



ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED
能源國際投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)
(Stock code 股份代號: 353)

2019
Interim Report
中期報告



* For identification purpose only
僅供識別

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BOARD OF DIRECTORS

Executive Directors

Mr. Lan Yongqiang (*Chairman*)
Mr. Chan Wai Cheung Admiral
Mr. Cao Sheng
Mr. Yu Zhiyong
Mr. Wang Feng
Ms. Lei Liangzhen

Independent Non-Executive Directors

Mr. Tang Qingbin
Mr. Wang Jinghua
Mr. Fung Nam Shan

AUDIT COMMITTEE

Mr. Tang Qingbin (*Chairman*)
Mr. Wang Jinghua
Mr. Fung Nam Shan

REMUNERATION COMMITTEE

Mr. Tang Qingbin (*Chairman*)
Mr. Wang Jinghua
Mr. Fung Nam Shan
Mr. Chan Wai Cheung Admiral

NOMINATION COMMITTEE

Mr. Tang Qingbin (*Chairman*)
Mr. Wang Jinghua
Mr. Fung Nam Shan
Mr. Chan Wai Cheung Admiral

COMPANY SECRETARY

Mr. Chan Wai Cheung Admiral

AUTHORISED REPRESENTATIVES

Mr. Lan Yongqiang
Mr. Chan Wai Cheung Admiral

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

董事會

執行董事

藍永強先生(*主席*)
陳偉璋先生
曹晟先生
于志勇先生
王峰先生
雷良貞女士

獨立非執行董事

唐慶斌先生
王靖華先生
馮南山先生

審核委員會

唐慶斌先生(*主席*)
王靖華先生
馮南山先生

薪酬委員會

唐慶斌先生(*主席*)
王靖華先生
馮南山先生
陳偉璋先生

提名委員會

唐慶斌先生(*主席*)
王靖華先生
馮南山先生
陳偉璋先生

公司秘書

陳偉璋先生

授權代表

藍永強先生
陳偉璋先生

註冊辦事處

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 4307-08, Office Tower, Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law:
C.L. Chow & Mackson Chan, Solicitors
Cheung & Choy
Lawrence Chan & Co.

As to Cayman Islands Law:
Conyers Dills & Pearman

AUDITOR

BDO Limited

PRINCIPAL BANKERS

DBS Bank (HK) Limited
Bank of China

COMPANY'S WEBSITE

<http://website.energyintinv.wisdomir.com>

香港總辦事處及主要營業地點

香港
灣仔港灣道1號
會展廣場辦公大樓4307-08室

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心54樓

開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

本公司法律顧問

香港法例：
周卓立陳啟球陳一理律師事務所
張世文蔡敏律師事務所
陳振球律師事務所

開曼群島法律：
Conyers Dills & Pearman

核數師

香港立信德豪會計師事務所有限公司

主要往來銀行

星展銀行(香港)有限公司
中國銀行

公司網址

<http://website.energyintinv.wisdomir.com>

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合損益表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

(Unaudited)
Six months ended 30 June
(未經審核)
截至六月三十日止六個月

| | | Notes | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 (Re-presented) (重列) |
|--|----------------------------------|-------|----------------------------------|--|
| | | 附註 | | |
| Continuing operations | 持續經營業務 | | | |
| Revenue | 收益 | 4 | 66,219 | 49,067 |
| Cost of sales | 銷售成本 | | (965) | (1,446) |
| Gross profit | 毛利 | | 65,254 | 47,621 |
| Other income and gains | 其他收入及收益 | 4 | 9,582 | 621 |
| Selling and distribution expenses | 銷售及分銷開支 | | (1,317) | (4,398) |
| Administrative expenses | 行政開支 | | (15,116) | (12,734) |
| Other operating expenses | 其他經營開支 | | - | (3,399) |
| Finance costs | 財務成本 | 6 | (26,198) | (40,504) |
| Profit/(loss) before income tax | 除所得稅前溢利/(虧損) | 7 | 32,205 | (12,793) |
| Income tax expenses | 所得稅開支 | 8 | (11,523) | (474) |
| Profit/(loss) for the period from continuing operations | 持續經營業務之本期間溢利/(虧損) | | 20,682 | (13,267) |
| Discontinued operation | 已終止經營業務 | | | |
| Profit for the period from discontinued operation | 已終止經營業務之本期間溢利 | 10 | 11,496 | 3,612 |
| Profit/(loss) for the period | 本期間溢利/(虧損) | | 32,178 | (9,655) |
| Profit/(loss) for the period attributable to: | 應佔本期間溢利/(虧損): | | | |
| Owners of the Company | 本公司擁有人 | | | |
| - from continuing operations | - 持續經營業務 | | 10,439 | (18,326) |
| - from discontinued operation | - 已終止經營業務 | | 11,496 | 3,612 |
| | | | 21,935 | (14,714) |
| Non-controlling interests | 非控股股東權益 | | | |
| - from continuing operations | - 持續經營業務 | | 10,243 | 5,059 |
| | | | 32,178 | (9,655) |
| Earnings/(loss) per share for profit/(loss) attributable to the owners of the Company | 本公司擁有人應佔溢利/(虧損)之每股收益/(虧損) | 11 | | |
| Basic and diluted | 基本及攤薄 | | | |
| - from continuing operations | - 持續經營業務 | | HK cent 0.19 港仙 | (HK cent 0.41 港仙) |
| - from discontinued operation | - 已終止經營業務 | | HK cent 0.21 港仙 | HK cent 0.08 港仙 |
| - from continuing and discontinued operations | - 持續經營業務及已終止經營業務 | | HK cent 0.40 港仙 | (HK cent 0.33 港仙) |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

(Unaudited)
Six months ended 30 June
(未經審核)
截至六月三十日止六個月

| | | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 |
|--|--------------------------------|----------------------------------|----------------------------------|
| Profit/(loss) for the period | 本期間溢利／(虧損) | 32,178 | (9,655) |
| Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss: | 其他全面收入，扣除稅項 其後可能重新分類至損益之項目： | | |
| Exchange loss on translation of financial statements of foreign operations | 換算海外業務財務報表之匯兌虧損 | (351) | (7,690) |
| Release of exchange reserve upon disposal of subsidiaries | 出售附屬公司時解除匯兌儲備 | (10,327) | - |
| Other comprehensive income for the period, net of tax | 本期間其他全面收入，扣除稅項 | (10,678) | (7,690) |
| Total comprehensive income for the period | 本期間全面收入總額 | 21,500 | (17,345) |
| Total comprehensive income attributable to: | 應佔全面收入總額： | | |
| - Owners of the Company | - 本公司擁有人 | 11,436 | (20,794) |
| - Non-controlling interests | - 非控股股東權益 | 10,064 | 3,449 |
| | | 21,500 | (17,345) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2019 於二零一九年六月三十日

| | | Notes | (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|------------------|-------|---|--|
| | | 附註 | | |
| ASSETS AND LIABILITIES | 資產及負債 | | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 12 | 20,057 | 6,519 |
| Intangible assets | 無形資產 | | – | 154,141 |
| Goodwill | 商譽 | | 1,440 | 1,440 |
| Investment properties | 投資物業 | 13 | 1,427,109 | 1,425,000 |
| Deposits and other receivables | 按金及其他應收款項 | | 49,337 | 57,204 |
| Deferred tax assets | 遞延稅項資產 | | – | 43,189 |
| | | | 1,497,943 | 1,687,493 |
| Current assets | 流動資產 | | | |
| Trade receivables | 應收貿易賬項 | 14 | 1,961 | 15,211 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | | 254,335 | 150,791 |
| Loan receivables | 應收貸款 | | 71,948 | 72,098 |
| Financial assets at fair value through profit or loss | 按公平值計入損益之財務資產 | | 22,605 | 14,407 |
| Cash and bank balances | 現金及銀行結存 | | 7,659 | 276,531 |
| | | | 358,508 | 529,038 |
| Current liabilities | 流動負債 | | | |
| Bills and other payables and accruals | 應付票據、其他應付款項及應計款項 | | 275,731 | 389,097 |
| Amounts due to non-controlling shareholders | 應付非控股股東款項 | | 118,297 | – |
| Bank borrowings | 銀行借款 | 15(a) | 123,120 | 157,320 |
| Other borrowings | 其他借款 | 15(b) | 114,840 | 126,877 |
| Finance lease liabilities | 融資租賃負債 | | 63,729 | 39,584 |
| Convertible bonds | 可換股債券 | | 36,250 | 35,258 |
| Tax payables | 應付稅項 | | – | 9,828 |
| | | | 731,967 | 757,964 |
| Net current liabilities | 流動負債淨值 | | (373,459) | (228,926) |
| Total assets less current liabilities | 資產總值減流動負債 | | 1,124,484 | 1,458,567 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2019 於二零一九年六月三十日

| | | Notes | (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|-------------------|-------|---|--|
| | | 附註 | | |
| Non-current liabilities | 非流動負債 | | | |
| Amounts due to a non-controlling shareholder | 應付非控股股東款項 | | - | 259,418 |
| Bank borrowings | 銀行借款 | 15(a) | - | 77,520 |
| Other borrowings | 其他借款 | 15(b) | 53,181 | 44,649 |
| Finance lease liabilities | 融資租賃負債 | | 2,392 | 2,459 |
| Convertible bonds | 可換股債券 | | 25,727 | 25,250 |
| Deferred tax liabilities | 遞延稅項負債 | | 92,413 | 120,000 |
| | | | 173,713 | 529,296 |
| Net assets | 資產淨值 | | 950,771 | 929,271 |
| EQUITY | 權益 | | | |
| Equity attributable to the owners of the Company | 本公司擁有人應佔權益 | | | |
| Share capital | 股本 | 16 | 544,484 | 544,484 |
| Reserves | 儲備 | | 230,277 | 218,841 |
| | | | 774,761 | 763,325 |
| Non-controlling interests | 非控股股東權益 | | 176,010 | 165,946 |
| Total equity | 總權益 | | 950,771 | 929,271 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

| | | (Unaudited) (未經審核) | | | | | | | | | |
|--|------------------------|--|-------------------|---------------------|----------------------|--|-------------------------|------------------------|----------------|----------------------------------|-----------------|
| | | Equity attributable to the owners of the Company 本公司擁有人應佔權益 | | | | | | | | | |
| | | Share capital | *Share premium | *Capital reserve | *Exchange reserve | *Convertible bonds equity reserve | *Revaluation reserve | *Accumulated losses | Total | Non- controlling interests | Total equity |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 股本 千港元 | *股份溢價 千港元 | *資本儲備 千港元 | *匯兌儲備 千港元 | *可換股債券 權益儲備 千港元 | *重估儲備 千港元 | *累計虧損 千港元 | 總計 千港元 | 非控股 股東權益 千港元 | 總權益 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 304,970 | 2,363,920 | 177,027 | 12,068 | 462,708 | 33,865 | (3,151,028) | 203,530 | 167,210 | 370,740 |
| Issuance of shares upon placing | 配售時發行股份 | 60,994 | 26,227 | - | - | - | - | - | 87,221 | - | 87,221 |
| Share issue expenses | 股份發行開支 | - | (2,125) | - | - | - | - | - | (2,125) | - | (2,125) |
| Issuance of shares upon conversion of convertible bonds | 兌換可換股債券時發行股份 | 136,748 | 361,954 | - | - | (434,700) | - | - | 64,002 | - | 64,002 |
| Transactions with owners | 與擁有人之交易 | 197,742 | 386,056 | - | - | (434,700) | - | - | 149,098 | - | 149,098 |
| (Loss)/profit for the period | 本期間(虧損)/溢利 | - | - | - | - | - | - | (14,714) | (14,714) | 5,059 | (9,655) |
| Other comprehensive income, net of tax | 其他全面收入，扣除稅項 | | | | | | | | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | <i>其後可能重新分類至損益之項目：</i> | | | | | | | | | | |
| - Exchange loss on translation of financial statements of foreign operations | - 換算海外業務財務報表之匯兌虧損 | - | - | - | (6,080) | - | - | - | (6,080) | (1,610) | (7,690) |
| Total comprehensive income for the period | 本期間全面收入總額 | - | - | - | (6,080) | - | - | (14,714) | (20,794) | 3,449 | (17,345) |
| At 30 June 2018 | 於二零一八年六月三十日 | 502,712 | 2,749,976 | 177,027 | 5,988 | 28,008 | 33,865 | (3,165,742) | 331,834 | 170,659 | 502,493 |
| At 1 January 2019 | 於二零一九年一月一日 | 544,484 | 2,820,152 | 177,027 | (10,470) | 416,628 | 33,865 | (3,218,361) | 763,325 | 165,946 | 929,271 |
| Profit for the period | 本期間溢利 | - | - | - | - | - | - | 21,935 | 21,935 | 10,243 | 32,178 |
| Other comprehensive income, net of tax: | 其他全面收入，扣除稅項： | | | | | | | | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | <i>其後可能重新分類至損益之項目：</i> | | | | | | | | | | |
| - Exchange loss on translation of financial statements of foreign operations | - 換算海外業務財務報表之匯兌虧損 | - | - | - | (172) | - | - | - | (172) | (179) | (351) |
| - Release of exchange reserve upon disposal of subsidiaries (note 10) | - 出售附屬公司時解除匯兌儲備(附註10) | - | - | - | (10,327) | - | - | - | (10,327) | - | (10,327) |
| Total comprehensive income for the period | 本期間全面收入總額 | - | - | - | (10,499) | - | - | 21,935 | 11,436 | 10,064 | 21,500 |
| At 30 June 2019 | 於二零一九年六月三十日 | 544,484 | 2,820,152 | 177,027 | (20,969) | 416,628 | 33,865 | (3,196,426) | 774,761 | 176,010 | 950,771 |

* The total of these reserve accounts comprise the consolidated reserves of HK\$230,277,000 (30 June 2018: deficits of HK\$170,878,000).

* 該等儲備賬項總額包括綜合儲備230,277,000港元(二零一八年六月三十日：虧絀170,878,000港元)。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

(Unaudited)
Six months ended 30 June
(未經審核)
截至六月三十日止六個月

| | | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Net cash used in operating activities | 經營活動所用之現金淨額 | (19,037) | (83,193) |
| Net cash (used in)/generated from investing activities | 投資活動(所用)/產生之現金淨額 | (2,393) | 39,099 |
| Net cash (used in)/generated from financing activities | 融資活動(所用)/產生之現金淨額 | (247,383) | 81,278 |
| Net (decrease)/increase in cash and cash equivalents | 現金及現金等值項目之(減少)/增加淨額 | (268,813) | 37,184 |
| Cash and cash equivalents at 1 January | 於一月一日之現金及現金等值項目 | 276,531 | 5,699 |
| Effect on foreign exchange rate changes | 匯率變動之影響 | (59) | (85) |
| Cash and cash equivalents at 30 June | 於六月三十日之現金及現金等值項目 | 7,659 | 42,798 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1. GENERAL INFORMATION

Energy International Investments Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Cayman Islands. Its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Units 4307-08, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the six months ended 30 June 2019 (the “Period”), the principal activities of the Company and its subsidiaries (together referred to as the “Group”) include:

- oil and liquefied chemical terminal representing the business of leasing of oil and liquefied chemical terminal, together with its storage and logistics facilities (the “Port and Storage Facilities”);
- insurance brokerage service representing the business of providing insurance brokerage service; and
- oil production representing the business of oil production (discontinued on 28 June 2019 in connection with the disposal of subsidiaries (note 10)).

