



ROSAN RESOURCES HOLDINGS LIMITED

融信資源控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock code 股份代號: 578)

2019

中期報告

INTERIM REPORT

CONTENTS

目錄

| | | Page(s) 頁碼 |
|---|------------------|---------------|
| Corporate Information | 公司資料 | 2-3 |
| Management Discussion and Analysis | 管理層討論及分析 | 4-13 |
| Corporate Governance Practices | 企業管治常規 | 14 |
| Directors' Report | 董事會報告 | 15-20 |
| Condensed Consolidated Income Statement | 簡明綜合收益表 | 21 |
| Condensed Consolidated Statement of Comprehensive Income | 簡明綜合全面收益表 | 22 |
| Condensed Consolidated Statement of Financial Position | 簡明綜合財務狀況表 | 23-25 |
| Condensed Consolidated Statement of Changes in Equity | 簡明綜合權益變動表 | 26-28 |
| Condensed Consolidated Statement of Cash Flows | 簡明綜合現金流量表 | 29-30 |
| Notes to the Condensed Consolidated Interim Financial Statements | 簡明綜合中期財務報表 附註 | 31-96 |

CORPORATE INFORMATION

公司資料

DIRECTORS

Mr. Dong Cunling (*Chairman*)
Mr. Li Xiangfei
Mr. Sun Shusheng
Mr. Zhang Yi
Mr. Zhou Guangwen
Mr. Li Chunyan[#]
Dr. Chen Renbao^{*}
Mr. Ma Wai Tong^{*}
Mr. Ma Yueyong^{*}

[#] Non-Executive Director

^{*} Independent Non-Executive Directors

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Li Chun On

AUTHORISED REPRESENTATIVES

Mr. Li Chun On
Mr. Sun Shusheng

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

董事

董存岭先生 (主席)
李翔飛先生
孫書生先生
張毅先生
周廣文先生
李春彥先生[#]
陳仁寶博士^{*}
馬煒堂先生^{*}
馬躍勇先生^{*}

[#] 非執行董事

^{*} 獨立非執行董事

審核委員會

馬躍勇先生 (委員會主席)
陳仁寶博士
馬煒堂先生

提名委員會

馬躍勇先生 (委員會主席)
陳仁寶博士
馬煒堂先生

薪酬委員會

陳仁寶博士 (委員會主席)
馬躍勇先生
馬煒堂先生

公司秘書

李俊安先生

授權代表

李俊安先生
孫書生先生

總辦事處及主要營業地點

香港
金鐘
夏愨道18號
海富中心1座
32樓3204B室

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

AUDITOR

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

PRINCIPAL REGISTRAR

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

REGISTRAR IN HONG KONG

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

PRINCIPAL BANKERS

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

STOCK CODE

578

WEBSITE

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

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

核數師

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

股份過戶登記總處

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

香港股份過戶登記處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心54樓

主要往來銀行

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

股份代號

578

網址

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MARKET REVIEW

Highlight of Market Coal Production Volume

According to the market data available, coal energy in mainland China has contributed half of the fossil energy consumption in the first half of year 2019 (the “**Period**”). As the consumption structure of the People’s Republic of China (the “**PRC**”) does not have significant change over the years, green energy such as solar energy and wind energy, have yet to replace coal energy in large extent. For the month of June 2019, production volume of coal in the PRC has reached to approximately 330 million tons, increased by approximately 10.4% compared to same period of year 2018 and increased by approximately 6.9% compared with May 2019. Moreover, daily average coal production volume in June 2019 was approximately 11.11 million tons, i.e. increased by approximately 1.03 million tons compared with May 2019. During the Period, the total coal production volume of PRC was approximately 1.76 billion tons, i.e. increased by approximately 2.6% compared to the first half of year 2018 (the “**Last Period**”). By reference to the total coal production volume in the Period, it indicated that the coal market would gradually face the pressure of increasing coal production volume.

Highlight of Coal Industry Development Strategies

1. Control policies on coal market

Since the 14th National Congress of the Communist Party of China held in year 1992, Chinese government has proposed the idea of socialism market economy and market driven supply and demand plays an important role in natural resources allocation. However, throughout the years, the market of the PRC still has a long distance away from the full-market driven economy. As the self-adjustment mechanism is hardly to be completely achieved by the market, in order to ensure the safety allocation of natural resources, government has used her visible hand hence the policies to control the market whenever it is necessary.

市場回顧

市場煤炭產量摘要

根據公開市場資料，中國大陸的煤炭能源於二零一九年上半年（「**本期間**」）佔半數化石能源消耗。由於中華人民共和國（「**中國**」）的消費結構較往年並無重大變化，太陽能及風能等綠色能源在很大程度上尚未取代煤炭能源。於二零一九年六月，中國煤炭產量已達致約3.3億噸，較二零一八年同期增加約10.4%，及較二零一九年五月增加約6.9%。此外，二零一九年六月的日均煤炭產量約為1,111萬噸，較二零一九年五月增加約103萬噸。於本期間內，中國的總煤炭產量約為17.6億噸，即較二零一八年上半年（「**上一期間**」）增加約2.6%。經參考本期間的總煤炭產量，表明煤炭市場將面臨逐步增長的煤炭產量的壓力。

煤炭業發展策略摘要

1. 煤炭市場控制政策

自一九九二年中國共產黨第十四次全國代表大會召開起，中國政府提出社會主義市場經濟理念，並且市場驅動供需關係於自然資源配置中發揮重要作用。然而，多年以來，中國市場仍長期偏離全市場驅動經濟。由於市場難以全部實現自身調節機制，為確保自然資源的安全分配，政府已經利用有形之手，故須採取政策控制市場。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Government control policies have been successfully imposed over the years. The last market downturn was begun from year 2012 and caused most of the coal enterprises resulted in loss in year 2015. Government has released certain instructions and control policies on coal production volume in early 2016 in order to reduce the total market production volume. With the stringent implementation of government control policies, the imbalance of coal demand and supply has been solved on time and the coal price has returned to reasonable market price. At the same time, to slow down the over-heating of coal price due to the volume control policies, the government has continued to launch various policies to manage the market supply. Existing control policies on coal market have already become structural in nature so as to ensure the coal market can be operated in a stable and strong market.

2. Safety Production

Compared with the western countries such as Australia and United States, China's safety standard of coal mines still lag behind with a large gap. Nevertheless, recent years' safety coal production standard of China has been improved progressively and obviously. In Year 2018, the death rate index for 1-million-ton capacity coal mines was 0.09, although it was still much higher than Australia which was 0.01 and United States which was 0.04. The government have the ultimate target of "zero death, zero injury" and to turn the coal industry from high risk industry to safety industry. Many of the coal mines which were below required safety standard were ordered to close in the past few years.

數年來已成功實施政府控制政策。市場自二零一二年起開始低迷，導致大部分煤炭企業於二零一五年出現虧損。政府已於二零一六年初發佈若干關於煤炭產量的指示及控制政策，以減少市場總產量。憑藉政府控制政策的嚴格執行，煤炭供需失衡得以及時解決，且煤炭價格已反彈至合理市價。與此同時，為減緩因煤炭量控制政策而導致的煤炭價格過熱，政府繼續推行各種政策以管理市場供應。現有煤炭市場控制政策已成為結構性，以確保煤炭市場可於穩定而強勁的市場中營運。

2. 安全生產

與澳洲及美國等西方國家相比，中國煤礦安全標準仍然落後，且差距較大。然而，近年來中國的煤炭安全生產標準逐步取得顯著提升。於二零一八年，100萬噸產能煤礦的死亡率指數為0.09，但仍遠高於澳洲的0.01及美國的0.04。政府的最終目標是「零死亡，零受傷」，並將煤炭行業由高風險行業轉變為安全行業。於過去幾年內，多個低於規定安全標準的煤礦已被勒令關閉。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

3. Environmental Protection

Government has put strong focus on environmental protection recently. In the 19th National Congress of the Communist Party of China, the government proposed revolution on natural resources production and consumption, such as building a clean and low carbon environment, encourage usage and renovation of highly effective resources system, insist energy savings and environment protection policies and carry out more stringent environment protection systems.

Environment protection policies have large impact on the coal mines industry, which caused many of the below-standard coal mines to close. In order to adopt the policies, coal mines companies have to use more resources on land restoration, coal mining technologies and carry out necessary measures to reduce pollution.

BUSINESS REVIEW

Since the completion of acquisition of building materials business in early 2018, the Group has subsequently diversified its business into two major sectors, i.e. coal business and building materials business. To develop sustainability of the Group's business, building materials business has brought a stable income to the Group comparing with the coal business. In respect of the price and volume, building materials business has less fluctuation comparing with the coal business. For coal business, the coal price upward trend has reached to the highest point in late 2018 but dropped during the Period. It is a strategy of the Group to reduce the impact of coal price fluctuation on the overall revenue of the Group.

3. 環保

政府近來極為重視環保。於中國共產黨第十九次全國代表大會上，政府提出自然資源生產及消費改革，如構建清潔低碳環境，鼓勵高效資源系統的使用及改造、堅持節約能源及環保政策及實施更為嚴格的環保制度。

環保政策對煤礦行業有較大影響，已造成多個低於標準的煤礦關閉。為採取該等政策，煤礦公司須使用更多資源來進行土地復墾、煤炭開採技術及採取必要措施減少污染。

業務回顧

自二零一八年初完成收購建材業務以來，本集團隨後將業務多元化分為兩大部分，即煤炭業務及建材業務。為實現本集團業務的可持續發展，與煤炭業務相比，建材業務為本集團帶來穩定收入。在價格及數量方面，與煤炭業務相比，建材業務波動較小。就煤炭業務而言，煤炭價格上升趨勢於二零一八年末已接近最高點，但於本期間有所下降。本集團的策略是減少煤炭價格波動對本集團整體收益的影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Period, the Group has recorded revenue of approximately HK\$284.7 million (Last Period: approximately HK\$495.8 million, represented an decrease of 42.6% comparing with the Last Period. The drop was mainly due to the economic adjustment in the PRC during the Period which caused (1) the reduction in coal demand and (2) the reduction in demand for building materials for construction of buildings. Because of this, the revenue of coal business has dropped from approximately HK\$385.8 million to approximately HK\$180.3 million and the building materials business has dropped slightly from approximately HK\$110.0 million to approximately HK\$104.4 million.

With the consideration that coal business is highly volatile and will be easily affected by the government policies so as to affect the income and cashflow of the Group, the Group has announced in May 2019 to propose to dispose of certain coal mines and the related business. It is expected that the disposal would help the Group to improve its profitability and liquidity.

Disposal of Coal Business

The Company had decided to dispose of certain coal mines including Xiaohé Coal Mine, Xingyun Coal Mine and the related coal trading business. The management expects that the disposal would strengthen the Group's profitability and liquidity as well as to reduce the liability level and financial burden of the Group.

The safety and environmental protection policies promulgated by the PRC government have increasingly imposed much pressure on the enterprises in the coal industry in the PRC. The coal enterprises need to invest additional amount on their infrastructure, management, systems control, etc., for complying with the relevant rules and regulations. In view of the current financial position of the Group, it may not be feasible for the Group to further increase material investment on the above two coal mines. Therefore, by disposing the coal business to the major shareholder would help the Group to improve the future financial position of the Group.

