



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)

2018

中期報告

INTERIM REPORT

CONTENTS

目錄

		Page(s) 頁碼
Corporate Information	公司資料	2-3
Management Discussion and Analysis	管理層討論及分析	4-14
Corporate Governance Practices	企業管治常規	15
Directors' Report	董事會報告	16-21
Condensed Consolidated Income Statement	簡明綜合收益表	22
Condensed Consolidated Statement of Comprehensive Income	簡明綜合全面收益表	23
Condensed Consolidated Statement of Financial Position	簡明綜合財務狀況表	24-25
Condensed Consolidated Statement of Changes in Equity	簡明綜合權益變動表	26-28
Condensed Consolidated Statement of Cash Flows	簡明綜合現金流量表	29-30
Notes to the Condensed Consolidated Interim Financial Statements	簡明綜合中期財務報表附註	31-84

CORPORATE INFORMATION

公司資料

DIRECTORS

Mr. Dong Cunling (*Chairman*)
Mr. Li Xiangfei
Mr. Sun Shusheng
Mr. Wu Jiahong (Resigned in September 2018)
Mr. Zhang Yi
Mr. Zhou Guangwen
Mr. Li Chunyan*
Dr. Chen Renbao*
Mr. Ma Yueyong*
Mr. Ma Wai Tong* (Appointed in September 2018)

* *Non-Executive Director*

* *Independent Non-Executive Directors*

AUDIT COMMITTEE

Mr. Ma Yueyong (*Chairman of the Committee*)
Dr. Chen Renbao
Mr. Ma Wai Tong (Appointed in September 2018)

NOMINATION COMMITTEE

Mr. Ma Yueyong (*Chairman of the Committee*)
Dr. Chen Renbao
Mr. Ma Wai Tong (Appointed in September 2018)

REMUNERATION COMMITTEE

Dr. Chen Renbao (*Chairman of the Committee*)
Mr. Ma Yueyong
Mr. Ma Wai Tong (Appointed in September 2018)

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)
李翔飛先生
孫書生先生
巫家紅先生 (於二零一八年九月辭任)
張毅先生
周廣文先生
李春彥先生*
陳仁寶博士*
馬躍勇先生*
馬煒堂先生* (於二零一八年九月獲委任)

* 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
馬煒堂先生 (於二零一八年九月獲委任)

提名委員會

馬躍勇先生 (委員會主席)
陳仁寶博士
馬煒堂先生 (於二零一八年九月獲委任)

薪酬委員會

陳仁寶博士 (委員會主席)
馬躍勇先生
馬煒堂先生 (於二零一八年九月獲委任)

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
夏愨道18號
海富中心1座
32樓3204B室

CORPORATE INFORMATION

公司資料

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

Conyers 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801-806室

股份過戶登記總處

Conyers 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>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MARKET REVIEW

To continue with the movement of “Industrial Development of Coal in the Thirteenth Five-Year Plan”, the overall coal industry has become stable and has departed from the worst situation which happened in the years before. Sizable coal mine companies have invested more and more in their infrastructure and plant and machinery, so as to further improve the production capacity as well as to meet the government different stringent requirements, especially in the area of environmental protection and social responsibilities. For smaller size coal mines companies, they have to focus on improving their internal resources, such as technical reform on the production, provision of sufficient staff training, improvement in their operation to fulfill the environment protection policies, etc., in order to continue survive in the challenging coal industry and to avoid from closing down by order of the government. Subsequent to the compulsory shutting down of numerous small and unqualified coal mines in the recent years, coal market’s production volume as well as the coal quality, have been stabilized. Moreover, coal mines’ serious accidents have been greatly reduced in the past two years. Although the coal industry has faced big challenges at the beginning when the stringent government policies on coal mines have been enforced in previous years, the outcome would become favorable and beneficial to the whole coal industry consequently.

For the first half of the year 2018 (the “**Period**”), coal production capacity of Henan Province of the PRC was 54.1 million tons, representing an increase of 4.4% as comparing with same period of the year 2017 (the “**Last Period**”). Referring to the whole PRC, the coal production capacity for the Period was 1.7 billion tons, representing an increase of 3.9%, as comparing with the Last Period.

Since the recovery of coal market and rebounding of coal price in the year 2016 and year 2017, the market coal price has maintained more or less stable at a relatively higher level during the Period. It is anticipated that the coal price will be stable in the second half of the Year 2018 as long as there is no unpredictable material change in government policies nor the serious worsening of PRC economic condition.

市場回顧

隨著《煤炭工業發展十三五規劃》的推進，整個煤炭行業已趨穩定，擺脫過去幾年最糟糕的處境。大型煤礦公司對基礎設施與廠房及機械的投入越來越多，以進一步提高產能並滿足政府不同的嚴格規定，尤其是在環保及社會責任領域。小型煤礦公司專注於改善內部資源，如生產技術改造、提供充足的員工培訓、改進運營以遵守環保政策等，以繼續在具有挑戰性的煤炭行業生存，避免被政府下令關閉。近年來眾多小型不合格煤礦被強制關閉後，煤炭市場的產量及煤炭品質已經穩定。此外，過去兩年煤礦嚴重事故大幅減少。儘管煤炭行業在過去幾年對煤礦執行嚴格的政府政策之初曾面臨巨大挑戰，但結果將有利於整個煤炭行業。

二零一八年上半年（「**本期間**」），中國河南省煤礦產能為54,100,000噸，較二零一七年同期（「**上一期間**」）增加4.4%。就全中國而言，本期間的煤炭產能為17億噸，較上一期間增加3.9%。

自二零一六年及二零一七年煤炭市場復甦及反彈起，本期間市場煤價基本穩定在較高水平。只要政府政策不發生無法預期的重大變動，且中國經濟狀況不嚴重惡化，預計二零一八年下半年煤價將維持穩定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

From the acknowledgment of the increment of the production capacity and the stable coal price during the Period, it is found that the revolution in the coal mine industry was successfully implemented.

Referring to the macro economic condition of PRC, PRC economy has been adjusted smoothly from the peak. The GDP of PRC for the Period and the Last Period was 6.8 and 6.9 respectively. It represented the overall economy of the PRC has been slightly slowed down. It is expected that in the second half year of 2018, the GDP will continue to adjust mildly. The slowing down economy of PRC may induce impact on the growth of the coal mine industry. Depending on the extent of the adjustment on the PRC economy, enterprises may consume less electricity or choose alternative cost-saving energy sources to replace coal energy during the downturn economic environment. In addition to the recent unstable worldwide political environment, the responses from China or other countries may affect the financial and economic condition of the parties involved. Nevertheless, coal mines companies have to be well-prepared for any unpredictable changes in order to minimize the impact on respective coal business.

BUSINESS REVIEW

After the pro-long suspension of coal mines in the Year 2017, three major coal mines of the Group have been resumed in operation and production since November 2017. Upon the resumption of coal production, the Group has continued to produce and sell its own coal to customers with better profit margin comparing with the sale of purchased coal. Nevertheless, the Group has kept improving its production capacity and production safety in order to produce high-quality coal with the targets of minimal accidents.

During the Period, the Group has recorded revenue of approximately HK\$495.8 million (Last Period: approximately HK\$285.9 million, represented an increase of 73.4% comparing with the Last Period. The increase was mainly due to (i) the resumption of coal mines of the Group and (ii) new income stream generated from the newly acquired building materials business.

從本期間產能增加及煤價穩定來看，煤礦行業的改革已取得成功。

從中國宏觀經濟狀況而言，中國經濟已從高峰期平穩調整。本期間及上一期間中國的國內生產總值增長率分別為6.8%及6.9%，表明中國整體經濟增長已略微放緩。預計二零一八年下半年國內生產總值增幅將繼續適度調整。中國經濟增長放緩可能影響煤礦行業的增長。視乎中國經濟的調整程度而定，在經濟衰退的環境下，企業可能消耗的電力下降，或選擇其他更節省成本的能源取代煤炭能源。除最近不穩定的全球政治環境外，中國或其他國家的應對措施亦可能影響各方的財務及經濟狀況。然而，煤礦公司須為任何無法預測的變動做好準備，從而將對各自煤炭業務的影響降至最低。

業務回顧

二零一七年煤礦長期停產後，本集團三個主要煤礦自二零一七年十一月起恢復經營及生產。煤炭生產恢復後，本集團繼續生產及向客戶銷售自有煤炭，其利潤率優於購入煤炭貿易。然而，本集團繼續提高產能及生產安全，以生產優質煤炭並實現最少事故的目標。

於本期間，本集團錄得收益約495,800,000港元（上一期間：約285,900,000港元），較上一期間增加73.4%。增加主要是由於：(i)本集團煤礦恢復生產；及(ii)新收購的建材業務產生的新收入來源。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In order to strive to face new challenges in the industry, the Group has not only put a focus on improvement on the coal business, but also explored into building materials business to strengthen the operation and revenue of the Group. The Group has always been persisting in its position and taking more cautious responsive measures according to situations on a timely basis.

Resumption of Coal Mines

In November 2017, two of the major coal mines of the Group have been resumed upon receiving the notification from the government, and another major coal mine has also been resumed in March 2018. Upon the resumption of the three major coal mines, the coal production volume has been gradually recovered and the Group can have a better quality control on coal supply and hence to improve the profit margin. It is expected that as long as there are no material uncertainties regarding to the suspension of coal mines in the industry, the coal production business will be kept at a stable level.

Acquisition of Building Materials Company

In order to explore different income stream, the Company has acquired a building materials company in Henan Province in January 2018. Through the acquisition, the Group would be able to generate additional income stream which is different from the original coal business. Therefore, the Group's revenue may not rely solely on coal business.

Fund Raising Activity

In early January 2018, a raising fund activity was completed to raise funds with gross proceeds of HK\$40 million. Due to the occurrence of the net current liabilities of the Group, the purpose of the raised fund was to use as working capital of Group and to improve its financial position. Details of the raising fund activity have been disclosed in the Company's circular dated 28 November 2017.

為努力應對行業新挑戰，本公司不僅專注於改進煤炭業務，亦探索建材業務以加強本集團經營及收入。本集團一直堅持立場，並根據情況及時採取更審慎的應對措施。

煤礦恢復生產

於二零一七年十一月，本集團兩個主要煤礦在收到政府通知後恢復生產，另一個主要煤礦亦於二零一八年三月恢復生產。三個主要煤礦恢復生產後，煤炭產量逐步恢復，且本集團對煤炭供應的質量控制加強，因此令利潤率改善。只要行業不存在有關煤礦停產的重大不確定性，預計煤炭生產業務將維持在穩定水平。

收購建材公司

為開拓不同收入來源，本公司於二零一八年一月收購河南省一間建材公司。透過該收購，本集團將能產生不同於原有煤炭業務的另一收入來源。因此，本集團的收益可能不會完全依賴煤炭業務。

集資活動

於二零一八年一月初，本公司完成一次集資活動，所得款項總額為40,000,000港元。由於本集團發生流動負債淨額狀況，籌集資金旨在用作本集團的營運資金及改善其財務狀況。集資活動之詳情已披露於本公司日期為二零一七年十一月二十八日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial Support from Major Shareholders

On 14 February 2018, the Group entered into loan agreements with three major shareholders of the Company, i.e. Mr. Bao Hongkai (“**Mr. Bao**”), Mr. Zhang Xinzhi and Mr. Li Xiangfei. Pursuant to the loan agreements, the three major shareholders agreed to provide unsecured and interest-free loans with a maximum aggregated amount of RMB600 million (equivalent to approximately HK\$710 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 from the drawdown date.

The above loans will be used as general working capital and to strengthen the financial position of the Group. The financial support obtained from the above three major shareholders are interest-free, hence, it is favorable to the Group as comparing with the borrowings from other financial institutions in the market.

FINANCIAL REVIEW

Reportable Segments

In the prior year, the Group was principally engaged in the business of production and sale of coal and the trading of purchased coal in the PRC (the “**Coal Business**”) and had only one operating segment. During the Period, the Group has expanded its business into the production and sale of building materials in the PRC (the “**Building Materials Business**”). Thus, the Group introduced a new reportable and operating segment of production and sales of building materials following the business combination through the acquisition of Goal Getter Ventures Limited and its subsidiaries (the “**Goal Getter Group**”) on 3 January 2018. Details of the acquisition of subsidiaries are set out in the note 8 to the condensed consolidated interim financial statements.

There were no inter-segment sales occurred for the Period. All the Group’s revenue from external customers was generated from the PRC and most of the Group’s non-current assets are located in the PRC. Details of the Group’s segment information are set out in the note 4 to the condensed consolidated interim financial statements.

主要股東的財務支持

於二零一八年二月十四日，本集團與本公司三名主要股東（即包洪凱先生（「**包先生**」）、張信志先生及李翔飛先生）訂立貸款協議。根據貸款協議，該三名主要股東同意向本集團提供最多總額人民幣600,000,000元（相當於約710,000,000港元）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）。

上述貸款將用作一般營運資金及加強本集團財務狀況。從上述三名主要股東取得的財務支持為免息，因此，與從市場上其他金融機構取得的借貸相比，其有利於本集團。

財務回顧

可報告分部

去年，本集團主要在中國從事煤炭生產及銷售以及購入煤炭貿易（「**煤炭業務**」），僅有一個經營分部。於本期間，本集團將業務擴張至在中國從事建材生產及銷售（「**建材業務**」）。因此，透過於二零一八年一月三日收購志達創設有限公司及其附屬公司（「**志達集團**」）而進行業務合併後，本集團引入一個新的可報告及經營分部—建材生產及銷售。收購附屬公司的詳情分別載列於簡明綜合中期財務報表附註8。

本期間並無產生分部間銷售。本集團來自外部客戶的所有收入均來自中國，且本集團大部分非流動資產位於中國。本集團分部資料的詳情分別載列於簡明綜合中期財務報表附註4。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue

The Group's revenue for the Last Period represented the revenue generated from the Coal Business. As a result of the acquisition of the Goal Getter Group which was completed on 3 January 2018, the Group's revenue for the Period also included the post-acquisition revenue generated from production and sales of building materials amounting to approximately HK\$110.0 million. The revenue contributed by the Coal Business and the Building Materials Business accounted for approximately 77.8% and approximately 22.2% of the Group's total revenue for the Period respectively.

The Group's total revenue for the Period amounted to approximately HK\$495.8 million, representing an increase of approximately 73.4% from approximately HK\$285.9 million for the Last Period. The increase in revenue was primarily due to the contribution of the Building Materials Business and the resumption of major coal mines during the Period.

During the Period, the total sales volume of coal was approximately 816,000 tons which was more than the sales volume of the Last Period (approximately 717,000 tons) by approximately 13.8%, in which, approximately 563,000 tons or approximately 69.0% (the Last Period: approximately 633,000 tons or approximately 88.3%) and approximately 253,000 tons or approximately 31.0% (the Last Period: approximately 84,000 tons or approximately 11.7%) were contributed by coal trading business and coal production respectively.

Increase in the revenue of the Coal Business was mainly caused by the resumption of the major coal mines of the Group since November 2017 and the improved coal prices. The average selling price of coal has increased from approximately RMB352.6 per ton for the Last Period to approximately RMB384.1 per ton for the Period.

收益

本集團於上一期間的收益指煤炭業務的收益。由於二零一八年一月三日完成收購志達集團，本集團於本期間收益亦包括建材生產及銷售產生的收購後收益約110,000,000港元。煤炭業務及建材業務的收益分別佔本集團本期間總收益約77.8%及約22.2%。

本集團於本期間的總收益約495,800,000港元，較上一期間約285,900,000港元增加約73.4%。收益增加主要是由於本期間內建材業務貢獻及主要煤礦恢復生產所致。

於本期間，煤炭總銷量約816,000噸，較上一期間的銷量（約717,000噸）高約13.8%，其中，煤炭貿易業務及煤炭生產業務分別貢獻約563,000噸或約69.0%（上一期間：約633,000噸或約88.3%）及約253,000噸或約31.0%（上一期間：約84,000噸或約11.7%）。

煤炭業務收益增加主要是由於本集團主要煤礦自二零一七年十一月起恢復生產以及煤炭價格上升，煤炭平均售價由上一期間每噸約人民幣352.6元上升至本期間每噸約人民幣384.1元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cost of Sales and Gross Profit

The cost of sales and gross profit for the Period were approximately HK\$464.4 million (the Last Period: approximately HK\$304.9 million) and approximately HK\$31.3 million (the Last Period: gross loss of approximately HK\$19.1 million) respectively.

The gross profit margin was improved from gross loss margin amounted to approximately 6.7% for the Last Period to gross profit margin amounted to approximately 6.3% for the Period. In particular, the Building Materials Business has contributed approximately HK\$36.1 million gross profit for the Period. Subsequent to the resumption of major coal mines, gross margin obtained from the Coal Business has been improved comparing with the Last Period.

Gross loss of the Coal Business was approximately HK\$4.8 million (the Last Period: approximately HK\$19.1 million) for the Period. The reduction in the gross loss for the Period was mainly due to the resumption of major coal mines and increase in average coal price during the Period. The performance of the Coal Business is affected by the fluctuation of market coal price, production scale of the Group's coal mines and government policies of the PRC. The Group will constantly maintain the stringent cost control and monitor the safety threats of the Coal Business.

