司之現金及現金等值項目	(2)
Net cash inflow on disposal of a subsidiary	出售一間附屬公司時現金流入淨額	1,544

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

37. COMMITMENTS

(a) Capital commitment

As at 31 December, the Group had the following capital commitments:

Capital expenditure contracted but not provided for: Investment in a subsidiary (note 40 (a))	已訂約但未撥備的資本開支：於一間附屬公司之投資(附註40(a))
Acquisition of property, plant and equipment	收購物業、廠房及設備

(b) Operating lease commitments

The Group as lessee

As at 31 December 2017, total future minimum lease payments under non-cancellable operating leases in respect of land and buildings and office equipment payable by the Group are as follows:

Within one year	一年內
In the second to fifth years inclusive	第二年至第五年 (首尾兩年包括在內)

The Group leases certain properties under operating leases. The leases run for an initial period of one to ten years (2016: one to ten years), without option to renew the lease term at expiry date. None of the lease includes contingent rentals.

37. 經營租約承擔

(a) 資本承擔

於二零一六年十二月三十一日，本集團有以下資本承擔：

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
25,500	—
768	—
26,268	—

(b) 經營租約承擔

本集團作為承租人

於二零一七年十二月三十一日，本集團根據不可撤銷經營租約就土地及樓宇及辦公室設備應付之日後最低租約付款總額情況如下：

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
1,072	361
1,185	102
2,257	463

本集團根據經營租約租賃若干物業。租約之經營期初步為期一至十年(二零一六年：一至十年)，於屆滿日不可選擇續約。租約概無或然租金。

38. CONTINGENT LIABILITIES

Financial guarantee

On 28 July 2015, Jinfeng entered into an agreement (the "Agreement I") with an independent third party (the "Counterparty A"), pursuant to which the parties have agreed to provide mutual guarantees with respect to each other. Both parties agreed that should any party (including its subsidiaries and holding companies) ("Borrower A") apply for a loan(s) from a bank or financial institution ("Lender A"), if the Lender A so requires, then the other party shall provide a guarantee(s) for the obligations of the Borrower A under the loan on the terms and conditions contained in the agreement. The total amounts to be guaranteed by each party shall not exceed RMB50.0 million (equivalent to approximately HK\$60.0 million). The effective period of the Agreement I shall be from 28 July 2015 to 28 July 2018 ("Effective Period I"). For each guarantee to be provided by each party within the Effective Period I, the maximum guarantee period is three years from the date of the loan agreement. As of 31 December 2017 and 2016, there were no outstanding borrowing which is guaranteed by Jinfeng in relation to the Agreement I.

On 13 April 2017, Jinfeng entered into an agreement (the "Agreement II") with an independent third party (the "Counterparty B"), pursuant to which the parties have agreed that should any party ("Borrower B") apply for a loan(s) from a bank or financial institution ("Lender B"), if the Lender B so requires, then the other party shall provide a guarantee(s) for the obligations of the Borrower B under the loan on the terms and conditions contained in the agreement. The total amounts to be guaranteed by each party shall not exceed RMB9.0 million (equivalent to approximately HK\$10.8 million). The effective period of the Agreement II shall be from 13 April 2017 to 12 April 2018.

As at 31 December 2017, a bank borrowing amounting to approximately RMB7.0 million (equivalent to approximately HK\$8.4 million) has been withdrawn by the Counterparty B and pursuant to the Agreement II, the corresponding amount has been guaranteed by Jinfeng accordingly. The guarantee period of the guarantee provided by Jinfeng is three years from the date of the loan agreement.