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

The comparative condensed consolidated income statement and their corresponding notes have been re-presented in accordance with Hong Kong Financial Reporting Standard (“HKFRS”) 5 “Non-current Assets Held For Sale and Discontinued Operations” as if operations discontinued during the Period had been discontinued at the beginning of the comparative period.

These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

1. 一般資料

能源國際投資控股有限公司(「本公司」)為一間於開曼群島註冊成立並以開曼群島為居籍之有限責任公司。其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, 而主要營業地點則為香港灣仔港灣道1號會展廣場辦公大樓4307-08室。本公司之股份於香港聯合交易所有限公司(「聯交所」)上市。

截至二零一九年六月三十日止六個月(「本期間」), 本公司及其附屬公司(統稱為「本集團」)之主要業務包括:

- 油品及液體化工品碼頭, 指經營租賃油品及液體化工品碼頭連同儲存及物流設施業務(「碼頭及儲存設施」);
- 保險經紀服務, 指提供保險經紀服務業務; 及
- 產油, 指產油業務(於二零一九年六月二十八日因出售附屬公司終止經營(附註10))。

此等未經審核簡明綜合中期財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號中期財務報告及聯交所證券上市規則(「上市規則」)之適用披露規定而編製。

比較簡明綜合收益表及其相應附註已根據香港財務報告準則(「香港財務報告準則」)第5號「持作出售之非流動資產及已終止經營業務」重列, 猶如於本期間已終止經營業務於比較期初開始時已經終止。

該等未經審核簡明綜合中期財務報表乃按港元(「港元」)呈列, 其亦為本公司的功能貨幣, 除另有指明外, 所有價值已約整至最接近的千元(「千港元」)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2. ADOPTION OF NEW OR AMENDED HKFRSs

These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2018 (the "2018 FS"). Except as described below, the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements are the same as those followed in the preparation of the 2018 FS.

In the Period, the Group has applied for the first time the following new or amended HKFRSs which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the accounting period beginning on 1 January 2019:

| | |
|---|--|
| HKFRS 16 | Leases |
| HK(IFRIC) – Int 23 | Uncertainty over Income Tax Treatments |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation |
| Annual Improvements to HKFRSs 2015-2017 Cycle | Amendments to: HKFRS 11 Joint Arrangements; HKAS 12, Income Taxes; and HKAS 23 Borrowing Costs |

2. 採納新訂或經修訂之香港財務報告準則

該等未經審核簡明綜合中期財務報表應與本公司截至二零一八年十二月三十一日止年度之年度綜合財務報表（「二零一八年財務報表」）一併閱覽。除下文所述者外，未經審核簡明綜合中期財務報表採用之會計政策及計算方法與編製二零一八年財務報表所採納者相同。

於本期間，本集團首次應用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則（該統稱涵蓋所有適用之個別香港財務報告準則、香港會計準則及詮釋），其有關及於本集團於二零一九年一月一日開始的會計期間之財務報表生效：

| | |
|----------------------------|--|
| 香港財務報告準則第16號 | 租賃 |
| 香港（國際財務報告詮釋委員會）— 詮釋第23號 | 所得稅處理的不確定性 |
| 香港財務報告準則第9號修訂本 | 具有負補償之提前還款特性 |
| 香港財務報告準則二零一五年至二零一七年週期之年度改進 | 以下各項修訂本： 香港財務報告準則第11號共同安排；香港會計準則第12號所得稅；及香港會計準則第23號借貸成本 |

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(a) HKFRS 16 – Leases

HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated, i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

(b) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under HK(IFRIC)-Int 4 Determining Whether an Arrangement contains a Lease (“HK(IFRIC) 4”). The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC) 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2. 採納新訂或經修訂之香港財務報告準則(續)

(a) 香港財務報告準則第16號 – 租賃

香港財務報告準則第16號就承租人引入單一資產負債表內會計模式。因此，本集團作為承租人以使用權資產反映其使用相關資產及租賃負債(反映其作租賃付款之義務)。出租人會計法仍與以前的會計政策相似。

本集團已採納經修訂的追溯法來應用香港財務報告準則第16號，據此，首次採用的累計效應於二零一九年一月一日的保留盈利中確認。因此，二零一八年呈列的比較資料尚未重列，即按香港會計準則第17號及相關詮釋呈列(如過往所呈報)。會計政策變更詳情披露如下。

(b) 租賃定義

先前，本集團於合約成立時釐定安排是否為香港(國際財務報告詮釋委員會)一詮釋第4號「釐定安排是否包含租約」(「香港國際財務報告詮釋委員會第4號」)項下的租約或包含租約。根據租約新定義，本集團正評估合約是否為租約或包含租約。根據香港財務報告準則第16號，倘合約授予權利以代價為交換在某一時期內控制使用已識別資產，則該合約屬於租約或包含租約。

於過渡至香港財務報告準則第16號時，本集團選擇應用實際權宜方式豁免屬於租賃的交易的評估。其僅就過往辨識為租賃的合約應用香港財務報告準則第16號。根據香港會計準則第17號及香港國際財務報告詮釋委員會第4號並未識別為租賃的合約不會獲重新評估。因此，香港財務報告準則第16號項下租賃的定義僅適用於二零一九年一月一日起或之後訂立或變動的合約。

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(c) As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some short-term leases (i.e. where the lease term is 12 months or less). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group presents right-of-use assets in "Property, plant and equipment", the same line item as it presents underlying assets of the same nature that it owns. The carrying amounts of right-of-use assets from continuing operations are as below.

| | | Right-of-use assets HK\$'000 使用權資產 千港元 |
|---------------------------|----------------|---|
| Balance at 1 January 2019 | 於二零一九年一月一日的結餘 | 17,050 |
| Balance at 30 June 2019 | 於二零一九年六月三十日的結餘 | 13,914 |

The Group presents lease liabilities in "Other borrowings" in the condensed consolidated statement of financial position.

2. 採納新訂或經修訂之香港財務報告準則(續)

(c) 作為承租人

作為承租人，根據評估租賃是否將所有的風險及所有權的回報大部分轉讓，本集團先前將租賃分類為經營或融資租賃。根據香港財務報告準則第16號，本集團就大部分租賃（即於資產負債表之租賃）確認使用權資產及租賃負債。

然而，本集團已選擇不就若干短期租賃（即租期為12個月或以下）而確認使用權資產及租賃負債。本集團於租賃期按直線基準將與此等租賃相關之租賃款項確認為開支。

因本集團呈列所擁同一性質之相關資產，故在同一項目「物業、廠房及設備」中呈列使用權資產。持續經營業務的使用權資產賬面值如下。

本集團於簡明綜合財務狀況表「其他借款」中呈列租賃負債。

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(c) As a lessee (Continued)

(i) Significant accounting policies

The Group recognises right-of-use assets and lease liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. Such right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

2. 採納新訂或經修訂之香港財務報告準則(續)

(c) 作為承租人(續)

(i) 重大會計政策

本集團於租賃生效日期確認使用權資產及租賃負債。使用權資產按成本初步計量，後按成本減任何累計折舊及減值虧損計量，並就若干租賃負債重新計量作調整。使用權資產合乎投資物業定義時，其則在投資物業中呈列。根據本集團會計政策，相關使用權資產初步按成本計量，後按公平值計量。

租賃負債初步按非於生效日期支付之租賃款項之現值計量，以隱含在租賃中之利率或(如該利率不能即時釐定)本集團增益借款利率貼現。一般上，本集團使用其增益借款利率作為貼現率。

租賃負債利息成本其後增加及所繳租賃款項減少租賃負債。其在指數或利率變動、剩餘價值擔保下預期應付金額估計變動、或(如適用)評估(購買或延期選擇權是否合理確切行使或終止選擇權合理確切不行使)變動產生之日後租賃款項有變時，方重新計量。

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(c) As a lessee (Continued)

(ii) Transition

Previously, the Group classified property leases as operating leases under HKAS 17. The leases typically run for a period of 1 to 3 years.

At transition, for leases classified as operating leases under HKAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, if any.

The Group used the following practical expedients when applying HKFRS 16 to leases previously classified as operating leases under HKAS 17.

- Use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term; and
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

(d) As a lessor

The Group leases out its investment property and it has classified these leases as operating leases. The accounting policies applicable to the Group as a lessor are not different from those under HKAS 17. However, when the Group is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. Therefore, the Group is not required to make any adjustments on transition to HKFRS 16 for leases in which it acts as a lessor.

2. 採納新訂或經修訂之香港財務報告準則(續)

(c) 作為承租人(續)

(ii) 過渡

過往，本集團將物業租賃列作香港會計準則第17號下經營租賃。租賃一般生效1至3年期。

過渡時，就列作香港會計準則第17號下經營租賃之租賃而言，租賃負債按餘下租賃款項之現值計量，於二零一九年一月一日按本集團增量借款利率貼現。使用權資產按等於租賃負債之金額計量，經任何預付或應計租賃款項金額調整(如有)。

將香港財務報告準則第16號用於曾列作香港會計準則第17號下經營租賃之租賃時，本集團使用以下實際權宜手段。

- 對擁有大致相似特點的租賃組合採用單一貼現率；
- 就租賃期短於12個月的租賃使用豁免不予確認使用權資產及負債；及
- 於初步應用日期計量使用權資產時不計及初始直接成本。

(d) 作為出租人

本集團租出其投資物業，並已將該等租賃分類為經營租賃。適用於本集團作為出租人之會計政策與香港會計準則第17號項下的政策並差異。然而，當本集團為間接出租人時，轉租按主要租賃產生的使用權資產分類，而非參考相關資產。因此，本集團無須對其作為出租人的租約為向香港財務報告準則第16號過渡而作出任何調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(e) Impact on financial statements

(i) Impacts on transition

On transition to HKFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition from the Group's continuing operations is summarised below.

| | | |
|--|---------------------|--------|
| Right-of-use assets presented in "Property, plant and equipment" | 「物業、廠房及設備」中呈列之使用權資產 | 17,050 |
| Lease liabilities presented in "Other borrowings" | 「其他借款」中呈列之租賃負債 | 17,050 |

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is approximately 6%.

於向香港財務報告準則第16號過渡時，本集團已確認額外的使用權資產及額外的租賃負債。過渡對本集團持續經營業務的影響概述如下。

就獲分類為經營租賃的租賃計量租賃負債時，本集團於二零一九年一月一日使用增益借貸利率貼現租賃付款。所應用的加權平均利率約為6%。

| | | |
|---|--------------------------------------|--|
| | | 1 January 2019 HK\$'000 二零一九年 一月一日 千港元 |
| Operating lease commitment at 31 December 2018 as disclosed in the 2018 FS | 二零一八年十二月三十一日的經營租賃承擔獲披露於本集團的二零一八年財務報表 | 20,347 |
| Discounted using the incremental borrowing rate at 1 January 2019 | 於二零一九年一月一日使用增益借貸利率貼現 | 18,795 |
| Recognition exemption for leases with less than 12 months of lease term at transition | 於過渡時就租賃期少於12個月的租賃使用確認豁免 | (472) |
| Disposal of subsidiaries | 出售附屬公司 | (1,273) |
| Lease liabilities recognised at 1 January 2019 | 於二零一九年一月一日確認的租賃負債 | 17,050 |

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(e) Impact on financial statements (Continued)

(ii) Impacts for the Period

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised right-of-use assets of approximately HK\$14,103,000 and lease liabilities of approximately HK\$14,030,000 respectively as at 30 June 2019 from continuing operations.

Also, in relation to those leases under HKFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the Period, the Group recognised depreciation charges of approximately HK\$3,152,000 and interest costs of approximately HK\$435,000 from these leases from continuing operations.

Save as disclosed in the foregoing paragraphs about for HKFRS 16 in notes 2(a) to (e), the adoption of the above new or amended HKFRSs has no impact on these condensed consolidated interim financial statements.

The Group has not early adopted any new or amended HKFRSs which have been issued but are not yet effective in these condensed consolidated interim financial statements.

2. 採納新訂或經修訂之香港財務報告準則(續)

(e) 對財務報表的影響(續)

(ii) 本期間的影響

因初步應用香港財務報告準則第16號，就先前獲分類為經營租賃的租賃而言，本集團於二零一九年六月三十日確認持續經營業務的使用權資產約為14,103,000港元及租賃負債約為14,030,000港元。

此外，就香港財務報告準則第16號項下的該等租賃而言，本集團已確認折舊及利息成本，而非經營租賃開支。於本期間，本集團確認持續經營業務的折舊費用約3,152,000港元及利息成本約435,000港元。

除前述段落所載附註2(a)至(e)中香港財務報告準則第16號的影響所披露者外，於本期間採納上述新訂或經修訂香港財務報告準則對該等簡明綜合中期財務報表並無影響。

本集團並無於該等簡明綜合中期財務報表中提前採納任何已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

3. BASIS OF PREPARATION

(a) Going concern basis

The condensed consolidated financial statements have been prepared on a going concern basis which notwithstanding that (i) as at 30 June 2019, the Group had net current liabilities of HK\$373,459,000 (31 December 2018: HK\$228,926,000); and (ii) as at 30 June 2019, included in current liabilities were the total outstanding construction costs of HK\$182,523,000 (31 December 2018: HK\$344,955,000), that are repayable within one year after the reporting date, which are recognised under other payables (31 December 2018: HK\$307,223,000 and HK\$37,732,000 were recognised under other payables and other borrowings respectively) and capital commitments for construction costs were HK\$7,924,000 (31 December 2018: HK\$2,452,000). These conditions indicate the existence of a material uncertainty that may cast significant doubts about the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company (the "Directors") have prepared the condensed consolidated financial statements based on a going concern on the assumptions and measures that:

- (i) On 28 February 2019, the Group has successfully obtained a new long-term credit facility from a financial institution in the PRC amounted to RMB150,000,000 (approximately HK\$171,000,000) to repay the outstanding construction costs and bank and other borrowings that are required to repay within one year and repayable in February 2022. On 8 March 2019, the Group has further obtained another new long-term credit facility from another financial institution in the PRC amounted to RMB300,000,000 (approximately HK\$342,000,000), with a credit period of 36 months;

3. 編製基準

(a) 持續經營基準

簡明綜合財務報表乃按持續經營基準編製，儘管(i)本集團於二零一九年六月三十日錄得流動負債淨值373,459,000港元(二零一八年十二月三十一日：228,926,000港元)；及(ii)於二零一九年六月三十日，納入流動負債之須於報告日期後一年內償還的未償建設成本總額為182,523,000港元(二零一八年十二月三十一日：344,955,000港元)，於其他應付款項確認(二零一八年十二月三十一日：307,223,000港元)及37,732,000港元分別於其他應付款項及其他借款內確認)，而建設成本之資本承擔為7,924,000港元(二零一八年十二月三十一日：2,452,000港元)。該等情況反映存在重大不明朗因素，或會對本集團持續經營之能力產生重大質疑，因此本集團未必能於日常業務過程中變現資產及償還負債。本公司董事(「董事」)基於以下假設及措施，已按持續經營基準編製簡明綜合財務報表：

- (i) 於二零一九年二月二十八日，本集團已成功獲得一間中國財務機構一筆新長期信貸融資人民幣150,000,000元(約171,000,000港元)，以償還未付建築成本及須一年內以及於二零二二年二月償還之銀行及其他借款。於二零一九年三月八日，本集團進一步得到中國另一間財務機構的另外一筆新長期信貸融資人民幣300,000,000元(約342,000,000港元)，信貸期為三十六個月；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(a) Going concern basis (Continued)

- (ii) In light of the above new credit facilities, the Group will be able to repay the outstanding construction costs in the coming twelve months after the Period;
- (iii) The Directors are of the view that the Oil and Liquefied Chemical Terminal segment since fully operated in May 2018, is able to contribute and generate a significant and consistent operating cash inflow to the Group in the coming twelve months after the Period which mainly derived from its rental income receipt amounting to RMB125,000,000 before value-added tax (approximately HK\$142,500,000) as stipulated in the lease agreement;
- (iv) The Directors are of the view that the loan receivables amounted to HK\$71,948,000 will be recovered without default in the coming twelve months after the Period under the loan agreements and the management assessment of its recoverability; and
- (v) During the year ended 31 December 2018, the Company paid an amount of RMB100,000,000 (approximately HK\$114,000,000) as refundable deposits under the terms of memorandum of understanding, which entered between the Company and the potential vendors, pursuant to which the Company proposed to invest in not less than 45% issued shares in a target company. The Directors are of the view that the investment is still under preliminary negotiation and uncertain of the completion of the transaction with the potential vendors, therefore, the balance will be recovered in the coming twelve months.