Net Loss Attributable to the Owners of the Company

The net loss attributable to the owners of the Company for the Period was approximately HK\$47.0 million, representing an increase of approximately 22.0% as compared with the Last Period of approximately HK\$38.5 million. The reason for the increase in net loss attributable to the owners of the Company was mainly due to the increase in finance costs and administrative expenses, although it was partially offset by the results of the Building Materials Business as compared to the Last Period.

銷售成本及毛利

本期間之銷售成本及毛利分別為約464,400,000港元(上一期間:約304,900,000港元)及約31,300,000港元(上一期間:毛損約19,100,000港元)。

毛利率由上一期間毛損率約6.7%改善至本期間毛利率約6.3%。具體而言,於本期間,建材業務已貢獻毛利約36,100,000港元。主要煤礦恢復生產後,煤炭業務取得的毛利率較上一期間有所改善。

本期間煤炭業務之毛損約4,800,000港元(上一期間:約19,100,000港元)。本期間毛損下降主要是由於本期間主要煤礦恢復生產及平均煤價上升。煤炭業務的表現受到煤炭市價波動、本集團煤礦生產規模及中國政府政策影響。本集團將不斷維持嚴格的成本控制,並監察煤炭業務的安全隱患。

本公司擁有人應佔虧損淨額

本期間本公司擁有人應佔虧損淨額約47,000,000港元,較上一期間約38,500,000港元增加約22.0%。本公司擁有人應佔虧損淨額增加主要是由於財務費用及行政開支較上一期間增加,但部分被建材業務的業績抵銷。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The coal market in the PRC has been gradually recovered since 2016, the major coal mines of the Group have resumed operation since November 2017. With consideration of the recent performance of the Group's coal mines and coal market condition, the Group estimated that the recoverable amount of cash generating unit ("CGU") of Coal Business close to the carrying value. Therefore, save for impairment of approximately HK\$5.0 million provided for property, plant and equipment, no further impairment on the CGU of Coal Business was proposed for the Period (the Last Period: approximately HK\$7.4 million).

Accounts and Bills Receivables

As at 30 June 2018 (the "Period End"), the accounts and bills receivables amounted to approximately HK\$360.7 million, representing an increase of approximately 63.0% as compared to the accounts and bills receivables as at 31 December 2017 (the "Last Year End") of approximately HK\$221.3 million. The increase was mainly because the Group has resumed its operation of production of major coal mines since November 2017 and the Group has acquired the Building Materials Business during the Period. The Coal Business and the Building Materials Business granted certain respective credit period to certain customers.

Amongst the total amount of accounts receivable (excluding the bills receivable) as at the Period End, the largest customer of the Group was also the largest debtor who has contributed approximately HK\$222.9 million (equivalent to approximately RMB188.5 million) or approximately 62.1% of the total accounts receivable amount. The entire balance due from the largest customer as at the Period End was not past due.

From 1 January 2018, the Group assesses the expected credit losses on a forward looking basis. Certain loss allowances for accounts receivable was recognised at 1 January 2018 when the Group initially adopted HKFRS 9. Considered the loss allowances for accounts receivable as at the Period End substantially equal to the lifetime expected credit loss, the Board concluded that no material loss allowance is needed to be recognised for the accounts receivable for the Period.

中國煤炭市場自二零一六年起逐步復甦，本集團主要煤礦自二零一七年十一月起已恢復運營。鑒於本集團煤礦近期的表現及煤炭市場狀況，本集團估計，煤炭業務的現金產生單位（「現金產生單位」）的可收回金額基本與賬面值接近。因此，除就物業、廠房及設備作出的減值約5,000,000港元外，不建議於本期間就煤炭業務的現金產生單位作出其他減值（上一期間：約7,400,000港元）。

應收賬款及票據

於二零一八年六月三十日（「本期間末」），應收賬款及票據約360,700,000港元，較二零一七年十二月三十一日（「去年年末」）的應收賬款及票據約221,300,000港元增加約63.0%。增加主要是由於本集團主要煤礦自二零一七年十一月起恢復生產及營運，且本集團已收購建材業務。煤炭業務及建材業務向若干客戶授予若干信貸期。

於本期間末的應收賬款總額（不包括應收票據）中，本集團最大客戶亦為最大債務人，結餘額約222,900,000港元（相當於約人民幣188,500,000元），或佔應收賬款總額約62.1%。本期間末應收最大客戶的全部結餘未逾期。

自二零一八年一月一日起，本集團按前瞻性基準評估預期信貸虧損。應收賬款的若干虧損撥備於二零一八年一月一日本集團首次採納香港財務報告準則第9號時確認。鑒於本期間末應收賬款的虧損撥備大致等於終生預期信貸虧損，董事會認為，本期間毋須就應收賬款確認重大虧損撥備。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Accounts and Bills Payables

Bills payable as at the Period End amounted to approximately HK\$869.6 million (the Last Year End: approximately HK\$807.2 million) which contributed approximately 93.3% (the Last Year End: approximately 98.7%) of the total amount of accounts and bills payables as at the Period End, i.e. approximately HK\$931.7 million (the Last Year End: approximately HK\$817.9 million). In order to enhance the operational cash flow and liquidity, a relatively higher proportion of bills were issued to suppliers or group companies for settlement. The bills payable as at the Period End has increased by approximately HK\$62.4 million or approximately 7.7%.

Other Payables and Accruals

The total amount of other payables and accruals have been increased by approximately 23.3% from approximately HK\$458.1 million as at the Last Year End to approximately HK\$564.7 million as at the Period End. As at the Period End, the other payables mainly comprised of provision for PRC retirement benefit scheme contributions amounting to approximately HK\$168.4 million (the Last Year End: approximately HK\$169.7 million), accrued coal mines related removal and relocation expenses amounting to approximately HK\$69.3 million (the Last Year End: approximately HK\$58.3 million), receipt in advance amounting to approximately HK\$39.4 million (the Last Year End: approximately HK\$43.3 million), accrued workers' wages and benefits amounting to approximately HK\$29.7 million (the Last Year End: approximately HK\$29.1 million), and advance from directors of the Company amounting to HK\$Nil million (the Last Year End: approximately HK\$0.2 million). Advance from directors of the Company were unsecured, interest-free and repayable on demand.

應付賬款及票據

於本期間末之應付票據約869,600,000港元(去年年末:約807,200,000港元),佔本期間末應付賬款及票據總額(即約931,700,000港元(去年年末:約817,900,000港元))約93.3%(去年年末:約98.7%)。為加強營運現金流量及流動資金,故向供應商或集團公司發出較高比例的票據用於結算。因此,本期間末之應付票據增加約62,400,000港元或約7.7%。

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去年年末約458,100,000港元增加約23.3%至本期間末約564,700,000港元。於本期間末,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168,400,000港元(去年年末:約169,700,000港元)、應計煤礦相關拆遷及安置開支約69,300,000港元(去年年末:約58,300,000港元)、已收預付款項約39,400,000港元(去年年末:約43,300,000港元)、應計工人工資及福利約29,700,000港元(去年年末:約29,100,000港元),以及本公司董事提供的貸款零港元(去年年末:約200,000港元)。本公司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

PROSPECT

With the continuous implementation of the government policies for controlling the coal capacity and supply, it is estimated that supply, demand as well as the coal price will keep more or less stable in the year 2018. Unless there is any uncertain external environment or financial problem arise, the coal industry in China will face less vigorous challenges comparing with the past few years.

The Company will monitor closely for the market changes and will take necessary actions to fulfill the new policies and to strive in the coal industry. Moreover, the Company will continue to seek appropriate business opportunities to strengthen the Company's operation and result. The successful acquisition of the building materials company can demonstrate the determination of the Group to explore new income stream.

It is a new journey to the Group after the prolonged suspension of coal mines in last year. Through the continuous improvement in its original coal business and the achievement obtained from the newly acquired building materials business, the Company has the target to bring positive value to its shareholders in the future.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at the Period End, the net liabilities of the Group was approximately HK\$84.5 million (as at the Last Year End: approximately HK\$76.6 million) and the total cash and bank balance (including pledged bank deposit) was approximately HK\$1,051.5 million (as at the Last Year End: approximately HK\$787.8 million). As at the Period End, the Group had net current liabilities of approximately HK\$789.9 million (as at the Last Year End: approximately HK\$618.2 million) and its current ratio remained at 0.70 times as at the Last Year End and the Period End. The Group's working capital was mainly financed by internal cash flow generated from its operation, the banking facilities granted by financial institutions and the amounts due to shareholders.

前景

隨著控制煤炭產能及供應的政府政策繼續實施，估計二零一八年煤炭的供需及價格將保持基本穩定。除非出現不確定的外部環境或財政問題，中國煤炭行業面臨的競爭將小於過去幾年。

本公司將密切監察市場變化，並將採取必要措施實施新政策及在煤炭行業努力發展。此外，本公司將繼續物色適當的商機，以加強本公司的經營及業績。成功收購建材公司可證明本集團開拓新收入來源的決心。

這是本集團經過去年煤礦長期停工停產後踏上的新征程。透過不斷完善原有煤炭業務及新收購建材業務取得的成就，本公司旨在於未來為股東創造正面價值。

流動資金、財務資源及資本結構

於本期間末，本集團之負債淨值約為84,500,000港元（於去年年末：約76,600,000港元），而現金及銀行結餘總額（包括已抵押銀行存款）則約為1,051,500,000港元（於去年年末：約787,800,000港元）。於本期間末，本集團之流動負債淨額約為789,900,000港元（於去年年末：約618,200,000港元），其流動比率於去年年末及本期間末維持在約0.70倍。本集團之營運資金主要是通過其營運所得之內部現金流量、金融機構授予銀行授信額度及應付股東款項作融資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at the Period End, the Group's accounts receivable, net of any provision for impairment amounted to approximately HK\$358.7 million (as at the Last Year End: approximately HK\$221.3 million) and certain accounts receivable were pledged to secure bank loans of the Group. Subsequent to 30 June 2018 and up to the date of this report, accounts receivable amounting to approximately HK\$90.9 million has been settled.

As at the Period End, bank deposits amounting to approximately HK\$847.7 million (as at the Last Year End: approximately HK\$616.9 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\$203.8 million (as at the Last Year End: approximately HK\$170.9 million). Bank deposits amounting to approximately HK\$646.2 million (as at the Last Year End: approximately HK\$616.9 million) were pledged to secure bills payable of the Group.

As at the Period End, the Group has bank and other loans amounting to approximately HK\$850.6 million (as at the Last Year End: approximately HK\$646.9 million). The bank loans amounting to approximately HK\$608.9 million (as at the Last Year End: approximately HK\$611.0 million) bear interest at interest rates ranging from 3.20% to 12.80% per annum (as at the Last Year End: at interest rates ranging from 3.20% to 13.64% per annum). Certain property, plant and equipment, prepaid land lease payments and mining rights of the Group were pledged to secure certain bank and other loans of the Group. Details were set out in the notes 12, 13 and 15 to the condensed consolidated interim financial statements respectively.

As at the Period End, approximately HK\$742.7 million (as at the Last Year End: approximately HK\$694.9 million) of the Group's bills payable were secured by the Group's pledged time deposits amounted of approximately HK\$646.2 million (as at the Last Year End: approximately HK\$616.9 million), in which approximately HK\$31.7 million (as at the Last Year End: approximately HK\$52.5 million) were guaranteed by a major customer, approximately HK\$71.1 million (as at the Last Year End: approximately HK\$72.0 million) were jointly guaranteed by Mr. Bao, his spouse and a major customer, whereas approximately HK\$71.1 million (as at the Last Year End: Nil) were jointly guaranteed by a major customer and Mr. Bao. Without pledging of time deposits as at the Period End, approximately HK\$126.9 million (as at the Last Year End: approximately HK\$112.3 million) of the Group's bills payable were guaranteed solely by a major customer.

於本期間末，本集團應收賬款（扣除任何減值撥備）約為358,700,000港元（於去年年末：約221,300,000港元），若干應收賬款作為本集團銀行貸款之抵押。於二零一八年六月三十日後至本報告日期，應收賬款約90,900,000港元已結清。

於本期間末，已抵押及不可用於本集團營運或償還債務的銀行存款約為847,700,000港元（於去年年末：約616,900,000港元）。未作抵押的現金及現金等值項目約203,800,000港元（於去年年末：約170,900,000港元）。已抵押約646,200,000港元（於去年年末：約616,900,000港元）的銀行存款，為本集團的應付票據提供擔保。

於本期間末，本集團的銀行及其他貸款約850,600,000港元（於去年年末：約646,900,000港元）。金額約608,900,000港元（於去年年末：約611,000,000港元）的銀行貸款按介乎3.20%至12.80%的年利率（於去年年末：介乎3.20%至13.64%的年利率）計息。本集團若干物業、廠房及設備、預付土地租賃款項及採礦權已抵押，為本集團的若干銀行及其他貸款提供擔保。詳情分別載列於簡明綜合中期財務報表附註12、13及15。

於本期間末，本集團應付票據中約742,700,000港元（於去年年末：約694,900,000港元）由本集團約646,200,000港元（於去年年末：約616,900,000港元）的已抵押定期存款抵押，其中約31,700,000港元（於去年年末：約52,500,000港元）由一名主要客戶擔保，約71,100,000港元（於去年年末：約72,000,000港元）由包先生、其配偶及一名主要客戶共同擔保，而約71,100,000港元（於去年年末：無）由一名主要客戶與包先生共同擔保。於本期間末，約126,900,000港元（於去年年末：約112,300,000港元）的本集團應付票據由一名主要客戶獨自擔保，沒有定期存款作抵押。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The amounts due to shareholders have been increased by approximately 635.2% from approximately HK\$41.1 million as at the Last Year End to approximately HK\$302.1 million as at the Period End. In particular, loans for a term of three years amounting to RMB10.0 million (equivalent to approximately HK\$11.8 million) (as at the Last Year End: HK\$Nil), RMB30.0 million (equivalent to approximately HK\$35.6 million) (as at the Last Year End: HK\$Nil) and RMB40.0 million (equivalent to approximately HK\$47.4 million) (as at the Last Year End: HK\$Nil) have been advanced from shareholders Mr. Bao, Mr. Zhang Xinzhi and Mr. Li Xiangfei respectively as at the Period End. Details of the amounts due to shareholders are set out in note 25 to the condensed consolidated interim financial statements.

The Group's gearing ratio (as a ratio calculated by (a) the sum of bank and other loans; divided by (b) the net liabilities of the Group) was 1,006.7% (as at the Last Year End: 844.6%).

The total amount of authorised share capital of the Company is HK\$3,000,000,000 divided into 30,000,000,000 ordinary shares of HK\$0.1 each, with 1,040,173,692 ordinary shares in issue as at the Period End.

During the Period, the Company issued 127,500,000 ordinary shares at issue price of HK\$0.2 per share as consideration for the acquisition of the entire issued share capital of Goal Getter Ventures Limited.

On 13 October 2017, the Company entered into subscription agreements with Retop International Investment Limited and Mr. Li Xiangfei for subscription of 100,000,000 ordinary shares and 100,000,000 ordinary shares respectively (the "**Subscriptions Shares**") at the issue price of HK\$0.2 per share (the "**Subscriptions**"). The issuance of Subscription Shares was approved by shareholders of the Company at the special general meeting held on 14 December 2017. An aggregate of 200,000,000 new ordinary shares was issued and successfully subscribed on 3 January 2018. Net proceeds from the Subscriptions of approximately HK\$35.4 million are intended to use for the general working capital of the Group. Up to the date of this report, approximately HK\$5.4 million and HK\$15.1 million was used for administrative expenses and settlement of payables respectively.

Save as disclosed above, there were no other changes in the capital structure of the Company during the Period.

應付股東款項由去年年末約41,100,000港元增加約635.2%至本期間末約302,100,000港元。具體而言，於本期間末，金額分別為人民幣10,000,000元（相當於約11,800,000港元）（於去年年末：零港元）、人民幣30,000,000元（相當於約35,600,000港元）（於去年年末：零港元）及人民幣40,000,000元（相當於約47,400,000港元）（於去年年末：零港元）的三年期貸款乃分別由股東包先生、張信志先生及李翔飛先生提供。應付股東款項的詳情載列於簡明綜合中期財務報表附註25。

本集團之資本負債比率（根據(a)銀行及其他貸款之總和；除以(b)本集團負債淨值計算之比率）為1,006.7%（於去年年末：844.6%）。

本公司法定股本總額為3,000,000,000港元，分為30,000,000,000股每股面值0.1港元的普通股，於本期間末1,040,173,692股普通股已發行。

於本期間，本公司按發行價每股0.2港元發行127,500,000股普通股，作為收購志達創投有限公司全部已發行股本的代價。

於二零一七年十月十三日，本公司與瑞拓國際投資有限公司及李翔飛先生訂立認購協議，以按發行價每股0.2港元分別認購100,000,000股普通股及100,000,000股普通股（「認購股份」）（「認購事項」）。發行認購股份於二零一七年十二月十四日舉行的股東特別大會上獲本公司股東批准。合共200,000,000股新普通股於二零一八年一月三日發行及獲成功認購。認購事項的所得款項淨額約35,400,000港元，擬用作本集團一般營運資金。截至本報告日期，約5,400,000港元及15,100,000港元分別已用於行政開支及結算應付款項。

除上文所披露者外，本公司資本架構於本期間並無其他變動。

CORPORATE GOVERNANCE PRACTICES

企業管治常規

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2018, 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 of Hong Kong Limited (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 (the “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 INEDs and the non-executive directors should attend general meetings. However, the INEDs of the Company were unable to attend the annual general meeting of the Company held in Hong Kong on 30 May 2018 as they were absent from Hong Kong.