於本期間，本集團錄得收益約284,700,000港元（上一期間：約495,800,000港元），較上一期間減少42.6%。減少主要是由於本期間中國經濟調整導致(1)煤炭需求減少及(2)興建建築物的建築材料需求減少。因此，煤炭業務收益由約385,800,000港元減少至約180,300,000港元，而建材業務則由約110,000,000港元輕微下跌至約104,400,000港元。

考慮到煤炭業務波動劇烈且易受政策影響，從而影響本集團的收入及現金流量，本集團已於二零一九年五月宣佈擬出售若干煤礦及相關業務。預期出售將有助本集團改善其盈利能力及流動資金。

出售煤炭業務

本公司已決定出售若干煤礦，包括小河煤礦、興運煤礦及相關煤炭貿易業務。管理層預期出售將增強本集團的盈利能力及流動資金，並減低本集團的負債水平及財政負擔。

中國政府頒佈的安全及環保政策對中國煤炭行業的企業施加的壓力越來越大。煤炭企業需於基礎設施、管理、系統監控投入額外資金，以遵守相關規則及規例。鑒於本集團當前的財務狀況，本集團可能無法進一步增加對上述兩個煤礦的重大投資。因此，通過將煤炭業務出售予大股東將有助於本集團改善其未來財務狀況。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group was principally engaged in the businesses of production and sale of coal and trading of purchased coal (the “**Coal Business**”) and production and sale of building materials in the PRC (the “**Building Materials Business**”).

The revenue contributed by the Coal Business and the Building Materials Business accounted for approximately 63.3% and approximately 36.7% of the Group’s total revenue for the Period respectively.

The Group’s total revenue for the Period amounted to approximately HK\$284.7 million, representing a decrease of approximately 42.6% from approximately HK\$495.8 million for the Last Period. The decrease in revenue was primarily due to the reduction in coal demand during the Period and the reduction in demand for building materials for construction of buildings in the PRC, resulting from the macro-economic adjustment in the PRC during the Period.

During the Period, the total sales volume of coal was approximately 414,000 tons which was less than the Last Period (approximately 816,000 tons) by approximately 49.3%, in which, approximately 141,000 tons or approximately 34.1% (the Last Period: approximately 563,000 tons or approximately 69.0%) and approximately 273,000 tons or approximately 65.9% (the Last Period: approximately 253,000 tons or approximately 31.0%) were contributed by coal trading business and coal production respectively.

Both the sales volume and average selling price of coal have dropped during the Period. The average selling price of coal has decreased from approximately RMB384.1 per ton for the Last Period to approximately RMB376.3 per ton for the Period.

財務回顧

收益

本集團主要從事於中國生產及銷售煤炭及購入煤炭之貿易業務（「**煤炭業務**」）以及生產及銷售建築材料（「**建築材料業務**」）。

於本期間，煤炭業務及建材業務貢獻之收益分別佔本集團總收益約63.3%及36.7%。

本集團於本期間的總收益約為284,700,000港元，較上一期間495,800,000港元減少約42.6%。收益減少主要是由於本期間中國的宏觀經濟調整，導致本期間中國煤炭需求減少以及樓宇建設的建材需求減少所致。

於本期間，煤炭總銷量約414,000噸，較上一期間的約816,000噸減少約49.3%，其中，煤炭貿易業務及煤炭生產分別貢獻約141,000噸或約34.1%（上一期間：約563,000噸或約69.0%）及約273,000噸或約65.9%（上一期間：約253,000噸或約31.0%）。

於本期間，煤炭的銷量及平均售價均下降。煤炭平均售價由上一期間每噸約人民幣384.1元下降至本期間每噸約人民幣376.3元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cost of Sales and Gross Profit

The cost of sales and gross profit for the Period were approximately HK\$271.0 million (the Last Period: approximately HK\$464.4 million) and approximately HK\$13.7 million (the Last Period: approximately HK\$31.3 million) respectively.

The gross profit margin was decreased from approximately 6.3% for the Last Period to approximately 4.8% for the Period. In particular, the Building Materials Business has contributed gross profit of approximately HK\$26.2 million for the Period.

Gross loss of the Coal Business was approximately HK\$12.5 million (the Last Period: approximately HK\$4.8 million) for the Period. The increase in the gross loss for Coal Business during the Period was mainly caused by the reduction in coal demand and the drop in average selling price of coal during the Period. The performance of the Coal Business is easily affected by the fluctuation of market coal price, production scale of the Group's coal mines and government policies of the PRC. The Group will constantly carry out stringent cost control and maintain the safety standards of the Coal Business.

Net Loss Attributable to the Owners of the Company

The net loss attributable to the owners of the Company for the Period was approximately HK\$48.1 million, representing an increase of approximately 2.3% as compared with the Last Period of approximately HK\$47.0 million. The reason for the slight increase in net loss attributable to the owners of the Company was mainly due to the decrease in gross profit as explained in precedent paragraphs.

銷售成本及毛利

本期間之銷售成本及毛利分別為約271,000,000港元(上一期間:約464,400,000港元)及約13,700,000港元(上一期間:約31,300,000港元)。

毛利率由上一期間約6.3%減少至本期間約4.8%。具體而言,於本期間,建材業務已貢獻毛利約26,200,000港元。

本期間煤炭業務之毛損約12,500,000港元(上一期間:約4,800,000港元)。本期間煤炭業務的毛損增加乃主要由於本期間煤炭需求減少及煤炭之平均售價下降所致。煤炭業務的表現容易受到煤炭市價波動、本集團煤礦生產規模及中國政策影響。本集團將不斷維持嚴格的成本控制,並維持煤炭業務的安全標準。

本公司擁有人應佔虧損淨額

本期間本公司擁有人應佔虧損淨額約48,100,000港元,較上一期間約47,000,000港元增加約2.3%,主要是由於先段落所述毛利減少。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Accounts and Bills Receivables and Contract Assets

As at 30 June 2019 (the “**Period End**”), the accounts and bills receivables and contract assets amounted to approximately HK\$439.7 million, representing a decrease of approximately 3.3% as compared to the balance as at 31 December 2018 (the “**Last Year End**”) of approximately HK\$454.6 million. The decrease was mainly because of the drop in revenue during the Period. Both the Coal Business and the Building Materials Business have granted certain respective credit period to certain customers.

Amongst the total amount of accounts receivable (excluding the bills receivable) as at the Period End, the largest customer of the Group was also the largest debtor who has contributed approximately HK\$54.9 million (equivalent to approximately RMB48.2 million) or approximately 30.6% of the total accounts receivable amount. The entire balance due from the largest customer as at the Period End was not past due.

Accounts and Bills Payables

Bills payable as at the Period End amounted to approximately HK\$573.0 million (the Last Year End: approximately HK\$607.8 million) which contributed approximately 88.5% (the Last Year End: approximately 92.4%) of the total amount of accounts and bills payables as at the Period End, i.e. approximately HK\$647.7 million (the Last Year End: approximately HK\$658.1 million). In order to enhance the operational cash flow and liquidity, bills were issued to suppliers for settlement. The bills payable as at the Period End has decreased by approximately HK\$34.8 million or approximately 5.7%.

應收賬款及票據及合約資產

於二零一九年六月三十日（「**本期間末**」），應收賬款及票據及合約資產約439,700,000港元，較二零一八年十二月三十一日（「**去年年末**」）的結餘約454,600,000港元減少約3.3%。減少主要是由於本期間收入下降所致。煤炭業務及建材業務皆向若干客戶授予若干信貸期。

於本期間末的應收賬款總額（不包括應收票據）中，本集團最大客戶亦為最大債務人，結餘額約54,900,000港元（相當於約人民幣48,200,000元），或佔應收賬款總額約30.6%。本期間末應收最大客戶的全部結餘未逾期。

應付賬款及票據

於本期間末之應付票據約573,000,000港元（去年年末：約607,800,000港元），佔本期間末應付賬款及票據總額（即約647,700,000港元（去年年末：約658,100,000港元））約88.5%（去年年末：約92.4%）。為加強營運現金流量及流動資金，故向供應商發出票據用於結算。本期間末之應付票據減少約34,800,000港元或約5.7%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECT

Looking forward to the second half of year 2019, the Company will continue to consolidate its resources to develop in both the coal mining business and building materials business so as to further improve its effectiveness and efficiency in operating the business of Group. As announced by the Company on 3 May 2019 regarding to the proposed disposal of the Group's certain coal mines and the related coal business, upon completion of the disposal, the Group will be able to lower its liability level significantly and further strengthen its financial position to confront with the future uncertain domestic market and macro-economic challenging environment. However, stakeholders of the Company have to pay attention that the said disposal may or may not proceed, the Company and the management will try their best endeavors to strive to explore different opportunities for the Group.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at the Period End, the net liabilities of the Group was approximately HK\$215.5 million (as at the Last Year End: approximately HK\$163.5 million) and the total cash and bank balance (including pledged bank deposit) was approximately HK\$512.0 million (as at the Last Year End: approximately HK\$692.4 million). As at the Period End, the Group had net current liabilities of approximately HK\$970.1 million (as at the Last Year End: approximately HK\$888.4 million) and its current ratio was decreased from 0.58 times as at the Last Year End to 0.53 times as at the Period End. The Group's working capital was mainly financed by internal cash flow generated from its operation, the banking facilities granted by financial institutions and the amounts due to and loans from shareholders.

前景

展望二零一九年下半年，本公司將繼續整合資源，發展煤炭開採業務及建材業務，以進一步提升本集團業務經營效益及效率。誠如本公司於二零一九年五月三日就建議出售本集團若干煤礦及相關煤炭業務作出之公佈，於出售完成後，本集團將能夠大幅降低其負債水平及進一步鞏固其財務狀況，以面對未來不確定的國內市場及充滿挑戰的宏觀經濟環境。然而，本公司持份者須注意上述出售未必會進行，本公司及管理層將竭盡全力為本集團探索不同機遇。

流動資金、財務資源及資本結構

於本期間末，本集團之負債淨值約為215,500,000港元（於去年年末：約163,500,000港元），而現金及銀行結餘總額（包括已抵押銀行存款）則約為512,000,000港元（於去年年末：約692,400,000港元）。於本期間末，本集團之流動負債淨額約為970,100,000港元（於去年年末：約888,400,000港元），其流動比率由去年年末的0.58倍減少至本期間末的0.53倍。本集團之營運資金主要是通過其營運所得之內部現金流量、金融機構授予銀行授信額度及應付股東款項以及股東貸款作融資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at the Period End, the Group's accounts and bills receivables and contract assets, net of any provision for impairment amounted to approximately HK\$439.7 million (as at the Last Year End: approximately HK\$454.6 million) and certain accounts receivable were pledged to secure bank loans of the Group. Subsequent to 30 June 2019 and up to the date of this report, accounts receivable amounting to approximately HK\$74.8 million has been settled.

As at the Period End, bank deposits amounting to approximately HK\$466.6 million (as at the Last Year End: approximately HK\$461.5 million) were pledged to secure bills payable of the Group and not available for the operation or repayment of debts of the Group. Cash and cash equivalents which were not pledged amounted to approximately HK\$43.8 million (as at the Last Year End: approximately HK\$35.8 million).

As at the Period End, the Group has bank and other loans amounting to approximately HK\$701.6 million (as at the Last Year End: approximately HK\$840.6 million). The bank loans amounting to approximately HK\$665.9 million (as at the Last Year End: approximately HK\$614.5 million) bear interest at interest rates ranging from 4.35% to 12.52% per annum (as at the Last Year End: at interest rates ranging from 3.30% to 12.80% per annum). Certain property, plant and equipment, prepaid land lease payments, right-to-use assets and mining rights of the Group were pledged to secure certain bank and other loans of the Group.