38. 或然負債

財務擔保

於二零一五年七月二十八日，本公司間接非全資附屬公司金豐與一名獨立第三方（「對手方A」）訂立一份協議（「該協議一」），據此，雙方同意互相提供共同擔保。雙方同意，如任何一方（包括其附屬公司及控股公司）（「借款人A」）向銀行或金融機構（「貸款人A」）申請貸款，如貸款人A要求，則另一方須根據協議所載條款及條件為借款人A於貸款下的義務提供擔保。各方將予擔保之總額不得超過人民幣50,000,000元（相當於約60,000,000港元）。協議一之有效期為二零一五年七月二十八日至二零一八年七月二十八日（「有效期一」）。就各方於有效期一內將予提供之每項擔保而言，最大擔保期為自貸款協議日期起計三年。於二零一七年及二零一六年十二月三十一日，並無由金豐就協議一擔保的未償還借貸。

於二零一七年四月十三日，金豐與一名獨立第三方（「對方B」）訂立一份協議（「協議二」），據此，雙方協定，如任何一方（「借款人B」）向銀行或金融機構（「貸款人B」）申請貸款，另一方須根據協議所載條款及條件為借款人B於貸款下的義務提供擔保（如貸款人B要求）。各方將予擔保之總額不得超過人民幣9,000,000元（相當於約10,800,000港元）。協議二的有效期為二零一七年四月十三日至二零一八年四月十二日。

於二零一七年十二月三十一日，約人民幣7,000,000元（相當於約8,400,000港元）之銀行借款已由對方B動用，根據協議二，有關金額已相應由金豐擔保。金豐提供擔保的擔保期為貸款協議日期起三年。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. CONTINGENT LIABILITIES (continued)

Financial guarantee (continued)

At the reporting date, no provision for the financial guarantee was made as, in the opinion of the directors of the Company, the fair value of the financial guarantee is insignificant at initial recognition. The directors of the Company do not consider it probable that a claim will be made against the Group under the guarantee as of the end of the reporting period.

39. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year and in the prior year:

(a) Compensation of key management personnel

Short-term benefits:	短期福利：
Fees, salaries and other allowances	袍金、薪金及其他津貼
Post-employment benefits:	離職後福利：
Retirement benefit scheme contributions	退休福利計劃供款

(b) Financing arrangement

Details of interest-free loans advanced from certain related parties are disclosed in note 28.

Details of guarantees provided by Mr. Bao and his spouse are disclosed in the notes 27 and 30.

38. 或然負債(續)

財務擔保(續)

於本報告日期，並無就財務擔保作出撥備，原因是本公司董事認為，財務擔保於初步確認時的公平值不大，且本公司董事認為截至本報告期末本集團根據擔保被提出索償的可能性不大。

39. 關連人士交易

除綜合財務報表其他部份所披露之交易及結餘外，本集團與關連人士於年內及上一年度有以下重大交易：

(a) 主要管理人員之酬金

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
5,306	5,307
43	42
5,349	5,349

(b) 融資安排

若干關連人士提供的免息貸款詳情於附註28披露。

由包先生及其配偶提供之擔保詳情於附註27及30披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

40. EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed elsewhere in these consolidated financial statements, the following significant events took place subsequent to 31 December 2017:

- (a) As set out in the announcements of the Company dated 13 October 2017, 18 October 2017 and 3 January 2018 and the circular of the Company dated 28 November 2017, the following transactions were subsequently completed on 3 January 2018:—
- (i) Pursuant to the subscription agreement dated 13 October 2017 (the “**Subscription Agreement A**”), entered into between the Company as the issuer and Retop International Investment Limited (in which Mr. Bao is the ultimate beneficial owner) as subscriber in relation to the allotment and issue of an aggregate of 100,000,000 new ordinary shares of the Company of HK\$0.10 each (the “**Subscription Shares A**”) credited as fully paid, at the issue price of HK\$0.20 per Subscription Share A for a cash consideration of HK\$20 million which was received by the Company as of 31 December 2017, and classified as other reserve in the consolidated statement of changes in equity.
- (ii) Pursuant to the another subscription agreement dated 13 October 2017 (the “**Subscription Agreement B**”), entered into between the Company as the issuer and Mr. Li Xiangfei (“**Mr. Li**”) as subscriber in relation to the allotment and issue of an aggregate of 100,000,000 new ordinary shares of the Company of HK\$0.10 (the “**Subscription Shares B**”) credited as fully paid, at the issue price of HK\$0.20 per Subscription Share B for a cash consideration of HK\$20 million. Upon completion, Mr. Li owns 9.61% of the issued share capital of the Company.