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 a specific enquiry, all Directors of the Company have fully complied with the required standards set out in the Model Code throughout the six months ended 30 June 2018.

遵守企業管治守則

除下文所述偏離情況外，截至二零一八年六月三十日止六個月，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）之守則條文。

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應出席股東大會。然而，本公司獨立非執行董事因不在香港，所以未能出席本公司於二零一八年五月三十日於香港舉行的股東週年大會。

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，本公司全體董事於截至二零一八年六月三十日止六個月一直全面遵守標準守則所載的所需標準。

DIRECTORS' REPORT

董事會報告

PRINCIPAL ACTIVITIES

The principal activities of the Group include (i) the production and sale of coal and the trading of purchased coal and (ii) the production and sale of building materials in the People's Republic of China (the "PRC").

EXCHANGE RISK EXPOSURE

The sales and purchases of the Group are predominantly in Renminbi 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.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2018.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group has a total of approximately 1,624 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 (the "Share Option Scheme") was adopted by the Group on 27 May 2014 to enable the directors of the Company to grant share options to eligible participants including any employee of the Group as incentive to their valuable contribution to the Group. A refreshment of the limit in respect of the granting of share options under the Share Option Scheme and all other share option scheme(s) up to 104,017,369 shares of the Company was approved at the annual general meeting of the Company held on 30 May 2018.

No share options were granted during the six months ended 30 June 2018. As at 1 January 2018 and 30 June 2018, the Company had no outstanding share options under the Share Option Scheme.

主要業務

本集團之主要業務包括在中華人民共和國（「中國」）從事：(i)生產及銷售煤炭及購入煤炭貿易；及(ii)建材生產及銷售。

匯兌風險

本集團之銷售及購買主要以人民幣結算，而人民幣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影響之程度較低，而本集團並無為外匯風險作出對沖。

股息

董事會不建議就截至二零一八年六月三十日止六個月派付任何中期股息。

僱員及薪酬政策

於二零一八年六月三十日，本集團在香港及中國共有約1,624名僱員。本集團每年均會檢討彼等之薪酬，按員工個別表現釐定酌情花紅。本集團亦提供其他福利，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（「該購股權計劃」），使本公司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。於二零一八年五月三十日本公司舉行之股東週年大會上，已批准將該購股權計劃及所有其他購股權計劃項下授出購股權之限額更新為最多104,017,369股本公司股份。

截至二零一八年六月三十日止六個月，概無授出任何購股權。於二零一八年一月一日及二零一八年六月三十日，本公司於該購股權計劃項下概無尚未行使之購股權。

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 has purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange during the six months ended 30 June 2018.

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 of the Company.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in accordance with the requirements of the CG Code for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal control and risk management. The Audit Committee comprises three of the INEDs of the Company, namely Mr. Ma Yueyong (Chairman of the Audit Committee), Dr. Chen Renbao and Mr. Ma Wai Tong (who was appointed on 14 September 2018). The Audit Committee reviewed the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2018 and was of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements and that adequate disclosure have been made.

購買、出售或贖回本公司上市證券

截至二零一八年六月三十日止六個月，本公司或其任何附屬公司概無於聯交所購買、出售或贖回本公司任何上市證券。

優先購股權

本公司之公司細則或百慕達法例並無涉及優先購股權之條文，規定本公司必須按比例向本公司現有股東發售新股。

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（「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，即馬躍勇先生（審核委員會主席）、陳仁寶博士及馬煒堂先生（於二零一八年九月十四日獲委任）。審核委員會已審閱本集團截至二零一八年六月三十日止六個月期間之簡明綜合中期財務報表，並認為有關財務報表均符合適用會計準則、上市規則及法例規定，並已作出充分披露。

DIRECTORS' REPORT

董事會報告

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

As at 30 June 2018, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures 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:

Long positions in the ordinary shares of the Company

Name of Directors/chief executive	Nature of Interest	Number of shares	Approximate percentage of shareholding
董事／主要行政人員姓名	權益性質	股份數目	股權概約百分比
Mr. Dong Cunling 董存岭先生	Personal interest 個人權益	540,000	0.05%
Mr. Yang Hua 楊華先生	Personal interest 個人權益	10,089,196	0.97%
Mr. Sun Shusheng 孫書生先生	Personal interest 個人權益	3,432,000	0.33%
Mr. Li Xiangfei 李翔飛先生	Personal interest 個人權益	100,000,000	9.61%

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

於二零一八年六月三十日，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：

於本公司普通股之好倉

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 30 June 2018.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as was known to the directors or chief executive of the Company, as at 30 June 2018, 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:

於二零一八年六月三十日，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或淡倉。

主要股東及其他人士擁有之股份及相關股份權益

據董事或本公司行政總裁所知，於二零一八年六月三十日，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：

DIRECTORS' REPORT

董事會報告

Long positions in the shares of the Company

於本公司股份之好倉

Name of Shareholders	Capacity	Number of shares	Approximate percentage of shareholding
股東姓名／名稱	身份	股份數目	股權概約百分比
(1) Retop International Investment Limited ("Retop") (Note 1) 瑞拓國際投資有限公司 (「瑞拓」)(附註1)	Beneficial owner 實益擁有人	241,400,000	23.21%
(2) Vestfoco International Investment Limited ("Vestfoco") (Note 1) 維豐國際投資有限公司 (「維豐」)(附註1)	Interest in controlled corporation 受控法團權益	241,400,000	23.21%
(3) Mr. Bao Hongkai ("Mr. Bao") (Note 1) 包洪凱先生(「包先生」) (附註1)	Interest in controlled corporation 受控法團權益	241,400,000	23.21%
	Beneficial Owner 實益擁有人	675,000	0.06%
(4) Mr. Li Yupeng (Note 2) 李玉朋先生(附註2)	Beneficial owner 實益擁有人	71,000,000	6.83%
(5) Minan Holding Limited (Note 3) Minan Holding Limited (附註3)	Beneficial owner 實益擁有人	127,500,000	12.26%
(6) Mr. Zhang Xinzhi (Note 3) 張信志先生(附註3)	Interest in controlled corporation 受控法團權益	127,500,000	12.26%

Notes:

- (1) Retop 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) Mr. Li Yupeng is independent and not related to the Board or management of the Company.
- (3) Minan Holding Limited is beneficially and wholly owned by Mr. Zhang Xinzhi. He is not related to the Board or the management of the Company.

附註:

- (1) 瑞拓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) 李玉朋先生獨立於董事會或本公司管理層，且與彼等概無關聯。
- (3) Minan Holding Limited由張信志先生實益全資擁有。其與董事會或本公司管理層概無關聯。

DIRECTORS' REPORT

董事會報告

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.

CONTINGENT LIABILITIES

Save as disclosed in note 32 to the condensed consolidated interim financial statements, the Group had no other contingent liabilities as at 30 June 2018.

CONNECTED TRANSACTIONS

On 13 October 2017, Retop and the Company entered into a subscription agreement (the "**Subscription Agreement**") pursuant to which Retop agreed to subscribe 100,000,000 shares of the Company at an aggregate consideration of HK\$20 million (the "**Subscription**") for the purpose of raising fund for general working capital of the Company. The Subscription Agreement and all transactions contemplated thereunder were approved at the special general meeting of the Company held on 14 December 2017. The Subscription was completed on 3 January 2018. Details were set out in the Company's circular dated 28 November 2017 and announcements dated 14 December 2017 and 3 January 2018.

Save as disclosed above, the Group has not conducted any other connected transaction or continuing connected transaction (as defined under the Listing Rules) which is subject to reporting requirements under the Listing Rules.

REVIEW OF UNAUDITED INTERIM RESULTS

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2018 are unaudited and have been reviewed by the Company's Audit Committee.

By order of the Board

Rosan Resources Holdings Limited
Dong Cunling
Chairman

Hong Kong, 30 August 2018

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。

或然負債

除簡明綜合中期財務報表附註32所披露者外，本集團於二零一八年六月三十日並無其他或然負債。

關連交易

於二零一七年十月十三日，瑞拓與本公司訂立一份認購協議（「**認購協議**」），據此，瑞拓同意以總代價20,000,000港元（「**認購事項**」）認購100,000,000股本公司股份，為本公司一般營運資金籌集資金。認購協議及其項下擬進行之所有交易已於二零一七年十二月十四日舉行的本公司股東特別大會上獲股東批准。認購事項於二零一八年一月三日完成。詳情載列於本公司日期為二零一七年十一月二十八日之通函以及日期為二零一七年十二月十四日及二零一八年一月三日之公告。

期內，本集團並無進行根據上市規則須予申報之任何關連交易或持續關連交易（定義見上市規則）。

審閱未經審核中期業績

本集團截至二零一八年六月三十日止六個月之簡明綜合中期財務報表未經審核，並已由本公司審核委員會審閱。

承董事會命

融信資源控股有限公司
主席
董存岭

香港，二零一八年八月三十日

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Unaudited Six months ended 30 June	
		2018	2017
Notes		HK\$'000	HK\$'000
		未經審核	
		截至六月三十日止六個月	
附註		二零一八年 千港元	二零一七年 千港元
	Revenue		
	Cost of sales		
5		495,752	285,875
		(464,437)	(304,939)
	Gross profit/(loss)	31,315	(19,064)
	Other income		
5	Selling and distribution expenses	34,355	29,179
	Administrative expenses	(19,133)	(1,818)
	Other expenses	(37,488)	(21,234)
	Finance costs	(4,192)	(1,746)
6	Share of results of associates	(46,070)	(18,961)
	Share of results of a joint venture	(2)	(862)
	Impairment loss on property, plant and equipment	26	7
16	Impairment loss on mining rights	(4,996)	(3,198)
16		-	(4,150)
	Loss before income tax	(46,185)	(41,847)
	Income tax expense	(798)	-
	Loss for the period	(46,983)	(41,847)
	(Loss)/profit for the period attributable to:		
	Owners of the Company	(46,991)	(38,528)
	Non-controlling interests	8	(3,319)
		(46,983)	(41,847)
	Loss per share attributable to the owners of the Company		
	- Basic and diluted (HK cents)	(4.518)	(5.406)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Unaudited Six months ended 30 June	
		2018	2017
		HK\$'000	HK\$'000
		未經審核	
		截至六月三十日止六個月	
		二零一八年	二零一七年
		千港元	千港元
Loss for the period	期內虧損	(46,983)	(41,847)
Other comprehensive income/ (loss) for the period	期內其他全面收益／(虧損)		
Items that may be reclassified subsequently 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	換算海外業務財務報表之匯兌差額		
– subsidiaries	– 附屬公司	4,283	(393)
– a joint venture	– 一間合營企業	(83)	182
– associates	– 聯營公司	(1,336)	3,077
		2,864	2,866
Share of other comprehensive income of an associate	應佔一間聯營公司之其他全面收益	–	419
Other comprehensive income for the period, net of tax	期內其他全面收益(扣除稅項)	2,864	3,285
Total comprehensive loss for the period	期內全面虧損總額	(44,119)	(38,562)
Total comprehensive (loss)/ income attributable to:	應佔全面(虧損)／收益總額:		
Owners of the Company	本公司擁有人	(44,492)	(35,388)
Non-controlling interests	非控股權益	373	(3,174)
		(44,119)	(38,562)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2018 於二零一八年六月三十日

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
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	12 424,092	239,133
Prepaid land lease payments	預付土地租賃款項	13 69,797	–
Goodwill	商譽	14 –	–
Mining rights	採礦權	15 318,929	326,535
Other intangible assets	其他無形資產	17 477	–
Interests in associates	於聯營公司之權益	18 100,599	101,938
Interest in a joint venture	於一間合營企業之權益	19 6,192	6,248
Available-for-sale financial assets	可供出售金融資產	20 –	710
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產	20 701	–
		920,787	674,564
Current assets 流動資產			
Inventories	存貨	21 26,674	14,056
Accounts and bills receivables	應收賬款及票據	21 360,712	221,340
Prepaid land lease payments	預付土地租賃款項	13 1,493	–
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22 401,010	379,289
Tax recoverable	可收回稅款	22 8,989	9,412
Pledged bank deposits	已抵押銀行存款	23 847,688	616,880
Cash and cash equivalents	現金及現金等值項目	23 203,781	170,878
		1,850,347	1,411,855
Current liabilities 流動負債			
Accounts and bills payables	應付賬款及票據	24 931,677	817,863
Amounts due to shareholders	應付股東款項	25 222,510	41,097
Other payables and accruals	其他應付款項及應計費用	26 564,686	458,078
Provision for reclamation obligations	開墾費用撥備	26 101,340	99,480
Bank and other loans	銀行及其他貸款	27 820,030	613,519
		2,640,243	2,030,037

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2018 於二零一八年六月三十日

			Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Net current liabilities	流動負債淨額		(789,896)	(618,182)
Total assets less current liabilities	總資產減流動負債		130,891	56,382
Non-current liabilities	非流動負債			
Amount due to an associate	應付一間聯營公司款項	18	98,283	99,589
Amounts due to shareholders	應付股東款項	25	79,625	-
Bank and other loans	銀行及其他貸款	27	30,573	33,381
Deferred income	遞延收入	28	3,679	-
Deferred tax liabilities	遞延稅項負債		3,221	-
			215,381	132,970
Net liabilities	負債淨額		(84,490)	(76,588)
EQUITY	股本權益			
Share capital	股本	29	104,017	71,267
Deficit in reserves	儲備虧絀		(137,521)	(79,933)
Deficiency attributable to the owners of the Company	本公司擁有人應佔虧絀		(33,504)	(8,666)
Non-controlling interests	非控股權益		(50,986)	(67,922)
Capital deficiency	資本虧絀		(84,490)	(76,588)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		(Unaudited) (未經審核)											
		Attributable to the owners of the Company 本公司擁有人應佔											
		Share capital	Share premium	Capital redemption reserve	Other reserve	Contributed surplus	Exchange fluctuation reserve	Capital reserve	Statutory reserve	Accumulated losses	Total	Non-controlling interests	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價	資本贖回儲備	其他儲備	繳入盈餘	匯兌波動儲備	資本儲備	法定公積金	累計虧損	總計	非控股權益	總計
		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 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 period	期內虧損	-	-	-	-	-	-	-	-	(38,528)	(38,528)	(3,319)	(41,847)
Other comprehensive (loss)/ income for the period	期內其他全面(虧損)/收益	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌差額	-	-	-	-	-	(175)	-	-	-	(175)	(218)	(393)
- subsidiaries	- 附屬公司	-	-	-	-	-	164	-	-	-	164	18	182
- a joint venture	- 一間合營企業	-	-	-	-	-	2,770	-	-	-	2,770	307	3,077
- associates	- 聯營公司	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of an associate	應佔一間聯營公司之其他全面收益	-	-	-	381	-	-	-	-	-	381	38	419
Total comprehensive income/ (loss) for the period	期內全面收益/(虧損)總額	-	-	-	381	-	2,759	-	-	(38,528)	(35,388)	(3,174)	(38,562)
Transfer from other reserve	轉撥自其他儲備	-	-	-	(8,583)	-	-	-	-	8,583	-	-	-
At 30 June 2017	於二零一七年六月三十日	71,267	235,334	50	27,228	641	140,130	27,442	133,928	(519,364)	116,656	(54,803)	61,853