As at the Period End, approximately HK\$516.7 million (as at the Last Year End: approximately HK\$485.9 million) of the Group's bills payable were secured by the Group's pledged time deposits amounted of approximately HK\$466.6 million (as at the Last Year End: approximately HK\$461.5 million), in which approximately HK\$56.3 million (as at the Last Year End: approximately HK\$152.4 million) were guaranteed by a major customer.

於本期末，本集團應收賬款及應收票據以及合約資產（扣除任何減值撥備）約為439,700,000港元（於去年年末：約454,600,000港元），若干應收賬款作為本集團銀行貸款之抵押。於二零一九年六月三十日後至本報告日期，應收賬款約74,800,000港元已結清。

於本期末，銀行存款約466,600,000港元（於去年年末：約461,500,000港元）已抵押，以為本集團之應付票據提供擔保及不可用於本集團營運或償還債務。未作抵押的現金及現金等值項目約43,800,000港元（於去年年末：約35,800,000港元）。

於本期末，本集團的銀行及其他貸款約701,600,000港元（於去年年末：約840,600,000港元）。金額約665,900,000港元（於去年年末：約614,500,000港元）的銀行貸款按介乎4.35%至12.52%的年利率（於去年年末：介乎3.30%至12.80%的年利率）計息。本集團若干物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權已抵押，為本集團的若干銀行及其他貸款提供擔保。

於本期末，本集團應付票據中約516,700,000港元（於去年年末：約485,900,000港元）由本集團約466,600,000港元（於去年年末：約461,500,000港元）的已抵押定期存款抵押，其中約56,300,000港元（於去年年末：約152,400,000港元）由一名主要客戶擔保。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The amounts due to shareholders have been increased by approximately 33.0% from approximately HK\$9.1 million as at the Last Year End to approximately HK\$12.1 million as at the Period End. In particular, loans for a term of three years amounting to RMB10.0 million (equivalent to approximately HK\$11.4 million) (as at the Last Year End: HK\$11.4 million), RMB10.0 million (equivalent to approximately HK\$11.4 million) (as at the Last Year End: HK\$11.4 million) and RMB35.0 million (equivalent to approximately HK\$39.8 million) (as at the Last Year End: HK\$39.8 million) have been advanced from shareholders, Mr. Bao, Mr. Zhang Xinzhi and Mr. Li Xiangfei, respectively as at the Period End.

The Group's gearing ratio (as a ratio calculated by (a) the sum of bank and other loans, amount due to an associate and amount due to and loan from shareholders; divided by (b) the total assets of the Group) was approximately 40.5% (as at the Last Year End: approximately 44.4%).

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

There were no other changes in the capital structure of the Company during the Period.

應付股東款項由去年年末約9,100,000港元增加約33.0%至本期間末約12,100,000港元。具體而言，於本期間末，金額分別為人民幣10,000,000元（相當於約11,400,000港元）（於去年年末：11,400,000港元）、人民幣10,000,000元（相當於約11,400,000港元）（於去年年末：11,400,000港元）及人民幣35,000,000元（相當於約39,800,000港元）（於去年年末：39,800,000港元）的三年期貸款乃分別由股東包先生、張信志先生及李翔飛先生提供。

本集團之資本負債比率（根據(a)銀行及其他貸款、應付關聯公司款項及應付股東款項及來自股東貸款之總和；除以(b)本集團所有資產值計算之比率）約為40.5%（於去年年末：約44.4%）。

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

於本期間，本公司資本結構並無其他變動。

CORPORATE GOVERNANCE PRACTICES

企業管治常規

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2019, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except for the deviation as set out below.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made a specific enquiry, all Directors of the Company have fully complied with the required standards set out in the Model Code throughout the six months ended 30 June 2019.

遵守企業管治守則

除下文所述偏離情況外，截至二零一九年六月三十日止六個月，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）之守則條文。

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

進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市公司董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易的操守守則。經作出具體查詢，本公司全體董事於截至二零一九年六月三十日止六個月一直全面遵守標準守則所載的所需標準。

DIRECTORS' REPORT

董事會報告

PRINCIPAL ACTIVITIES

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

EXCHANGE RISK EXPOSURE

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

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2019.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group has a total of approximately 1,769 employees located in Hong Kong and the PRC. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical insurance and pension funds. A share option scheme (the "Share Option Scheme") was adopted by the Group on 27 May 2014 to enable the directors of the Company to grant share options to eligible participants including any employee of the Group as incentive to their valuable contribution to the Group. A refreshment of the limit in respect of the granting of share options under the Share Option Scheme and all other share option scheme(s) up to 104,017,369 shares of the Company was approved at the annual general meeting of the Company held on 30 May 2018.

No share options were granted during the six months ended 30 June 2019. As at 1 January 2019 and 30 June 2019, the Company had no outstanding share options under the Share Option Scheme.

主要業務

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

匯兌風險

本集團之銷售及購買主要以人民幣結算，而人民幣為關連集團實體之功能貨幣。因此，董事會認為本集團受外匯變動影響之程度較低，而本集團並無為外匯風險作出對沖。

股息

董事會不建議就截至二零一九年六月三十日止六個月派付任何中期股息。

僱員及薪酬政策

於二零一九年六月三十日，本集團在香港及中國共有約1,769名僱員。本集團每年均會檢討彼等之薪酬，按員工個別表現釐定酌情花紅。本集團亦提供其他福利，包括醫療保險及退休金。本集團於二零一四年五月二十七日採納購股權計劃（「該購股權計劃」），使本公司董事可向合資格參與者（包括本集團任何僱員）授出購股權，藉以激勵該等對本集團作出重要貢獻的人士。於二零一八年五月三十日本公司舉行之股東週年大會上，已批准將該購股權計劃及所有其他購股權計劃項下授出購股權之限額更新為最多104,017,369股本公司股份。

截至二零一九年六月三十日止六個月，概無授出任何購股權。於二零一九年一月一日及二零一九年六月三十日，本公司於該購股權計劃項下概無尚未行使之購股權。

DIRECTORS' REPORT

董事會報告

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange during the six months ended 30 June 2019.

PRE-EMPTIVE RIGHTS

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

AUDIT COMMITTEE

The Company has an audit committee (the "**Audit Committee**") which was established in accordance with the requirements of the CG Code for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal control and risk management. The Audit Committee comprises three of the INEDs of the Company, namely Mr. Ma Yueyong (Chairman of the Audit Committee), Dr. Chen Renbao and Mr. Ma Wai Tong. The Audit Committee reviewed the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2019 and was of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements and that adequate disclosure have been made.

購買、出售或贖回本公司上市證券

截至二零一九年六月三十日止六個月，本公司或其任何附屬公司概無於聯交所購買、出售或贖回本公司任何上市證券。

優先購股權

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

審核委員會

本公司已按企業管治守則之規定成立審核委員會（「**審核委員會**」），以審閱及監察本集團之財務申報程序、內部監控及風險管理。審核委員會由本公司三名獨立非執行董事組成，即馬躍勇先生（審核委員會主席）、陳仁寶博士及馬煒堂先生。審核委員會已審閱本集團截至二零一九年六月三十日止六個月期間之簡明綜合中期財務報表，並認為有關財務報表均符合適用會計準則、上市規則及法例規定，並已作出充分披露。

DIRECTORS' REPORT

董事會報告

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

As at 30 June 2019, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the ordinary shares of the Company

董事及行政總裁於本公司及其相聯法團之證券中擁有之權益及淡倉

於二零一九年六月三十日，董事及本公司行政總裁於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或須載入本公司根據證券及期貨條例第352條存置之登記冊；或根據上市規則所載上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：

於本公司普通股之好倉

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

* Resigned as executive director of the Company in February 2018 and resigned as chief executive of the Company in December 2018.

* 於二零一八年二月辭任本公司執行董事及於二零一八年十二月辭任本公司行政總裁。

DIRECTORS' REPORT

董事會報告

Save as disclosed above, none of the directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange as at 30 June 2019.

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

So far as was known to the directors or chief executive of the Company, as at 30 June 2019, the person, other than the directors or chief executive of the Company, who had an interest or short position in the shares or underlying shares as recorded in the register required to be kept under Section 336 of the SFO were as follows:

於二零一九年六月三十日，除上文所披露者外，概無任何董事及本公司行政總裁於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或須載入根據證券及期貨條例第352條存置之登記冊；或根據上市規則所載上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益或淡倉。

主要股東及其他人士擁有之股份及相關股份權益

據董事或本公司行政總裁所知，於二零一九年六月三十日，下列人士（董事或本公司行政總裁除外）於股份或相關股份中擁有根據證券及期貨條例第336條須存置之登記冊所記錄之權益或淡倉如下：

DIRECTORS' REPORT

董事會報告

Long positions in the shares of the Company

於本公司股份之好倉

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

Notes:

- Retop is beneficially and wholly owned by Vestfoco of which Mr. Bao is the sole beneficial owner. Accordingly, Vestfoco and Mr. Bao are deemed to be interested in the shares of the Company held by Retop.
- Mr. Li Yupeng is independent and not related to the Board or management of the Company.
- Minan Holding Limited is beneficially and wholly owned by Mr. Zhang Xinzhi. He is not related to the Board or the management of the Company.

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

附註：

- 瑞拓由維豐實益全資擁有，而包先生為維豐之唯一實益擁有人。因此，維豐及包先生被視為於瑞拓持有之本公司股份中擁有權益。
- 李玉朋先生獨立於本公司董事會或管理層，且與彼等概無關聯。
- Minan Holding Limited由張信志先生實益全資擁有。彼與本公司董事會或管理層概無關聯。

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

DIRECTORS' REPORT

董事會報告

CONTINGENT LIABILITIES

The Group had no other contingent liabilities as at 30 June 2019.

CONNECTED TRANSACTIONS

On 3 May 2019 and 5 August 2019, the Company entered into a share purchase agreement and a supplemental agreement (collectively, the “**Share Purchase Agreement**”) with Right Success Investments Limited (“**Right Success**”), a company wholly owned by Mr. Bao, in relation to the disposal of entire equity interest in Clear Interest Limited, a wholly-owned subsidiary of the Company, and its subsidiaries (“**Clear Interest Group**”) at a consideration of United States dollars 200 (the “**Disposal**”). The principal activities of Clear Interest Group are production and sale of coal and trading of purchased coal in the PRC.

The proposed transaction is yet to complete as at the date of this report and is subject to approval of the independent shareholders and certain conditions precedent as stated in the Share Purchase Agreement.

Details were set out in the Company's announcements dated 3 May, 27 May, 28 June, 30 July, 5 August and 30 August 2019.

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

REVIEW OF UNAUDITED INTERIM RESULTS

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2019 are unaudited and have been reviewed by the Company's Audit Committee.