40. 報告期後事項

除本綜合財務報表其他地方所披露者外，以下重大事件於二零一七年十二月三十一日後發生：

- (a) 如本公司日期分別為二零一七年十月十三日、二零一七年十月十八日及二零一八年一月三日的公告及本公司日期為二零一七年十一月二十八日的通函所載，以下交易於二零一八年一月三日完成：
- (i) 根據本公司(作為發行人)與瑞拓國際投資有限公司(包先生為最終實益擁有人)(作為認購人)訂立的日期為二零一七年十月十三日之認購協議(「**認購協議A**」)，配發及發行合共100,000,000股每股面值0.10港元的入賬列為繳足的新普通股(「**認購股份A**」)，發行價為每股認購股份A 0.20港元，現金代價為20,000,000港元，截至二零一七年十二月三十一日本公司已收到該代價，該代價於綜合權益變動表被分類為其他儲備。
- (ii) 根據本公司(作為發行人)與李翔飛先生(「**李先生**」)(作為認購人)訂立的日期為二零一七年十月十三日之另一份認購協議(「**認購協議B**」)，配發及發行合共100,000,000股每股面值0.10港元的入賬列為繳足的新普通股(「**認購股份B**」)，發行價為每股認購股份B 0.20港元，代價為20,000,000港元。完成後，李先生擁有本公司的9.61%已發行股本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

40. EVENTS AFTER THE END OF THE REPORTING PERIOD (continued)

- (a) (continued)
- (iii) Pursuant to the acquisition agreement dated 13 October 2017 entered into between the Company as purchaser and Minan Holding Limited as vendor in relation to the sale and purchase of the entire issued share capital of Goal Getter Ventures Limited (the “**Acquisition Agreement**”). The acquisition of the entire issued share capital of Goal Getter Ventures Limited and its subsidiaries (“**Goal Getter Group**”) at a consideration of approximately HK\$25.5 million, by way of allotment and issue of an aggregate of 127,500,000 new ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Consideration Shares**”) credited as fully paid, at the issue price of HK\$0.20 per share. Goal Getter Group is principally engaged in the manufacturing and sale of building materials at Xingyang City, Henan Province, the PRC. Its customers are mainly constructors and buildings developers located within Henan Province, the PRC.
- (b) As set out in the announcement of the Company dated 14 February 2018, the Group entered into three loan agreements with three shareholders of the Company respectively. Pursuant to the loan agreements, these shareholders agreed to provide unsecured and interest-free loan with an aggregate amount of RMB600 million for a term of three years to the Group. The loans are repayable in full or by instalment subject to further negotiations, within 36 months of the drawdown date. As of the date of approval of these consolidated financial statements, loans amounting to RMB80 million (equivalent to HK\$99.1 million) have been advanced to the Group.
- (c) As set out in the announcement of the Company dated 22 March 2018, the Group obtained the approval from the relevant government authority for the resumption in operation of Xingyun Coal Mine. Meanwhile, the Group has decided to apply to the Coal Bureau for closure of Xiaohu Coal Mine No. 3 and to cease its operation permanently.