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		(Unaudited) (未經審核)											
		Attributable to the owners of the Company 本公司擁有人應佔											
		Capital			Exchange			Statutory		Non-			
		Share	Share	Other	Contributed	fluctuation	Capital	reserve	Accumulated	Total	controlling	Total	
		capital	premium*	reserve*	surplus*	reserve*	reserve*	fund*	losses*	interests		Total	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		股本	股份溢價*	儲備*	其他儲備*	撥入盈餘*	儲備*	資本儲備*	法定	累計虧損*	總計	非控股	
		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	權益	
				資本贖回	匯兌波動						總計	總計	
											千港元	千港元	
Balance at 31 December 2017	於二零一七年十二月三十一日結餘	71,267	235,334	50	66,566	641	136,686	27,442	133,928	(680,580)	(8,666)	(67,922)	(76,588)
Impact on initial application of HKFRS 9 (Note 3(b))	首次應用香港財務報告準則第9號的影響(附註3(b))	-	-	-	-	-	-	-	-	(36,784)	(36,784)	(4,086)	(40,870)
Adjusted balance at 1 January 2018	於二零一八年一月一日的經調整結餘	71,267	235,334	50	66,566	641	136,686	27,442	133,928	(717,364)	(45,450)	(72,008)	(117,458)
(Loss)/profit for the period	期內(虧損)/溢利	-	-	-	-	-	-	-	-	(46,991)	(46,991)	8	(46,983)
Other comprehensive income/(loss) for the period	期內其他全面收益/(虧損)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌差額	-	-	-	-	-	-	-	-	-	-	-	-
- subsidiaries	- 附屬公司	-	-	-	-	-	3,776	-	-	-	3,776	507	4,283
- a joint venture	- 一間合營企業	-	-	-	-	-	(75)	-	-	-	(75)	(8)	(83)
- associates	- 聯營公司	-	-	-	-	-	(1,202)	-	-	-	(1,202)	(134)	(1,336)
Total comprehensive income/(loss) for the period	期內全面收益/(虧損)總額	-	-	-	-	-	2,499	-	-	(46,991)	(44,492)	373	(44,119)
Additions through acquisition of subsidiaries (Note 8)	透過收購附屬公司而添置(附註8)	-	-	-	-	-	-	-	-	-	-	20,649	20,649
Deemed capital contribution arising from non-current interest-free shareholders' loan	因非流動免息股東貸款產生的視作注資	-	-	-	-	-	-	17,185	-	-	17,185	-	17,185
Issuance of shares pursuant to the subscriptions** (Note 29(ii))	根據認購事項發行股份** (附註29(ii))	20,000	20,000	-	(20,000)	-	-	-	-	-	20,000	-	20,000
Shares issued in consideration for the acquisition of subsidiaries (Notes 8 and 29(i))	作為收購附屬公司的代價而發行的股份(附註8及29(i))	12,750	6,503	-	-	-	-	-	-	-	19,253	-	19,253
Transfer from other reserve	轉撥自其他儲備	-	-	-	(11,578)	-	-	-	-	11,578	-	-	-
At 30 June 2018	於二零一八年六月三十日	104,017	261,837	50	34,988	641	139,185	44,627	133,928	(752,777)	(33,504)	(50,986)	(84,490)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

- * These accounts comprise the condensed consolidation deficit in reserves of approximately HK\$137.5 million (as at 31 December 2017: deficit in reserves of approximately HK\$79.9 million) in the condensed consolidated statement of financial position.
- * 該等賬戶包括簡明綜合財務狀況表中的簡明綜合儲備虧絀約137,500,000港元(於二零一七年十二月三十一日:儲備虧絀約79,900,000港元)。
- ** Included in the amount represented deposit of approximately HK\$20.0 million received from Retop International Investment Limited before the year ended 31 December 2017, an entity indirectly wholly owned by Mr. Bao Hongkai ("Mr. Bao"), a substantial shareholder of the Company, for the subscription of ordinary shares of the Company which was completed on 3 January 2018. Such amount was recorded in "Other reserve". Upon the completion of the subscription, such amount was reversed and formed part of share capital and share premium.
- ** 該金額包括截至二零一七年十二月三十一日止年度前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。該金額計入「其他儲備」。認購完成後,該金額已撥回,並構成股本及股份溢價的一部分。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

	Notes	Unaudited	
		Six months ended 30 June	
		2018	2017
		HK\$'000	HK\$'000
		未經審核	
		截至六月三十日止六個月	
	附註	二零一八年	二零一七年
		千港元	千港元
Operating activities	經營業務		
Cash used in operations	經營所用現金	(71,982)	(1,557)
Income tax paid	已付所得稅	(690)	-
Interest received	已收利息	1,385	971
Interest paid	已付利息	(27,156)	(17,681)
Net cash used in operating activities	經營業務所用現金淨額	(98,443)	(18,267)
Investing activities	投資業務		
Purchases of property, plant and equipment	購買物業、廠房及設備	12 (8,485)	(2,893)
Purchases of other intangible assets	購買其他無形資產	17 (575)	-
Increase in pledged bank deposits	已抵押銀行存款增加	(248,107)	(23,064)
Net cash inflow on acquisition of subsidiaries	收購附屬公司之現金流入淨額	8 19,586	-
Proceed from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	12 50	36
Net cash used in investing activities	投資業務所用現金淨額	(237,531)	(25,921)
Financing activities	融資業務		
Proceeds from issuance of share capital	發行股本所得款項	29 20,000	-
Proceeds from bank loans	銀行貸款所得款項	503,167	396,193
Proceeds from other loans	其他貸款所得款項	214,952	-
Repayments of bank loans	償還銀行貸款	(546,243)	(407,537)
Repayments of other loans	償還其他貸款	(738)	-
Proceeds from shareholders' loans, net	股東貸款所得款項淨額	175,960	6,000
Net cash generated from/ (used in) financing activities	融資業務所得/(所用)現金淨額	367,098	(5,344)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Unaudited	
		Six months ended 30 June	
		2018	2017
Notes		HK\$'000	HK\$'000
		未經審核	
		截至六月三十日止六個月	
	附註	二零一八年 千港元	二零一七年 千港元
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目 增加/(減少)淨額	31,124	(49,532)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	170,878	178,134
Effect of foreign exchange rate changes on cash and cash equivalents	外匯匯率變動對現金及現金等值項目之影響	1,779	3,206
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等值項目	203,781	131,808

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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**”) include (i) the production and sale of coal and the trading of purchased coal and (ii) the production and sale of building materials in the People’s Republic of China (the “**PRC**”).

The production and sale of building materials operation is related to the acquisition of subsidiaries for the six months ended 30 June 2018 (the “**Period**”), details are set out in Note 8.

2. BASIS OF PREPARATION

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

The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2017, except for the adoption of the new and revised the Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (“**Int**”)) as disclosed in Note 3.

1. 一般資料

融信資源控股有限公司（「**本公司**」）為於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**」）之主要業務包括在中華人民共和國（「**中國**」）從事：(i) 生產及銷售煤炭及購入煤炭貿易；及(ii) 建材生產及銷售。

建材生產及銷售業務涉及截至二零一八年六月三十日止六個月（「**本期間**」）收購的附屬公司，詳情載於附註8。

2. 編製基準

本公司之簡明綜合中期財務報表乃按照香港會計師公會（「**香港會計師公會**」）頒佈的香港會計準則第34號中期財務報告（「**香港會計準則第34號**」）及聯交所證券上市規則（「**上市規則**」）的適用披露條文編製。

除採納附註3所披露新訂及經修訂香港財務報告準則（「**香港財務報告準則**」）（其中包括所有適用的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（「**詮釋**」））外，簡明綜合中期財務報表乃按照於截至二零一七年十二月三十一日止年度之年度財務報表所採納的相同會計政策編製。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION (continued)

These condensed consolidated interim financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand unless otherwise stated. The condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include the explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2017 annual financial statements. These condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

These condensed consolidated interim financial statements are unaudited.

Going concern basis

The Group incurred a consolidated net loss of approximately HK\$46,983,000 (six months ended 30 June 2017: net loss of approximately HK\$41,847,000) for the six months ended 30 June 2018 and, as of that date, the Group had net current liabilities of approximately HK\$789,896,000 (as at 31 December 2017: approximately HK\$618,182,000) and a capital deficiency of approximately HK\$84,490,000 (as at 31 December 2017: approximately HK\$76,588,000) among which the outstanding borrowings of approximately HK\$1,912,150,000 (including bank loans of approximately HK\$608,911,000 (Note 27), other loans of approximately HK\$211,119,000 (Note 27), bills payables of approximately HK\$869,610,000 (Note 24) and interest-free loans provided by certain shareholders of approximately HK\$222,510,000 (Note 25)) are due for repayment within one year from the reporting date or repayable on demand. These conditions indicate the existence of a material uncertainty that may cast significant doubts on the Group’s ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. 編製基準 (續)

該等簡明綜合中期財務報表乃以港元(「港元」)呈列，除另有指明外，所有金額已取整至最接近的千位。簡明綜合中期財務報表載有簡明綜合財務報表及選定之詮釋附註。附註包括對明瞭本集團自二零一七年年末財務報表以來之財務狀況及表現變動有重大影響之事件及交易作出之解釋。該等簡明綜合中期財務報表及附註並不包括根據香港財務報告準則編製之完整財務報表所需要之全部資料。

該等簡明綜合中期財務報表未經審核。

持續經營基準

截至二零一八年六月三十日止六個月，本集團產生綜合虧損淨額約46,983,000港元(截至二零一七年六月三十日止六個月：虧損淨額約41,847,000港元)，且截至該日本集團的流動負債淨額約789,896,000港元(於二零一七年十二月三十一日：約618,182,000港元)，資本虧絀約84,490,000港元(於二零一七年十二月三十一日：約76,588,000港元)，其中未償還借貸約1,912,150,000港元(包括銀行貸款約608,911,000港元(附註27)、其他貸款約211,119,000港元(附註27)、應付票據約869,610,000港元(附註24)及若干股東提供的免息貸款約222,510,000港元(附註25))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，因此其可能無法於正常業務中變現資產及履行負債。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

In order to improve the Group's financial positions, liquidity and cash flows, the Board 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 in the cost of sales and administrative expenses;
- (b) The Group has been liaising with certain banks in relation to the renewal of its borrowings amounting to approximately Renminbi ("RMB") 513,850,000 (equivalent to approximately HK\$608,911,000) as at 30 June 2018, which would be due within twelve months from the reporting date. Subsequent to the end of the reporting period and up to the date when the condensed consolidated interim financial statements are authorised for issuance, the Group has renewed certain bank borrowings with an aggregate principal amount of approximately RMB99,830,000 (equivalent to approximately HK\$118,298,000). These renewed loans will be due after twelve months from the reporting date. In the opinion of the Board, considered the long term relationships and also their understanding from the banks, the remaining bank borrowings with an aggregate principal amount of approximately RMB414,020,000 (equivalent to approximately HK\$490,613,000), that will be due for repayment within twelve months from the reporting date, will be renewed upon maturity;

2. 編製基準 (續)

持續經營基準 (續)

為改善本集團之財務狀況、流動性及現金流量，董事會已採取或正採取以下措施：

- (a) 本集團已嚴格控制各方面的成本，例如銷售成本及行政開支；
- (b) 本集團一直就於二零一八年六月三十日金額約人民幣（「人民幣」）513,850,000元（相當於約608,911,000港元）的借貸與若干銀行聯絡，該等借貸將於報告日期起12個月內到期。於報告期末後及直至簡明綜合中期財務報表獲授權刊發日期，本集團已續期本金總額約人民幣99,830,000元（相當於約118,298,000港元）的若干銀行借貸。因此，該等續期貸款將於報告日期起十二個月後到期須償還。董事會認為，考慮到與銀行的長期關係及據從銀行了解，餘下將於報告日期起12個月內到期須償還的本金總額人民幣約414,020,000元（相當於約490,613,000港元）的銀行借貸將能在到期時續期；

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

(c) The Group has entered into three loan agreements with three major shareholders of the Company, who directly/indirectly own approximately 23.27%, approximately 12.26% and approximately 9.61% of the Company's shares respectively as of the date of approval of these condensed consolidated interim financial statements. Pursuant to the loan agreements, the three major shareholders agreed to provide unsecured and interest-free loans with a maximum aggregate amount of RMB600,000,000 (equivalent to approximately HK\$710,998,000) for a term of three years. As at 30 June 2018, aggregated amount of RMB80,000,000 (equivalent to approximately HK\$94,800,000) has been advanced to the Group; and

(d) 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 Board is satisfied that the Group will be able to meet their financial obligations when they fall due. Accordingly, the Board is of the opinion that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

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 liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these adjustments have not been reflected in the condensed consolidated interim financial statements.

2. 編製基準 (續)

持續經營基準 (續)

(c) 本集團已與本公司三名主要股東訂立三份貸款協議，彼等於該等簡明綜合中期財務報表批准日期分別直接／間接擁有本公司股份的約23.27%、約12.26%及約9.61%。根據貸款協議，三名主要股東同意提供最多總額人民幣600,000,000元（相當於約710,998,000港元）、期限均為三年的無抵押免息貸款。於二零一八年六月三十日，總額人民幣80,000,000元（相當於約94,800,000港元）的貸款已提供予本集團；及

(d) 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，董事會相信本集團有能力完全履行其到期財務責任。因此，董事會認為，按持續經營基準編製簡明綜合中期財務報表屬適當。

如本集團無法持續經營業務，則須作出調整以將資產賬面值撇減至估計可收回金額，將非流動資產及負債分別重新分類為流動資產及負債，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簡明綜合中期財務報表反映。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs

- (a) The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current interim period of the Group. Of these, the following developments are relevant to the Group's condensed consolidated interim financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

The Group has adopted HKFRS 15 *Revenue from Contracts with Customers* from 1 January 2018. The Board concluded that the adoption of HKFRS 15 has not had any the changes or material impact on the amounts recognised in the condensed consolidated interim financial statements.

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses. Details of the changes in accounting policies are discussed in Note 3(b) for HKFRS 9.

Except for the HKFRS 9, the application of these new HKFRSs and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in the condensed consolidated interim financial statements and/or disclosures set out in the condensed consolidated interim financial statements.

3. 採納新訂及經修訂香港財務報告準則

- (a) 香港會計師公會已頒佈多項於本集團本中期期間首次生效的新訂香港財務報告準則及香港財務報告準則修訂。其中下列進展與本集團的簡明綜合中期財務報表有關：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約之收益
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

本集團已自二零一八年一月一日起採納香港財務報告準則第15號來自客戶合約之收益。董事會認為，採納香港財務報告準則第15號對簡明綜合中期財務報表中確認的金額並無任何變動或重大影響。

本集團已受到香港財務報告準則第9號有關金融資產分類及信貸虧損計量的影響。有關香港財務報告準則第9號的會計政策變動詳情於附註3(b)披露。

除香港財務報告準則第9號外，應用該等新訂香港財務報告準則及香港財務報告準則修訂本對簡明綜合中期財務報表中呈報的金額及／或簡明綜合中期財務報表所載披露並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(a) (continued)

Under the transition methods chosen, the Group has recognised cumulative effect of the initial application of HKFRS 9 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The following table gives a summary of the opening balance adjustments recognised for each line item in the condensed consolidated statement of financial position that has been impacted by HKFRS 9:

	At 31 December 2017 HK\$'000 (audited) 於 二零一七年 十二月三十一日 千港元 (經審核)	Impact on initial application of HKFRS 9 HK\$'000 (unaudited) 首次應用香港 財務報告準則 第9號之影響 千港元 (未經審核)	At 1 January 2018 HK\$'000 (unaudited) 於 二零一八年 一月一日 千港元 (未經審核)
Available-for-sale financial assets	710	(710)	-
Financial assets at fair value through other comprehensive income	-	710	710
Total non-current assets	674,564	-	674,564
Accounts and bills receivables	221,340	(11,582)	209,758
Deposit and other receivables	375,594	(29,288)	346,306
Total current assets	1,411,855	(40,870)	1,370,985
Net current liabilities	(618,182)	(40,870)	(659,052)
Total assets less current liabilities	56,382	(40,870)	15,512
Net liabilities	(76,588)	(40,870)	(117,458)
Deficit in reserves	(79,933)	(36,784)	(116,717)
Deficiency attributable to the owners of the Company	(8,666)	(36,784)	(45,450)
Non-controlling interests	(67,922)	(4,086)	(72,008)
Capital deficiency	(76,588)	(40,870)	(117,458)

Further details of these changes are set out in sub-section (b) of this note.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) (續)

根據所選擇的過渡法，本集團將首次應用香港財務報告準則第9號的累計影響確認為對二零一八年一月一日權益期初餘額的調整。未重列比較資料。未加入不受變動影響的項目。因此，所披露的小計及總計不能從所提供的數字重新計算。下表概述就簡明綜合財務狀況表中受香港財務報告準則第9號影響的各項目確認的期初餘額調整：

該等變動的進一步詳情載於本附註(b)分節。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

- (b) HKFRS 9 replaced HKAS 39 *Financial Instruments: Recognition and Measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed on 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity as at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

The following table summarises the impact of transition to HKFRS 9 on deficit in reserves and non-controlling interests at 1 January 2018.