By order of the Board

Rosan Resources Holdings Limited
Dong Cunling
Chairman

Hong Kong, 29 August 2019

或然負債

本集團於二零一九年六月三十日並無其他或然負債。

關連交易

於二零一九年五月三日及二零一九年八月五日，本公司與Right Success Investments Limited (“**Right Success**”) (包先生全資擁有之公司)就以代價200美元出售Clear Interest Limited (本公司之全資附屬公司)及其附屬公司 (“**Clear Interest Group**”)之全部股權 (“**出售事項**”)訂立股份購買協議及補充協議 (統稱 “**股份購買協議**”)。Clear Interest Group之主要業務為在中國生產及銷售煤炭及購入煤炭貿易。

於本報告日期，建議交易尚未完成，並須待獨立股東批准及股份購買協議所述之若干先決條件達成後，方可作實。

詳情載於本公司日期為二零一九年五月三日、五月二十七日、六月二十八日、七月三十日、八月五日及八月三十日之公告。

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

審閱未經審核中期業績

本集團截至二零一九年六月三十日止六個月之簡明綜合中期財務報表未經審核，並已由本公司審核委員會審閱。

承董事會命

融信資源控股有限公司
主席
董存嶺

香港，二零一九年八月二十九日

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

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 | | | |
|-------|---|---------------------------------------|--------------|------------------|-----------|
| | | 2019 | 2018 | | |
| Notes | | HK\$'000 | HK\$'000 | | |
| | | 未經審核 | | | |
| | | 截至六月三十日止六個月 | | | |
| 附註 | | 二零一九年 千港元 | 二零一八年 千港元 | | |
| | Revenue | 收益 | 5 | 284,707 | 495,752 |
| | Cost of sales | 銷售成本 | | (271,025) | (464,437) |
| | Gross profit | 毛利 | | 13,682 | 31,315 |
| | Other income and gains | 其他收入及得益 | 5 | 37,814 | 34,355 |
| | Selling and distribution expenses | 銷售及分銷開支 | | (18,114) | (19,133) |
| | Administrative expenses | 行政開支 | | (36,966) | (37,305) |
| | Other expenses | 其他開支 | | (1,726) | (4,192) |
| | Finance costs | 財務費用 | 6 | (39,684) | (46,070) |
| | Share of results of associates | 應佔聯營公司業績 | | (647) | (2) |
| | Share of results of a joint venture | 應佔一間合營企業業績 | | 24 | 26 |
| | Net impairment loss on financial and contract assets | 金融及合約資產之減值虧損淨額 | | (11,419) | (183) |
| | Impairment loss on property, plant and equipment | 物業、廠房及設備之減值虧損 | 17 | - | (4,996) |
| | Loss before income tax | 除所得稅前虧損 | 7 | (57,036) | (46,185) |
| | Income tax credit/(expense) | 所得稅抵免/(開支) | 9 | 1,487 | (798) |
| | Loss for the period | 期內虧損 | | (55,549) | (46,983) |
| | (Loss)/profit for the period attributable to: | 應佔期內(虧損)/溢利: | | | |
| | Owners of the Company | 本公司擁有人 | | (48,112) | (46,991) |
| | Non-controlling interests | 非控股權益 | | (7,437) | 8 |
| | | | | (55,549) | (46,983) |
| | Loss per share attributable to the owners of the Company | 本公司擁有人應佔每股虧損 | | | |
| | - Basic and diluted (HK cents) | - 基本及攤薄(港仙) | 11 | (4.625) | (4.518) |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

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 | |
|---|------------------------|---------------------------------------|----------|
| | | 2019 | 2018 |
| | | HK\$'000 | HK\$'000 |
| | | 未經審核 | |
| | | 截至六月三十日止六個月 | |
| | | 二零一九年 | 二零一八年 |
| | | 千港元 | 千港元 |
| Loss for the period | 期內虧損 | (55,549) | (46,983) |
| Other comprehensive income/(loss) for the period | 期內其他全面收益/(虧損) | | |
| Items that may be reclassified subsequently to profit or loss: | 其後可重新分類至損益之項目： | | |
| Exchange differences on translation of financial statements of foreign operations | 換算境外業務財務報表之匯兌差額 | | |
| – subsidiaries | – 附屬公司 | 3,385 | 4,283 |
| – a joint venture | – 一間合營企業 | (3) | (83) |
| – associates | – 聯營公司 | (22) | (1,336) |
| Net other comprehensive income that may be reclassified subsequently to profit or loss | 其後可重新分類至損益之其他全面收益淨額 | 3,360 | 2,864 |
| Item that will not be reclassified to profit or loss: | 不會重新分類至損益之項目： | | |
| Change in fair value of equity investments at fair value through other comprehensive income | 按公平值計入其他全面收益股權投資之公平值變動 | | |
| | | (25) | – |
| Other comprehensive income for the period, net of tax | 期內其他全面收益，扣除稅項 | 3,335 | 2,864 |
| Total comprehensive loss for the period | 期內全面虧損總額 | (52,214) | (44,119) |
| Total comprehensive (loss)/income attributable to: | 應佔全面(虧損)/收益總額： | | |
| Owners of the Company | 本公司擁有人 | (44,836) | (44,492) |
| Non-controlling interests | 非控股權益 | (7,378) | 373 |
| | | (52,214) | (44,119) |

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

| | | | Unaudited 30 June 2019 HK\$'000 未經審核 二零一九年 六月三十日 附註 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 |
|---|-------------------|----|---|--|
| 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 | 373,121 | 396,187 |
| Prepaid land lease payments | 預付土地租賃款項 | 13 | - | 66,197 |
| Right-of-use assets | 使用權資產 | 14 | 68,332 | - |
| Goodwill | 商譽 | 15 | - | - |
| Mining rights | 採礦權 | 16 | 290,825 | 293,917 |
| Other intangible assets | 其他無形資產 | | 654 | 623 |
| Interests in associates | 於聯營公司之權益 | 18 | 99,377 | 100,046 |
| Interest in a joint venture | 於一間合營企業之權益 | 19 | 5,994 | 5,973 |
| Deferred tax assets | 遞延稅項資產 | | 976 | - |
| Financial assets at fair value through other comprehensive income | 按公平值計入其他全面收益之金融資產 | 20 | 657 | 682 |
| | | | 839,936 | 863,625 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | 29,061 | 24,849 |
| Accounts and bills receivables and contract assets | 應收賬款及票據及合約資產 | 21 | 439,716 | 454,569 |
| Prepaid land lease payments | 預付土地租賃款項 | 13 | - | 1,506 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 22 | 105,008 | 24,480 |
| Tax recoverable | 可收回稅款 | | 9,430 | 9,433 |
| Pledged and restricted bank deposits | 已抵押及受限制的銀行存款 | 23 | 468,256 | 656,651 |
| Cash and cash equivalents | 現金及現金等值項目 | 23 | 43,791 | 35,789 |
| | | | 1,095,262 | 1,207,277 |

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

| | | | 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 |
|--|-----------------|-------|---|--|
| | | Notes | | |
| | | 附註 | | |
| Current liabilities | 流動負債 | | | |
| Accounts and bills payables | 應付賬款及票據 | 24 | 647,702 | 658,132 |
| Amount due to an associate | 應付一間聯營公司款項 | 18 | 14,635 | 14,640 |
| Amounts due to shareholders | 應付股東款項 | 25 | 12,113 | 9,135 |
| Other payables and accruals | 其他應付款項及應計費用 | 26 | 609,619 | 551,447 |
| Provision for reclamation obligations | 開墾費用撥備 | | 102,371 | 100,164 |
| Lease liabilities | 租賃負債 | | 1,105 | - |
| Bank and other loans | 銀行及其他貸款 | 27 | 677,858 | 762,200 |
| | | | 2,065,403 | 2,095,718 |
| Net current liabilities | 流動負債淨值 | | (970,141) | (888,441) |
| Total assets less current liabilities | 總資產減流動負債 | | (130,205) | (24,816) |
| Non-current liabilities | 非流動負債 | | | |
| Loans from shareholders | 來自股東貸款 | 25 | 56,353 | 54,491 |
| Lease liabilities | 租賃負債 | | 279 | - |
| Bank and other loans | 銀行及其他貸款 | 27 | 23,709 | 78,364 |
| Deposit received | 已收按金 | 26 | 2,250 | 2,165 |
| Deferred income | 遞延收入 | 28 | 2,749 | 3,142 |
| Deferred tax liabilities | 遞延稅項負債 | | - | 489 |
| | | | 85,340 | 138,651 |
| Net liabilities | 負債淨值 | | (215,545) | (163,467) |

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

| | | | Unaudited 30 June 2019 | Audited 31 December 2018 |
|---|--------------------|-------|---------------------------------------|--------------------------------|
| | | Notes | HK\$'000 | HK\$'000 |
| | | 附註 | 未經審核 二零一九年 六月三十日 千港元 | 經審核 二零一八年 十二月三十一日 千港元 |
| EQUITY | 股本權益 | | | |
| Share capital | 股本 | 29 | 104,017 | 104,017 |
| Deficit in reserves | 儲備虧絀 | | (254,507) | (209,671) |
| Deficiency attributable to the owners of the Company | 本公司擁有人應佔之虧絀 | | (150,490) | (105,654) |
| Non-controlling interests | 非控股權益 | | (65,055) | (57,813) |
| Capital deficiency | 資本虧絀 | | (215,545) | (163,467) |

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) | | | | | | | | | | | |
|---|----------------------|---|----------------------------|---|-----------------------------|----------------------------------|---|------------------------------|-------------------------------------|---------------------------------|-------------------|---------------------------------------|-------------------|
| | | Attributable to the owners of the Company 本公司擁有人應佔 | | | | | | | | | | | |
| | | Share capital HK\$'000 | Share premium* HK\$'000 | Capital redemption reserve* HK\$'000 | Other reserves* HK\$'000 | Contributed surplus* HK\$'000 | Exchange fluctuation reserve* HK\$'000 | Capital reserve* HK\$'000 | Statutory reserve fund* HK\$'000 | Accumulated losses* HK\$'000 | Total HK\$'000 | Non-controlling interests HK\$'000 | Total HK\$'000 |
| | | 股本 千港元 | 股份溢價* 千港元 | 資本贖回儲備* 千港元 | 其他儲備* 千港元 | 撥入盈餘* 千港元 | 匯兌波動儲備* 千港元 | 資本儲備* 千港元 | 法定公積金* 千港元 | 累計虧損* 千港元 | 總計 千港元 | 非控股權益 千港元 | 總計 千港元 |
| Balance at 1 January 2018 | 於二零一八年一月一日結餘 | 71,267 | 235,334 | 50 | 66,566 | 641 | 136,686 | 27,442 | 133,928 | (717,364) | (45,450) | (72,008) | (117,458) |
| (Loss)/profit for the period | 期內(虧損)/溢利 | - | - | - | - | - | - | - | - | (46,991) | (46,991) | 8 | (46,983) |
| Other comprehensive income/(loss) for the period | 期內其他全面收益/(虧損) | - | - | - | - | - | - | - | - | - | - | - | - |
| Exchange differences on translation of financial statements of foreign operations | 換算海外業務財務報表之匯兌差額 | - | - | - | - | - | - | - | - | - | - | - | - |
| - subsidiaries | - 附屬公司 | - | - | - | - | - | 3,776 | - | - | - | 3,776 | 507 | 4,283 |
| - a joint venture | - 一間合營企業 | - | - | - | - | - | (75) | - | - | - | (75) | (8) | (83) |
| - associates | - 聯營公司 | - | - | - | - | - | (1,202) | - | - | - | (1,202) | (134) | (1,336) |
| Total comprehensive income/(loss) for the period | 期內全面收益/(虧損)總額 | - | - | - | - | - | 2,499 | - | - | (46,991) | (44,492) | 373 | (44,119) |
| Additions through acquisition of subsidiaries | 透過收購附屬公司而添置 | - | - | - | - | - | - | - | - | - | - | 20,649 | 20,649 |
| Deemed capital contribution arising from non-current interest free shareholders' loan | 因非流動免息股東貸款產生的視作注資 | - | - | - | 17,185 | - | - | - | - | - | 17,185 | - | 17,185 |
| Issuance of shares pursuant to the subscriptions** | 根據認購事項發行股份** | 20,000 | 20,000 | - | (20,000) | - | - | - | - | - | 20,000 | - | 20,000 |
| Shares issued in consideration for the acquisition of subsidiaries | 作為收購附屬公司的代價而發行的股份 | 12,750 | 6,503 | - | - | - | - | - | - | - | 19,253 | - | 19,253 |
| Transfer from other reserves | 轉撥自其他儲備 | - | - | - | (11,578) | - | - | - | - | 11,578 | - | - | - |
| At 30 June 2018 | 於二零一八年六月三十日 | 104,017 | 261,837 | 50 | 52,173 | 641 | 139,185 | 27,442 | 133,928 | (752,777) | (33,504) | (50,986) | (84,490) |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