40. 報告期後事項(續)

- (a) (續)
- (iii) 根據本公司(作為買方)與 Minan Holding Limited (作為賣方)就買賣志達創投有限公司的全部已發行股本訂立的日期為二零一七年十月十三日之收購協議(「**收購協議**」)·透過以發行價每股0.20港元配發及發行本公司股本中合共127,500,000股每股面值0.10港元的入賬列為繳足的新普通股(「**代價股份**」)(發行價為每股代價股份0.20港元)·收購志達創投有限公司及其附屬公司(「**志達集團**」)的全部已發行股本·代價約為25,500,000港元。志達集團主要從事在中國河南省滎陽市從事製造及銷售建築材料·其客戶主要為中國河南省內的建築商及樓宇開發商。
- (b) 如本公司日期為二零一八年二月十四日的公告所載·本集團與本公司三名股東分別訂立三份貸款協議。根據貸款協議·該等股東同意向本集團提供總額人民幣600,000,000元的無抵押免息貸款·為期三年。貸款須於提取日期起36個月內全部償還或分期償還(須進一步磋商)。於本綜合財務報表獲批准之日·貸款人民幣80,000,000元(相當於99,100,000港元)已提供予本集團。
- (c) 如本公司日期為二零一八年三月二十二日的公告所載·本集團已就恢復興運煤礦的營運取得相關政府部門的批准。同時·本集團決定向煤炭局申請關閉小河三礦並永久終止其營運。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. BUSINESS COMBINATION – AFTER THE END OF THE REPORTING PERIOD

On 13 October 2017, the Group entered into an agreement with an independent third party, Minan Holding Limited, to acquire 100% equity interest in Goal Getter Group at a consideration of approximately HK\$25.5 million, by issuing 127,500,000 Consideration Shares at the issue price of HK\$0.20 each of the Company (note 40 (a)(iii)). The acquisition was completed on 3 January 2018. This acquisition has been accounted for by the acquisition method. The acquisition is that the Company can diversify its business segments to engage in the manufacturing and sale of building materials in the PRC.

Up to the date of approval of these consolidated financial statements, the Group is still in the process of assessing Goal Getter Group's indentifiable assets and liabilities as well as their fair values as of the completion date.

41. 業務合併－報告期末後

於二零一七年十月十三日，本集團與一名獨立第三方Minan Holding Limited訂立一份協議，以收購志達創投有限公司的100%股權，代價約25,500,000港元，透過按發行價每股0.20港元發行127,500,000股代價股份而支付(附註40 (a)(iii))。收購於二零一八年一月三日完成。收購使用收購法入賬。進行收購事項旨在令本公司可多元化業務分部，從事在中國製造及銷售建築材料。

於本綜合財務報表獲批准之日，本集團仍在評估志達集團可識別資產及負債及其於完成日期之公平值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks which results from both its operating and investing activities. The Group does not have written risk management policies and guidelines. However, the board of directors of the Company meets periodically to analyse and formulate strategies to manage the Group's exposure to market risks, including changes in interest rates and currency exchange rates. Generally, the Group introduces conservative strategies on its risk management. The Group's exposure to market risk is kept to minimum. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not issue derivative financial instruments for trading purposes.

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities.

Carrying amounts of the financial assets presented in consolidated statement of financial position are net of impairment losses, if any. The Group minimises its exposure to the credit risk by rigorously selecting the counterparties, performing ongoing credit evaluation on the financial conditions of its debtors and tightly monitoring the ageing of the receivables. Follow-up actions are taken in case of overdue balances. In addition, management reviews the recoverable amount of the receivables individually or collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts.

The credit risk on pledged bank deposits and cash and cash equivalents is also limited because the Group's pledged bank deposits and cash and cash equivalents are all deposited with major banks located in Hong Kong and the PRC.