3. 採納新訂及經修訂香港財務報告準則 (續)

- (b) 香港財務報告準則第9號取代香港會計準則第39號 *金融工具：確認及計量*。其載列金融資產、金融負債及買賣非金融項目的部分合約之確認及計量規定。

本集團已按照過渡規定對二零一八年一月一日存在的項目追溯應用香港財務報告準則第9號。本集團已將首次確認的累計影響確認為對二零一八年一月一日的期初權益的調整。因此，比較資料繼續按照香港會計準則第39號撰寫報告。

下表概述過渡至香港財務報告準則第9號對於二零一八年一月一日的儲備虧絀及非控股權益之影響。

		HK\$'000 (unaudited) 千港元 (未經審核)
Deficit in reserves	儲備虧絀	
Recognition of additional expected credit losses on financial assets measured at amortised cost	就按攤銷成本計量的金融資產確認額外預期信貸虧損	36,784
Related tax (Note a)	相關稅項(附註a)	-
Net increase in deficit in reserves at 1 January 2018	於二零一八年一月一日的儲備虧絀增加淨額	36,784
Non-controlling interests	非控股權益	
Decrease in non-controlling interests at 1 January 2018	於二零一八年一月一日的非控股權益減少	4,086

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) (continued)

Note a:

In the opinion of the Board, as the future income stream of the Group is uncertain, it is unlikely the deductible temporary difference can be able to utilise in the short period of time. Therefore, the related tax as at 1 January 2018 would not be recognised.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“FVTOCI”) and at fair value through profit or loss (“FVTPL”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) (續)

附註a:

董事會認為，由於本集團未來的收入來源不確定，短期內不大可能有可扣稅暫時性差異可供抵銷。因此，於二零一八年一月一日的相關稅項不會確認。

早前會計政策變動的性質及影響以及過渡法的進一步詳情載列如下：

(i) 金融資產及金融負債的分類

香港財務報告準則第9號將金融資產分為三個主要分類類別：按攤銷成本計量、按公平值計入其他全面收益（「按公平值計入其他全面收益」）及按公平值計入損益（「按公平值計入損益」）。其取代香港會計準則第39號有關持作買賣投資、貸款及應收款項、可供出售金融資產及按公平值計入損益的金融資產的類別。香港財務報告準則第9號項下金融資產的分類基於管理金融資產的業務模式及合約現金流量特點。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) (continued)

(i) Classification of financial assets and financial liabilities (continued)

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) and will not be recycled to profit or loss even when the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI (non-recycling), are recognised in profit or loss as other income.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) (續)

(i) 金融資產及金融負債的分類 (續)

於股本證券的投資分類為按公平值計入損益，除非股本投資並非持作買賣，且投資首次確認時本集團選擇將投資指定為按公平值計入其他全面收益（不回收），令公平值的後續變動於其他全面收益確認。該選擇乃逐項工具作出，但只能在投資從發行人角度符合權益的定義時作出。作出該選擇時，於其他全面收益累計的金額仍然留在公平值儲備中（不回收），不會回收至損益，即使投資被出售。出售時，於公平值儲備累計的金額（不回收）轉入保留盈利，不透過損益回收。來自於股本證券的投資之股息（不論分類為按公平值計入損益或按公平值計入其他全面收益（不回收））於損益確認為其他收入。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) (continued)

(i) Classification of financial assets and financial liabilities (continued)

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39, that all impacted by HKFRS 9, and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

	HKAS 39 carrying amount at 31 December 2017 HK\$'000 (audited)	Reclassification HK\$'000 (unaudited)	Remeasurement HK\$'000 (unaudited)	HKFRS 9 carrying amount at 1 January 2018 HK\$'000 (unaudited)	
	於二零一七年 十二月三十一日 香港會計準則第39號	重新分類 千港元 (未經審核)	重新計量 千港元 (未經審核)	於二零一八年 一月一日 香港財務報告 準則第9號	
	賬面值 千港元 (經審核)	重新分類 千港元 (未經審核)	重新計量 千港元 (未經審核)	賬面值 千港元 (未經審核)	
Financial assets carried at amortised cost	按攤銷成本入賬的金融資產				
Accounts and bills receivables (Note (ii))	應收賬款及票據 (附註(ii))	221,340	-	(11,582)	209,758
Deposit and other receivables (Note (ii))	按金及其他應收款項 (附註(ii))	375,594	-	(29,288)	346,306
		596,934	-	(40,870)	556,064
Financial assets measured at FVTOCI (non-recycling)	按公平值計入其他全面收益的金融資產(不回收)				
Unlisted equity securities (Note (i))	非上市股本證券 (附註(i))	-	710	-	710
Financial assets classified as available-for-sale under HKAS 39	根據香港會計準則第39號分類為可供出售的金融資產				
Unlisted equity securities (Note (i))	非上市股本證券 (附註(i))	710	(710)	-	-

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) (續)

(i) 金融資產及金融負債的分類 (續)

下表列示本集團各類金融資產根據香港會計準則第39號的原始計量類別(均受香港財務報告準則第9號影響),並將該等金融資產按照香港會計準則第39號釐定的賬面值與按照香港財務報告準則第9號釐定者對賬。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) (continued)

(i) Classification of financial assets and financial liabilities (continued)

Note:

- (i) Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as at FVTPL under HKFRS 9, unless they are eligible for and designated at FVTOCI by the Group. At 1 January 2018, the Group designated its investment in unlisted equity instruments at FVTOCI (non-recycling), as the investment is held for strategic purposes.

In the opinion of the directors of the Company, the carrying amount of the unlisted equity securities, which measured at cost less impairment as at 31 December 2017, approximates to its fair value as of 1 January 2018.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) (續)

(i) 金融資產及金融負債的分類 (續)

附註：

- (i) 根據香港會計準則第39號，並非持作買賣的股本證券分類為可供出售金融資產。該等股本證券根據香港財務報告準則第9號分類為按公平值計入損益，除非符合資格且被本集團指定為按公平值計入其他全面收益。於二零一八年一月一日，本集團將其於非上市權益工具的投資指定為按公平值計入其他全面收益（不回收），原因是該投資乃為戰略目的持有。

本公司董事認為，非上市股本證券（於二零一七年十二月三十一日按成本減去減值計量）於二零一八年一月一日的賬面值與其公平值相若。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) (continued)

(i) Classification of financial assets and financial liabilities (continued)

Note: (continued)

(ii) Expected credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit losses” (“ECLs”) model. The ECLs model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises expected credit losses earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECLs model to the financial assets measured at amortised cost (including pledged bank deposits, cash and cash equivalents, accounts and bills receivables, and deposit and other receivables).

Financial assets measured at fair value, including unlisted equity instruments measured at FVTPL, equity securities designated at FVTOCI (non-recycling) is not subject to the ECLs assessment.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) (續)

(i) 金融資產及金融負債的分類 (續)

附註：(續)

(ii) 預期信貸虧損

香港財務報告準則第9號以「預期信貸虧損」(「預期信貸虧損」)模型取代香港會計準則第39號中的「已產生虧損」模型。預期信貸虧損模型要求持續計量與金融資產有關的信貸風險，因此確認預期信貸虧損的時間早於根據香港會計準則第39號中「已產生虧損」會計模型進行確認。

本集團對按攤銷成本計量的金融資產(包括已抵押銀行存款、現金及現金等值項目、應收賬款及票據以及按金及其他應收款項)應用新預期信貸虧損模型。

按公平值計量的金融資產(包括按公平值計入損益的非上市權益工具、指定按公平值計入其他全面收益的股本證券(不回收))毋須進行預期信貸虧損評估。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) (continued)

(i) Classification of financial assets and financial liabilities (continued)

Note: (continued)

(ii) Expected credit losses (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) (續)

(i) 金融資產及金融負債的分類 (續)

附註: (續)

(ii) 預期信貸虧損 (續)

預期信貸虧損計量

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損按所有預期現金缺額 (即按照合約應付本集團的現金流量與本集團預計收到的現金流量之間的差額) 的現值計量。

在計量預期信貸虧損時, 本集團考慮無需過度成本或努力即可獲得的合理並有支持的資料。這包括有關過往事件、現行狀況及未來經濟狀況預測的資料。

預期信貸虧損按以下任一基準計量:

- 12個月預期信貸虧損: 為報告日期後12個月內預期因可能違約事件產生的虧損; 及
- 終生預期信貸虧損: 為預期信貸虧損模型適用的項目的預計年期內預期因所有可能違約事件產生的虧損。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) (continued)

(i) Classification of financial assets and financial liabilities (continued)

Note: (continued)

(ii) Expected credit losses (continued)

Measurement of ECLs (continued)

Provision for impairment for accounts and bills receivables, deposit and other receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including pledged bank deposits and cash and cash equivalents), the Group recognises a provision for impairment equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the provision for impairment is measured at an amount equal to lifetime ECLs.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) (續)

(i) 金融資產及金融負債的分類 (續)

附註：(續)

(ii) 預期信貸虧損 (續)

預期信貸虧損計量 (續)

應收賬款及票據、按金及其他應收款項的減值撥備始終按等於終生預期信貸虧損的金額計量。該等金融資產的預期信貸虧損基於本集團的歷史信貸虧損經驗使用撥備總表估計，並就債務特定因素及對報告日期現行及預測整體經濟狀況的評估作出調整。

就所有其他金融工具（包括已抵押銀行存款與現金及現金等值項目）而言，本集團確認等於12個月預期信貸虧損的減值撥備，除非金融工具的信貸風險自首次確認起大幅增加，在此情況下，減值撥備按等於終生預期信貸虧損的金額計量。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) (continued)

(i) Classification of financial assets and financial liabilities (continued)

Note: (continued)

(ii) Expected credit losses (continued)

Opening balance adjustment

As a result of this change in accounting policy, the Group has recognised additional ECLs amounting to approximately HK\$40,870,000, which increased deficit in reserves by approximately HK\$36,784,000 and decreased non-controlling interests by approximately HK\$4,086,000 at 1 January 2018. The Group has quantified that no material ECLs recognised for the period ended 30 June 2018.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) (續)

(i) 金融資產及金融負債的分類 (續)

附註: (續)

(ii) 預期信貸虧損 (續)

期初餘額調整

由於該會計政策變動，本集團已確認額外預期信貸虧損約40,870,000港元，於二零一八年一月一日，儲備虧絀增加約36,784,000港元，非控股權益減少約4,086,000港元。本集團已量化，截至二零一八年六月三十日止期間毋須確認重大預期信貸虧損。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

4. 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 periods presented, the Executive Directors have determined that the Group’s operating and reportable segments under HKFRS 8 are as follows:

- Coal Business – Production and sale of coal and the trading of purchased coal
- Building Materials Business – Production and sale of building materials¹

¹ On 3 January 2018, the Group completed the acquisition of subsidiaries which are principally engaged in production and sale of building materials (Note 8).

4. 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。於呈列期間，執行董事認為本集團根據香港財務報告準則第8號的經營及可報告分部如下：

- 煤炭業務 – 煤炭生產及銷售以及購入煤炭貿易
- 建材業務 – 建材生產及銷售¹

¹ 於二零一八年一月三日，本集團完成收購主要從事建材生產及銷售的附屬公司（附註8）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

4. SEGMENT INFORMATION (continued)

(a) Segment revenue and results

4. 分部資料 (續)

(a) 分部收益及業績

	Coal Business HK\$'000 (unaudited) 煤炭業務 千港元 (未經審核)	Building Materials Business HK\$'000 (unaudited) 建材業務 千港元 (未經審核)	Total HK\$'000 (unaudited) 總計 千港元 (未經審核)
--	--	---	---

Six months ended 30 June 2018 截至二零一八年六月三十日止六個月

Revenue from external customers	來自外部客戶的收益	385,786	109,966	495,752
Segment (loss)/profit	分部(虧損)/溢利	(50,109)	11,959	(38,150)

Six months ended 30 June 2017 截至二零一七年六月三十日止六個月

Revenue from external customers	來自外部客戶的收益	285,875	-	285,875
Segment loss	分部虧損	(32,134)	-	(32,134)

Unaudited
Six months ended 30 June
2018 2017
HK\$'000 **HK\$'000**
未經審核
截至六月三十日止六個月
二零一八年 二零一七年
千港元 千港元

Reconciliation of segment profit or loss: 分部溢利或虧損對賬:

Reportable segment loss from Group's external customers and joint venture	來自本集團外部客戶及合營企業的可報告分部虧損	(38,150)	(32,134)
Share of results of associates	應佔聯營公司業績	(2)	(862)
Other income	其他收入	2,629	15
Depreciation	折舊	(87)	(43)
Finance costs	財務費用	(95)	(3)
Unallocated head office and corporate expenses	未分配總部及企業開支	(10,480)	(8,820)
Loss before income tax	除所得稅前虧損	(46,185)	(41,847)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

4. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

	Coal Business	Building Materials Business	Other Unallocated Assets/Liabilities	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
	煤炭業務 千港元 (未經審核)	建材業務 千港元 (未經審核)	其他未分配 資產/負債 千港元 (未經審核)	總計 千港元 (未經審核)
At 30 June 2018	於二零一八年六月三十日			
Segment assets	1,914,877	581,510	274,747	2,771,134
Segment liabilities	2,197,411	537,558	120,655	2,855,624
	(audited) (經審核)	(audited) (經審核)	(audited) (經審核)	(audited) (經審核)

At 31 December 2017	於二零一七年十二月三十一日			
Segment assets	1,816,498	-	269,921	2,086,419
Segment liabilities	2,038,379	-	124,628	2,163,007

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 the 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 assets.

4. 分部資料 (續)

(b) 分部資產及負債

地區資料

本集團來自外部客戶之收益全部來自中國，而其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，就被露目的而言，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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

4. SEGMENT INFORMATION (continued)

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group.

Customer A ¹	客戶甲 ¹
Customer B ¹	客戶乙 ¹
Customer C ¹	客戶丙 ¹

¹ Revenue from Coal Business

4. 分部資料 (續)

有關主要客戶之資料

來自貢獻本集團總收益超過10%的客戶之收益。

Unaudited	
Six months ended 30 June	
2018	2017
HK\$'000	HK\$'000
未經審核	
截至六月三十日止六個月	
二零一八年	二零一七年
千港元	千港元

214,370	251,961
105,102	19,624
50,693	-

¹ 收益來自於煤炭業務

5. REVENUE AND OTHER INCOME

Revenue represents the income arising from the Group's principal activities which include (i) the production and sale of coal, (ii) the trading of purchased coal and (iii) the production and sale of building materials.

Revenue and other income recognised during the period are as follows:

Revenue	收益
Production and sale of coal	煤炭生產及銷售
Trading of purchased coal	購入煤炭貿易
Production and sale of building materials	建材生產及銷售

5. 收益及其他收入

收益指本集團主要業務(包括(i)煤炭生產及銷售;(ii)購入煤炭貿易;及(iii)建材生產及銷售)產生之收入。

期內確認之收益及其他收入如下:

Unaudited	
Six months ended 30 June	
2018	2017
HK\$'000	HK\$'000
未經審核	
截至六月三十日止六個月	
二零一八年	二零一七年
千港元	千港元

118,990	33,406
266,796	252,469
109,966	-
495,752	285,875

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

5. REVENUE AND OTHER INCOME (continued) 5. 收益及其他收入 (續)

		Unaudited	
		Six months ended 30 June	
		2018	2017
		HK\$'000	HK\$'000
		未經審核	
		截至六月三十日止六個月	
		二零一八年	二零一七年
		千港元	千港元
Other income	其他收入		
Bank interest income	銀行利息收入	1,385	971
Government subsidies	政府補貼	5,444	-
Gain on bargain purchase arising from acquisition of subsidiaries (Note 8)	收購附屬公司之議價購買收益 (附註8)	2,629	-
Reversal of provision for central pension scheme	撥回中央退休金計劃之撥備	18,316	28,190
Reversal of write-down on inventories	撥回存貨撇減	415	-
Others	其他	6,166	18
		34,355	29,179

6. FINANCE COSTS

6. 財務費用

		Unaudited	
		Six months ended 30 June	
		2018	2017
		HK\$'000	HK\$'000
		未經審核	
		截至六月三十日止六個月	
		二零一八年	二零一七年
		千港元	千港元
An analysis of finance costs is as follows:	財務費用分析如下:		
Imputed interest on shareholders' loans	股東貸款之估算利息	2,100	-
Interest on bank and other loans	銀行及其他貸款利息	27,156	17,681
Bank charges on discounted bills receivable	貼現應收票據之銀行開支	16,814	1,280
		46,070	18,961

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

7. 除所得稅前虧損

除所得稅前虧損已扣除：

		Unaudited	
		Six months ended 30 June 2018	2017
		HK\$'000	HK\$'000
		未經審核	
		截至六月三十日止六個月	二零一七年
		二零一八年	二零一七年
		千港元	千港元
Amortisation of mining rights**	採礦權攤銷**	3,453	1,006
Amortisation of other intangible assets**	其他無形資產攤銷**	98	—
Amortisation of prepaid land lease payments**	預付土地租賃款項攤銷**	775	—
Cost of inventories recognised as expenses	確認為開支的存貨成本	381,138	287,188
Depreciation*	折舊*	27,963	16,005
Employee benefits expense (including compensation of key management personnel)	僱員福利開支(包括主要管理人員薪酬)	80,869	31,198
Expected credit loss on accounts receivable**	應收賬款之預期信貸虧損**	183	—
Operating lease charges on land and buildings**	土地及樓宇經營租賃支出**	646	593
Provision for reclamation obligations	開墾費用撥備	2,794	1,783

* Depreciation of approximately HK\$25,397,000 (six months ended 30 June 2017: approximately HK\$14,805,000) has been included in cost of sales and approximately HK\$2,536,000 (six months ended 30 June 2017: approximately HK\$1,200,000) has been included in administrative expenses and approximately HK\$31,000 (six months ended 30 June 2017: HK\$Nil) has been included in selling and distribution expenses in the condensed consolidated income statement.