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

(Unaudited)
(未經審核)

| | | Attributable to the owners of the Company 本公司擁有人應佔 | | | | | | | | | | | |
|---|------------------------|---|----------------|-----------------------------|-----------------|----------------------|-------------------------------|------------------|-------------------|---------------------|-----------|---------------------------|-----------|
| | | Share capital | Share premium* | Capital redemption reserve* | Other reserves* | Contributed surplus* | Exchange fluctuation reserve* | Capital reserve* | Statutory reserve | Accumulated losses* | Total | Non-controlling interests | Total |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 股本 | 股份溢價* | 資本贖回儲備* | 其他儲備* | 繳入盈餘* | 匯兌波動儲備* | 資本儲備* | 法定公積金* | 累計虧損* | 總計 | 非控股權益 | 總計 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Balance at 1 January 2019 | 於二零一九年一月一日結餘 | 104,017 | 261,837 | 50 | 64,612 | 641 | 148,302 | 27,442 | 133,928 | (846,483) | (105,654) | (57,813) | (163,467) |
| Loss for the period | 期內虧損 | - | - | - | - | - | - | - | - | (48,112) | (48,112) | (7,437) | (55,549) |
| Other comprehensive income/(loss) for the period | 期內其他全面收益/(虧損) | - | - | - | - | - | - | - | - | - | - | - | - |
| Exchange differences on translation of financial statements of foreign operations | 換算海外業務財務報表之匯兌差額 | - | - | - | - | - | - | - | - | - | - | - | - |
| - subsidiaries | - 附屬公司 | - | - | - | - | - | 3,324 | - | - | - | 3,324 | 61 | 3,385 |
| - a joint venture | - 一間合營企業 | - | - | - | - | - | (3) | - | - | - | (3) | - | (3) |
| - associates | - 聯營公司 | - | - | - | - | - | (20) | - | - | - | (20) | (2) | (22) |
| Change in fair value of equity investments at fair value through other comprehensive income | 按公平值計入其他全面收益股權投資之公平值變動 | - | - | - | (25) | - | - | - | - | - | (25) | - | (25) |
| Total comprehensive (loss)/income for the period | 期內全面(虧損)/收益總額 | - | - | - | (25) | - | 3,301 | - | - | (48,112) | (44,836) | (7,378) | (52,214) |
| Capital injection from non-controlling interests | 非控股權益之注資 | - | - | - | - | - | - | - | - | - | - | 136 | 136 |
| Transfer from other reserves | 轉撥自其他儲備 | - | - | - | (13,559) | - | - | - | - | 13,559 | - | - | - |
| At 30 June 2019 | 於二零一九年六月三十日 | 104,017 | 261,837 | 50 | 51,028 | 641 | 151,603 | 27,442 | 133,928 | (881,036) | (150,490) | (65,055) | (215,545) |

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

- * These accounts comprise the condensed consolidated deficit in reserves of approximately HK\$254,507,000 (as at 31 December 2018: approximately HK\$209,671,000) in the condensed consolidated statement of financial position.
- * 該等賬戶包括簡明綜合財務狀況表中的簡明綜合儲備虧絀約254,507,000港元(二零一八年十二月三十一日:約209,671,000港元)。
- ** Included in the amount represented deposit of HK\$20,000,000 received from Retop International Investment Limited during the year ended 31 December 2017, an entity indirectly wholly owned by Mr. Bao Hongkai ("Mr. Bao"), a substantial shareholder of the Company, for the subscription of ordinary shares of the Company which was completed on 3 January 2018. Such amount was recorded in "Other reserves". Upon the completion of the subscription, such amount was reversed and formed part of share capital and share premium.
- ** 該金額包括截至二零一七年十二月三十一日止年度就認購本公司普通股(於二零一八年一月三日完成)已收瑞拓國際投資有限公司(包洪凱先生(「包先生」,為本公司主要股東)間接全資擁有的實體)的按金20,000,000港元。該金額計入「其他儲備」。認購完成後,該金額已撥回,並構成股本及股份溢價的一部分。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

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

| | | Unaudited | |
|---|---------------------|--------------------------|------------------|
| | | Six months ended 30 June | |
| | | 2019 | 2018 |
| Notes | | HK\$'000 | HK\$'000 |
| | | 未經審核 | |
| | | 截至六月三十日止六個月 | |
| | | 二零一九年 | 二零一八年 |
| 附註 | | 千港元 | 千港元 |
| Cash flows from operating activities | 經營活動之現金流量 | | |
| Cash used in operations | 經營所用現金 | (7,531) | (55,168) |
| Income tax paid | 已付所得稅 | - | (690) |
| Interest received | 已收利息 | 151 | 1,385 |
| Interest paid | 已付利息 | (37,645) | (43,970) |
| | | (45,025) | (98,443) |
| Net cash used in operating activities | 經營活動所用現金淨額 | | |
| Cash flows from investing activities | 投資活動之現金流量 | | |
| Purchases of property, plant and equipment | 購置物業、廠房及設備 | (3,926) | (8,485) |
| Purchases of other intangible assets | 購置其他無形資產 | (88) | (575) |
| Decrease/(increase) in pledged and restricted bank deposits | 已抵押及受限制的銀行存款減少／(增加) | 191,159 | (248,107) |
| Net cash inflow on acquisition of subsidiaries | 收購附屬公司之現金流入淨額 | - | 19,586 |
| Proceed from disposal of property, plant and equipment | 出售物業、廠房及設備之所得款項 | 22 | 50 |
| | | 187,167 | (237,531) |
| Net cash generated from/ (used in) investing activities | 投資活動所得／(所用)現金淨額 | | |

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 | |
|--|-------------------------|---------------------------------------|--------------|
| | | 2019 | 2018 |
| Notes | | HK\$'000 | HK\$'000 |
| | | 未經審核 | |
| | | 截至六月三十日止六個月 | |
| 附註 | | 二零一九年 千港元 | 二零一八年 千港元 |
| Cash flows from financing activities | 融資活動之現金流量 | | |
| Capital injection from non-controlling interests | 非控股權益之注資 | 136 | - |
| Cash received in relation to the subscription of ordinary shares | 有關認購普通股之已收現金 | - | 20,000 |
| | 29 | - | 20,000 |
| Proceeds from bank loans | 銀行貸款所得款項 | 156,478 | 159,990 |
| Proceeds from other loans | 其他貸款所得款項 | 5,781 | 209,517 |
| Repayments of bank loans | 償還銀行貸款 | (104,049) | (160,728) |
| Repayments of other loans | 償還其他貸款 | (199,131) | (37,641) |
| Proceeds from a related party | 來自關連方之所得款項 | 1,239 | - |
| Payment of lease liabilities | 租賃負債付款 | (739) | - |
| Advance from shareholders | 股東墊款 | 2,981 | 81,160 |
| Proceeds from loans from shareholders | 來自股東貸款之所得款項 | - | 94,800 |
| Net cash (used in)/generated from financing activities | 融資活動(所用)/所得現金淨額 | (137,304) | 367,098 |
| Net increase in cash and cash equivalents | 現金及現金等值項目增加淨額 | 4,838 | 31,124 |
| Cash and cash equivalents at 1 January | 於一月一日之現金及現金等值項目 | 35,789 | 170,878 |
| Effect of foreign exchange rate changes | 外匯匯率變動之影響 | 3,164 | 1,779 |
| Cash and cash equivalents at 30 June | 於六月三十日之現金及現金等值項目 | 43,791 | 203,781 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

1. GENERAL INFORMATION

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

The principal activities of the Company and its subsidiaries (the “**Group**”) include (i) production and sale of coal and trading of purchased coal and (ii) production and sale of building materials in the People’s Republic of China (the “**PRC**”).

The production and sale of building materials operation is related to the acquisition of subsidiaries for the six months ended 30 June 2018, details are set out in note 8.

2. BASIS OF PREPARATION

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

The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2018, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (“**Int**”)) as disclosed in note 3.

1. 一般資料

融信資源控股有限公司（「**本公司**」）為於百慕達註冊成立之有限公司。其註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司股份於香港聯合交易所有限公司（「**聯交所**」）主板上市。

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

截至二零一八年六月三十日止六個月，建築材料業務的生產及銷售與收購附屬公司有關，詳情載於附註8。

2. 編製基準

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

除採納附註3所披露新訂及經修訂香港財務報告準則（「**香港財務報告準則**」）（其中包括所有適用的個別香港財務報告準則、香港會計準則（「**香港會計準則**」）及詮釋（「**詮釋**」））外，簡明綜合中期財務報表乃按照於截至二零一八年十二月三十一日止年度之年度財務報表所採納的相同會計政策編製。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

2. BASIS OF PREPARATION (continued)

These condensed consolidated interim financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand unless otherwise stated. The condensed consolidated interim financial statements contain condensed consolidated interim financial statements and selected explanatory notes. The notes include the explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. These condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

These condensed consolidated interim financial statements are unaudited.

Going concern basis

The Group incurred a consolidated net loss of approximately HK\$55,549,000 for the six months ended 30 June 2019 and, as of that date, the Group had net current liabilities of approximately HK\$970,141,000 and a capital deficiency of approximately HK\$215,545,000 among which the outstanding borrowings of approximately HK\$1,279,044,000 (including bank loans of approximately HK\$665,908,000 (note 27), other loans of approximately HK\$11,950,000 (note 27), bills payable of approximately HK\$573,048,000 (note 24), amount due to an associate of approximately HK\$14,635,000 (note 18), amounts due to shareholders of approximately HK\$12,113,000 (note 25) and interest-free loans provided by the related party of approximately HK\$1,390,000 (note 26)), are due for repayment within one year from the reporting date or repayable on demand. These conditions indicate the existence of a material uncertainties that may cast significant doubts on the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. 編製基準 (續)

該等簡明綜合中期財務報表乃以港元(「港元」)呈列，除另有指明外，所有金額已取整至最接近的千位。簡明綜合中期財務報表載有簡明綜合中期財務報表及選定之詮釋附註。附註包括對明瞭本集團自二零一八年度財務報表以來之財務狀況及表現變動有重大影響之事件及交易作出之解釋。該等簡明綜合中期財務報表及附註並不包括根據香港財務報告準則編製之完整財務報表所需要之全部資料。

該等簡明綜合中期財務報表未經審核。

持續經營基準

截至二零一九年六月三十日止六個月，本集團產生綜合虧損淨額約55,549,000港元，且截至該日本集團的流動負債淨額約970,141,000港元，資本虧絀約215,545,000港元，其中未償還借貸約1,279,044,000港元(包括銀行貸款約665,908,000港元(附註27)、其他貸款約11,950,000港元(附註27)、應付票據約573,048,000港元(附註24)、應付一間聯營公司款項約14,635,000港元(附註18)、應付股東款項約12,113,000港元(附註25)及關連方提供的免息貸款約1,390,000港元(附註26))須於報告日期起一年內償還或按要求償還。該等情況表明存在可能導致對本集團是否有能力持續經營之重大疑慮之重大不明朗因素，因此本集團可能無法於正常業務中變現資產及履行負債。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