42. 財務風險管理

本集團之業務及投資活動面對多項財務風險。本集團並無書面之風險管理政策及指引。然而，本公司董事會定期舉行會議，分析及制訂政策以管理本集團所面對之市場風險，包括利率變動及匯率變動。一般而言，本集團就其風險管理推行保守策略。本集團所面對之市場風險維持於低水平，並無應用任何衍生或其他工具以作對沖。本集團並無發行衍生金融工具以作買賣。

(a) 信貸風險

信貸風險指金融工具之交易方未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。本集團之信貸風險主要來自於其一般業務過程及其投資活動中授予客戶之信貸。

呈列於綜合財務狀況表之金融資產之賬面值已扣除減值虧損(如有)。為了最大程度地降低信貸風險，本集團嚴格挑選交易方、對債務人之財務狀況持續進行信貸評估、緊密監查應收賬款之賬齡、並採取跟進措施收回逾期欠款餘額。此外，管理層於各報告日期個別或整體檢討應收賬款之可收回金額，藉以確保已就不可收回金額確認足夠之減值虧損。

已抵押銀行存款及現金及現金等值項目之信貸風險有限，原因為本集團全部已抵押銀行存款及現金及現金等值項目均全部存放於香港及中國之主要銀行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group has a certain concentration of credit risk as 95.5% (2016: 93.9%) of the Group's accounts receivable was due from the Major Customer.

Further quantitative disclosure in respect of the Group's exposure to credit risk arising from accounts receivable is set out in note 24.

At each reporting date, the Group reviews prepayments, deposits and other receivables for evidence of impairment on an individual and collective bases. As at 31 December 2017, the Group determined deposits and other receivables of approximately HK\$49.8 million as individually impaired (2016: approximately HK\$46.5 million). Based on this assessment, impairment loss of approximately HK\$0.5 million was recognised during the year (2016: approximately HK\$2.3 million).

Other than those disclosed in note 38, the Group does not provide any financial guarantee at the end of the reporting period which would expose the Group to credit risk.

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

42. 財務風險管理(續)

(a) 信貸風險(續)

本集團已自過往年度起採納信貸政策，而本集團認為信貸政策一直有效將本集團之信貸風險限制至理想水平。

本集團之信貸風險主要受每個客戶之個別情況所影響。於報告期末，本集團有若干信貸風險集中之情況，原因為主要客戶佔應收賬款之95.5%（二零一六年：93.9%）。

有關本集團因應收賬款所承受之信貸風險之進一步量化披露載於附註24。

於各報告日期，本集團按個別及集體基準檢討預付款項、按金及其他應收款項是否出現減值跡象。於二零一七年十二月三十一日，本集團確定個別減值之按金及其他應收款項約49,800,000港元（二零一六年：約46,500,000港元）。根據此項評估，年內確認減值虧損約500,000港元（二零一六年：約2,300,000港元）。

除附註38所披露者外，於報告期末，本集團並無提供任何令本集團承受信貸風險的財務擔保。

(b) 利率風險

利率風險指金融工具之公平值或現金流量會因市場利率改變而出現波動之風險。以浮息及定息計息之金融工具分別使本集團面臨現金流量利率風險及公平值利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL RISK MANAGEMENT (continued)

(b) Interest rate risk (continued)

The interest rates and terms of repayment of the Group's bank and other loans are disclosed in note 30. The Group's exposures to fair value interest rate risk and cash flow interest rate risk on financial liabilities are minimal. The directors of the Company consider the Group's exposures to cash flow interest rate risk on bank balances as follows:

Sensitivity analysis

The following table illustrates the sensitivity of the Group's loss after income tax and accumulated losses to a possible change in interest rates of +/- 0.5% (2016: +/- 0.5%), with effect from the beginning of the year. The calculations are based on the Group's bank balances held at the reporting date. All other variables are held constant.

		Decrease/ (increase) in loss after income tax and accumulated losses 除所得稅後虧損 及累計虧損 (減少)/增加 HK\$'000 千港元
31 December 2017	二零一七年十二月三十一日	
+0.5%	+0.5%	598
-0.5%	-0.5%	(598)
31 December 2016	二零一六年十二月三十一日	
+0.5%	+0.5%	605
-0.5%	-0.5%	(605)

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents the management's assessment of a reasonably possible change in interest rate over the period until the next annual reporting date.