3. 編製基準 (續)

(a) 持續經營基準 (續)

- (ii) 鑑於上述新信貸融資，本集團將能夠於本期間後未來十二個月內償還未償還建設成本。
- (iii) 董事認為，於二零一八年五月全面運營後，油品及液體化工品碼頭分類於本期間後未來十二個月內能夠為本集團貢獻重大及持續的經營現金流入，其主要來自租賃協議訂明的扣除增值稅前的租金收入人民幣125,000,000元(約142,500,000港元)；
- (iv) 根據貸款協議及管理層對可收回性評估，董事認為71,948,000港元之應收貸款將於本期間後未來十二個月內收回且不會違約；及
- (v) 於二零一八年十二月三十一日止年度，根據本公司與潛在賣方訂立之諒解備忘錄條款(根據諒解備忘錄，本公司建議投資不少於一家目標公司的45%已發行股本)，本公司已付人民幣100,000,000元(約114,000,000港元)作為可退還按金。董事認為該投資正在初步協商中，未能確定與潛在賣方之交易會否完成，因此，結餘將於未來十二個月內收回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(a) Going concern basis (Continued)

After taking into account the above assumptions and measures, the Directors consider that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2019 and believe that the Group will continue as a going concern and consequently have prepared the condensed consolidated 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 in the condensed consolidated financial statements to reduce the values of the assets to their estimated realisable values, to provide for any further liabilities which may arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

3. 編製基準 (續)

(a) 持續經營基準 (續)

經考慮上述假設及措施，董事認為，本集團於二零一九年六月三十日起十二個月內將擁有充足的營運資金為其經營業務撥資及於到期時滿足其財務承擔，並相信本集團將持續經營並按持續經營基準編製簡明綜合財務報表。

倘本集團無法持續經營業務，將須於簡明綜合財務報表作出調整以撇減資產價值至其估計可變現價值，及就可能產生之任何進一步負債作出撥備，並將非流動資產及負債分別重新分類為流動資產及負債。此等調整的影響並無於簡明綜合財務報表反映。

3. BASIS OF PREPARATION (Continued)

(b) Loss of controls over assets of Qinghai Forest Source Mining Industry Developing Company Limited (“QHFSMI”) and Inner Mongolia Forest Source Mining Industry Developing Company Limited (“IMFSMI”) and deconsolidating QHFSMI and IMFSMI

Ms Leung Lai Ching (“Ms Leung”)’s legal status as director and legal representative in QHFSMI and IMFSMI remained unchanged in the absence of her cooperation

Ms Leung was a director and legal representative of both QHFSMI and IMFSMI. In September 2009, the sole shareholder of QHFSMI and IMFSMI (i.e. a wholly-owned subsidiary of the Company) resolved to remove Ms Leung’s capacity as director and legal representative of both QHFSMI and IMFSMI with immediate effect. However, the respective members of the board of directors and legal representative of QHFSMI and IMFSMI were not officially changed up to the date of authorisation for issue of the Group’s financial statements as Ms Leung, being the legal representative, was not cooperative and failed to provide the requested documents and corporate seals.

Transfer of exploration licence without the Company’s knowledge, consent or approval

The Group acquired QHFSMI from Ms Leung in 2007. QHFSMI was the holder of an exploration licence, which conferred QHFSMI the rights to conduct exploration work for the mineral resources in the titanium mine at Xiao Hong Shan in Inner Mongolia, the PRC. In 2010, the board (the “Board”) of Directors discovered that the exploration licence held by QHFSMI was transferred to a company known as 內蒙古小紅山源森礦業有限公司 (in English, for identification purpose only, Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited) (“Yuen Xian Company”) at a consideration of RMB8,000,000 (the “Change of Exploration Right Agreement”) without the Company’s knowledge, consent or approval. Ms Leung is one of the directors and the legal representative of Yuen Xian Company. Without the exploration licence, QHFSMI no longer had the rights to, among other things, carry out exploration of the mineral resources of the titanium mine, access to the titanium mine and neighbouring areas and has no priority in obtaining the mining rights of the titanium mine.

3. 編製基準 (續)

(b) 失去對青海森源礦業開發有限公司(「青海森源」)及內蒙古森源礦業開發有限公司(「內蒙古森源」)資產之控制權及不再將青海森源及內蒙古森源綜合入賬

梁儷瀨女士(「梁女士」)作為青海森源及內蒙古森源之董事及法定代表之法律地位因其不合作而維持不變

梁女士曾為青海森源及內蒙古森源之董事及法定代表。於二零零九年九月，青海森源及內蒙古森源的唯一股東(即本公司的全資附屬公司)議決罷免梁女士出任青海森源及內蒙古森源之董事及法定代表職務，即時生效。然而，由於當時之法定代表梁女士不配合及未能提供所需文件及公司印章，直至授權刊發本集團財務報表日期，青海森源及內蒙古森源各自之董事會成員及法定代表仍未正式更改。

在本公司不知情及未經本公司同意或批准的情況下轉讓勘探牌照

本集團於二零零七年向梁女士收購青海森源。青海森源持有一個勘探牌照，賦予其權利在位於中國內蒙古小紅山之鈦礦進行礦產資源勘探工作。於二零一零年，董事會(「董事會」)發現，在本公司不知情及未經本公司同意或批准的情況下，青海森源所持勘探牌照以人民幣8,000,000元的代價轉讓予一家名為內蒙古小紅山源森礦業有限公司(「源森公司」)的公司(「探礦權變更協議」)。梁女士為源森公司的董事之一及法定代表。倘無勘探牌照，青海森源不再有權(其中包括)於鈦礦進行礦產資源勘探、進入鈦礦及鄰近區域以及優先獲得鈦礦之開採權。

3. BASIS OF PREPARATION (Continued)

(b) Loss of controls over assets of QHFSMI and IMFSMI and de-consolidating QHFSMI and IMFSMI (Continued)

Final decision on the Change of Exploration Right Agreement

As soon as the Group had discovered the loss of QHFSMI's exploration licence, the Group commenced the legal proceedings against Ms Leung for getting back the exploration licence. In March 2016, the Company received the final decision letter from the Qinghai Procuratorate that the Change of Exploration Right Agreement was invalid. As Yuen Xian Company had already obtained the mining licence on the titanium mine at Xiao Hong Shan in Inner Mongolia, the PRC, the Group is now seeking for the legal advices to resolve this matter.

De-consolidating QHFSMI and IMFSMI

Given that (i) the discovery of the loss of significant assets of QHFSMI; (ii) Ms Leung's legal status as director and legal representative in QHFSMI and IMFSMI remained unchanged; and (iii) the Group was unable to obtain the financial information of QHFSMI and IMFSMI, the Directors considered that the Group had no power over QHFSMI and IMFSMI, exposure, or rights, to variable returns from QHFSMI and IMFSMI and the ability to use its power to affect those variable returns. The Group appointed the PRC lawyers to handle the matters in regaining its controlling power over QHFSMI and IMFSMI. In the opinion of the Directors, the aforesaid legal proceedings have no material impact on the financial position and operations of the Group as the Group is still in the process of regaining the controlling power over QHFSMI and IMFSMI which had already been de-consolidated since 2010.

3. 編製基準 (續)

(b) 失去對青海森源及內蒙古森源資產之控制權及不再將青海森源及內蒙古森源綜合入賬 (續)

對探礦權變更協議的最終判決

本集團發現失去青海森源之勘探牌照後，即對梁女士提起法律訴訟，以收回勘探牌照。於二零一六年三月，本公司接獲青海檢察院的最終判決書，判決探礦權變更協議無效。由於源森公司已取得中國內蒙古小紅山之鈦礦的探礦牌照，本集團現正尋求法律意見以解決該問題。

不再將青海森源及內蒙古森源綜合入賬

鑒於(i)發現失去青海森源之重大資產；(ii)梁女士作為青海森源及內蒙古森源董事及法定代表的法律地位保持不變；及(iii)本集團無法獲取青海森源及內蒙古森源的財務資料，董事認為本集團對青海森源及內蒙古森源並無權力，不再享有青海森源及內蒙古森源可變回報或對其擁有權利，亦無能力行使其權利以影響該等可變回報。本集團已就重獲其對青海森源及內蒙古森源之控制權一事委聘中國律師處理。董事認為，上述法律訴訟對本集團的財務狀況及營運並無任何嚴重影響，原因為本集團重獲對青海森源及內蒙古森源之控制權一事仍在進行中，而該等公司自二零一零年起已不再綜合入賬。

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4. REVENUE AND OTHER INCOME AND GAINS

The Group's principal activities are disclosed in note 1 to these unaudited condensed consolidated interim financial statements. Revenue from the Group's principal activities and other income and gains recognised are as follows:

4. 收益及其他收入及收益

本集團主要業務於該等未經審核簡明綜合中期財務報表附註1披露。本集團主要業務產生之收益及其他收入及收益載列如下：

| | | (Unaudited) | |
|--|-----------------------------------|----------------------------------|--|
| | | Six months ended 30 June | |
| | | (未經審核) | |
| | | 截至六月三十日止六個月 | |
| | | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 (Re-presented) (重列) |
| Revenue | 收益 | | |
| Continuing operations | 持續經營業務 | | |
| Rental income from investment properties | 投資物業之租賃收入 | 66,216 | 49,067 |
| Agency income from insurance brokerage service | 保險經紀服務之代理收入 | 3 | - |
| | | 66,219 | 49,067 |
| Discontinued operation | 已終止經營業務 | | |
| Sale of crude oil (note 10(a)) | 銷售原油(附註10(a)) | 16,436 | 17,836 |
| Other income and gains | 其他收入及收益 | | |
| Continuing operations | 持續經營業務 | | |
| Interest income | 利息收入 | | |
| – Bank deposits | – 銀行存款 | 11 | 594 |
| – Loan receivables | – 應收貨款 | 694 | - |
| | | 705 | 594 |
| Fair value gain on financial assets through profit or loss (“FVTPL”) | 通過損益計算的金融資產的公平 值收益(「按公平值計入損益」) | 8,586 | - |
| Rental income from sub-letting of leased assets | 分租租賃資產之租金收入 | 246 | - |
| Sundry income | 各項收入 | 45 | 27 |
| | | 9,582 | 621 |

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

5. SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to management of the Group for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to management of the Group are determined based on the Group's major product and service lines. The Group has identified the following reportable segments:

- (a) the Oil and Liquefied Chemical Terminal segment represents the business of leasing of the Port and Storage Facilities;
- (b) Insurance Brokerage Service segment represents the business of providing Insurance brokerage service; and
- (c) the Oil Production segment represents the business of oil production. This segment was discontinued during the Period.

5. 分類資料

本集團已根據定期向本集團管理層匯報以供決定分配資源至本集團業務分部及檢討該等分部表現之內部財務資料，確立其營運分類及編製分類資料。向本集團管理層作出內部報告之業務分部，乃按照本集團主要產品及服務種類釐定。本集團已確立以下報告分類：

- (a) 油品及液體化工品碼頭分類，指租賃碼頭及儲存設施業務；
- (b) 保險經紀服務分類，指提供保險經紀服務；及
- (c) 產油分類，指產油業務。本分類已於本期間內終止經營。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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5. SEGMENT INFORMATION (Continued)

There was no inter-segment sale and transfer during the Period (six months ended 30 June 2018: Nil).