** Included in administrative expenses in the condensed consolidated income statement.

* 簡明綜合收益表的折舊約25,397,000港元(截至二零一七年六月三十日止六個月:約14,805,000港元)已包括於銷售成本及約2,536,000港元(截至二零一七年六月三十日止六個月:約1,200,000港元)已包括於行政開支及約31,000港元(截至二零一七年六月三十日止六個月:零港元)已包括於銷售及分銷開支。

** 包括於簡明綜合收益表之行政開支。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

8. ACQUISITION OF SUBSIDIARIES

Pursuant to the sale and purchase agreement (“SPA”) dated 13 October 2017 entered into between the Company and an independent third party to acquire all the equity interest in Goal Getter Ventures Limited, together with its wholly owned and non-wholly owned subsidiaries (collectively the “Goal Getter Group”) (the “Acquisition”), of which the Goal Getter Group is principally engaged in the production and sale of building materials. The consideration for the Acquisition of HK\$25,500,000 was settled in form of the allotment and issue of an aggregate of 127,500,000 new ordinary shares of the Company at the issue price of HK\$0.2 each. The Acquisition was completed on 3 January 2018. The fair value of consideration of approximately HK\$19,253,000 for 127,500,000 new ordinary shares of the Company at the issue date was determined by reference to the closing market price of the shares of the Company at HK\$0.151 per share at the issue date which was also the date of completion of the Acquisition on 3 January 2018.

8. 收購附屬公司

根據本公司與一名獨立第三方訂立的一份日期為二零一七年十月十三日之買賣協議（「買賣協議」），以收購志達創投有限公司（連同其全資附屬公司及非全資附屬公司統稱「志達集團」）（志達集團主要從事建材生產及銷售）的全部股權（「收購事項」）。收購事項之代價約25,500,000港元，已以按發行價每股0.2港元配發及發行合共127,500,000股新普通股的方式結算。收購事項於二零一八年一月三日完成。127,500,000股本公司新普通股於發行日期的代價公平值約19,253,000港元參考本公司股份於發行日期的收市價每股0.151港元（亦為收購事項完成日期二零一八年一月三日）釐定。

As at 3 January 2018
(Unaudited)
HK\$'000
於二零一八年
一月三日
(未經審核)
千港元

Assets acquired and liabilities recognised (determined on a provisional basis) at the date of the Acquisition are as follows:	於收購事項日期的所收購資產及所確認負債(按暫定基準釐定)如下:	
Property, plant and equipment	物業、廠房及設備	207,400
Prepaid land lease payments	預付土地租賃款項	71,530
Inventories	存貨	9,682
Accounts and bills receivables, net	應收賬款及票據淨額	49,448
Prepayment, deposit and other receivables	預付款項、按金及其他應收款項	10,041
Cash and cash equivalents	現金及現金等值項目	19,586
Accounts and bills payables	應付賬款及票據	(62,709)
Other payables and accruals	其他應付款項及應計費用	(104,845)
Amount due to a shareholder	應付一名股東款項	(103,070)
Deferred income	遞延收入	(4,753)
Bank and other loans	銀行及其他貸款	(47,060)
Deferred tax liabilities	遞延稅項負債	(2,719)
Total identifiable net assets at fair value (Note (a))	可識別資產淨值總額，按公平值(附註(a))	42,531
Non-controlling interests	非控股權益	(20,649)
Bargain purchase arising from acquisition (Note (b))	收購產生之議價購買(附註(b))	(2,629)
Total fair value of consideration	總代價之公平值	19,253

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

8. ACQUISITION OF SUBSIDIARIES (continued)

Notes:

- (a) The fair values of the identifiable net assets as at the date of acquisition are provisional amounts and are subject to the finalisation of the fair value estimation.
- (b) Prior to entering into the SPA, the consideration price for the Acquisition of HK\$0.2 per share was determined after an arm's length negotiation made between the Group and independent third party. The management is in view the consideration price is fair and reasonable, in the interest of the Company and shareholders as a whole. The major contributing factor to the gain on bargain purchase arising from the Acquisition was the effect arising from decrease in the fair value of those 127,500,000 shares of the Company as part of the consideration, due to taking account of the effects of changes in the Company's average share price throughout the period from the date of the SPA to the date of completion of the Acquisition as of 3 January 2018.

8. 收購附屬公司(續)

附註:

- (a) 可識別淨資產於收購日期的公平值為暫定金額，尚待落實公平值估計。
- (b) 訂立買賣協議前，收購事項的代價每股0.2港元乃由本集團與獨立第三方按公平原則磋商後釐定。管理層認為代價屬公平合理，並符合本公司及股東的整體利益。收購事項產生的議價購買收益的主要驅動因素為由於計入買賣協議日期至收購事項完成日期二零一八年一月三日期間本公司平均股價變動的影響，該127,500,000股本公司股份(作為代價一部分)的公平值下降。

HK'000
(unaudited)
千港元
(未經審核)

An analysis of the cash flows in respect of the Acquisition is as follows:
Cash and cash equivalents acquired

收購事項的現金流量分析如下:
所收購現金及現金等值項目

19,586

9. INCOME TAX EXPENSE

Current tax – Corporate income tax
– Current period
Deferred tax
– Current period

即期稅項 – 企業所得稅
– 本期間
遞延稅項
– 本期間

716

–

82

–

798

–

9. 所得稅開支

Unaudited
Six months ended 30 June
2018 2017
HK\$'000 HK\$'000
未經審核
截至六月三十日止六個月
二零一八年 二零一七年
千港元 千港元

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

9. INCOME TAX EXPENSE (continued)

No Hong Kong Profits Tax has been provided for the period in the condensed consolidated interim financial statements as the Group did not generate any estimated assessable profits (six months ended 30 June 2017: Nil).

Corporate income tax arising from operations in the PRC was calculated at the statutory income tax rate of 25% for six months ended 30 June 2018 of the estimated assessable profits as determined in accordance with the relevant income tax rules and regulations in the PRC. No corporate income tax arising from operations in the PRC has been provided for six months ended 30 June 2017 as the Group did not generate any estimated assessable profits.

10. DIVIDEND

The board of directors of the Company does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

9. 所得稅開支(續)

本期間並無於簡明綜合中期財務報表內作出香港利得稅撥備(截至二零一七年六月三十日止六個月:無),原因是本集團並無產生任何估計應課稅溢利。

截至二零一八年六月三十日止六個月,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。截至二零一七年六月三十日止六個月,並無就中國經營作出企業所得稅撥備,原因是本集團並無產生任何估計應課稅溢利。

10. 股息

董事會不建議派付截至二零一八年六月三十日止六個月之中期股息(截至二零一七年六月三十日止六個月:無)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

11. 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:

11. 本公司擁有人應佔每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃基於以下數據計算：

Unaudited	
Six months ended 30 June	
2018	2017
HK\$'000	HK\$'000
未經審核	
截至六月三十日止六個月	
二零一八年	二零一七年
千港元	千港元

Loss

虧損

Loss for the period attributable to the owners of the Company for the purpose of basic and diluted loss per share computation

用以計算每股基本及攤薄虧損之本公司擁有人應佔期內虧損

46,991

38,528

Number of
shares
'000
股份數目
千股

Number of
shares
'000
股份數目
千股

Number of shares

股份數目

Weighted average number of ordinary shares in issue for the purpose of basic and diluted loss per share computation

用以計算每股基本及攤薄虧損之已發行普通股加權平均數

1,040,174

712,674

There were no dilutive potential ordinary shares during the six months ended 30 June 2018 and 2017 and therefore, the amount of diluted loss per share is same as the amount of basic loss per share.

截至二零一八年及二零一七年六月三十日止六個月概無具攤薄作用之潛在普通股，因此，每股攤薄虧損金額與每股基本虧損金額相同。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

12. PROPERTY, PLANT AND EQUIPMENT

- (a) During the six months ended 30 June 2018, the Group incurred capital expenditure of approximately HK\$3,256,000 (six months ended 30 June 2017: HK\$Nil) in buildings and mining structures, approximately HK\$705,000 (six months ended 30 June 2017: approximately HK\$16,000) in plant and machineries, approximately HK\$1,301,000 (six months ended 30 June 2017: approximately HK\$277,000) in mining related machinery and equipment, approximately HK\$486,000 (six months ended 30 June 2017: approximately HK\$221,000) in furniture, fixtures, equipment and leasehold improvement, approximately HK\$446,000 (six months ended 30 June 2017: approximately HK\$95,000) in motor vehicles, and approximately HK\$2,291,000 (six months ended 30 June 2017: approximately HK\$2,284,000) in construction in progress.
- (b) During the six months ended 30 June 2018, the Group disposed of certain items of property, plant and equipment with carrying values amounting to approximately HK\$97,000 (six months ended 30 June 2017: approximately HK\$36,000) and recognised a loss of approximately HK\$47,000 (six months ended 30 June 2017: HK\$Nil) in the condensed consolidated income statement.
- (c) During the six months ended 30 June 2018, provision for impairment of approximately HK\$4,996,000 (six months ended 30 June 2017: approximately HK\$3,198,000) has been made for those property, plant and equipment within the cash-generating unit ("CGU") of coal business. Particulars of impairment testing of property, plant and equipment is set out in (Note 16).

12. 物業、廠房及設備

- (a) 截至二零一八年六月三十日止六個月，本集團就以下各項產生資本開支：樓宇及煤礦建築物約3,256,000港元（截至二零一七年六月三十日止六個月：零港元）、廠房及機器約705,000港元（截至二零一七年六月三十日止六個月：約16,000港元）、採礦相關機器及設備約1,301,000港元（截至二零一七年六月三十日止六個月：約277,000港元）、傢私、裝置、設備及租賃物業裝修約486,000港元（截至二零一七年六月三十日止六個月：約221,000港元）、汽車約446,000港元（截至二零一七年六月三十日止六個月：約95,000港元）及在建工程約2,291,000港元（截至二零一七年六月三十日止六個月：約2,284,000港元）。
- (b) 截至二零一八年六月三十日止六個月，本集團出售賬面值約97,000港元（截至二零一七年六月三十日止六個月：約36,000港元）之若干物業、廠房及設備項目，並於簡明綜合收益表內確認虧損約47,000港元（截至二零一七年六月三十日止六個月：零港元）。
- (c) 截至二零一八年六月三十日止六個月，已就煤炭業務之現金產生單位（「現金產生單位」）內的物業、廠房及設備計提減值撥備約4,996,000港元（截至二零一七年六月三十日止六個月：約3,198,000港元）。物業、廠房及設備之減值測試詳情載於附註16。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

12. PROPERTY, PLANT AND EQUIPMENT (continued)

- (d) During the six months ended 30 June 2018, additional property, plant and equipment amounting to approximately HK\$207,400,000 was attributable to the Acquisition, which completed on 3 January 2018 (determined on a provisional basis), as set out in Note 8, in which approximately HK\$108,288,000 was allocated to building and mining structures, approximately HK\$86,669,000 was allocated to plant and machineries, approximately HK\$444,000 was allocated to furniture, fixtures, equipment and leasehold improvement, approximately HK\$2,670,000 was allocated to motor vehicles, and approximately HK\$9,329,000 was allocated to construction in progress.
- (e) Carrying amount of property, plant and equipment amounting to approximately HK\$77,717,000 (as at 31 December 2017: approximately HK\$21,000,000) were pledged to financing companies in order to secure the other loans as set out in Note 27(b).

12. 物業、廠房及設備 (續)

- (d) 截至二零一八年六月三十日止六個月，金額約207,400,000港元的添置物業、廠房及設備歸屬於收購事項（於二零一八年一月三日完成）（按暫定基準釐定）（如附註8所載），其中約108,288,000港元分配予樓宇及煤礦建築物、約86,669,000港元分配予廠房及機器、約444,000港元分配予傢俬、裝置、設備及租賃物業裝修、約2,670,000港元分配予汽車及約9,329,000港元分配予在建工程。
- (e) 賬面值約77,717,000港元（於二零一七年十二月三十一日：約21,000,000港元）的物業、廠房及設備已抵押予融資公司，以擔保附註27(b)所載其他貸款。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

13. PREPAID LAND LEASE PAYMENTS

13. 預付土地租賃款項

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Carrying amount at 1 January	於一月一日之賬面值	-	-
Additions through acquisition of subsidiaries (Note 8)	透過收購附屬公司而添置 (附註8)	71,530	-
Amortisation for the period/year	期/年內攤銷	(775)	-
Exchange realignment	匯兌調整	535	-
Carrying amount at 30 June/31 December	於六月三十日/十二月 三十一日之賬面值	71,290	-
Less: Current portion	減：流動部分	(1,493)	-
Non-current portion	非流動部分	69,797	-

The balance represented the amount paid to the PRC government authorities for the land use rights of land situated in the Mainland China, which are amortised on the straight-line basis over the lease periods of 50 years.

As at 30 June 2018, the land use rights of the Group with carrying amount of approximately HK\$71,290,000 (31 December 2017: HK\$Nil) have been pledged for the bank loans (Note 27).

該結餘指就位於中國大陸的土地之土地使用權已向中國政府機關支付的款項，於50年租期內按直線法攤銷。

於二零一八年六月三十日，本集團賬面值約71,290,000港元（二零一七年十二月三十一日：零港元）的土地使用權已抵押於銀行貸款（附註27）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

14. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
At beginning and end of the period/year	於期初及期末／年初及年末		
Gross carrying amount	賬面總值	256,285	259,690
Accumulated impairment loss	累計減值虧損	(256,285)	(259,690)
Net carrying amount	賬面淨值	-	-

Goodwill arising in prior years related to the acquisitions of Clear Interest Limited and its subsidiaries and Zhengzhou Huirui Shangmo Company Limited* (鄭州輝瑞商貿有限公司) for the CGU of coal business, respectively. Goodwill arise from these acquisitions have been fully impaired in the previous periods and the differences between the periods solely represent the realignment of exchange differences.

* For identification purpose only

14. 商譽

商譽賬面淨值可分析如下：

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Gross carrying amount	256,285	259,690
Accumulated impairment loss	(256,285)	(259,690)
Net carrying amount	-	-

過往年度產生的商譽分別涉及收購Clear Interest Limited及其附屬公司以及就煤炭業務之現金產生單位收購鄭州輝瑞商貿有限公司。因該等收購產生的商譽已於過往期間完全減值，各期間之間的差異完全為匯兌差額調整。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

15. MINING RIGHTS

Net carrying amount at 1 January	於一月一日之賬面淨值
Amortisation	攤銷
Impairment loss	減值虧損
Exchange realignment	匯兌調整

Net carrying amount at 30 June/31 December 於六月三十日/十二月三十一日之賬面淨值

- (a) As at 30 June 2018, the remaining useful lives of mining rights held by the Group ranged from 0.1 to 4.5 years (as at 31 December 2017: 0.6 to 5.0 years). Prior to these condensed consolidated interim financial statements are authorised for issuance, one mining right of the Group with carrying amount of approximately HK\$53,569,000 has been expired subsequently, management is in process of renewing this certificate. In the opinion of the directors of the Company, there is no legal barrier for the Group to renew this mining right certificate.
- (b) For the six months ended 30 June 2018, provision for impairment of HK\$Nil (six months ended 30 June 2017: approximately HK\$4,150,000) has been made for the mining rights within the CGU of coal business (Note 16).
- (c) As at 30 June 2018, certain mining rights with carrying amounts of approximately HK\$318,929,000 (equivalent to approximately RMB269,139,000) (as at 31 December 2017: approximately HK\$326,500,000 (equivalent to approximately RMB271,900,000)) has been pledged to banks to secure certain of the Group's bank loans (Note 27).

15. 採礦權

Unaudited 30 June 2018	Audited 31 December 2017
HK\$'000	HK\$'000
未經審核	經審核
二零一八年 六月三十日	二零一七年 十二月三十一日
千港元	千港元

326,535	318,153
(3,453)	(3,205)
-	(11,830)
(4,153)	23,417

318,929 326,535

- (a) 於二零一八年六月三十日，由本集團所持有之採礦權之餘下使用年期介乎0.1至4.5年（於二零一七年十二月三十一日：0.6至5.0年）。本簡明綜合中期財務報表獲授權刊發前，本集團賬面值約53,569,000港元的一項採礦權已屆滿，管理層正在重續該證書。本公司董事認為，本集團重續該採礦權證不存在法律障礙。
- (b) 截至二零一八年六月三十日止六個月，就煤炭業務之現金產生單位內之採礦權作出減值撥備零港元（截至二零一七年六月三十日止六個月：約4,150,000港元）（附註16）。
- (c) 於二零一八年六月三十日，賬面值約318,929,000港元（相當於約人民幣269,139,000元）（於二零一七年十二月三十一日：約326,500,000港元（相當於約人民幣271,900,000元））的採礦權已抵押予多間銀行，以擔保本集團之銀行貸款（附註27）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

16. IMPAIRMENT TESTING ON MINING RIGHTS AND PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2018, the recoverable amount of the CGU of coal business 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 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 of coal business, 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 of coal business will also decrease.

The recoverable amount of the CGU of coal business is close to the carrying amount of the CGU of coal business. As a result, the Group made an impairment loss of approximately HK\$5.0 million (six months ended 30 June 2017: approximately HK\$3.2 million) and HK\$Nil (six months ended 30 June 2017: approximately HK\$4.2 million) on the property, plant and equipment and the mining rights respectively associated with this CGU of coal business (Notes 12 and 15 respectively). The impairment loss is allocated according to the carrying amounts of property, plant and equipment and mining rights.