42. 財務風險管理(續)

(b) 利率風險(續)

本集團銀行及其他貸款利率及還款條款披露於附註30。本集團承受之有關金融負債之公平值利率風險及現金流量利率風險微乎其微。本公司董事認為本集團承受之有關銀行結餘之現金流量利率風險如下：

敏感度分析

下表闡述自年初起，本集團除所得稅後虧損及累計虧損對利率可能出現+/- 0.5%（二零一六年：+/- 0.5%）變動之敏感度，此乃根據本集團於報告日期持有之銀行結餘計算。所有其他可變因素保持不變。

利率之上述假設變動乃經觀察現行市場情況後視為合理地可能出現之變動，並為管理層對截至下一個年度報告日期止期間利率之合理可能變動之評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL RISK MANAGEMENT (continued)

(b) Interest rate risk (continued)

Sensitivity analysis (continued)

The sensitivity analysis included in the consolidated financial statements of the year ended 31 December 2016 has been prepared on the same basis.

The Group manages interest rate risk by monitoring its interest rate profile regularly. The Group adopts a policy of ensuring that most of its borrowings are on a fixed rate basis. The policies to manage interest rate risk have been followed by the Group since prior year and are considered to be effective.

(c) Foreign currency risk

The sales and purchases of the Group are predominantly in RMB which is the functional currency of the related group entities. The directors of the Company therefore are of the opinion that the Group's sensitivity to the changes in foreign currencies are low and the Group and Company do not hedge their foreign currency risk.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of its financial obligations, and also in respect of its cash flow management.

The Group's objective is to ensure adequate funds to meet commitments associated with its financial liabilities. Cash flows are closely monitored on an ongoing basis. The Group will raise funds from the realisation of its assets if required. As at 31 December 2017, the Group had net current liabilities of approximately HK\$618,182,000 (2016: HK\$487,158,000) and a capital deficiency of approximately HK\$76,588,000 (2016: equity of HK\$100,415,000). The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and from the measures adopted by the directors of the Company as detailed in note 3.1 to the consolidated financial statements to meet its debt obligations.

42. 財務風險管理(續)

(b) 利率風險(續)

敏感度分析(續)

截至二零一六年十二月三十一日止年度之綜合財務報表所載之敏感度分析乃基於相同基準編製。

本集團透過定期監察利率組合管理其利率風險。本集團採納一項政策，確保其多數借款均基於固定利率基準。此項利率風險管理政策自上年度起由本集團沿用，且被認為行之有效。

(c) 外匯風險

本集團之買賣主要以相關集團實體之功能貨幣人民幣進行。因此，本公司董事認為，本集團對外匯變動之敏感度偏低，因此本集團及本公司並無對沖其外匯風險。

(d) 流動資金風險

流動資金風險乃與本集團未能以交付現金或其他金融資產結算而履行金融負債相關責任之風險有關。本集團就清償其財務責任及現金流量管理而承受流動資金風險。

本集團之目標為保證有充足資金支付金融負債之相關承擔。本公司按持續基準密切監控現金流量。本集團將於必要時變現資產以籌集資金。於二零一七年十二月三十一日，本集團之流動負債淨額約為618,182,000港元(二零一六年：487,158,000港元)及資本虧絀約為76,588,000港元(二零一六年：權益100,415,000港元)。本集團之流動資金主要取決於其從經營及本公司董事為履行債務義務而採取之措施(詳情載於綜合財務報表附註3.1)獲得充足現金流入的能力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The liquidity policies have been followed by the Group since prior years and are considered as effective in managing liquidity risks.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

42. 財務風險管理(續)

(d) 流動資金風險(續)