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

- (a) The Group has been taking stringent cost controls in different areas, such as applying cost control measures in the cost of sales and administrative expenses;
- (b) The Group has been liaising with certain banks in relation to the renewal of its bank loans amounting to approximately Renminbi ("RMB") 585,090,000 (equivalent to approximately HK\$665,908,000) as at 30 June 2019, which would be due for repayment within twelve months from the reporting date. Subsequent to the end of the reporting period and up to the date when the condensed consolidated interim financial statements are authorised for issuance, the Group has renewed certain bank borrowings with an aggregate principal amount of RMB108,600,000 (equivalent to approximately HK\$123,601,000) with a due date before 30 June 2020, and RMB48,640,000 (equivalent to approximately HK\$55,359,000) which will be due for repayment after 30 June 2020, respectively. In the opinion of the directors of the Company, taken into account the long term relationships and also their understanding from the liaison with the banks, the bank borrowings with an aggregate principal amount of RMB427,850,000 (equivalent to approximately HK\$486,948,000) that will be due for repayment within 12 months from the reporting date can be renewed upon their respective maturities;

2. 編製基準 (續)

持續經營基準 (續)

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

- (a) 本集團已嚴格控制各方面的成本，例如於銷售成本及行政開支中應用成本控制措施；
- (b) 本集團一直就於二零一九年六月三十日金額約人民幣（「人民幣」）585,090,000元（相當於約665,908,000港元）的銀行貸款與若干銀行聯絡，該等銀行貸款將於報告日期起12個月內到期償還。於報告期末後及直至簡明綜合中期財務報表獲授權刊發日期，本集團已續期本金總額分別為人民幣108,600,000元（相當於約123,601,000港元），於二零二零年六月三十日前到期，及人民幣48,640,000元（相當於約55,359,000港元），將於二零二零年六月三十日後到期償還的若干銀行借貸。本公司董事認為，計及與銀行的長期關係及據從與銀行聯絡的了解，將於報告日期起12個月內到期須償還的本金總額人民幣427,850,000元（相當於約486,948,000港元）的銀行借貸能在其各自到期時續期；

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

- (c) The Group has entered into three loan agreements with three shareholders of the Company on 14 February 2018, in which two of them are substantial shareholders of the Company who directly/indirectly own 23.27% and 12.26% of the Company's shares respectively as of the date of approval of these condensed consolidated interim financial statements. Pursuant to the loan agreements, the three shareholders agreed to provide unsecured and interest-free revolving loans with an amount of RMB600,000,000 (equivalent to approximately HK\$682,877,000) for a term of three years. As at 30 June 2019, aggregated amount of RMB55,000,000 (equivalent to approximately HK\$62,617,000) has been advanced to the Group (note 25);
- (d) The Group, from time to time, reviews its investment projects and may adjust the investment strategies in order to enhance the cash flow position of the Group whenever it is necessary; and
- (e) On 3 May 2019 and 5 August 2019, the Group entered into a share purchase agreement and a supplemental agreement (collectively, the "**Share Purchase Agreement**") with Right Success Investments Limited ("**Right Success**"), a company wholly owned by Mr. Bao Hongkai ("**Mr. Bao**"), in relation to the disposal of entire equity interest in Clear Interest Limited, a wholly-owned subsidiary of the Company, and its subsidiaries ("**Clear Interest Group**") at a consideration of United States dollars 200 (the "**Disposal**"). The principal activities of Clear Interest Group are production and sale of coal and trading of purchased coal in the PRC.

2. 編製基準 (續)

持續經營基準 (續)

- (c) 本集團已與本公司三名股東(其中兩名為本公司主要股東,彼等於該等簡明綜合中期財務報表批准日期分別直接/間接擁有本公司股份的23.27%及12.26%)於二零一八年二月十四日訂立三份貸款協議。根據貸款協議,三名股東同意提供數額人民幣600,000,000元(相當於約682,877,000港元)、期限均為三年的無抵押免息之循環貸款。於二零一九年六月三十日,總額人民幣55,000,000元(相當於約62,617,000港元)的貸款已提供予本集團(附註25);
- (d) 本集團不時檢討其投資項目,並在有需要時可能調整投資策略以改善本集團之現金流狀況;及
- (e) 於二零一九年五月三日及二零一九年八月五日,本集團與Right Success Investments Limited(「**Right Success**」)(包洪凱先生(「**包先生**」)全資擁有之公司)就以代價200美元出售Clear Interest Limited(本公司之全資附屬公司)及其附屬公司(「**Clear Interest Group**」)之全部股權(「**出售事項**」)訂立股份購買協議及補充協議(統稱「**股份購買協議**」)。Clear Interest Group之主要業務為在中國生產及銷售煤炭及購入煤炭貿易。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

(e) (Continued)

As at 30 June 2019, Clear Interest Group was in net current liabilities and net liabilities position of approximately HK\$1,005,643,000 and approximately HK\$521,146,000 respectively. The directors of the Company considered that, upon the completion of the Disposal, the Group would be able to substantially improve its financial position.

The proposed transaction is yet completed as at the date of this report and is subject to approval of the independent shareholders and certain conditions precedent as stated in the Share Purchase Agreement.

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

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

2. 編製基準 (續)

持續經營基準 (續)

(e) (續)

截至二零一九年六月三十日，Clear Interest Group 淨流動負債及淨負債水平分別為約1,005,643,000港元及約521,146,000港元。本公司董事認為，於完成出售事項之後本集團將能夠大幅改善其財務狀況。

於本報告日期，建議交易尚未完成，並須待獨立股東批准及股份購買協議所述之若干先決條件達成後，方可作實。

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current interim period, the Group has adopted a number of new and revised HKFRSs issued by the HKICPA that are effective from 1 January 2019 but they do not have a material effect on the Group's condensed consolidated interim financial statements except for the adoption of HKFRS 16 *Leases* as described in below.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. 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 under HKFRS 16 is substantially unchanged from HKAS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group has applied HKFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for the year ended 31 December 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.

3. 採納新訂及經修訂香港財務報告準則

於本中期期間，本集團已採納由香港會計師公會頒布的若干新訂及經修訂香港財務報告準則，自二零一九年一月一日起生效，其對本集團的簡明綜合中期財務報表並無重大影響，惟下文所述採納香港財務報告準則第16號「租賃」除外。

會計政策的變動亦預期在本集團於二零一九年十二月三十一日及截至該日止年度的綜合財務報表中反映。

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港（國際財務報告詮釋委員會）—詮釋第4號「釐定安排是否包括租賃」、香港（準則詮釋委員會）—詮釋第15號「經營租賃—優惠」及香港（準則詮釋委員會）—詮釋第27號「評估牽涉租賃的法律形式的交易內容」。香港財務報告準則第16號為承租人引入單一的資產負債表內會計處理模式。因此，本集團（作為承租人）已確認使用權資產（表示其有權使用相關資產）及租賃負債（表示其有責任支付租賃付款）。香港財務報告準則第16號下之出租人會計處理與香港會計準則第17號下實質上並無重大變動。出租人將繼續利用與香港會計準則第17號內之類似原則將租賃分類為經營租賃或融資租賃。因此，香港財務報告準則第16號對本集團作為出租人的租賃並無任何財務影響。

本集團已使用經修訂追溯法應用香港財務報告準則第16號。因此，就截至二零一八年十二月三十一日止年度呈列的比較資料並未重列一即如先前所呈報，根據香港會計準則第17號及相關詮釋呈列。會計政策變動的詳情披露如下。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(i) 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. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 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.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components as a single lease component

3. 採納新訂及經修訂香港財務報告準則 (續)

(i) 租賃的新定義

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，則該合約為一項租賃或包含一項租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益以及擁有指示使用可識別資產的權利時，即有控制權。本集團選擇使用過渡可行權宜方法，允許該準則僅適用於先前首次應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號當日已確認為租賃的合約。並無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）—詮釋第4號確認為租賃的合約，概未獲重新評估。因此，根據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或之後訂立或更改的合約。

於開始或重新評估包含租賃部份的合約時，本集團按其相對單獨價格將合約代價分配至各租賃及非租賃部份。本集團已採用可供承租人選用的可行權宜方法，有關方法為不予分開非租賃部分，並將租賃部分及相關非租賃部分入賬作為單一租賃部分處理。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(ii) As a lessee

The Group has lease contracts for various items of land, property and office equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for the exemption of the short-term lease. The Group has elected not to recognise right-of-use assets and lease liabilities for the lease, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with the lease of as an expense on a straight-line basis over the lease term.

(a) Significant accounting policies

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

3. 採納新訂及經修訂香港財務報告準則 (續)

(ii) 作為承租人

本集團擁有多個土地、物業及辦公設備項目的租賃合約。作為承租人，本集團先前根據租賃會否把資產擁有權絕大部分回報及風險轉讓予本集團的評估把租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團應用單一處理方法就所有租賃確認及計量使用權資產及租賃負債，惟就短期租賃的豁免除外。本集團已選擇不就於開始日期租期為十二個月或以下的租賃確認使用權資產及租賃負債。相反，本集團在租期內以直線基準將與該等租賃相關的租賃付款確認為開支。

(a) 重大會計政策

使用權資產

使用權資產於租賃開始日期確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產的成本包括於開始日期或之前已確認的租賃負債、所產生的初始直接成本及租賃款項減任何已收取的租賃優惠。除非本集團合理確定於租期結束時取得租賃資產所有權，否則已確認使用權資產於其估計可使用年期及租期（以較短者為準）按直線法折舊。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(ii) As a lessee (continued)

(a) Significant accounting policies (continued)

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

3. 採納新訂及經修訂香港財務報告準則(續)

(ii) 作為承租人(續)

(a) 重大會計政策(續)

租賃負債

租賃負債於租賃開始日期按將於租賃期間作出的租賃款項現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、可變租賃付款(視乎指數或利率而定)及根據剩餘價值擔保預期應付的金額。租賃付款亦包括本集團合理確定會行使之購買選擇權的行使價；及倘租賃條款反映本集團行使終止選擇權，則終止租賃而需支付之罰款。並非視乎指數或利率而定之可變租賃付款於觸發付款的事件或條件的發生期間內確認為開支。

於計算租賃付款的現值時，倘租賃所含的利率不能即時釐定，則本集團會於租賃開始日期使用增量借款利率。於開始日期後，租賃負債的金額會增加，以反映利息的增加及就租賃付款作出扣減。此外，如有修改、指數或比率變更導致未來租賃付款出現變動、租賃期出現變動、實質固定租用付款出現變動或購入相關資產之評估出現變動，則重新計量租賃負債賬面值。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(ii) As a lessee (continued)

(b) Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the condensed consolidated statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the condensed consolidated statement of financial position. This includes the land use rights recognised previously under prepaid land lease payments of approximately HK\$67,703,000 as at 31 December 2018 that were reclassified to right-to-use assets upon the adoption of HKFRS 16 for the presentation purpose.

The Group applied the following practical expedients on transition to HKFRS 16 for those leases which were previously classified as operating leases under HKAS 17.