5. 分類資料(續)

本期間並無分類間之出售及轉讓(截至二零一八年六月三十日止六個月:無)。

| | Continuing operations 持續經營業務 | | Discontinued operation 已終止經營業務 | | Total 總計 | | | | |
|--|---|---|---|--|----------------------------------|----------------------------------|------------------|------------------|--------------------|
| | Oil and Liquefied Chemical Terminal (Unaudited) Six months ended 30 June 油品及液體化工品碼頭 (未經審核) 截至六月三十日 止六個月 | Insurance Brokerage Service (Unaudited) Six months ended 30 June 保險經紀服務 (未經審核) 截至六月三十日 止六個月 | Oil Production (Unaudited) Six months ended 30 June 產油 (未經審核) 截至六月三十日 止六個月 | Total (Unaudited) Six months ended 30 June 總計 (未經審核) 截至六月三十日 止六個月 | | | | | |
| | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 | | | |
| Reportable segment revenue: From external customers | 報告分類收益: 來自外間客戶 | 66,216 | 49,067 | 3 | - | 16,436 | 17,836 | 82,655 | 66,903 |
| Reportable segment profit/(loss) | 報告分類溢利/(虧損) | 59,993 | 36,087 | (410) | - | 2,621 | 3,700 | 62,204 | 39,787 |
| Interest income | 利息收入 | - | 593 | - | - | 2 | 2 | 2 | 595 |
| Depreciation of property, plant and equipment (excluding right-of-use assets) | 物業、廠房及設備折舊 (不包括使用權資產) | (444) | (410) | (3) | - | (189) | (2,457) | (636) | (2,867) |
| Depreciation of right-of-use assets | 使用權資產折舊 | (273) | - | (186) | - | (269) | - | (728) | - |
| Amortisation of intangible assets | 無形資產攤銷 | - | - | - | - | (277) | (326) | (277) | (326) |
| Reportable segment assets | 報告分類資產 | 1,503,866 | 1,604,897 | 1,929 | - | - | 275,735 | 1,505,795 | 1,880,632 |
| Additions to non-current segment assets during the Period | 本期間非流動分類資產 增加 | 3,366 | 3,511 | - | - | - | 358 | 3,366 | 3,869 |
| Reportable segment liabilities | 報告分類負債 | (787,911) | (1,034,723) | (373) | - | - | (223,671) | (788,284) | (1,258,394) |

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the condensed consolidated financial statements as follows:

5. 分類資料(續)

就本集團營運分類所呈列之總金額與簡明綜合財務報表中呈列之本集團主要財務數據之對賬如下：

| | | (Unaudited) | |
|---|----------------------|----------------------------------|--|
| | | Six months ended 30 June | |
| | | (未經審核) | |
| | | 截至六月三十日止六個月 | |
| | | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 (Re-presented) (重列) |
| Revenue | 收益 | | |
| Reportable segment revenue and consolidated revenue | 報告分類收益及綜合收益 | 82,655 | 66,903 |
| Profit/(loss) before income tax | 除所得稅前溢利／(虧損) | | |
| Reportable segment profit | 報告分類溢利 | 62,204 | 39,787 |
| Segment profit before income tax from discontinued operation | 已終止經營業務除所得稅前分類溢利 | (2,621) | (3,700) |
| Finance costs | 財務成本 | (26,198) | (40,504) |
| Other unallocated income | 其他未分配收入 | 9,291 | 1 |
| Other unallocated expenses | 其他未分配開支 | (10,471) | (8,377) |
| Consolidated profit/(loss) before income tax from continuing operations | 持續經營業務除所得稅前綜合溢利／(虧損) | 32,205 | (12,793) |

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5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

| | | (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 (Re-presented) (重列) |
|--------------------------------|-----------|---|--|
| Assets | 資產 | | |
| Reportable segment assets | 報告分類資產 | | |
| – From continuing operations | – 持續經營業務 | 1,505,795 | 1,525,196 |
| – From discontinued operation | – 已終止經營業務 | – | 203,633 |
| | | 1,505,795 | 1,728,829 |
| Property, plant and equipment | 物業、廠房及設備 | 14,450 | 3,538 |
| Cash and bank balances | 現金及銀行結存 | 7,427 | 274,824 |
| Other corporate assets | 其他企業資產 | 328,779 | 209,340 |
| Group assets | 本集團資產 | 1,856,451 | 2,216,531 |
| Liabilities | 負債 | | |
| Reportable segment liabilities | 報告分類負債 | | |
| – From continuing operations | – 持續經營業務 | 788,284 | 978,393 |
| – From discontinued operation | – 已終止經營業務 | – | 195,359 |
| | | 788,284 | 1,173,752 |
| Convertible bonds | 可換股債券 | 61,977 | 60,508 |
| Other corporate liabilities | 其他企業負債 | 55,419 | 53,000 |
| Group liabilities | 本集團負債 | 905,680 | 1,287,260 |

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財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

Customers from Oil and Liquefied Chemical Terminal and Oil Production segments are located in the PRC (domicile) whereas customers from Insurance Brokerage Service segment are located in Hong Kong. Geographical location of customers is based on the location at which the goods are delivered and the contracts are negotiated and entered into with the customers. No geographical location of non-current assets is presented as substantial non-current assets are physically based in the PRC.

Revenue from major customers is as follows:

| | |
|---|------------------------|
| Customer A (derived from the Oil and Liquefied Chemical Terminal segment) | 客戶 A (來源於油品及液體化工品碼頭分類) |
| Customer B (derived from the discontinued operation) | 客戶 B (來源於已終止經營業務) |

5. 分類資料(續)

來自油品及液體化工品碼頭及產油分類客戶均位於中國(居籍)，而來自保險經紀服務分類的客戶則位於香港。客戶位國地理位置基於貨品交付地點及與客戶協商及訂立合約的地點。並無呈列非流動資產地理位置，此及由於大部份非流動資產實際位於中國。

來自主要客戶之收益如下：

(Unaudited)
Six months ended 30 June
(未經審核)
截至六月三十日止六個月

| 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 |
|----------------------------------|----------------------------------|
| 66,216 | 49,067 |
| 16,436 | 17,836 |
| 82,652 | 66,903 |

6. FINANCE COSTS

| | |
|---|---------------|
| Continuing operations | 持續經營業務 |
| Imputed interest on convertible bonds | 可換股債券之推算利息 |
| Interest on bank and other borrowings | 銀行及其他借款之利息 |
| Finance lease charges | 融資租賃支出 |
| Interest on amounts due to non-controlling shareholders | 應付非控股股東款項之利息 |
| Interest on lease liabilities | 租賃負債利息 |

6. 財務成本

(Unaudited)
Six months ended 30 June
(未經審核)
截至六月三十日止六個月

| 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 (Re-presented) (重列) |
|----------------------------------|--|
| 477 | 17,253 |
| 15,449 | 14,425 |
| 2,692 | 3,985 |
| 7,145 | 4,841 |
| 435 | - |
| 26,198 | 40,504 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging the following:

7. 除所得稅前溢利／(虧損)

除所得稅前溢利／(虧損)已扣除以下各項：

| | | (Unaudited) Six months ended 30 June (未經審核) 截至六月三十日止六個月 | |
|--|-------------------------------------|--|--|
| | | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 (Re-presented) (重列) |
| Continuing operations | 持續經營業務 | | |
| Depreciation of property, plant and equipment (excluding right-of-use assets) [^] | 物業、廠房及設備之折舊 (不包括使用權資產) [^] | 996 | 418 |
| Depreciation of right-of-use assets [^] | 使用權資產之折舊 [^] | 3,152 | - |
| Direct operating expenses arising from investment properties that generated rental income [#] | 產生租金收入之投資物業產生之直接經營開支 [#] | 1,317 | 4,398 |
| Fair value loss on financial assets at FVTPL [*] | 按公平值計入損益之財務資產之公平值虧損 [*] | - | 3,392 |
| Exchange loss, net | 外匯虧損淨額 | 353 | 489 |
| Employee costs, including directors' emoluments | 僱員成本，包括董事酬金 | 6,586 | 5,816 |

[^] Included in "administrative expenses" in the condensed consolidated income statement.

[#] Included in "selling and distribution expenses" in the condensed consolidated income statement.

^{*} Included in "other operating expenses" in the condensed consolidated income statement.

[^] 已計入簡明綜合損益表之「行政開支」。

[#] 已計入簡明綜合損益表之「銷售及分銷開支」。

^{*} 已計入簡明綜合損益表之「其他經營開支」。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

8. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided as the Group had no estimated assessable profits arising in or derived from Hong Kong for both periods.

8. 所得稅開支

由於本集團於兩個期間均無在香港產生或源自任何之估計應課稅溢利，故並無就香港利得稅作出撥備。

(Unaudited)
Six months ended 30 June
(未經審核)
截至六月三十日止六個月

| | | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 (Re-presented) (重列) |
|------------------------------|---------------|----------------------------------|--|
| Continuing operations | 持續經營業務 | | |
| Current tax – PRC | 當期稅項 – 中國 | | |
| – Current period | – 本期間 | – | – |
| – PRC withholding tax | – 中國預扣稅 | 447 | 474 |
| Deferred tax – PRC | 遞延稅項 – 中國 | | |
| – Current period | – 本期間 | 11,076 | – |
| Income tax expenses | 所得稅開支 | 11,523 | 474 |

The Group's PRC subsidiaries are subject to PRC enterprise income tax at the tax rate of 25% (six months ended 30 June 2018: 25%) for the Period.

本集團之中國附屬公司於本期間須按25% (截至二零一八年六月三十日止六個月：25%)之稅率繳納中國企業所得稅。

9. DIVIDENDS

The Board did not recommend any payment of interim dividends during the Period (six months ended 30 June 2018: Nil).

9. 股息

董事會不建議就本期間派付任何中期股息 (截至二零一八年六月三十日止六個月：無)。

10. DISCONTINUED OPERATION

On 3 June 2019, the Group entered into the sale and purchase agreement with the independent third party (the “Purchaser”), pursuant to which the Purchaser has conditionally agreed to acquire and the Group has conditionally agreed to sell the entire issued shares of China International Energy Investments (Hong Kong) Limited (together with its subsidiaries referred to as the “Target Group” engaged in the oil production) which hold 100% equity interest in China Era Energy Power Investment Limited at a total consideration of HK\$52,819,000 (the “Disposal”) which was paid upon signing of the disposal agreement by way of two Promissory Notes (collectively, the “Promissory Notes”). The Promissory Notes comprised: (a) the first promissory note with a face value of HK\$41,619,000 carrying no interest and maturing on 31 December 2020 (the “Zero-coupon Promissory Note”); and (b) the second promissory note with a face value of HK\$11,200,000 carrying interest of 8% per annum and maturing on 31 August 2019 (the “8%-coupon Promissory Note”).

Prior to the completion of the Disposal, the Group, exclude the Target Group (collectively the “Remaining Group”) owed the Target Group an amount of HK\$41,619,000 (the “Drawing from Target Group”). Pursuant to the disposal agreement, it is a condition that (a) the Group shall apply the Zero-coupon Promissory Note to settle all the outstanding sum owed to the Target Group following completion of the Disposal; and (b) the 8%-coupon Promissory Note shall apply as the partial repayment to a refundable earnest money of HK\$29,000,000 (the “Earnest Money”) owed to the other interested purchaser (the “Other Interested Purchaser”) who advanced to the Company pursuant to the memorandum of understanding dated 31 December 2018 entered between the Company and the Other Interested Purchaser. Details of which are set out in the Company’s announcements dated 31 December 2018 and 3 June 2019.

The Disposal was completed on 28 June 2019 (the “Disposal Date”) and there is no outstanding balance between the Disposal Group and the Remaining Group and the 8%-coupon Promissory Note has been partially offset with the Earnest Money. The Disposal constitutes a discontinued operation under HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” as the oil production represented one of the major line of business of the Group. Sales, results, net assets and cash flows of the Target Group were as follows:

10. 已終止經營業務

於二零一九年六月三日，本集團與獨立第三方（「買方」）訂立買賣協議，據此，買方有條件同意認購及本集團有條件同意出售中國國際能源投資（香港）有限公司（連同其附屬公司統稱「目標集團」，從事石油生產，該公司持有中國年代能源投資有限公司之100%股權）全部已發行股份，總代價為52,819,000港元（「出售事項」），並已於簽訂出售協議時以兩份承兌票據（統稱為「承兌票據」）方式支付。承兌票據包括：(a) 面值為41,619,000港元及不計息並於二零二零年十二月三十一日到期之第一份承兌票據（「零息承兌票據」）；及(b) 面值為11,200,000港元及以年利率8%計息並於二零一九年八月三十一日到期之第二份承兌票據（「8%票息承兌票據」）。

於出售完成前，本集團（不包括目標集團，統稱「餘下集團」）欠負目標集團41,619,000港元（「目標集團提款」）。根據出售協議，有關條款規定(a) 出售事項完成後，本集團應用零息承兌票據清償其欠負目標集團的全部未清償應付款項；及(b) 8%票息承兌票據應用於清償欠負其他有意買方的部分可退還誠意金29,000,000港元（「誠意金」）（其他有意買方（「其他有意買方」）乃根據本公司與其他有意買方於二零一八年十二月三十一日訂立的諒解備忘錄向本公司墊款）。有關詳情載於本公司日期為二零一八年十二月三十一日及二零一九年六月三日的公告。

出售事項已於二零一九年六月二十八日（「出售日期」）完成，出售集團及餘下集團之間概無未償還結餘，且8%票息承兌票據已被誠意金部分抵銷。收購事項構成香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」下所指之已終止經營業務，原因為產油為本集團的主要業務之一。有關目標集團的銷售額、業績、資產淨額及現金流量載列如下：

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財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

10. DISCONTINUED OPERATION (Continued)

(a) Analysis of the results of the discontinued operation:

10. 已終止經營業務 (續)

(a) 已終止經營業務之業績分析：

| | | (Unaudited) (未經審核) | |
|--|---------------|--|--|
| | | Period from 1 January 2019 to the Disposal Date HK\$'000 自二零一九年 一月一日起至 出售日期止期間 千港元 | Six months ended 30 June 2018 HK\$'000 截至二零一八年 六月三十日止 六個月 千港元 |
| Profit for the period | 期內溢利 | 455 | 3,612 |
| Gain on disposal of subsidiaries (note b) | 出售附屬公司溢利(附註b) | 11,041 | - |
| | | 11,496 | 3,612 |
| Revenue | 收益 | 16,436 | 17,836 |
| Cost of sales | 銷售成本 | (8,665) | (9,131) |
| Gross profit | 毛利 | 7,771 | 8,705 |
| Other income and gains | 其他收入及收益 | 18 | 2 |
| Selling and distribution expenses | 銷售及分銷開支 | (225) | (258) |
| Administrative expenses | 行政開支 | (4,657) | (4,097) |
| Other operating expenses | 其他經營開支 | (285) | (670) |
| Finance costs | 財務成本 | (165) | (148) |
| Profit before income tax | 除所得稅前溢利 | 2,457 | 3,534 |
| Income tax (expenses)/credit | 所得稅(開支)/抵免 | (2,002) | 78 |
| Profit from discontinued operation | 已終止經營業務之溢利 | 455 | 3,612 |

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

10. DISCONTINUED OPERATION (Continued)

(b) Disposal of subsidiaries:

| | | HK\$'000 千港元 |
|---|----------------|-----------------|
| Net assets disposed of: | 出售的資產淨額： | |
| Property, plant and equipment | 物業、廠房及設備 | 1,980 |
| Intangible assets | 無形資產 | 153,854 |
| Deferred tax assets | 遞延稅項資產 | 41,179 |
| Trade receivables | 應收貿易賬項 | 5,064 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 1,223 |
| Cash and bank balances | 現金及銀行結存 | 270 |
| Amount due from the Remaining Group | 餘下本集團應收款項 | 41,619 |
| Other payables and accruals | 其他應付款項及應計款項 | (101,416) |
| Other borrowings | 其他借款 | (43,469) |
| Tax payables | 應付稅項 | (9,796) |
| Deferred tax liabilities | 遞延稅項負債 | (38,403) |
| | | 52,105 |
| Release of exchange reserve upon disposal | 出售時解除匯兌儲備 | (10,327) |
| Gain on disposal of subsidiaries | 出售附屬公司溢利 | 11,041 |
| | | 52,819 |

An analysis of the net cash flow arising on disposal of the discontinued operation was as follows:

出售已終止經營業務產生之現金流量淨額分析如下：

| | | HK\$'000 千港元 |
|---|-----------------|-----------------|
| Cash consideration | 現金代價 | - |
| Cash and cash equivalents disposed of | 出售之現金及現金等值項目 | (270) |
| | | (270) |
| Net cash outflows arising from the disposal of subsidiaries | 出售附屬公司產生之現金流出淨額 | (270) |

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財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

10. DISCONTINUED OPERATION (Continued)

(b) Disposal of subsidiaries (Continued)

The carrying amounts of the assets and liabilities of the Target Group at the Disposal Date are approximately HK\$245,189,000 and HK\$193,084,000 respectively. A gain of approximately HK\$11,041,000 arose on the Disposal, being the face value of the Promissory Notes of HK\$52,819,000 less net asset value disposed of in the amount of approximately HK\$41,778,000, being the net amount of (i) the equity attributable to the owners of the Disposal Group of approximately HK\$52,105,000; and (ii) the release of the exchange reserve upon Disposal of approximately HK\$10,327,000. No tax charge or credit arose from the Disposal.