16. 採礦權及物業、廠房及設備之減值測試

於二零一八年六月三十日，煤炭業務現金產生單位之可收回金額參考中國類似熱能之煤炭之平均市場價格（並作出必要調整以反映差別），按照公平價值減出售成本計算（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。於釐定本集團煤炭業務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，煤炭業務現金產生單位之可收回金額亦會減少。

煤炭業務現金產生單位的可收回金額低於煤炭業務現金產生單位的賬面值。因此，本集團分別就與該煤炭業務現金產生單位相關的物業、廠房及設備及採礦權作出減值虧損約5,000,000港元（截至二零一七年六月三十日止六個月：約3,200,000港元）及約零港元（截至二零一七年六月三十日止六個月：約4,200,000港元）（分別見附註12及15）。減值虧損根據物業、廠房及設備及採礦權的賬面值分配。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

16. IMPAIRMENT TESTING ON MINING RIGHTS AND PROPERTY, PLANT AND EQUIPMENT (continued)

The discount rate and growth rate used to extrapolate in the cash flow projection are shown as below:

16. 採礦權及物業、廠房及設備之減值測試(續)

現金流量預測中推斷使用之折現率及增長率如下：

		Unaudited 30 June 2018 未經審核 二零一八年 六月三十日	Audited 31 December 2017 經審核 二零一七年 十二月三十一日
Growth rate on the estimated selling price	估計售價的增長率	1.9% Per annum 每年	2.60% Per annum 每年
Discount rate	折現率	13.68% Per annum 每年	13.93% Per annum 每年

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		Computer software license	
		Unaudited	Audited
		30 June	31 December
		2018	2017
		HK\$'000	HK\$'000
		電腦軟件使用權	
		未經審核	經審核
		二零一八年	二零一七年
		六月三十日	十二月三十一日
		千港元	千港元
Cost	成本		
At 1 January	於一月一日	1,891	1,891
Addition	添置	575	-
At 30 June/31 December	於六月三十日/ 十二月三十一日	2,466	1,891
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	1,891	1,891
Amortisation for the period/year	期/年內攤銷	98	-
At 30 June/31 December	於六月三十日/ 十二月三十一日	1,989	1,891
Carrying amount	賬面值		
At 1 January	於一月一日	-	-
At 30 June/31 December	於六月三十日/ 十二月三十一日	477	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

18. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

18. 於聯營公司之權益及應付一間聯營公司款項

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Interest in associates – Shares of net assets	於聯營公司之權益 – 應佔資產淨值	100,599	101,938
Amount due to an associate*	應付一間聯營公司款項*	98,283	99,589

* Amount due to an associate is unsecured, interest-free and repayable after twelve months from the reporting date and are therefore shown in the condensed 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，因此於簡明綜合財務狀況表內列示為非流動。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

18. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

Particulars of the associates of the Group as at the end of the reporting period were as follows:

Name	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		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
		30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	
		二零一八年六月三十日	二零一七年十二月三十一日	二零一八年六月三十日	二零一七年十二月三十一日	二零一八年六月三十日	二零一七年十二月三十一日	
Beijing Zhaohua Hefu Investment Management Limited*, ("Zhaohua Hefu")	PRC, limited liability company	RMB2,000,000	RMB2,000,000	25%	25%	25%	25%	Investment management, asset management and consultation of investment in the PRC
北京兆華合富投資管理有限公司 (「兆華合富」)	中國，有限責任公司	人民幣2,000,000元	人民幣2,000,000元	25%	25%	25%	25%	於中國從事投資管理、資產管理及投資諮詢
Beijing Shuozhan Zhongfu Investment Centre (Limited Partnership)* (the "Partnership") (Note)	PRC, limited partnership	RMB100,000,000	RMB100,000,000	33%	25%	99%	99%	Project investment, investment management, assets management and consultation service in the PRC
北京碩展中富投資中心 (「合夥企業」) (附註)	中國，有限合夥企業	人民幣100,000,000元	人民幣100,000,000元	33%	25%	99%	99%	於中國從事項目投資、投資管理、資產管理及諮詢服務

Note:

Pursuant to the partnership agreements entered 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 while Beijing Kaisheng Guanhua Investment Company Limited* (北京凱盛冠華投資有限公司), a subsidiary of the Company and the limited partner of the Partnership, possesses significant influence over the operating and financial policies of the Partnership through its participation in the investment committee. As abovementioned, although the Group owned 99% equity interest in the Partnership, the Group only possesses significant influence over the operating and financial policies of the Partnership, therefore, the investment has been classified as interests in associates in the condensed consolidated statement of financial position as at the reporting date.

* For identification purpose only

18. 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：

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。普通合夥人負責管理及監控合夥企業之業務，而北京凱盛冠華投資有限公司（「凱盛」）（本公司附屬公司，為合夥企業之有限合夥人）則通過參與投資委員會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，投資於報告日期於簡明綜合財務狀況表內歸類為於聯營公司之權益。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

19. INTEREST IN A JOINT VENTURE

19. 於一間合營企業之權益

Unaudited	Audited
30 June	31 December
2018	2017
HK\$'000	HK\$'000
未經審核	經審核
二零一八年	二零一七年
六月三十日	十二月三十一日
千港元	千港元

Shares of net assets	應佔資產淨值	6,192	6,248
----------------------	--------	--------------	-------

Particulars of the joint venture of the Group as at the end of the reporting period were as follows:

於報告期末，本集團合營企業之詳情如下：

Name	Place of incorporation and type of legal entity 註冊成立地點及法律實體模型	Particulars of registered capital		Percentage of issued capital held by the Group		Place of operation and principal activities 經營地點及主要業務
		30 June 2018	31 December 2017	30 June 2018	31 December 2017	
名稱		註冊資本詳情		本集團所持已發行股本百分比		
		二零一八年六月三十日	二零一七年十二月三十一日	二零一八年六月三十日	二零一七年十二月三十一日	

Henan Chalco Li Chuang Resources Company Limited* ("Henan Chalco") (Note)	PRC, other limited liability company	RMB10,000,000	RMB10,000,000	51%	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	人民幣 10,000,000元	51%	51%	於中國銷售氧化鋁

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 has unilateral control over the economic activity pursuant to the joint venture agreement entered into in July 2012. Therefore, the investment has been classified as interest in a joint venture as at the reporting date.

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，該投資被分類為於合營企業之權益。

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS/FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

20. 可供出售金融資產／按公平值計入其他全面收益之金融資產

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Non-current	非流動		
Available-for-sale financial assets – Unlisted equity securities	可供出售金融資產 – 非上市股本證券	–	710
Financial assets at FVTOCI – Unlisted equity securities	按公平值計入其他全面收益 之金融資產 – 非上市股本證券	701	–

The unlisted equity securities were reclassified to financial assets measured at FVTOCI (non-recycling) upon the adoption of HKFRS 9 at 1 January 2018 (see Note 3(b)).

於二零一八年一月一日採納香港財務報告準則第9號後，非上市股本證券重新分類為按公平值計入其他全面收益的金融資產（不回收）（見附註3(b)）。

For identification purpose only

21. ACCOUNTS AND BILLS RECEIVABLES

21. 應收賬款及票據

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Accounts receivable	應收賬款	413,073	257,700
Bills receivable	應收票據	2,014	–
		415,087	257,700
Less: Provision for impairment	減：減值撥備	(54,375)	(36,360)
		360,712	221,340

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

21. ACCOUNTS AND BILLS RECEIVABLES

(continued)

During the prior year and the current period, 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 4.6% (as at 31 December 2017: 3.2% 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 HKFRS 9 for derecognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted trade debts. As at 30 June 2018, trade debtors of approximately HK\$205.9 million (as at 31 December 2017: HK\$195.7 million) continue to be recognised in the Group's condensed interim 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 27) until the trade debts are collected or the Group settles any losses suffered by the financial institution. As at 30 June 2018, the asset-backed financial liability amounted to approximately HK\$159.8 million (as at 31 December 2017: approximately HK\$167.9 million). The carrying amount of the transferred assets and their associated liabilities approximates their fair values in both the period ended 30 June 2018 and year ended 31 December 2017.

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.

21. 應收賬款及票據 (續)

於上一年度及本期間，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4.6%（於二零一七年十二月三十一日：3.2%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財務報告準則第9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。於二零一八年六月三十日，應收賬款約205,900,000港元（於二零一七年十二月三十一日：195,700,000港元）繼續於本集團簡明中期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27）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。於二零一八年六月三十日，資產支持金融負債約159,800,000港元（於二零一七年十二月三十一日：約167,900,000港元）。截至二零一八年六月三十日止期間及截至二零一七年十二月三十一日止年度，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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

21. ACCOUNTS AND BILLS RECEIVABLES (continued)

The Group's sales are billed to customers according to the terms of the relevant agreements. Normally, credit periods for coal business ranging from 30 to 180 days (as at 31 December 2017: 30 to 180 days) are allowed to certain customers. While relatively longer credit period will be granted to customers of Building Materials Business depending on the completion of the contract. In the opinion of the directors of the Company, the accounts receivable in relation to the Building Materials Business as of the end of 30 June 2018 are due within one year. Based on the invoice dates, ageing analysis of the Group's accounts receivable, net of any provision for impairment, at the reporting date was as follows:

21. 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。煤炭業務的若干客戶一般獲授予介乎30日至180日(於二零一七年十二月三十一日:30日至180日)的信貸期,而建材業務的客戶將獲授予較長的信貸期,視乎合約完成情況而定。本公司董事認為,於二零一八年六月三十日結束時有關建材業務的應收賬款於一年內到期。於報告日期,本集團之應收賬款(扣除任何減值撥備)按發票日期計算之賬齡分析如下:

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
0 – 90 days	0至90日	271,864	88,074
91 – 180 days	91日至180日	73,388	109,332
181 – 365 days	181日至365日	11,453	-
Over 365 days	超過365日	4,007	23,934
		360,712	221,340

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

21. ACCOUNTS AND BILLS RECEIVABLES (continued)

Ageing analysis of the Group's accounts receivable, net of provision for impairment, is as follows:

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Neither past due nor impaired	未逾期且未減值	294,538	195,221
Past due for less than 3 months	逾期少於三個月	64,785	2,184
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	1,389	-
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
At 30 June/31 December	於六月三十日/ 十二月三十一日	360,712	221,340

Movement in the allowance for impairment of accounts receivable is as follows:

		Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
At 1 January	於一月一日	36,360	33,806
Effect on adoption of HKFRS 9 (Note 3(a))	採納香港財務報告準則第9號之影響(附註3(a))	11,582	-
Additional allowances arising from acquisition of subsidiaries (determined on a provisional basis)	收購附屬公司產生的額外撥備(按暫定基準釐定)	6,685	-
Expected credit loss on accounts receivable	應收賬款預期信貸虧損	183	-
Exchange realignment	匯兌調整	(435)	2,554
At 30 June/31 December	於六月三十日/ 十二月三十一日	54,375	36,360

21. 應收賬款及票據(續)

本集團之應收賬款(扣除減值撥備)之賬齡分析如下:

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Neither past due nor impaired	294,538	195,221
Past due for less than 3 months	64,785	2,184
Past due for more than 3 months but less than 6 months	1,389	-
Past due for more than 6 months but less than 1 year	-	19,353
Past due for more than 1 year	-	4,582
At 30 June/31 December	360,712	221,340

應收賬款減值撥備變動如下:

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
At 1 January	36,360	33,806
Effect on adoption of HKFRS 9 (Note 3(a))	11,582	-
Additional allowances arising from acquisition of subsidiaries (determined on a provisional basis)	6,685	-
Expected credit loss on accounts receivable	183	-
Exchange realignment	(435)	2,554
At 30 June/31 December	54,375	36,360

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

22. 預付款項、按金及其他應收款項

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Prepayments, deposits paid and other receivables	476,109	429,095
Less: Provision for impairment	(75,099)	(49,806)
	401,010	379,289

Movement in the allowance for impairment of prepayments, deposits and other receivables is as follows:

預付款項、按金及其他應收款項減值撥備變動如下：

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
As 1 January	49,806	46,479
Impairment loss	-	455
Effect on adoption of HKFRS 9 (Note 3(a))	29,288	-
Exchange realignment	(3,995)	2,872
At 30 June/31 December	75,099	49,806

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

23. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

(a) Pledged bank deposits

As at 30 June 2018, the pledged bank deposits are used to secure bills payable of the Group (Note 24).

(b) Cash and cash equivalents

As at 30 June 2018, included in cash and cash equivalents of the Group is approximately HK\$195.3 million (as at 31 December 2017: approximately HK\$150.3 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.

23. 已抵押銀行存款以及現金及現金等值項目

(a) 已抵押銀行存款

於二零一八年六月三十日，已抵押銀行存款用於為本集團應付票據作擔保（附註24）。

(b) 現金及現金等值項目

於二零一八年六月三十日，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195,300,000港元（於二零一七年十二月三十一日：約150,300,000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。

24. ACCOUNTS AND BILLS PAYABLES

24. 應付賬款及票據

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Accounts payable	62,067	10,665
Bills payable	869,610	807,198
	931,677	817,863

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

24. ACCOUNTS AND BILLS PAYABLES

(continued)

As of the end of the reporting period, the ageing analysis of accounts payable, based on the invoice dates, is 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 30 June 2018, bills payable of approximately HK\$158.6 million (as at 31 December 2017: approximately HK\$164.8 million) were guaranteed by Henan Zhongfu Industrial Company Limited* (河南中孚實業股份有限公司) or its subsidiaries, being the major customer (the “Major Customer”) of the Group, and approximately HK\$142.2 million (as at 31 December 2017: approximately HK\$72.0 million) were jointly guaranteed by Mr. Bao, being the substantial shareholder of the Company, the Major Customer and/or the spouse of Mr. Bao.

For identification purpose only

24. 應付賬款及票據 (續)

於報告期末，按發票日期計算之本集團應付賬款之賬齡分析如下：

Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
---	--

34,482	1,995
18,725	1,162
936	145
7,924	7,363

62,067 10,665

於二零一八年六月三十日，本集團之應付票據約742,700,000港元（於二零一七年十二月三十一日：約694,900,000港元）以約646,200,000港元（於二零一七年十二月三十一日：約616,900,000港元）的銀行存款作抵押（附註23(a)）。

於二零一八年六月三十日，應付票據約158,600,000港元（於二零一七年十二月三十一日：約164,800,000港元）由河南中孚實業股份有限公司或其附屬公司（為本集團主要客戶（「主要客戶」）擔保，約142,200,000港元（於二零一七年十二月三十一日：約72,000,000港元）由包先生（為本公司主要股東）、主要客戶及／或包先生的配偶共同擔保。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

25. AMOUNTS DUE TO SHAREHOLDERS

Current portion (Note (a))	流動部分 (附註(a))
Non-current portion (Note (b))	非流動部分 (附註(b))

25. 應付股東款項

Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
---	--

222,510	41,097
79,625	-

302,135	41,097
---------	--------

Notes:

(a) Current portion of amounts due to shareholders

The balance of current portion of amounts due to shareholders as of the end of reporting period included the followings:-

- Loans amounting to approximately HK\$1.4 million (as at 31 December 2017: approximately HK\$16.0 million) were advanced from Mr. Yang Hua, a shareholder and Chief Executive Officer of the Company, who was also a director of the Company till 8 February 2018;
- Loans amounting to approximately HK\$57.5 million (as at 31 December 2017: approximately HK\$25.0 million) were advanced from Mr. Bao; and
- Loans amounting to approximately HK\$163.6 million (as at 31 December 2017: HK\$Nil) were advanced from Henan Minan Guotai Investment Holdings Development Co., Ltd* (河南民安國泰投資控股發展有限公司), an entity incorporated in the PRC which is beneficially owned and controlled by Mr. Zhang Xinzhi ("Mr. Zhang"), one of the Company's substantial shareholders as of 30 June 2018.

In the opinion of the directors of the Company, these balances were unsecured, interest-free and repayable on demand.

附註：

(a) 應付股東款項的流動部分

於報告期末，應付股東款項的流動部分餘額包括以下各項：

- 楊華先生（為本公司股東及行政總裁，於二零一八年二月八日前亦為本公司董事）提供的貸款約1,400,000港元（於二零一七年十二月三十一日：約16,000,000港元）；
- 約57,500,000港元（於二零一七年十二月三十一日：約25,000,000港元）的貸款由包先生提供；及
- 約163,600,000港元（於二零一七年十二月三十一日：零港元）的貸款由河南民安國泰投資控股發展有限公司（為於中國註冊成立的實體，由張信志先生（「張先生」）實益擁有及控制）（於二零一八年六月三十日為本公司的主要股東之一）提供。

本公司董事認為，該等餘額為無抵押、免息及須按要求償還。

For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

25. AMOUNTS DUE TO SHAREHOLDERS

(continued)

- (b) Non-current portion of amounts due to shareholders

On 14 February 2018, the Group entered into loan agreements with Mr. Bao, Mr. Zhang and Mr. Li Xiangfei ("Mr. Li"), all of them are shareholders of the Company in which Mr. Bao and Mr. Li are also directors of the Company. Pursuant to the loan agreements, these shareholders agreed to provide unsecured and interest-free loan with an aggregate amount of RMB600 million (equivalent to approximately HK\$711 million) for a term of three years to the Group. The loans are repayable in full or by instalment to further negotiations, within 36 months of the drawdown date. As at 30 June 2018, loans amounting to RMB10 million (equivalent to approximately HK\$11.8 million), RMB30 million (equivalent to approximately HK\$35.6 million) and RMB40 million (equivalent to approximately HK\$47.4 million) has been advanced from Mr. Bao, Mr. Zhang and Mr. Li respectively, these loans will be repayable in full within 36 months since the drawdown date. The effective interest rate for imputed interest expense for these interest-free loans is determined based on the cost-of-funds of the Group per annum.