3. 採納新訂及經修訂香港財務報告準則 (續)

(ii) 作為承租人 (續)

(b) 過渡之影響

於二零一九年一月一日的租賃負債乃按剩餘租賃付款之現值，並採用於二零一九年一月一日的增量借貸利率貼現後予以確認。

使用權資產按租賃負債金額計量，並以緊接二零一九年一月一日之前在簡明綜合財務狀況表中確認的與租賃相關的任何預付或應計租賃付款金額進行調整。所有該等資產均已評估於該日根據香港會計準則第36號作出的任何減值。本集團選擇於簡明綜合財務狀況表內單獨呈列使用權資產。此包括先前於二零一八年十二月三十一日於預付土地租賃付款項下確認的土地使用權約67,703,000港元，就呈列目的而言於採納香港財務報告準則第16號後已重新分類為使用權資產。

在過渡至香港財務報告準則第16號時，本集團已就先前根據香港會計準則第17號被分類為營運租賃的租賃採取以下的實務操作方法。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(ii) As a lessee (continued)

(b) Impacts on transition (continued)

- Applied the recognition exemption for leases for which the lease term ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use assets

(iii) As a lessor

The Group leases out its certain property, plant and equipment. The Group 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. The Group is not required to make any adjustments on transition to HKFRS 16 for leases in which it acts as a lessor.

(iv) Impacts on condensed consolidated interim financial statements

The table below explains the difference between operating lease commitments disclosed at 31 December 2018 by applying HKAS 17 and lease liabilities recognised at 1 January 2019 by applying HKFRS 16:

3. 採納新訂及經修訂香港財務報告準則 (續)

(ii) 作為承租人 (續)

(b) 過渡之影響 (續)

- 對租賃期於首次應用日起計12個月內屆滿的租賃應用確認豁免條款
- 於計量使用權資產時不包括初始直接成本

(iii) 作為出租人

本集團出租其若干物業、廠房及設備。本集團已將該等租賃分類為經營租賃。適用於本集團作為出租人的會計政策與香港會計準則第17號項下的政策並無差別。本集團毋須就其作為出租人的租賃對過渡至香港財務報告準則第16號作出任何調整。

(iv) 對簡明綜合中期財務報表之影響

下表闡釋於二零一八年十二月三十一日根據香港會計準則第17號所披露的經營租賃承諾，與於二零一九年一月一日根據香港財務報告準則第16號所確認的租賃負債之間的差異：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(iv) Impacts on condensed consolidated interim financial statements (continued)

| | | HK\$'000 (unaudited) 千港元 (未經審核) |
|--|-------------------------|--|
| Operating lease commitment at 31 December 2018 | 於二零一八年十二月三十一日的經營租賃承諾 | 1,199 |
| Less: | 減: | |
| Leases end within 12 months from the date of initial application | 於首次應用日起計12個月內屆滿的租賃 | (13) |
| Add: | 加: | |
| Others | 其他 | 63 |
| Operating lease liabilities before discounting at 31 December 2018 | 於二零一八年十二月三十一日未貼現的經營租賃負債 | 1,249 |
| Effect from discounting at incremental borrowing rate at 1 January 2019* | 於二零一九年一月一日以新增貸款利率貼現的影響* | (40) |
| Lease liabilities recognised as at 1 January 2019 | 於二零一九年一月一日確認的租賃負債 | 1,209 |
| Of which are: | 其中: | |
| Current lease liabilities | 流動租賃負債 | 980 |
| Non-current lease liabilities | 非流動租賃負債 | 229 |
| | | 1,209 |

* The weighted average incremental borrowing rate was 5.13%.

3. 採納新訂及經修訂香港財務報告準則 (續)

(iv) 對簡明綜合中期財務報表之影響 (續)

* 加權平均的新增貸款利率為5.13%。

Under the transition methods chosen, the Group has adopted the modified retrospective approach to recognise cumulative effect of the initial application of HKFRS 16 as an adjustment to the opening balance at 1 January 2019. Comparative information is not restated. Line items that were not affected by the changes have not been included in the following table. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The following table gives a summary of the opening balance adjustments recognised for the line items in the condensed consolidated statement of financial position that have been impacted by HKFRS 16:

根據所選擇的過渡方法，本集團已採納經修訂的追溯法，以確認首次應用香港財務報告準則第16號的累計影響作為二零一九年一月一日期初餘額的調整。比較資料並無重列。未受更改影響的項目未包含在下表中。因此，所披露的小計及總計不能從提供提供的數字中重新計算。下表概述已就香港財務報告準則第16號影響的簡明綜合財務狀況表內的項目確認的期初結餘調整：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(iv) Impacts on condensed consolidated interim financial statements (continued)

3. 採納新訂及經修訂香港財務報告準則(續)

(iv) 對簡明綜合中期財務報表之影響(續)

| | | At 31 December 2018, in accordance with HKAS 17 HK\$'000 (audited) | Impact of initial application of HKFRS 16 HK\$'000 (unaudited) | At 1 January 2019, in accordance with HKFRS 16 HK\$'000 (unaudited) |
|--|-----------------|---|---|---|
| | | 於二零一八年 十二月三十一日， 根據香港會計 準則第17號 千港元 (經審核) | 首次應用香港 財務報告準則 第16號之影響 千港元 (未經審核) | 於二零一九年 一月一日， 根據香港 財務報告 準則第16號 千港元 (未經審核) |
| Non-current assets | 非流動資產 | | | |
| Prepaid land lease payments | 預付土地租賃款項 | 66,197 | (66,197) | - |
| Right-of-use assets | 使用權資產 | - | 68,912 | 68,912 |
| Current assets | 流動資產 | | | |
| Prepaid land lease payments | 預付土地租賃款項 | 1,506 | (1,506) | - |
| Current liabilities | 流動負債 | | | |
| Lease liabilities | 租賃負債 | - | (980) | (980) |
| Non-current liabilities | 非流動負債 | | | |
| Lease liabilities | 租賃負債 | - | (229) | (229) |
| Net current liabilities | 流動負債淨值 | (888,441) | (2,486) | (890,927) |
| Total assets less net current liabilities | 總資產減流動負債 | (24,816) | 229 | (24,587) |
| Net liabilities | 負債淨值 | (163,467) | - | (163,467) |

During the six months ended 30 June 2019, the Group recognised the depreciation charges of approximately HK\$1,441,000 and interest costs of approximately HK\$43,000 in relation to those leases under HKFRS 16.

截至二零一九年六月三十日止六個月，本集團根據香港財務報告準則第16號確認折舊費用約1,441,000港元及與該等租賃相關的利息成本約43,000港元。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company (the “**Executive Directors**”) for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. The business components in the internal financial information reported to the Executive Directors are determined following the Group’s major product and service lines.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Executive Directors in order to allocate resources and assess performance of the segment. On 3 January 2018, the Group completed the acquisition of subsidiaries which are principally engaged in production and sale of building materials. After the acquisition, the Executive Directors have determined that the Group’s operating and reportable segments under HKFRS 8 are as follow:

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

The measure used for reporting segment profit/(loss) is adjusted loss before income tax expense. Items not specifically attributable to individual segments, such as share of results of associates and a joint venture, finance costs, unallocated head office and corporate expenses are further adjusted.

4. 分部資料

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

經營分部指本集團從事可賺取收益及產生開支之業務活動之組成部分，並按內部管理報告資料之基準確定經營分部，而執行董事定期審閱所提供之內部管理報告資料以分配資源及評估分部表現。於二零一八年一月三日，本集團完成收購主要從事生產及銷售建材的附屬公司。於收購之後，執行董事認為本集團根據香港財務報告準則第8號的經營及報告分部如下：

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

報告分部溢利／（虧損）使用的計量為扣除所得稅開支前之經調整虧損。並無指明各分部應佔的項目，如應佔聯營公司及合營公司業績、財務費用、未分配總部及企業開支將進一步進行調整。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

4. SEGMENT INFORMATION (continued)

Segment assets include all tangible assets, prepaid land lease payments, right-of-use assets, goodwill, mining rights, other intangible assets and current assets with the exception of other corporate assets. Segment liabilities include accounts and bills payables, other payables and accruals attributable to activities of the individual segments, provision for reclamation obligations and deposit received.

(a) Segment revenue and results

The following is an analysis of the Group's disaggregation of revenue from contracts with customers by the timing of revenue recognition and results from operating and reportable segments:

4. 分部資料 (續)

分部資產包括所有有形資產、預付土地租賃款項、使用權資產、商譽、採礦權、其他無形資產及流動資產，惟其他公司資產除外。分部負債包括各分部活動應佔的應付賬款及票據、其他應付款項及應計費用、開墾費用撥備及已收按金。

(a) 分部收益及業績

以下為按收益確認之時間以及經營及可呈報分部之業績劃分來自客戶合約之收益分拆分析：

| | | Coal Business HK\$'000 (unaudited) 煤炭業務 千港元 (未經審核) | Building Materials Business HK\$'000 (unaudited) 建材業務 千港元 (未經審核) | Total HK\$'000 (unaudited) 總計 千港元 (未經審核) |
|---|------------------------------|---|---|---|
| Six months ended 30 June 2019 | 截至二零一九年 六月三十日止六個月 | | | |
| Disaggregated by timing of revenue recognition | 按收益確認時間拆分 | | | |
| Point in time | 時間點 | 180,314 | 104,393 | 284,707 |
| Revenue from external customers | 來自外部客戶的收益 | 180,314 | 104,393 | 284,707 |
| Segment loss | 分部虧損 | (3,706) | (3,943) | (7,649) |
| Six months ended 30 June 2018 | 截至二零一八年 六月三十日止六個月 | | | |
| Disaggregated by timing of revenue recognition | 按收益確認時間拆分 | | | |
| Point in time | 時間點 | 385,786 | 109,966 | 495,752 |
| Revenue from external customers | 來自外部客戶的收益 | 385,786 | 109,966 | 495,752 |
| Segment (loss)/profit | 分部(虧損)/溢利 | (6,944) | 16,733 | 9,789 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

4. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

4. 分部資料 (續)

(a) 分部收益及業績 (續)

| Unaudited | |
|--------------------------|----------|
| Six months ended 30 June | |
| 2019 | 2018 |
| HK\$'000 | HK\$'000 |
| 未經審核 | |
| 截至六月三十日止六個月 | |
| 二零一九年 | 二零一八年 |
| 千港元 | 千港元 |

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

| | | | |
|---|------------------------|----------|----------|
| Reportable segment (loss)/ profit from Group's external customers | 來自本集團外部客戶的可報告分部(虧損)/溢利 | (7,649) | 9,789 |
| Share of results of associates | 應佔聯營公司業績 | (647) | (2) |
| Share of results of a joint venture | 應佔一間合營企業業績 | 24 | 26 |
| Finance costs | 財務費用 | (39,684) | (46,070) |
| Unallocated head office and corporate expenses | 未分配總部及企業開支 | (9,080) | (9,928) |
| Loss before income tax | 除所得稅前虧損 | (57,036) | (46,185) |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

4. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

| | Coal Business | Building Materials Business | Total |
|----------------------------|---------------|-----------------------------|-------------|
| | HK\$'000 | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) | (unaudited) |
| | 煤炭業務 | 建材業務 | 總計 |
| | 千港元 | 千港元 | 千港元 |
| | (未經審核) | (未經審核) | (未經審核) |
| At 30 June 2019 | 於二零一九年六月三十日 | | |
| Segment assets | 1,404,154 | 368,251 | 1,772,405 |
| Segment liabilities | (1,347,494) | (99,116) | (1,446,610) |
| | (audited) | (audited) | (audited) |
| | (經審核) | (經審核) | (經審核) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | | |
| Segment assets | 1,354,909 | 549,715 | 1,904,624 |
| Segment liabilities | (1,215,714) | (94,028) | (1,309,742) |

(c) Geographical information

The Group's revenue from external customers is all derived from the PRC and most of its non-current assets are located in the PRC. The Company is an investment holding company incorporated in Bermuda where the Group does not have any activities. The Group has the majority of its operations and workforce in the PRC, and therefore, the PRC is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8.