該流動資金政策於過往年度一直由本集團沿用，且被認為在管理流動資金風險方面行之有效。

下表以合約未折現付款基準概述本集團金融負債之到期情況：

		Within 6 months or on demand HK\$'000 六個月內 或按要求 償還 千港元	6-12 months HK\$'000 六至 十二個月 千港元	Over 1 year HK\$'000 多於一年 千港元	Total undiscounted amount HK\$'000 未折現 總金額 千港元	Discount HK\$'000 折現 千港元	Carrying amount HK\$'000 賬面值 千港元
At 31 December 2017	於二零一七年 十二月三十一日						
Accounts and bills payables	應付賬款及票據	817,863	-	-	817,863	-	817,863
Other payables and accruals	其他應付款項及應計 費用	455,922	-	-	455,922	-	455,922
Amount due to an associate	應付一間聯營公司款 項	-	-	99,589	99,589	-	99,589
Bank and other loans	銀行及其他貸款	589,959	33,207	36,051	659,217	(12,317)	646,900
		1,863,744	33,207	135,640	2,032,591	(12,317)	2,020,274
Financial guarantee issued: Maximum amount guaranteed (note 38)	已發行財務擔保： 已擔保最大金額 (附註38)	70,844	-	-	70,844	-	70,844
At 31 December 2016	於二零一六年 十二月三十一日						
Accounts and bills payables	應付賬款及票據	732,769	-	-	732,769	-	732,769
Other payables and accruals	其他應付款項及應計 費用	434,900	-	-	434,900	-	434,900
Amount due to an associate	應付一間聯營公司款 項	-	-	92,593	92,593	-	92,593
Bank and other loans	銀行及其他貸款	353,921	127,474	-	481,395	(8,174)	473,221
		1,521,590	127,474	92,593	1,741,657	(8,174)	1,733,483
Financial guarantee issued: Maximum amount guaranteed (note 38)	已發行財務擔保： 已擔保最大金額 (附註38)	55,820	-	-	55,820	-	55,820

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL RISK MANAGEMENT (continued)

(e) Business risk

The Group's primary businesses are the production and sales of coal and the trading of purchased coal in the PRC. The Group's financial performance are influenced by the changes in prices of coal, as well as by the Group's ability to maintain or renew all requisite certificates, permits and business licences from relevant regulatory authorities in the PRC which is required for the Group to operate in the production and sales of coal in the PRC.

43. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and liabilities recognised as at 31 December 2017 and 2016 may also be categorised as follows. See notes 3.14 and 3.15 for explanations about how the category of financial instruments affects their subsequent measurement.

42. 財務風險管理(續)

(e) 業務風險

本集團之主要業務為於中國生產及銷售煤炭以及從事購入煤炭貿易。本集團之財務業績受煤價變動及本集團與中國有關監管當局維持或續期本集團於中國生產及銷售煤炭時所需的所有證書、許可證及營業執照之能力影響。

43. 按類別細分之金融資產及金融負債概要

本集團於二零一七年及二零一六年十二月三十一日確認之金融資產及負債賬面值亦可按下列方式進行分類。有關金融工具分類如何影響其後計量之解釋，請參閱附註3.14及3.15。

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Financial assets	金融資產		
Available-for-sale financial assets	可供出售金融資產	710	660
Loans and receivables	貸款及應收款項		
– Accounts and bills receivables	– 應收賬款及票據	221,340	176,692
– Deposits and other receivables	– 按金及其他應收款項	375,594	353,402
– Pledged bank deposits	– 已抵押銀行存款	616,880	523,592
– Cash and cash equivalents	– 現金及現金等值項目	170,878	178,134
		1,385,402	1,232,480
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
– Accounts and bills payables	– 應付賬款及票據	817,863	732,769
– Other payables and accruals	– 其他應付款項及應計費用	455,922	434,900
– Bank and other loans	– 銀行及其他貸款	646,900	473,221
– Amount due to an associate	– 應付一間聯營公司款項	99,589	92,593
		2,020,274	1,733,483

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

43. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(continued)

Financial instruments not measured at fair value

At 31 December 2017 and 2016, all financial instruments are carried at amounts not materially different from their fair values except the following:

- (i) The amount due to an associate amounting to HK\$99,589,000 as of 31 December 2017 (2016: HK\$92,593,000). In the opinion of the directors of the Company, the fair value of the balance has not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.
- (ii) The available-for-sale financial assets are measured at cost less any identified impairment at each reporting date because the range of reasonable fair value estimates is so significant and the probability of the various estimates is significant. Accordingly, the directors of the Company are of the opinion that the fair value cannot be reliably measured.