For the purpose of presenting the discontinued operation, certain comparative information on condensed consolidated income statement and the related notes have been re-presented as if the discontinued operation during the Period had been discontinued at the beginning of the comparative period.

10. 已終止經營業務(續)

(b) 出售附屬公司(續)

目標集團於出售日期的資產及負債的賬面值分別約為245,189,000港元及193,084,000港元。出售事項產生溢利約11,041,000港元，即承兌票據所得款項面值52,819,000港元減去所售資產淨值約41,778,000港元，淨額為(i)出售集團擁有人應佔權益約52,105,000港元；及(ii)於出售事項中釋出匯兌儲備約10,327,000港元。出售事項並無產生任何稅項開支及抵免。

就呈報此項已終止經營業務而言，簡明綜合收益表及相關附註所載若干比較資料已重列，猶如本期間內已終止經營業務已於比較期間開始時終止經營。

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

11. PROFIT/(LOSS) PER SHARE

The calculations of basic earnings/(loss) per share attributable to the owners of the Company are based on the following data:

| | 用以計算每股基本溢利／(虧損)之本公司擁有人應佔本期間收入／(虧損) |
|---|------------------------------------|
| Profit/(loss) for the period attributable to the owners of the Company for the purpose of basic earnings/(loss) per share | |
| – From continuing operations | – 來自持續經營業務 |
| – From discontinued operation | – 來自已終止經營業務 |

Number of shares

股份數目

| | 用以計算每股基本虧損之普通股加權平均數 |
|---|---------------------|
| Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share | |

The calculation of basic earnings/(loss) per share is based on the earnings/(loss) attributable to the owners of the Company and the weighted average number of ordinary shares.

For the six months ended 30 June 2019 and 2018, no adjustment has been made to the basic earnings/(loss) per share amount presented in respect of a dilution as the impact of the convertible bond outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amount presented.

11. 每股溢利／(虧損)

本公司擁有人應佔每股基本溢利／(虧損)乃根據以下數據計算：

(Unaudited)
Six months ended 30 June
(未經審核)
截至六月三十日止六個月

| | 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 (Re-presented) (重列) |
|--|----------------------------------|--|
| | | |
| | 10,439 | (18,326) |
| | 11,496 | 3,612 |
| | 21,935 | (14,714) |
| | | |
| | '000 千股 | '000 千股 |
| | 5,444,845 | 4,517,706 |

每股基本收益／(虧損)乃根據本公司擁有人應佔收入／(虧損)及普通股加權平均數計算。

截至二零一九年及二零一八年六月三十日止六個月，由於未兌換之可換股債券對所呈列之每股基本收入／(虧損)金額具有反攤薄影響，並無就攤薄呈列之每股基本收入／(虧損)金額作出調整。

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

12. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment at cost of approximately HK\$1,257,000 (six months ended 30 June 2018: HK\$638,000) and recognised right-of-use assets of approximately HK\$17,050,000 as at 1 January 2019 (note 2(e)(i)).

13. INVESTMENT PROPERTIES

During the Period, the additions to investment properties at cost amounted to approximately HK\$2,109,000.

As at 30 June 2019, the entire investment properties (31 December 2018: HK\$1,425,000,000) have been pledged to secure banking facilities granted to the Group and finance lease liabilities.

14. TRADE RECEIVABLES

The Group normally allows trading credit terms 30 days (31 December 2018: 30 days) to its established customers. Each customer has a maximum credit limit. For certain customers with long established relationship and good past repayment history, a longer credit period may be granted. Trade receivables are non-interest bearing.

As at 30 June 2019, the entire trade receivables (31 December 2018: HK\$11,874,000) have been pledged to secure the finance lease liabilities.

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

| 1 – 90 days | 1 至 90 日 |
|-------------|----------|
| | |

As at 30 June 2019 and 31 December 2018, there were no trade receivables that were individually determined to be impaired. The Group did not hold any collateral over these balances.

12. 物業、廠房及設備

本期間，本集團收購物業、廠房及設備的成本約為1,257,000港元(截至二零一八年六月三十日止六個月：638,000港元)及於二零一九年一月一日，已確認使用權資產為17,050,000港元(附註2(e)(i))。

13. 投資物業

本期間內，以成本計量之投資物業增加約2,109,000港元。

於二零一九年六月三十日，全部投資物業(二零一八年十二月三十一日：1,425,000,000港元)已抵押，以為本集團獲授予之銀行融資及融資租賃負債作抵押。

14. 應收貿易賬項

本集團一般給予已建立關係之客戶為期30日(二零一八年十二月三十一日：30日)之貿易信貸期。每個客戶設有信貸上限。就若干已建立長期關係且具有良好還款記錄的客戶而言，可能授出較長的信貸期。應收貿易賬項並不計息。

於二零一九年六月三十日，全部應收貿易款項(二零一八年十二月三十一日：11,874,000港元)已抵押以確保融資租賃負債。

應收貿易賬項根據發票日期之賬齡分析如下：

| (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|--|
| 1,961 | 15,211 |

於二零一九年六月三十日及二零一八年十二月三十一日，並無應收貿易賬項個別被釐定為已減值。本集團並無就該等結餘持有任何抵押品。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

15. BANK AND OTHER BORROWINGS

(a) Bank borrowings

| | 即期 |
|--------------------------------------|------------------|
| Current | 即期 |
| Bank loans, secured (notes i and ii) | 銀行貸款，有抵押(附註i及ii) |
| Non-current | 非即期 |
| Bank loans, secured (note i) | 銀行貸款，有抵押(附註i) |

Notes:

- (i) As at 31 December 2018, the balances of HK\$136,800,000 and HK\$77,520,000 are under current liabilities and non-current liabilities respectively are denominated in RMB, charged at a fixed interest rate of 6.5% per annum pledged by entire investment properties of HK\$1,425,000,000 and guaranteed by independent third parties. These are under the Oil and Liquefied Chemical Terminal segment. This loan was early repaid in June 2019 and another new loan of RMB128,000,000 (approximately HK\$145,920,000) was obtained from the same financial institution subsequently in July 2019, details of which are set out in the note 20(b) to these unaudited condensed consolidated financial statements.
- (ii) As at 30 June 2019, the balances of HK\$123,120,000 (31 December 2018: HK\$20,520,000), also denominated in RMB, is charged at fixed interest rates ranging from 8.5% to 15% (31 December 2018: 15%) per annum, guaranteed by independent third parties and repayable within one year.

All of the bank borrowings do not contain a clause that provides the lenders with an unconditional right to demand repayment at any time at its own discretion as at 30 June 2019 and 31 December 2018.

15. 銀行及其他借款

(a) 銀行借款

| (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|--|
| 123,120 | 157,320 |
| - | 77,520 |
| 123,120 | 234,840 |

附註：

- (i) 於二零一八年十二月三十一日 136,800,000 港元及 77,520,000 港元之該等結餘分別列於流動負債及非流動負債項下，以人民幣計值，按固定年利率 6.5% 計息，由全部投資物業 1,425,000,000 港元作抵押並由獨立第三方擔保。該等結餘列於油品及液體化工品碼頭分類項下。該貸款已提早於二零一九年六月償還，並其後於二零一九年七月從同一金融機構獲得另一筆人民幣 128,000,000 元（約 145,920,000 港元）的新貸款，有關詳情載於本未經審核簡明綜合財務報表附註 20(b)。
- (ii) 於二零一九年六月三十日，結餘 123,120,000 港元（二零一八年十二月三十一日：20,520,000 港元）亦以人民幣計值，按固定年利率由 8.5% 至 15% 之間（二零一八年十二月三十一日：15%）計息，並由獨立第三方擔保並於一年內償還。

於二零一九年六月三十日及二零一八年十二月三十一日，所有銀行借款並不包含貸款方有無條件權利隨時酌情要求還款之條文。

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財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

15. BANK AND OTHER BORROWINGS (Continued)

(b) Other borrowings

| | 即期 |
|------------------------------------|---------------|
| Current | |
| Other borrowings, unsecured | 其他借款，無抵押 |
| Other borrowings, secured (note i) | 其他借款，有抵押(附註i) |
| Lease liabilities | 租賃負債 |
| Promissory note (note ii) | 承兌票據(附註ii) |
| Non-current | 非即期 |
| Other borrowings, unsecured | 其他借款，無抵押 |
| Lease liabilities | 租賃負債 |

Notes:

- (i) This loan was pledged by the entire paid up capital of Shandong Shundong Port Services Company Limited ("Shundong Port"), which is a 51% owned subsidiary of the Group.
- (ii) The 8%-coupon Promissory Note has been partially offset with Earnest Money (note 10) on the Disposal Date, the remaining balance due to the Other Interested Purchaser of HK\$17,800,000 have been settled by way of issuance of a promissory note with a face value of HK\$17,800,000, carrying interest of 8% per annum and maturing on 31 August 2019.

15. 銀行及其他借款(續)

(b) 其他借款

| (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|--|
| | |
| 7,415 | 43,821 |
| 83,652 | 83,056 |
| 5,973 | – |
| 17,800 | – |
| 114,840 | 126,877 |
| | |
| 45,051 | 44,649 |
| 8,130 | – |
| 53,181 | 44,649 |

附註：

- (i) 該貸款由山東順東港務有限公司(「順東港務」，本集團擁有51%股權之附屬公司)全部繳足股本抵押。
- (ii) 於出售日期，部分8%承兌票據(附註10)已由誠意金抵銷，應付其他有意方款項的餘額17,800,000港元已透過發行面值為17,800,000港元的承兌票據(按年利率8%計息及於二零一九年八月三十一日到期)結算。

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財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

15. BANK AND OTHER BORROWINGS (Continued)

(b) Other borrowings (Continued)

As at 30 June 2019, total current and non-current other borrowings were scheduled to repay as follows:

| | |
|---|-----------------------|
| Due within one year or on demand | 於一年內到期或按要求償還 |
| Due in the second to fifth years, inclusive | 於第二至第五年到期 (包括首尾兩年) |

All of the other borrowings carried interest between 8% to 18% per annum (31 December 2018: interest-free or interest bearing at 5% to 9.6% per annum) and obtained from independent third parties.

15. 銀行及其他借款(續)

(b) 其他借款(續)

於二零一九年六月三十日，即期與非即期其他借款預定償還如下：

| (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|--|
| 114,840 | 126,877 |
| 53,181 | 44,649 |
| 168,021 | 171,526 |

所有其他借款之年利率為8%至18%之間(二零一八年十二月三十一日：免利息或年利率為5%至9.6%)並從獨立第三方獲得。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

16. SHARE CAPITAL

16. 股本

| | | As at 30 June 2019 於二零一九年六月三十日 | | As at 31 December 2018 於二零一八年十二月三十一日 | |
|---|--------------------------|-----------------------------------|------------------|---|------------------|
| | | Number of shares '000 | HK\$'000 | Number of shares '000 | HK\$'000 |
| | | 股份數目 千股 | 千港元 | 股份數目 千股 | 千港元 |
| Authorised: | 法定股本： | | | | |
| Ordinary shares of HK\$0.1 each | 每股面值0.1港元之普通股 | | | | |
| At beginning of the period/year | 於期／年初 | 15,000,000 | 1,500,000 | 5,000,000 | 500,000 |
| Increased in authorised capital (note i) | 已增加法定股本(附註i) | - | - | 10,000,000 | 1,000,000 |
| At end of the period/year | 於期／年末 | 15,000,000 | 1,500,000 | 15,000,000 | 1,500,000 |
| Issued and fully paid: | 已發行及繳足： | | | | |
| Ordinary shares of HK\$0.1 each | 每股面值0.1港元之普通股 | | | | |
| At beginning of the period/year | 於期／年初 | 5,444,845 | 544,484 | 3,049,705 | 304,970 |
| Issuance of shares upon share placing (note ii) | 於股份配售時發行股份 (附註ii) | - | - | 609,940 | 60,994 |
| Issuance of shares upon conversion of convertible bonds (note iii) | 於轉換可換股債券時發行股份 (附註iii) | - | - | 1,785,200 | 178,520 |
| At end of the period/year | 於期／年末 | 5,444,845 | 544,484 | 5,444,845 | 544,484 |

Notes:

- (i) By an ordinary resolution dated 11 June 2018, the authorised share capital of the Company was increased from HK\$500,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.1 each to HK\$1,500,000,000 divided into 15,000,000,000 ordinary shares of HK\$0.1 each by the creation of an additional of 10,000,000,000 new ordinary shares of HK\$0.1 each ranking pari passu in all respects with the existing ordinary shares of the Company.
- (ii) On 14 February 2018, the Company completed a share placing for an aggregate for 609,940,000 shares at a placing price of HK\$0.143 per share to independent investors. Net proceeds (after deducting all applicable costs) from the placement were approximately HK\$85,096,000. Details of the placement are set out in the Company's announcements dated 22 January 2018 and 14 February 2018.

附註：

- (i) 根據日期為二零一八年六月十一日之普通決議案，本公司藉增設額外10,000,000,000股每股面值0.1港元之新普通股將法定股本由500,000,000港元(分為5,000,000,000股每股面值0.1港元之普通股)增加至1,500,000,000港元(分為15,000,000,000股每股面值0.1港元之普通股)，有關額外股份在所有方面與本公司現有普通股股份享有同等地位。
- (ii) 於二零一八年二月十四日，本公司完成向獨立投資者股份配售合共609,940,000股，配售價每股0.143港元。配售股份收益淨額(扣除所有適用費用後)約85,096,000港元。配售事項詳情載於本公司日期為二零一八年一月二十二日及二零一八年二月十四日之公告。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

16. SHARE CAPITAL (Continued)

Notes: (Continued)

- (iii) During the year ended 31 December 2018, 785,200,000 shares have been converted under the convertible bonds issued in December 2010 and 999,999,996 shares have been converted under the convertible bonds issued in September 2015.

17. OPERATING LEASE COMMITMENTS

(a) As lessor

At 30 June 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenant falling due as follows:

Within one year 一年內
In the second to fifth years, inclusive 第二年至第五年(包括首尾兩年)

The Group leases its investment properties under an operating lease arrangement, with leases negotiated for terms of five years. The operating lease do not include contingent rentals.