26. OTHER PAYABLES AND ACCRUALS

The balances of other payables as of 30 June 2018 included the followings:-

- a) Loan amounting to approximately HK\$6.2 million (as at 31 December 2017: approximately HK\$7.1 million) were advanced from a family member of Mr. Bao;
- b) Loan amounting to approximately HK\$22.5 million (as at 31 December 2017: approximately HK\$22.8 million) were advanced from Gongyi Hotel Company Limited* (肇義市賓館有限公司) ("Gongyi"). In the opinion of the Board of the Company, Gongyi is an independent third party; and
- c) Loans amounting to approximately HK\$23.7 million (as at 31 December 2017: HK\$Nil) were advanced from an individual. In the opinion of the Board of the Company, the individual is an independent third party.

For identification purpose only

25. 應付股東款項 (續)

- (b) 應付股東款項的非流動部分

於二零一八年二月十四日，本集團與包先生、張先生及李翔飛先生（「李先生」）（均為本公司股東，包先生及李先生亦為本公司董事）訂立貸款協議。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（相當於約711,000,000港元）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）。於二零一八年六月三十日，人民幣10,000,000元（相當於約11,800,000港元）、人民幣30,000,000元（相當於約35,600,000港元）及人民幣40,000,000元（相當於約47,400,000港元）的貸款分別由包先生、張先生及李先生提供，該等貸款須於提取日期起36個月內悉數償還。該等免息貸款的估算利息開支之實際利率基於本集團每年的資金成本釐定。

26. 其他應付款項及應計費用

其他應付款項於二零一八年六月三十日的餘額包括以下各項：

- a) 約6,200,000港元（於二零一七年十二月三十一日：約7,100,000港元）的貸款由包先生的一名家庭成員提供；
- b) 約22,500,000港元（於二零一七年十二月三十一日：約22,800,000港元）的貸款由肇義市賓館有限公司（「肇義」）提供。本公司董事會認為，肇義為獨立第三方；及
- c) 約23,700,000港元（於二零一七年十二月三十一日：零港元）的貸款由一名個人提供。本公司董事會認為，該個人為獨立第三方。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

26. OTHER PAYABLES AND ACCRUALS

(continued)

These balances are unsecured, interest-free and repayable on demand or due for repayment within one year.

Included in other payables and accruals as at 30 June 2018, there was current portion of deferred income amounting to approximately HK\$818,000 (as at 31 December 2017: HK\$Nil) (Note 28).

26. 其他應付款項及應計費用 (續)

該等餘額為無抵押、免息及須按要求償還或於一年內到期須償還。

於二零一八年六月三十日的其他應付款項及應計費用包括流動部分的遞延收入約818,000港元(於二零一七年十二月三十一日:零港元)(附註28)。

27. BANK AND OTHER LOANS

27. 銀行及其他貸款

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Current		
Bank loans (Note (a))	608,911	610,998
Other loans (Note (b))	211,119	2,521
	820,030	613,519
Non-current		
Other loans (Note (b))	30,573	33,381
	850,603	646,900

Notes:

- (a) As at 30 June 2018, borrowings of approximately HK\$159.8 million (as at 31 December 2017: approximately HK\$167.9 million) were secured by certain accounts receivable (Note 21) and certain mining rights (Note 15) of the Group. A bank loan of approximately HK\$59.2 million (as at 31 December 2017: approximately HK\$60.1 million) was secured by a mining right of the Group.

As at 30 June 2018, bank loans of approximately HK\$247.7 million (as at 31 December 2017: approximately HK\$257.0 million) were guaranteed by the Major Customer.

附註:

- (a) 於二零一八年六月三十日,借款約159,800,000港元(於二零一七年十二月三十一日:約167,900,000港元)以本集團的若干應收賬款(附註21)及若干採礦權(附註15)抵押。一筆銀行貸款約59,200,000港元(於二零一七年十二月三十一日:約60,100,000港元)以本集團的一個採礦權抵押。

於二零一八年六月三十日,銀行貸款約247,700,000港元(於二零一七年十二月三十一日:約257,000,000港元)由主要客戶擔保。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

27. BANK AND OTHER LOANS (continued)

Notes: (continued)

- (a) As at 30 June 2018, bank loans of approximately HK\$59.2 million (as at 31 December 2017: approximately HK\$96.1 million) were jointly guaranteed by Mr. Bao directly/indirectly and the Major Customer and/or independent third parties.

As at 30 June 2018, bank loans of approximately HK\$147.9 million (as at 31 December 2017: approximately HK\$150.0 million) were jointly guaranteed by Mr. Bao, the spouse of Mr. Bao and the Major Customer.

As at 30 June 2018, bank loans of approximately HK\$47.4 million (as at 31 December 2017: HK\$Nil) were secured by land use rights (Note 13) and jointly guaranteed by Mr. Zhang and Henan Minan Real Estate Development Company Limited* (河南民安房地產開發有限公司), an entity incorporated in the PRC which is beneficially owned and controlled by Mr. Zhang.

- (b) On 25 June 2018, 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 machinery and equipment under production of building materials (the “**Machinery and Equipment I**”) to the financing company, at a consideration of approximately RMB169.7 million (equivalent to approximately HK\$201.0 million) and lease back the Machinery and Equipment I for a period of 1 year, subject to the terms and conditions of the agreement. The transaction was completed in June 2018. Upon discharging all the Group's obligations under the agreement, the financing company will return the ownership of the Machinery and Equipment I to the Group if all the rental fee has been settled fully. 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.

27. 銀行及其他貸款 (續)

附註：(續)

- (a) 於二零一八年六月三十日，銀行貸款約59,200,000港元（於二零一七年十二月三十一日：約96,100,000港元）由包先生直接／間接與主要客戶及／或獨立第三方共同擔保。

於二零一八年六月三十日，銀行貸款約147,900,000港元（於二零一七年十二月三十一日：約150,000,000港元）由包先生、包先生的配偶及主要客戶共同擔保。

於二零一八年六月三十日，銀行貸款約47,400,000港元（於二零一七年十二月三十一日：零港元）以土地使用權抵押（附註13），並由張先生與河南民安房地產開發有限公司（為於中國註冊成立並由張先生實益擁有及控制的實體）共同擔保。

- (b) 於二零一八年六月二十五日，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生產建材的機器及設備（「**機器及設備一**」）的所有權轉讓予該融資公司，代價為約人民幣169,700,000元（相當於約201,000,000港元），並租回機器及設備一，期限一年（受限於該協議的條款及條件）。該交易於二零一八年六月完成。在本集團於該協議項下所有義務履行後，如租金已悉數結清，該融資公司會將機器及設備一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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

27. BANK AND OTHER LOANS (continued)

Notes: (continued)

(b) (continued)

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 II") to the financing company, at a consideration of RMB30.0 million (equivalent to approximately HK\$35.5 million) and lease back the Machinery and Equipment II 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.

For identification purpose only

28. DEFERRED INCOME

Government subsidies (Note (i))	政府補貼 (附註(i))	4,497	-
Less: Current portion (included in other payables and accruals (Note 26))	減: 流動部分 (計入其他應付款項及應計費用 (附註26))	(818)	-
Non-current portion	非流動部分	3,679	-

Note:

- (i) The Group received government subsidies for capital expenditure incurred for the plant and machinery. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

27. 銀行及其他貸款 (續)

附註: (續)

(b) (續)

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(「機器及設備二」)的所有權轉讓予該融資公司,代價為人民幣30,000,000元(相當於約35,500,000港元),並租回機器及設備二,期限三年(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。

28. 遞延收入

Unaudited	Audited
30 June	31 December
2018	2017
HK\$'000	HK\$'000
未經審核	經審核
二零一八年	二零一七年
六月三十日	十二月三十一日
千港元	千港元

附註:

- (i) 本集團就所產生的有關廠房及機器的資本開支收取政府補貼。該款項已遞延,於各資產的估計可使用年內攤銷。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

29. SHARE CAPITAL

Ordinary shares of HK\$0.1 each

每股面值0.1港元之普通股

29. 股本

	Number of shares '000 股份數目 千股	Nominal value HK\$'000 面值 千港元
Authorised:		
At 1 January 2017 (audited), 31 December 2017 (audited) and 30 June 2018 (unaudited)	法定： 於二零一七年一月一日（經審核）、 二零一七年十二月三十一日 （經審核）及二零一八年 六月三十日（未經審核）	3,000,000
Issued and fully paid:		
At 1 January 2017 (audited) and 31 December 2017 (audited)	已發行及繳足： 於二零一七年一月一日（經審核）及 二零一七年十二月三十一日 （經審核）	712,674
Shares issued in consideration for the acquisition of subsidiaries (Note (i))	作為收購附屬公司的代價而 發行的股份（附註(i)）	127,500
Issuance of shares pursuant to the subscriptions (Note (ii))	根據認購事項發行股份（附註(ii)）	200,000
At 30 June 2018 (unaudited)	於二零一八年六月三十日 （未經審核）	1,040,174

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

29. SHARE CAPITAL (continued)

Notes:

- (i) Pursuant to the SPA as stated at Note 8, the Company has issued of an aggregate of 127,500,000 new ordinary shares of HK\$0.10 each in the share capital of the Company credited as fully paid, details of the share allotment are set out in Note 8.
- (ii) Pursuant to the two subscription agreements dated 31 October 2017 entered between the Company and Retop International Investment Limited, and the Company and Mr. Li respectively (the “**Subscription Agreements**”), in which Retop International Investment Limited and Mr. Li have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue of an aggregate of 100,000,000 new ordinary shares of HK\$0.10 each to Retop International Investment Limited and an aggregate of 100,000,000 new ordinary shares of HK\$0.10 each to Mr. Li at the subscription price of HK\$0.20 per share respectively. The proceeds of HK\$40,000,000 over the nominal value of HK\$20,000,000 was credited to the share premium account. All of the conditions precedent set out in the Subscription Agreements have been fulfilled and the subscriptions were completed on 3 January 2018. For details, please refer to 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.

29. 股本 (續)

附註：

- (i) 根據附註8所述買賣協議，本公司已發行本公司股本中每股面值0.10港元的合共127,500,000股新普通股（入賬列為繳足），股份配發詳情載於附註8。
- (ii) 根據本公司與瑞拓國際投資有限公司以及本公司與李先生分別訂立的日期為二零一七年十月三十一日的兩份認購協議（「認購協議」），瑞拓國際投資有限公司與李先生已有條件同意認購而本公司已有條件同意分別配發及發行合共100,000,000股每股面值0.10港元的新普通股予瑞拓國際投資有限公司及合共100,000,000股每股面值0.10港元的新普通股予李先生，認購價為每股0.20港元。所得款項40,000,000港元超出面值20,000,000港元的部分已計入股份溢價賬。認購協議所載所有先決條件已達成，認購事項於二零一八年一月三日完成。詳情請參閱本公司日期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之公告以及本公司日期為二零一七年十一月二十八日之通函。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

30. OPERATING LEASE COMMITMENTS

As at 30 June 2018, 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:

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Within one year 一年內	1,060	1,072
In the second to fifth years inclusive 第二年至第五年（首尾兩年包括在內）	679	1,185
	1,739	2,257

The Group leases certain properties under operating leases. The leases run for an initial period of one to ten years (as at 31 December 2017: one to ten years), without option to renew the lease term at the expiry date. None of the lease includes contingent rentals.

31. CAPITAL COMMITMENTS

As at 30 June 2018, the Group had the following capital commitments:

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Capital expenditure contracted but not provided for: 已訂約但未撥備的資本開支:		
Investment in a subsidiary 於一間附屬公司之投資	-	25,500
Acquisition of property, plant and equipment 收購物業、廠房及設備	8,128	768
	8,128	26,268

30. 經營租賃承擔

於二零一八年六月三十日，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：

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Within one year 一年內	1,060	1,072
In the second to fifth years inclusive 第二年至第五年（首尾兩年包括在內）	679	1,185
	1,739	2,257

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（於二零一七年十二月三十一日：一至十年），於屆滿日不可選擇續約。租約概無或然租金。

31. 資本承擔

於二零一八年六月三十日，本集團有以下資本承擔：

	Unaudited 30 June 2018 HK\$'000 未經審核 二零一八年 六月三十日 千港元	Audited 31 December 2017 HK\$'000 經審核 二零一七年 十二月三十一日 千港元
Capital expenditure contracted but not provided for: 已訂約但未撥備的資本開支:		
Investment in a subsidiary 於一間附屬公司之投資	-	25,500
Acquisition of property, plant and equipment 收購物業、廠房及設備	8,128	768
	8,128	26,268

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

32. CONTINGENT LIABILITIES

On 28 July 2015, Henan Jinfeng Coal Industrial Group Company Limited* (“**Jinfeng**”), 河南金豐煤業集團有限公司, an indirect non-wholly owned subsidiary of the Company, 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\$57.6 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. In the opinion of the directors of the Company, there is no outstanding borrowing which is guaranteed by Jinfeng in relation to the Agreement I as at 31 December 2017 and 30 June 2018.

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\$10.4 million). The effective period of the Agreement II shall be from 13 April 2017 to 12 April 2018.

32. 或然負債

於二零一五年七月二十八日，本公司間接非全資附屬公司河南金豐煤業集團有限公司（「**金豐**」）與一名獨立第三方（「**對方A**」）訂立協議（「**協議一**」），據此，各方已同意向另一方互相提供擔保。雙方協定，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，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（如貸款人A要求）。各方將予擔保之總額不得超過人民幣50,000,000元（相當於約57,600,000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。本公司董事認為，於二零一七年十二月三十一日及二零一八年六月三十日，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10,400,000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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

32. CONTINGENT LIABILITIES (continued)

During the financial year ended 31 December 2017, a bank borrowing amounting to RMB7.0 million (equivalent to approximately HK\$8.3 million) has been drawn 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. The RMB7.0 million bank borrowing had been fully settled by the counterparty B during the period ended 30 June 2018, as such there is no outstanding borrowing which is guaranteed by Jinfeng in relation to the Agreement II as at 30 June 2018.

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.

For identification purpose only

33. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the condensed consolidated interim financial statements, the Group had the following material transactions with related parties during the period:

- (i) Compensation of key management personnel

32. 或然負債 (續)

截至二零一七年十二月三十一日止財政年度，約人民幣7,000,000元（相當於約8,300,000港元）之銀行借款已由對方B根據協議二動用，有關金額已相應由金豐擔保。金豐提供的擔保之擔保期為貸款協議日期起三年。人民幣7,000,000元銀行借貸已由對方B於截至二零一八年六月三十日止期間悉數結清，因此，於二零一八年六月三十日，並無由金豐就協議二擔保的未償還借貸。

於報告日期，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。本公司董事認為，截至報告期末本集團根據擔保被提出索償的可能性不大。

33. 關連人士交易

除簡明綜合中期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期內有以下重大交易：

- (i) 主要管理人員之酬金

		Unaudited	
		Six months ended 30 June 2018	2017
		HK\$'000	HK\$'000
		未經審核	
		截至六月三十日止六個月	
		二零一八年	二零一七年
		千港元	千港元
Short-term benefits:	短期福利：		
Fees, salaries and other allowances	袍金、薪金及其他津貼	2,809	2,997
Post-employment benefits:	離職後福利：		
Retirement benefit scheme contributions	退休福利計劃供款	22	21
		2,831	3,018

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

33. RELATED PARTY TRANSACTIONS

(continued)

- (ii) Financing arrangement

Details of interest-free loans advanced from shareholders and a family member of Mr. Bao are disclosed in Notes 25 and 26.

Details of guarantees provided by Mr. Zhang, Mr. Bao and his spouse are disclosed in the Notes 24 and 27.

33. 關連人士交易 (續)

- (ii) 融資安排

股東及包先生的一名家庭成員提供的免息貸款詳情於附註25及26披露。

張先生、包先生及其配偶提供的擔保詳情於附註24及27披露。

34. COMPARATIVE FIGURES

In order to conform with current period's presentation, amounts due to shareholders of approximately HK\$41,097,000 which included in other payables and accruals as of 31 December 2017, have been reclassified and separately disclosed in the condensed consolidated statement of financial position as of 30 June 2018.

35. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

This unaudited condensed consolidated interim financial statements was approved and authorised for issue by the directors of the Company on 30 August 2018.

34. 比較數字

為與本期間的呈列一致，於二零一七年十二月三十一日的應付股東款項約41,097,000港元（計入其他應付款項及應計費用）已於二零一八年六月三十日重新分類及於簡明綜合財務狀況表中單獨披露。

35. 簡明綜合中期財務報表之批准

本未經審核簡明綜合中期財務報表經本公司董事於二零一八年八月三十日批准並授權刊發。



ROSAN RESOURCES HOLDINGS LIMITED
融信資源控股有限公司