43. 按類別細分之金融資產及金融負債概要(續)

並非按公平值計量之金融工具

於二零一七年及二零一六年十二月三十一日，所有金融工具之賬面值與其公平值並無重大差別之金額列賬，惟以下各項除外：

- (i) 於二零一七年十二月三十一日應付一間聯營公司的款項99,589,000港元(二零一六年：92,593,000港元)除外。本公司董事認為，受關係影響，該等結餘的預期現金流無法可靠估計，因此未釐定結餘的公平值。
- (ii) 可供出售金融資產於各報告日期按成本減去任何已識別減值計量，原因是公平值估計之合理範圍太大，且不同估計之可能性較高。因此，本公司董事認為公平值無法可靠計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

44. CAPITAL MANAGEMENT

The Group's primary objectives managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk by securing access to finance at a reasonable cost. the Group's overall strategy remains unchanged from that of prior year.

The capital structure of the Group consists of net debt, which included outstanding borrowings of approximately HK\$1,468,817,000 as disclosed in note 3.1, net of cash and cash equivalents and equity attributable to equity shareholders of the Company, comprising share capital and deficit, as disclosed in notes 26, 32 and 34, respectively.

The Group actively and reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

44. 資本管理

本集團管理資本的主要目標是保護本集團持續經營的能力，令本集團可透過與風險水平相稱的產品及服務定價及以合理成本取得融資，繼續為股東提供回報及令其他持份者受益。本集團的整體策略與上一年度相比維持不變。

本集團之資本架構由債務淨額(包括附註3.1披露的未償還借款約1,468,817,000港元)，扣除現金及現金等值項目與本公司股東應佔權益(包括附註26、32及34分別披露的股本及虧絀)組成。

本集團積極檢討及管理資本架構，以維持更高借款水平可能實現的更高股東回報與穩健現金狀況可提供的優勢及安全之間的平衡，並根據經濟狀況的變動調整資本架構。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

45. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

45. 公司級財務狀況表

		Note 附註	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current asset	非流動資產			
Investments in subsidiaries	於附屬公司之投資		754,818	762,113
Less: Impairment loss on the investments in subsidiaries	減：於附屬公司之投資的減值虧損		(754,818)	(645,576)
			-	116,537
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		337	162
Cash and cash equivalents	現金及現金等值項目		15,262	1,088
			15,599	1,250
Current liability	流動負債			
Other payables	其他應付款項		18,780	10,077
Net current liabilities	流動負債淨額		(3,181)	(8,827)
Total assets less current liabilities	總資產減流動負債		(3,181)	107,710
Non-current liability	非流動負債			
Amount due to a subsidiary	應付一間附屬公司之款項		501	7,295
Net (liabilities)/assets	(負債)/資產淨值		(3,682)	100,415
EQUITY	權益			
Share capital	股本		71,267	71,267
(Deficit in reserves)/reserves	(儲備虧絀)/儲備	34(b)	(74,949)	29,148
(Capital deficiency)/total equity	(資本虧絀)/權益總額		(3,682)	100,415

Approved and authorised for issue by the board of directors on 29 March 2018 and are signed on its behalf by:

經董事會於二零一八年三月二十九日批准及授權刊發，並由以下人士代表董事會簽署：

Dong Cunling 董存嶺
Director 董事

Zhang Yi 張毅
Director 董事



ROSAN RESOURCES HOLDINGS LIMITED

融信資源控股有限公司