16. 股本(續)

附註：(續)

- (iii) 於二零一八年十二月三十一日止年內，於二零一零年十二月發行的可換股債券已轉換為785,200,000股股份，於二零一五年九月發行的可換股債券已轉換為999,999,996股股份。

17. 經營租約承擔

(a) 作為出租人

於二零一九年六月三十日，本集團於下列年期內屆滿之不可撤銷經營租約之未來最少租賃付款總額如下：

| | (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|---|--|
| Within one year 一年內 | 128,378 | 128,378 |
| In the second to fifth years, inclusive 第二年至第五年(包括首尾兩年) | 360,174 | 427,933 |
| | 488,522 | 556,311 |

本集團根據經營租約安排租賃其投資物業，租期磋商為五年。經營租約不包括或然租金。

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

17. OPERATING LEASE COMMITMENTS (Continued)

(b) As lessee

At 30 June 2019, the Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

| | |
|---|-----------------|
| Within one year | 一年內 |
| In the second to fifth years, inclusive | 第二年至第五年(包括首尾兩年) |

The Group leases certain leasehold land and buildings and equipment which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 2). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the condensed statement of financial position in accordance with the policies set out in note 2. None of the leases includes contingent rentals.

17. 經營租約承擔(續)

(b) 作為承租人

於二零一九年六月三十日，本集團於下列年內屆滿之不可撤銷經營租約之未來最低租賃付款總額如下：

| (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|--|
| 661 | 7,966 |
| - | 12,381 |
| 661 | 20,347 |

本集團根據經營租約(過往按照香港會計準則第17號分類)租用若干租賃土地、樓宇及設備。本集團已採用經修訂的追溯法初始應用香港財務報告準則第16號。根據此方法，本集團於二零一九年一月一日調整期初結餘以確認與該等租賃有關的租賃負債(見附註2)。自二零一九年一月一日起，日後租賃付款乃根據載於附註2的政策於簡明財務狀況表內確認為租賃負債。該等租賃不包括或然租金。

18. CAPITAL AND OTHER COMMITMENTS

18. 資本及其他承擔

| (Unaudited) 30 June 2019 HK\$'000 (未經審核) 二零一九年 六月三十日 千港元 | (Audited) 31 December 2018 HK\$'000 (經審核) 二零一八年 十二月三十一日 千港元 |
|---|--|
| Capital commitments for construction cost of oil and liquefied chemical terminal 油品及液體化工品碼頭建築成本之資本承擔 | 2,452 |
| Other commitments in respect of administrative fees and training fees 就管理費及培訓費之其他承擔 | 42,973 |
| 7,924 | 45,425 |

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財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

19. RELATED PARTY TRANSACTIONS

Apart from the balances and transactions with related parties disclosed elsewhere in these unaudited condensed consolidated interim financial statements, the Group had the following transactions with its related parties during the Period:

(i) Compensation of key management personnel

Included in employee costs are key management personnel compensation (including directors' emoluments) and comprises the following categories:

| | |
|---|-----------|
| Short-term employee benefits | 短期僱員福利 |
| Contribution to retirement benefit scheme | 退休福利計劃之供款 |

(ii) Outstanding balances with a related party

As at 30 June 2019, the amount due to a director included in the Group's current liabilities is unsecured, interest-free and has no fixed terms of repayment amounted to HK\$2,000,000 (30 June 2018: nil).

19. 關連人士交易

除未經審核簡明綜合中期財務報表其他部分所披露與關連人士之結餘及交易外，本集團於本期間內與關連人士進行之交易如下：

(i) 主要管理人員之薪酬

主要管理人員之薪酬(包括董事酬金)乃計入員工成本，包括以下類別：

(Unaudited)
Six months ended 30 June
(未經審核)
截至六月三十日止六個月

| 2019 HK\$'000 二零一九年 千港元 | 2018 HK\$'000 二零一八年 千港元 |
|----------------------------------|----------------------------------|
| 1,380 | 1,239 |
| 9 | 9 |
| 1,389 | 1,248 |

(ii) 未償還關聯方結餘

於二零一九年六月三十日，計入本集團流動負債的應付一名董事款項2,000,000港元，為無抵押、不計息及無固定還款期(二零一八年六月三十日：無)。

20. EVENTS AFTER REPORTING DATE

- (a) Subsequent to the Period, Shundong Port, Mid-Ocean Hong Kong Investment Limited (“Mid-Ocean”) who is the parent company of Shundong Port, the non-controlling shareholder of the Group (the “JV partner”) and an investor (the “Investor”) entered into the capital increase agreement (the “Capital Increase Agreement”), pursuant to which the Investor agreed to subscribe for the new equity of 8.5% of the enlarged registered and paid up capital of Shundong Port (the “Capital Increase”) for the consideration of RMB70 million (approximately HK\$79.8 million) (the “Consideration”). The Consideration will be settled through the capitalisation of the existing loan for the principal amount of RMB70 million loan from the Investor to Shundong Port (the “Pre-existing Loan”). Upon completion of the Capital Increase, the Group’s equity holding in Shundong Port will decrease from 51% to 46.67% and the Pre-existing Loan will be deemed as fully settled.

Simultaneously with the signing of the Capital Increase Agreement, Mid-Ocean has entered into a concert party agreement (the “Concert Party Agreement”) with the JV Partner, pursuant to which the JV Partner irrevocably undertakes to vote in accordance with Mid-Ocean’s decisions at shareholders’ meetings of Shundong Port. Through the Concert Party Agreement, the Group will continue to have control over Shundong Port after the Capital Increase. It is expected that Shundong Port shall remain as a subsidiary of the Company and its results shall continue to be consolidated in the Group’s financial statements. Details of which are set out in the Company’s announcement dated 3 July 2019. As at the date of this report, the Capital Increase is yet to be completed.

- (b) Subsequent to the reporting date, the Group has successfully obtained a credit facility of RMB128,000,000 (approximately HK\$145,920,000) from a financial institution (note 15(a)). This loan is charged at fixed interest rate of 5.3% per annum and repayable in February 2022, which is pledged by the entire investment properties and guaranteed by a related party. This loan was drawn down by the Group in July 2019.

20. 報告日期後事項

- (a) 於本期間後，順東港務、中海香港投資有限公司(「中海」)為順東港務之母公司，本集團非控股股東(「合資企業夥伴」)與一名投資者(「投資方」)訂立增資協議(「增資協議」)，據此，投資方同意以人民幣70,000,000元(約79,800,000港元)(「代價」)認購新股權，以取得8.5%經擴大的順東港務的已註冊和實收資本(「增資」)。代價將由投資方透過資本化投資方借予順東港務本金額人民幣70,000,000元(「原已存在的貸款」)之方式償付。增資完成後，本集團持有順東港務股權的百分比將由51%降至46.67%，而原已存在貸款將被視為已全數結清。

於訂立增資協議的同時，中海與合資企業夥伴亦訂立一致行動協議(「一致行動協議」)。據此，合資企業夥伴作出不可撤回承諾，其在順東港務股東大會上將根據中海的決定進行投票。通過一致行動協議，本集團於增資後將繼續控制順東港務。預計順東港務將仍為本公司的附屬公司，其業績將繼續併入本集團的財務報表。有關詳情載於本公司日期為二零一九年七月三日之公佈。截至本報告日期，增資尚未完成。

- (b) 於報告日期後，本集團已成功從金融機構獲得人民幣128,000,000元(約145,920,000港元)的信貸融資(附註15(a))。該貸款按固定年利率5.3%計息，並須於二零二二年二月償還，該抵押由整個投資物業作抵押，由關聯方作擔保。該貸款於二零一九年七月由本集團提取。

OPERATING RESULTS

The Group is principally engaged in the leasing of oil and liquefied chemical terminal, insurance brokerage service and the oil production (which was disposed on 28 June 2019).

(i) Revenue

For the Period, the Group's record revenue from continuing operations was approximately HK\$66 million, representing an increase of approximately HK\$17 million or approximately 35% as compared to the corresponding period in 2018 of approximately HK\$49 million. The Group's revenue is mainly contributed from the rental income of the oil and liquefied chemical terminal.

(ii) Gross profit

For the Period, the Group's record gross profit from continuing operations was approximately HK\$65 million, representing an improvement of approximately HK\$17 million or approximately 35% as compared to the corresponding period in 2018 of approximately HK\$48 million, which is due primarily to the full operation of the Group's oil and liquefied chemical terminal in May 2018. The Board believes that the stable rental income generated from the leasing of oil and liquefied chemical terminal enables the Group to maintain the gross profit position.

(iii) Profit attributable to the owners of the Company

The profit attributable to the owners of the Company for the Period was approximately HK\$22 million (six months ended 30 June 2018: loss of HK\$15 million), such turnaround from loss to profit is mainly attributable to the improvement in the Group's business activities, including (1) an increase in the revenue and the gross profit from oil and liquefied chemical terminal segment due to the Port and Storage Facilities were fully operated from May 2018 onwards; and (2) an increase in the profit from the oil production segment from approximately HK\$4 million for the six months ended 30 June 2018 to approximately HK\$11 million for the Period which includes a non-recurrence disposal gain of the oil production business.

經營業績

本集團主要從事租賃油品及液體化工品碼頭、保險經紀服務以及產油(已於二零一九年六月二十八日出售)。

(i) 收益

於本期間，本集團持續經營業務錄得收益約66,000,000港元，較二零一八年同期約49,000,000港元增加約17,000,000港元或約35%。本集團收益主要來自油品及液體化工品碼頭業務之租金收入。

(ii) 毛利

本集團於本期間之毛利約為65,000,000港元，相較於二零一八年同期錄得毛利約48,000,000港元，增長約17,000,000港元或約35%。毛利改善主要由於本集團之油品及液體化工品碼頭自二零一八年五月起開始全面營運。董事會相信租賃油品及液體化工品碼頭產生穩定的租金收入能夠使本集團保持毛利狀況。

(iii) 本公司擁有人應佔溢利

於本期間，本公司擁有人應佔溢利約為22,000,000港元(截至二零一八年六月三十日止六個月：虧損15,000,000港元)，轉虧為盈乃主要由於本集團業務改善所致，包括(1)由於油品及液體化工品碼頭分類的碼頭及儲存設施自二零一八年五月起全面開始營運令收益及毛利增加；及(2)產油分類的溢利(包括產油業務所產生的非經常性出售收益)由截至二零一八年六月三十日止六個月約4,000,000港元增加至本期間約11,000,000港元。

BUSINESS REVIEW

Operation of liquid chemical terminal, storage and logistics facilities business

By end of 2015, the Group has injected RMB115 million (approximately HK\$136 million) to Shundong Port to obtain 51% equity interest in Shundong Port. Shundong Port owns two sea area use rights covering an aggregate area available for land-forming and reclamation construction of approximately 31.59 hectares in Dongying Port, Shandong Province, the PRC and permitting the construction of reclamation and land-forming for use in sea transportation and port facilities for a 50-years' period running from 13 November 2014 to 12 November 2064 and 23 February 2016 to 22 February 2066 respectively. Shundong Port has completed the construction and commenced leasing of its Port and Storage Facilities during 2017. Full commercial operation has been achieved in May 2018.

Oil business

On 28 June 2019, the Group discontinued the oil business upon the completion of disposal of the Target Group. Approximately HK\$16 million revenue was generated from this discontinued operation as compared to approximately HK\$18 million in the correspondence period in 2018.

Changes in estimated quantities of proved crude oil reserves for the period from 1 January 2019 to the Disposal Date and during the six months ended 2018 are indicated as follows:

| | | Crude oil 原油 (million metric tonnes) (百萬公噸) |
|----------------------------------|----------------|---|
| Reserves as at 1 January 2018 | 於二零一八年一月一日之儲量 | 2.931 |
| Changes resulted from production | 因生產而產生變動 | (0.006) |
| Reserves as at 30 June 2018 | 於二零一八年六月三十日之儲量 | 2.925 |
| Reserves as at 1 January 2019 | 於二零一九年一月一日之儲量 | 2.920 |
| Changes resulted from production | 因生產而產生變動 | (0.005) |
| Reserves as at the Disposal Date | 於出售日期之儲量 | 2.915 |

Note: Based on the Group's share of participated interests in the oil field through jointly controlled operations.

業務回顧

經營液體化工品碼頭、儲存及物流設施業務

截至二零一五年年底，本集團已向順東港務注資人民幣115,000,000元(約136,000,000港元)，以取得順東港務51%股權。順東港務擁有兩項使用海域之權利，涵蓋中國山東省東營港可用作土地平整及填海建設總面積為約31.59公頃，並獲許建設填海及土地平整，以供海洋運輸及港口設施使用，營運期為50年，分別自二零一四年十一月十三日起至二零六四年十一月十二日止及二零一六年二月二十三日起至二零六六年二月二十二日止。於二零一七年，順東港務已完成建設並開始出租其港口及儲存設施，二零一八年五月起開始全面商業營運。

石油業務

於二零一九年六月二十八日，本集團於完成出售目標集團後終止經營石油業務。該已終止經營業務產生的收益約為16,000,000港元，而二零一八年同期收益約為18,000,000港元。

於二零一九年一月一日至出售日期及截至二零一八年止六個月期間，探明原油儲量之估計數量之變動列載如下：

附註：根據本集團透過共同控制營運分佔於油田之參與權益計算。

FINANCIAL REVIEW

Liquidity, financial resources and capital structure

As at 30 June 2019, the Group had total assets of approximately HK\$1,856 million (31 December 2018: HK\$2,217 million), total liabilities of approximately HK\$906 million (31 December 2018: HK\$1,287 million), indicating a gearing ratio of 0.49 (31 December 2018: 0.58) on the basis of total liabilities over total assets. The current ratio of the Group as at 30 June 2019 was 0.49 (31 December 2018: 0.70) on basis of current assets over current liabilities.

Loan receivables amounted to approximately HK\$72 million (31 December 2018: approximately HK\$72 million) represented loans to independent third parties which bear fixed interest rate ranging from 4% to 10% annually. Deposits amounted to approximately RMB100 million (approximately HK\$114 million) (31 December 2018: approximately HK\$114 million), which is included in prepayments, deposits and other receivables, relating to the deposit paid for the proposed investment in a fintech project in the PRC. Details of which can be referred to the announcement of the Company dated 30 October 2018.

As at 30 June 2019, the Group had bank and other borrowings of approximately HK\$123 million and HK\$168 million respectively (31 December 2018: HK\$235 million and HK\$172 million respectively). The aggregate bank deposits and cash in hand of the Group were approximately HK\$8 million (31 December 2018: HK\$277 million).

財務回顧

流動資金、財務資源及股本架構

於二零一九年六月三十日，本集團之資產總值約為1,856,000,000港元(二零一八年十二月三十一日：2,217,000,000港元)，負債總值約為906,000,000港元(二零一八年十二月三十一日：1,287,000,000港元)，按負債總值除以資產總值計算，資本負債比率為0.49(二零一八年十二月三十一日：0.58)。於二零一九年六月三十日，按流動資產除以流動負債計算，本集團之流動比率為0.49(二零一八年十二月三十一日：0.70)。

應收貸款約72,000,000港元(二零一八年十二月三十一日：約72,000,000港元)，指向獨立第三方提供的貸款，按固定年利率4%至10%計息。按金約人民幣100,000,000元(約114,000,000港元)(二零一八年十二月三十一日：約114,000,000港元)，該按金計入有關建議投資一個位於中國的金融科技項目支付按金的預付款，按金及其他應收款項。有關詳情可參閱本公司日期為二零一八年十月三十日之公告。

於二零一九年六月三十日，本集團之銀行及其他借款分別約為123,000,000港元及168,000,000港元(二零一八年十二月三十一日：分別為235,000,000港元及172,000,000港元)。本集團之銀行存款及手頭現金合計約為8,000,000港元(二零一八年十二月三十一日：277,000,000港元)。

As at 30 June 2019 and 31 December 2018, the convertible bonds outstanding principal amounts of HK\$32 million and HK\$449 million are due on 15 September 2018 (“2015 CB”) and 16 September 2020 (“2018 CB”), carrying interest of 5% and 3% per annum, respectively, with right to convert the convertible bonds into ordinary shares of the Company (the “Shares”). The conversion price of 2015 CB is HK\$0.158 per Share (subject to adjustments) and a maximum number of 202,531,645 Shares may be allotted and issued upon exercise of the conversion rights attached to 2015 CB in full. The conversion price of 2018 CB is HK\$0.255 per Share (subject to adjustments) and a maximum number of 1,760,784,313 Shares may be allotted and issued upon exercise of 2018 CB attached to the convertible bonds in full. During the Period, no 2015 CB and 2018 CB were converted into the Shares.

Contingent liabilities

As at 30 June 2019, the Group did not have any significant contingent liabilities.

Capital and other commitments

The Group had capital and other commitments contracted but not provided for of approximately HK\$8 million (31 December 2018: HK\$2 million) and nil (31 December 2018: HK\$43 million) respectively as at 30 June 2019.

Charges on assets

As at 30 June 2019 and 31 December 2018, entire investment properties of approximately HK\$1,427 million (31 December 2018: HK\$1,425 million), entire paid up capital of Shundong Port and certain trade receivables of approximately HK\$2 million (31 December 2018: HK\$12 million) were pledged for the Group’s bank and other borrowings and finance lease liabilities.

於二零一九年六月三十日及二零一八年十二月三十一日，未償還可換股債券（「二零一五年可換股債券」）及（「二零一八年可換股債券」）之本金額為32,000,000港元及449,000,000港元，乃分別於二零一八年九月十五日及二零二零年九月十六日到期及按年利率5%及3%計息，並且附有權利可將可換股債券兌換為本公司普通股（「股份」）。二零一五年可換股債券兌換價為每股0.158港元（可予調整），而倘二零一五年可換股債券附帶之兌換權獲悉數行使，可配發及發行最多202,531,645股股份。二零一八年可換股債券兌換價為每股0.255港元（可予調整），而倘二零一八年可換股債券獲悉數行使，可配發及發行最多1,760,784,313股股份。於本期間內，並無二零一五年可換股債券及二零一八年可換股債券兌換為股份。

或然負債

於二零一九年六月三十日，本集團並無任何重大或然負債。

資本及其他承擔

於二零一九年六月三十日，本集團已訂約但未撥備之資本及其他承擔約為8,000,000港元（二零一八年十二月三十一日：2,000,000港元）及無（二零一八年十二月三十一日：43,000,000港元）。

資產抵押

於二零一九年六月三十日及二零一八年十二月三十一日，全部投資物業約為1,427,000,000港元（二零一八年十二月三十一日：1,425,000,000港元）、順東港務全部繳足股本及若干應收貿易賬項約2,000,000港元（二零一八年十二月三十一日：12,000,000港元）已就本集團之銀行及其他借款及融資租賃負債作出抵押。

Exchange exposure

The Group mainly operates in Hong Kong and PRC and the exposure in exchange rate risks mainly arises from fluctuations in the HK\$ and RMB exchange rates. Exchange rate fluctuations and market trends have always been the concern of the Group. The policy of the Group for its operating entities operates in their corresponding local currencies to minimise currency risks. The Group, after reviewing its exposure for the time being, did not enter into any derivative contracts aimed at minimising exchange rate risks during the Period. However, management will monitor foreign currency exposure and will consider hedging significant foreign currency exposure if necessary.

Employee information

As at 30 June 2019, the Group employed 32 full-time employees (30 June 2018: 150). The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually in line with industry practice. The Group also provides provident fund schemes (as the case may be) to its employees depending on the location of such employees.

Interim dividends

The Board did not recommend the payment of any interim dividend for the Period (six months ended 30 June 2018: Nil).

FUTURE PLAN AND PROSPECTS

Operation of liquid chemical terminal, storage and logistics facilities business

Since the completion of the acquisition of 51% effective interest in Shundong Port by the Group in December 2015, the Group had been proactively promoting the continual construction of the Port and Storage Facilities. The original design of the Port and Storage Facilities anticipated four berths for chemical tankers of 10,000 tonnage and two berths for chemical tankers of 5,000 tonnage. The construction was completed in late September 2017 and the terminal had commenced operation partially in late September 2017 and fully in May 2018.

外匯風險

本集團的主要營運地區為香港與中國，本集團面對的匯兌風險主要來自港元兌人民幣匯率的波動。匯率波幅及市場動向一向深受本集團關注。本集團的一貫政策是讓經營實體以其相關地區貨幣經營業務，盡量降低貨幣風險。在檢討當前承受的風險水平後，本集團於本期間內並無為降低匯兌風險而訂立任何衍生工具合約。然而，管理層將密切留意外幣風險，必要時會考慮對沖重大外幣風險。

僱員資料

於二零一九年六月三十日，本集團僱用32名全職僱員（二零一八年六月三十日：150名）。本集團之薪酬政策按個別僱員表現而釐定，並每年檢討以便與業界慣例相符。本集團亦按該等僱員之工作地點向僱員提供公積金計劃（按情況而定）。

中期股息

董事會不建議派付本期間之任何中期股息（截至二零一八年六月三十日止六個月：無）。

未來規劃及展望

經營液體化工品碼頭、儲存及物流設施業務

自二零一五年十二月本集團完成收購順東港務51%實際權益以來，本集團一直積極推動續建港口及儲存設施。港口及儲存設施之原定設計預期為四個10,000噸化工船泊位及兩個5,000噸化工船泊位。碼頭已於二零一七年九月下旬完成建設並開始進行部分商業營運及於二零一八年五月全面運營。

On 24 October 2016, Shundong Port entered into a lease agreement (the “Lease Agreement”) to lease the Port and Storage Facilities to an independent third party (the “Lessee”). The rent payable by the Lessee to Shundong Port for the Port and Storage Facilities under the Lease Agreement before VAT is RMB125 million (approximately HK\$145 million) per annum, which shall be payable in twelve equal instalments on monthly basis in advance. The Lease Agreement became effective in May 2018. Details of the Lease Agreement can be referred to the circular of the Company dated 17 February 2017.

The Lease Agreement provides an opportunity for the Company to generate a stable rental income from the Port and Storage Facilities, which is expected to expedite the Group’s recovery of investment costs and to deliver reasonable return on capital to the Group on this project. In addition, the Lease Agreement is expected to improve the Group’s asset and liabilities position in the long run, and to enhance the fund-raising capabilities of Shundong Port in the short run. It is currently expected that any cash derived from the rental income of the Lease Agreement will be retained by Shundong Port for its settlement of indebtedness, ongoing expansion and development plans.

Insurance brokerage business

Following the completion of the acquisition of an insurance brokerage entity (as detailed in the Company’s announcement dated 7 May 2018), the Group creates an independent business segment in August 2018. The Board believes that the Group can benefit from the diversification of its operations into this industry and through better deployment of available resources, can bring values to the Group and the shareholders of the Company as a whole.

Exploration and mining business

As disclosed in the 2018 FS, the Board found out that in 2010, the exploration licence held by QHFSMI had been transferred to Yuen Xian Company without the Company’s knowledge, consent or approval.

Since then, the Group had commenced legal proceedings (the “Mining Litigations”) against Yuen Xian Company with the view to invalidating the Change of Exploration Right Agreement dated 11 November 2009 (which caused the loss of the exploration license by QHFSMI) and seeking to regain the control of QHFSMI and the exploration license. In the past few years, the Group suspended its exploration and mining business pending the outcome of the Mining Litigations.

於二零一六年十月二十四日，順東港務簽訂一份租賃協議（「租賃協議」），以向一名獨立第三方（「承租人」）出租港口及儲存設施，根據租賃協議，承租人須就港口及儲存設施向順東港務每年支付除增值稅前租金人民幣125,000,000元（約145,000,000港元），有關租金須分十二期等額按月預付。該租賃協議於二零一八年五月生效。租賃協議之詳情可參閱本公司日期為二零一七年二月十七日之通函。

租賃協議為本公司提供以港口及儲存設施賺取穩定租金收入的機會，預期可加快本集團收回投資成本之速度，並讓本集團透過此項目實現合理資金回報。此外，租賃協議長遠可望改善本集團資產及負債狀況，並可於短期內加強順東港務之集資能力。目前預期租賃協議所得任何現金租金收入將由順東港務用於償付債務、持續擴充及發展計劃。

保險經紀業務

於完成收購一間保險經紀實體後（誠如本公司日期為二零一八年五月七日之公佈所詳述），本集團於二零一八年八月建立一個獨立業務分類。董事會相信，本集團可受惠於將其業務拓展至該行業，並透過更好地部署可用資源，可為本集團及本公司股東整體創造價值。

勘探及開採業務

誠如二零一八年財務報表所披露，董事會發現，由青海森源持有之勘探牌照已於二零一零年轉讓予源森公司，而本公司並不知悉、同意或批准。

自此之後，本集團已針對源森公司提起法律訴訟（「礦業訴訟」），旨在尋求判令日期為二零零九年十一月十一日之探礦權變更協議（此協議導致青海森源失去勘探牌照）無效，並尋求重新取得青海森源及勘探牌照之控制權。於過去多年，本集團一直暫停勘探及開採業務，以待礦業訴訟的結果。

As announced by the Company on 11 June 2015, 12 June 2015 and 9 March 2016, the Higher People's Court of Qinghai Province had made a final judgment that the Change of Exploration Right Agreement between QHFSMI and Yuen Xian Company was invalid and the Qinghai Province People's Procuratorate had expressed its "no-support" as to the review of the abovementioned final judgement, respectively. Following the conclusion of the Mining Litigations, the Company has appointed the legal advisers in the PRC to enforce the judgement to uphold the Group's right. In the event that the Group could regain the control of QHFSMI, the Group will be in the position to have access to the relevant exploration and mining license and thereafter the Group will perform due diligence review on the mining site. The Group is conducting regular re-assessment on the progress made by its legal advisers and the prospect of the Group's mining segment from time to time.

誠如本公司於二零一五年六月十一日、二零一五年六月十二日及二零一六年三月九日所公佈，青海省高級人民法院作出最終判決，即青海森源與源森公司簽署之探礦權變更協議無效，及青海省人民檢察院檢討對上述最終判決時表明其「不予支持」。礦業訴訟結束後，本公司已委任中國法律顧問執行判決，以維護本集團之權利。倘本集團能重新取得青海森源之控制權，本集團將能取得相關勘探及開採牌照，且本集團其後將對礦場進行盡職審查。本集團將不時對其法律顧問取得之進展及本集團開採分類之前景定期進行重新評估。

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DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2019, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required to be entered in the register referred to therein pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix 10 to the Listing Rules, are set out below:

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零一九年六月三十日，董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第 XV 部）之股份、相關股份或債券中擁有已根據證券及期貨條例第 XV 部第 7 及 8 分部通知本公司及聯交所，或須根據證券及期貨條例第 352 條規定於該規定所指之登記冊記錄，或須根據上市規則附錄十所載之標準守則通知本公司及聯交所之權益或淡倉載列如下：

| Name of Directors | Capacity | Shares | Long positions | | Approximately percentage of the issued share capital of the Company |
|---|---|---------------|-------------------|---|---|
| | | | Underlying Shares | Total number of Shares and underlying Shares held | |
| 董事姓名 | 身份 | 股份 | 相關股份 | 所持股份及相關股份總數 | 佔本公司已發行股本概約百分比 |
| Mr. Cao Sheng ("Mr. Cao") 曹晟先生（「曹先生」） | Interest of controlled corporation 受控制法團權益 | 1,370,000,000 | 784,313,725 | 2,154,313,725* | 39.57% |
| Mr. Yu Zhiyong ("Mr. Yu") 于志勇先生（「于先生」） | Interest of controlled corporation 受控制法團權益 | 1,370,000,000 | 784,313,725 | 2,154,313,725* | 39.57% |

* According to the filings under Disclosure of Interest (the "DI Filings") under Part XV of the SFO retrieved by the Company from public records, these 2,154,313,725 Shares and underlying Shares comprise (a) 1,370,000,000 Shares held by Giant Crystal Limited ("Grant Cystal"); and (b) 784,313,725 underlying Shares falling to be issued upon conversion of the relevant 2018 CB subscribed by Giant Crystal. Giant Crystal is 100% legally and beneficially owned by Cosmic Shine International Limited ("Cosmic Shine"), which is in turn legally and beneficially owned as to 50% by Mr. Cao and as to the other 50% by Mr. Yu, both being executive Directors. Cosmic Shine and Giant Crystal are regarded as controlled corporations of Mr. Cao and Mr. Yu and therefore, Mr. Cao and Mr. Yu are deemed to be interested in all the 2,154,313,725 Shares and underlying Shares interested in by Cosmic Shine and Giant Crystal. The deemed interest under Part XV of the SFO of Mr. Cao and Mr. Yu duplicate with each others completely.

* 根據本公司從公共記錄取得之證券及期貨條例第 XV 部項下之權益披露申報（「權益披露申報」），該等 2,154,313,725 股股份及相關股份包括 (a) 鉅晶有限公司（「鉅晶」）持有之 1,370,000,000 股股份；及 (b) 鉅晶所認購之相關二零一八年可換股債券債券獲悉數行使時將予發行之 784,313,725 股相關股份。鉅晶由 Cosmic Shine International Limited（「Cosmic Shine」）合法及實益擁有 100% 權益，而 Cosmic Shine 則由執行董事曹先生及于先生分別合法及實益擁有 50% 權益。Cosmic Shine 及鉅晶被視為曹先生及于先生之受控制法團，因此，曹先生及于先生被視為於 Cosmic Shine 及鉅晶所擁有權益之全部 2,154,313,725 股股份及相關股份中擁有權益。曹先生及于先生於證券及期貨條例第 XV 部項下被視為擁有之權益彼此完全重疊。

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DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2019, so far as any Directors are aware based on the DI Filings, persons (other than the Directors or chief executives of the Company) who have interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

董事購入股份或債券之權利

於年內任何時間，任何董事或其配偶或未滿18歲之子女概無獲授可藉購入本公司之股份或債券而獲益之權利，亦無行使有關權利；或本公司或其任何附屬公司亦無訂立任何安排，致使董事可收購任何其他法人團體之上述權利。

主要股東於本公司股份及相關股份之權益及淡倉

於二零一九年六月三十日，據任何董事所知，根據權益披露申報，以下人士（董事或本公司主要行政人員除外）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉或須記錄於本公司根據證券及期貨條例第336條須予存置之登記冊之權益或淡倉：

| Name of Shareholders | Capacity | Shares | Long positions | | Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比 |
|------------------------------|---|---------------|---------------------------|--|---|
| | | | 好倉 | Total number of Shares and underlying Shares held 所持股份及相關股份總數 | |
| 股東名稱 | 身份 | 股份 | Underlying Shares 相關股份 | | |
| Giant Crystal 鉅晶 | Beneficial owner 實益擁有人 | 1,370,000,000 | 784,313,725 | 2,154,313,725* | 39.57% |
| Cosmic Shine Cosmic Shine | Interest of controlled corporation 受控制法團權益 | 1,370,000,000 | 784,313,725 | 2,154,313,725* | 39.57% |

* Based on the DI Filings, these 2,154,313,725 Shares and underlying Shares comprise (a) 1,370,000,000 Shares held by Giant Crystal; and (b) 784,313,725 underlying Shares falling to be issued upon conversion of the relevant 2018 CB subscribed by Giant Crystal. Giant Crystal is 100% legally and beneficially owned by Cosmic Shine. Giant Crystal is regarded as controlled corporation of Cosmic Shine and therefore, Cosmic Shine is deemed to be interested in all the 2,154,313,725 Shares and underlying Shares interested in by Giant Crystal. The deemed interest under Part XV of the SFO of Cosmic Shine and Giant Crystal duplicate with each others completely.

All the interests stated above represent long positions in the Shares. As at 30 June 2019, no short positions were recorded in the register maintained by the Company under section 336 of the SFO.

Save as disclosed above, so far as the Directors are aware up to 30 June 2019, no other person had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the extraordinary general meeting held on 24 June 2013, the Stock Exchange granted approval of the listing of and permission to deal in the Shares to be issued under the share option scheme (the "Share Option Scheme") on 26 June 2013. The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include the Directors, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company. The Share Option Scheme was adopted on 24 June 2013 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Share Option Scheme will expire on 23 June 2023. There was no share option granted and exercised during the period under review and no outstanding share option as at 30 June 2019.

* 根據權益披露申報，該等2,154,313,725股股份及相關股份包括(a)鉅晶持有之1,370,000,000股股份；及(b)鉅晶所認購之相關二零一八年可換股債券獲悉數行使時將予發行之784,313,725股相關股份。鉅晶由Cosmic Shine合法及實益擁有100%權益，鉅晶被視為Cosmic Shine之受控制法團，因此，Cosmic Shine被視為於鉅晶所擁有權益之全部2,154,313,725股股份及相關股份中擁有權益。Cosmic Shine及鉅晶於證券及期貨條例第XV部項下被視為擁有之權益彼此完全重疊。

上述所有權益指於股份之好倉。於二零一九年六月三十日，於本公司根據證券及期貨條例第336條存置之登記冊中並無淡倉記錄。

除以上所披露者外，就董事所知，直至二零一九年六月三十日，概無其他人士於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露或須記錄於本公司根據證券及期貨條例第336條存置之登記冊中之權益或淡倉。

購股權計劃

根據本公司於二零一三年六月二十四日舉行之股東特別大會上通過之普通決議案，聯交所於二零一三年六月二十六日批准根據購股權計劃（「購股權計劃」）將予發行之股份上市及買賣。購股權計劃乃旨在獎勵及回饋對本集團營運的成功曾付出貢獻之合資格參與者。該購股權計劃之合資格參與者包括本公司之董事以及本集團或本集團持有其權益之公司或該公司之附屬公司的僱員、顧問、客戶、供應商、代理商、夥伴、諮詢人或承包商。購股權計劃乃於二零一三年六月二十四日採納，除非另行註銷或修訂，否則由該日期起計十年維持有效。購股權計劃將於二零二三年六月二十三日屆滿。於本期間內概無授出或行使購股權，而於二零一九年六月三十日並無未行使之購股權。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company and the Board have applied the principles in the code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules by adopting the code provisions of the CG Code.

During the Period, the Board has adopted and complied with the code provisions of the CG Code in so far they are applicable with the exception of the deviation from A.2.1 of the CG Code, the roles of chairman and chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. Since the position of the CEO is vacated, the Company is still looking for a suitable candidate to fill the vacancy of the CEO.

A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. For the period under review, all independent non-executive Directors have not been appointed for a specific term but they are subject to retirement by rotation at least once every three years in accordance with the Company's Articles of Association.

A.6.7 of the CG Code, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders, Mr. Tang Qingbin, Mr. Wang Jinghua and Mr. Fung Nam Shan, the independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 28 June 2019 due to their other prior engagements.

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於本期間並無購買、出售或贖回本公司任何上市證券。

遵守企業管治守則

本公司及董事會已採納上市規則附錄十四所載之企業管治守則及企業管治報告(「企業管治守則」)之守則條文，遵守企業管治守則之守則條文。

於本期間，董事會已採納並一直遵守適用之企業管治守則之守則條文，惟偏離企業管治守則第A.2.1條。根據該條守則條文，主席及行政總裁(「行政總裁」)之角色應獨立區分，且不應由同一人擔任。主席與行政總裁間之職責區分應書面清晰訂明。本公司行政總裁之職位目前空缺，本公司仍在物色合適人選填補行政總裁之空缺。

根據企業管治守則第A.4.1條，非執行董事須按指定任期委任，並須膺選連任。於本回顧期內，所有獨立非執行董事均非按指定任期委任，惟須按照本公司組織章程細則至少每三年輪值告退一次。

根據企業管治守則第A.6.7條，獨立非執行董事應出席股東大會，對股東的意見有公正的了解。由於其他先前事務，獨立非執行董事唐慶斌先生、王靖華先生及馮南山先生未能出席本公司於二零一九年六月二十八日舉行之股東週年大會。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code and the Company has made specific enquiries with all Directors and all of them confirmed that they had complied with the required standards set out in the Model Code throughout the Period.

REMUNERATION COMMITTEE

The remuneration committee of the Company, established in compliance with the CG Code, currently comprises three independent non-executive Directors and one executive Director, is responsible for reviewing and evaluating the remuneration packages of the Directors and senior management of the Company and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The nomination committee of the Company, established in compliance with the CG Code, currently comprises three independent non-executive Directors and one executive Director, is responsible for making recommendations to the Board on the appointment of Directors and management of the succession.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the suggested terms of reference stated under the Code Provision C.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Tang Qingbin. The Audit Committee is responsible for review of the Group's accounting principles, practices internal control procedures and financial reporting matters including the review of the interim and final results of the Group prior to recommending to the Board for approval.

證券交易之標準守則

本公司已採納標準守則，且本公司已向各董事作出具體查詢，彼等已各自確認於本期間內一直遵守標準守則所載之規定標準。

薪酬委員會

本公司遵照企業管治守則成立薪酬委員會，現時成員包括三名獨立非執行董事及一名執行董事，負責審閱及評估本公司董事及高級管理層之薪酬待遇，並不時向董事會提供推薦建議。

提名委員會

本公司遵照企業管治守則成立提名委員會，現時成員包括三名獨立非執行董事及一名執行董事，負責就委任董事及管理層之繼任事宜向董事會提供推薦建議。

審核委員會

本公司已成立審核委員會（「審核委員會」），並已根據上市規則第3.21條及企業管治守則之守則條文第C.3條所述之建議職權範圍訂明職權範圍。審核委員會目前由三名獨立非執行董事組成，主席為唐慶斌先生。審核委員會負責審閱本集團之會計原則、常規內部監控程序及財務匯報事項，包括於建議董事會批准前，審閱本集團之中期及年度業績。

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FUND RAISING ACTIVITIES THROUGH ISSUE OF EQUITY/CONVERTIBLE BONDS

In addition to the information disclosed in the 2018 annual report of the Company (the "2018 AR"), the Board would like to provide additional information in relation to the fund raising activities of the Company in the year of 2018:

- (1) The net proceeds of approximately HK\$85.1 million raised from the placement of 609,940,000 new Shares at the placing price of HK\$0.143 per Share, which was completed on 14 February 2018.

透過發行股本／可換股債券募集資金活動

除本公司二零一八年度報告(「二零一八年報」)所披露的資料外，董事會謹此就本公司於二零一八年的集資活動提供額外資料：

- (1) 按配售價每股0.143港元配售609,940,000股新股份的所得款項淨額約為85.1百萬港元，已於2018年2月14日完成。

| | | Intended use of proceeds stated in the 2018 AR | Amount unused as at 31 December 2018 | Expected timeline for utilisation of unused proceeds |
|--------------------------------------|------------|---|--|---|
| | | 二零一八年報 所述收益的預期用途 HK\$' million 百萬港元 | 於二零一八年 十二月三十一日 未使用的金額 HK\$' million 百萬港元 | 未使用金額的 預期使用時間線 |
| Repayment of debt and liabilities | 償還債務及負債 | 63.3 | - | - |
| General working capital of the Group | 本集團的一般營運資金 | 21.8 | 19.1 | Before 31 December 2020 二零二零年 十二月三十一日前 |
| | | 85.1 | 19.1 | |

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(2) The total net proceeds of HK\$441 million raised from the subscription of convertible bonds by Giant Crystal and not less than six places procured by the placing agent, which was completed on 17 September 2018.

(2) 鉅晶及配售代理促成的不少於六位認購人認購可換股債券所得款項淨額約為4.410億港元，於二零一八年九月十七日完成。

| | | Intended use of proceeds stated in the 2018 AR 二零一八年報 所述收益的 預期用途 HK\$' million 百萬港元 | Amount unused as at 31 December 2018 於二零一八年 十二月三十一日 未使用的金額 HK\$' million 百萬港元 | Amount unused as at 17 April 2019 於二零一九年 四月十七日 未使用的金額 HK\$' million 百萬港元 | Amount unused as at 10 September 2019* 於二零一九年 九月十日 未使用的金額* HK\$' million 百萬港元 | Expected timeline for utilisation of unused proceeds 未使用金額的 預期使用時間線 |
|---|---------------------------------------|---|---|--|---|---|
| Repayment of debt and liabilities (including the amounts set aside for liabilities accrued or imminently accruing) | 償還債務及負債（包括撥 作應計或即將應計為負 債的金額） | 282.0 | 269.2 | 13.8 | - | N/A 不適用 |
| Expansion and business development of the Group's newly acquired financial consulting business | 本集團新收購的財務顧問 業務之擴展及業務發展 | 20.0 | 19.6 | 19.1 | 18.6 | Before 31 December 2020 於二零二零年 十二月三十一日前 |
| Maintenance of the Group's existing businesses of oil production and oil and liquefied chemical terminal, storage and logistics | 維持本集團現有的產油及 油品及液體化工品碼頭、 儲存及物流業務 | 25.0 | 25.0 | 25.0 | 25.0 | Before 31 December 2020 於二零二零年 十二月三十一日前 |
| Possible financing of acquisition opportunities | 收購機會的可能融資 | 114.0 | - | - | - | N/A 不適用 |
| | | 441.0 | 313.8 | 57.9 | 43.6 | |

* 10 September 2019 was the latest practicable date for ascertaining these figures prior to the publication of this report.

* 二零一九年九月十日即刊發本報告前確定該等數字之最後實際可行日期。

OTHER INFORMATION

其他資料

CHANGES IN INFORMATION OF DIRECTORS

Changes in information of the Directors pursuant to Rule 13.51(B)(1) of the Listing Rules are disclosed below:

| Name of Directors | Details of changes |
|--------------------------------|---|
| Mr. Lan Yongqiang | Appointed as an authorised representative of the Company with effect from 28 June 2019. |
| Mr. Chan Wai Cheung Admiral | a) Ceased to act as (1) an independent non-executive director and chairman of audit committee, nomination committee and remuneration committee of Carnival Group International Holdings Limited (listed on Main Board, stock code: 996) with effect from May 2019; and (2) a non-executive director and member of nomination committee and remuneration committee of China Nonferrous Metals Company Limited (listed on GEM, stock code: 8306) with effect from June 2019; and b) Increased annual remuneration to HK\$1,625,000 per annum with effect from 1 July 2019. |
| Mr. Fung Nam Shan | Appointed as an independent non-executive director and chairman of audit committee, nomination committee and remuneration committee of JH Education Technology Inc. (listed on Main Board, stock code: 1935) in June 2019. |
| Mr. Wang Feng | Appointed as an executive Director with effect from 1 August 2019. |
| Ms. Lei Liangzhen | Appointed as an executive Director with effect from 1 August 2019. |
| Ms. Wang Meiyang | Retired as an executive Director and ceased to be an authorised representative of the Company with effect from 28 June 2019. |
| Ms. Jin Yuping | Retired as an executive Director with effect from 28 June 2019. |

董事資料之變更

根據上市規則第13.51(B)(1)條，董事資料之變更披露如下：

| 董事姓名 | 變動詳情 |
|-------|--|
| 藍永強先生 | 自二零一九年六月二十八日獲委任為本公司授權代表。 |
| 陳偉璋先生 | a) 辭任(1)嘉年華國際控股有限公司(於主板上市，股份代號：996)獨立非執行董事及審核委員會、提名委員會及薪酬委員會主席，自二零一九年五月生效；及(2)中國有色金屬有限公司(於GEM上市，股份代號：8306)非執行董事及提名委員會及薪酬委員會成員，自二零一九年六月生效；及 b) 年薪增加至每年1,625,000港元，自二零一九年七月一日起生效。 |
| 馮南山先生 | 於二零一九年六月獲委任為嘉宏教育科技有限公司獨立非執行董事及審核委員會、提名委員會及薪酬委員會主席(於主板上市，股份代號：1935)。 |
| 王峰先生 | 獲委任為執行董事，自二零一九年八月一日生效。 |
| 雷良貞女士 | 獲委任為執行董事，自二零一九年八月一日生效。 |
| 王美艷女士 | 辭任執行董事及不再擔任本公司授權代表，自二零一九年六月二十八日生效。 |
| 金玉萍女士 | 辭任執行董事，自二零一九年六月二十八日生效。 |

OTHER INFORMATION

其他資料

APPRECIATION

I take this opportunity to express our gratitude to the shareholders of the Company for their continued support and our Directors and our staff for their contribution to the Company.

On behalf of the Board

Lan Yongqiang

Chairman

Hong Kong, 28 August 2019

致謝

本人謹此由衷感謝本公司股東從不間斷的支持。同時，本人亦向本集團董事及員工致以深切謝意，感謝他們對本公司所作出的努力。

代表董事會

主席

藍永強

香港，二零一九年八月二十八日



ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED
能源國際投資控股有限公司