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the location of assets.

4. 分部資料 (續)

(b) 分部資產及負債

以下為按經營及可報告分部劃分的本集團資產及負債分析：

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

| | | | |
|------------------------|-------------|-----------|-------------|
| At 30 June 2019 | 於二零一九年六月三十日 | | |
| Segment assets | 1,404,154 | 368,251 | 1,772,405 |
| Segment liabilities | (1,347,494) | (99,116) | (1,446,610) |
| | (audited) | (audited) | (audited) |
| | (經審核) | (經審核) | (經審核) |

| | | | |
|----------------------------|---------------|----------|-------------|
| At 31 December 2018 | 於二零一八年十二月三十一日 | | |
| Segment assets | 1,354,909 | 549,715 | 1,904,624 |
| Segment liabilities | (1,215,714) | (94,028) | (1,309,742) |

(c) 地區資料

本集團來自外部客戶之收益全部來自中國，而其大部份非流動資產位於中國。本公司為一間於百慕達註冊成立之投資控股公司，而本集團於當地並無任何業務。本集團之主要業務及員工均位於中國，故按香港財務報告準則第8號之規定，就披露目的而言，中國被視為本集團之所在國家。

客戶之所在地區按提供服務或交付貨品之地區而定。非流動資產之所在地區按資產位置而定。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

4. SEGMENT INFORMATION (continued)

(d) Information about major customers

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

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

¹ Revenue from Coal Business

4. 分部資料 (續)

(d) 有關主要客戶之資料

來自貢獻本集團總收益超過10%的客戶之收益。

| Unaudited | |
|--------------------------|----------|
| Six months ended 30 June | |
| 2019 | 2018 |
| HK\$'000 | HK\$'000 |
| 未經審核 | |
| 截至六月三十日止六個月 | |
| 二零一九年 | 二零一八年 |
| 千港元 | 千港元 |

| | |
|--------|---------|
| 70,990 | 214,370 |
| 70,883 | 105,102 |
| 35,973 | 50,693 |

¹ 煤炭業務收益

5. REVENUE AND OTHER INCOME AND GAINS

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

5. 收益及其他收入及得益

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

5. REVENUE AND OTHER INCOME AND GAINS (continued)

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

5. 收益及其他收入及得益 (續)

期內確認之收益及其他收入及得益如下：

| | Unaudited | |
|---|--------------------------------------|-----------------|
| | Six months ended 30 June | |
| | 2019 | 2018 |
| | HK\$'000 | HK\$'000 |
| | 未經審核 | |
| | 截至六月三十日止六個月 | |
| | 二零一九年 | 二零一八年 |
| | 千港元 | 千港元 |
| Revenue from contract with customers within the scope of HKFRS 15, types of goods: | 屬香港財務報告準則第15號範圍之客戶合約收益，按貨物類別： | |
| Production and sale of coal | 109,324 | 118,990 |
| Trading of purchased coal | 70,990 | 266,796 |
| Production and sale of building materials | 104,393 | 109,966 |
| | 284,707 | 495,752 |
| Other income and gains | 其他收入及得益 | |
| Bank interest income | 151 | 1,385 |
| Government subsidies (note) | 6,803 | 5,444 |
| Gain on bargain purchase arising from acquisition of subsidiaries (note 8) | - | 2,629 |
| Gain on disposal of coal production capacity replacement quota | 17,178 | 5,747 |
| Reversal of provision for central pension scheme | 11,579 | 18,316 |
| Reversal of write-down on inventories | - | 415 |
| Others | 2,103 | 419 |
| | 37,814 | 34,355 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

5. REVENUE AND OTHER INCOME AND GAINS (continued)

Note: The Group received unconditional subsidies from local government during the period as recognition of the Group's sale of building materials which considered as the environmental-friendly products in the PRC.

5. 收益及其他收入及得益 (續)

附註：本集團於期內獲得當地政府的無條件補貼，以認同本集團於中國出售被視為環保產品的建築材料。

6. FINANCE COSTS

6. 財務費用

| Unaudited Six months ended 30 June | |
|---------------------------------------|----------|
| 2019 | 2018 |
| HK\$'000 | HK\$'000 |
| 未經審核 | |
| 截至六月三十日止六個月 | |
| 二零一九年 | 二零一八年 |
| 千港元 | 千港元 |

An analysis of finance costs is as follows: 財務費用分析如下：

| | | | |
|---|-------------------------|---------------|---------------|
| Unwinding of imputed interest on loans from shareholders (note 25(b)) | 來自股東貸款之估算利息回撥 (附註25(b)) | 1,909 | 2,100 |
| Unwinding of imputed interest on deposit received | 已收按金之估算利息回撥 | 87 | — |
| Interest expenses on lease liabilities | 租賃負債之利息開支 | 43 | — |
| Interests on bank and other loans | 銀行及其他貸款之利息開支 | 30,021 | 27,156 |
| Bank charges on discounted bills receivable | 已貼現應收票據之銀行收費 | 7,624 | 16,814 |
| | | 39,684 | 46,070 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

7. 除所得稅前虧損

除所得稅前虧損已扣除：

| | Unaudited | | |
|--|-------------------------------|----------|---------|
| | Six months ended 30 June 2019 | 2018 | |
| | HK\$'000 | HK\$'000 | |
| | 未經審核 | | |
| | 截至六月三十日止六個月 | 二零一八年 | |
| | 千港元 | 千港元 | |
| Amortisation of mining rights** | 採礦權攤銷** | 3,047 | 3,453 |
| Amortisation of other intangible assets** | 其他無形資產攤銷** | 56 | 98 |
| Amortisation of prepaid land lease payments** | 預付土地租賃款項攤銷** | – | 775 |
| Cost of inventories recognised as expenses# | 確認為開支之存貨成本# | 268,752 | 381,138 |
| Depreciation of property, plant and equipment* | 物業、廠房及設備折舊* | 27,159 | 27,963 |
| Depreciation of right-of-use assets** | 使用權資產折舊** | 1,441 | – |
| Employee benefits expense (including directors' remuneration) | 僱員福利開支 (包括董事薪酬) | 84,937 | 80,869 |
| Expense relating to short-term leases** | 短期租賃相關開支** | 83 | – |
| Loss on disposals of property, plant and equipment, net | 出售物業、廠房及設備之虧損淨額 | 47 | 47 |
| Minimum lease payments under operating leases on land, property and office equipment** | 有關土地、物業及辦公室設備之經營租賃項下最低租賃付款** | – | 646 |
| Provision for reclamation obligations | 開墾費用撥備 | 2,274 | 2,794 |
| Research expenses | 研究開支 | 3,578 | 883 |

* Depreciation of property, plant and equipment of approximately HK\$24,219,000 (six months ended 30 June 2018: approximately HK\$25,396,000), HK\$2,927,000 (six months ended 30 June 2018: approximately HK\$2,536,000) and HK\$13,000 (six months ended 30 June 2018: approximately HK\$31,000) has been included in cost of sales, administrative expenses and selling and distribution expenses in the condensed consolidated income statement respectively.

* 約24,219,000港元(截至二零一八年六月三十日止六個月:約25,396,000港元)、約2,927,000港元(截至二零一八年六月三十日止六個月:約2,536,000港元)及約13,000港元(截至二零一八年六月三十日止六個月:31,000港元)之物業、廠房及設備折舊已分別計入簡明綜合收益表之銷售成本、行政開支及銷售及分銷開支。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

7. LOSS BEFORE INCOME TAX (continued)

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

Cost of inventories included approximately HK\$93,334,000 (six months ended 30 June 2018: approximately HK\$90,595,000) relating to employee benefits expense and depreciation which amounts are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. 除所得稅前虧損 (續)

** 已計入簡明綜合收益表的行政開支內。

存貨成本 93,334,000 港元 (截至二零一八年六月三十日止六個月: 約 90,595,000 港元) 包括與僱員福利開支及折舊相關, 有關金額亦已計入就各該等開支類別於上文單獨披露的相關總金額。

8. ACQUISITION OF SUBSIDIARIES

Pursuant to the sale and purchase agreement (“SPA”) dated 13 October 2017 entered into between the Company and an independent third party to acquire all the equity interest in Goal Getter Ventures Limited (“Goal Getter”), together with its subsidiaries (collectively the “Goal Getter Group”) (the “Acquisition”). The nominal consideration for the Acquisition of HK\$25,500,000 was settled in form of the allotment and issue of an aggregate of 127,500,000 new ordinary shares of the Company.

The Goal Getter Group is principally engaged in production and sale of building materials, of which all of its operations are carried out by Henan Xingan New Construction Materials Company Limited* (河南興安新型建築材料有限公司) (“Xingan”), a subsidiary which 51% is held by the Goal Getter Group.

The directors of the Company considered that the Acquisition allows the Group to explore a new income stream, diversify the Group’s business segments to engage in the production and sale of building materials and improve the Group’s revenue and results.

The Acquisition was completed on 3 January 2018. The fair value of consideration of approximately HK\$19,253,000 for 127,500,000 new ordinary shares of the Company at the issue date was determined by reference to the closing market price of the shares of the Company at HK\$0.151 per share at the issue date which was also the date of completion of the Acquisition on 3 January 2018.

* For identification purpose only

8. 收購附屬公司

根據本公司與一名獨立第三方訂立的一份日期為二零一七年十月十三日之買賣協議(「買賣協議」), 以收購志達創投有限公司(「志達創投」)(連同其附屬公司統稱「志達集團」)的全部股權(「收購事項」)。收購事項之名義代價為25,500,000港元, 已以配發及發行合共127,500,000股本公司新普通股的方式結算。

志達集團主要從事建材生產及銷售, 其所有業務均由河南興安新型建築材料有限公司(「興安」)(志達集團持有51%權益之附屬公司)開展。

本公司董事認為, 收購事項可令本集團探索新收入增長, 多元化本集團的業務分部至從事建材的生產及銷售, 並改善本集團的收益及業績。

收購事項於二零一八年一月三日完成。127,500,000股本公司新普通股於發行日期的代價公平值約19,253,000港元參考本公司股份於發行日期(亦為收購事項完成日期二零一八年一月三日)的收市價每股0.151港元釐定。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

8. ACQUISITION OF SUBSIDIARIES (continued)

8. 收購附屬公司 (續)

| | | Audited As at 3 January 2018 HK\$'000 經審核 於二零一八年 一月三日 千港元 |
|---|--------------------------------------|--|
| Assets acquired and liabilities assumed at the date of the Acquisition are as follows: | 於收購事項日期所收購的資產及承擔的負債如下： | |
| Property, plant and equipment (note 12) | 物業、廠房及設備 (附註12) | 207,400 |
| Prepaid land lease payments (note 13) | 預付土地租賃款項 (附註13) | 71,530 |
| Inventories | 存貨 | 9,682 |
| Accounts and bills receivables and contract assets, net (note (a)) | 應收賬款及票據及合約資產淨額 (附註(a)) | 49,448 |
| Prepayments, deposits and other receivables (note (b)) | 預付款項、按金及其他應收款項 (附註(b)) | 10,041 |
| Cash and cash equivalents | 現金及現金等值項目 | 19,586 |
| Accounts and bills payables | 應付賬款及票據 | (62,709) |
| Other payables and accruals | 其他應付款項及應計費用 | (104,034) |
| Amount due to a related party | 應付一名關連人士款項 | (103,070) |
| Bank and other loans | 銀行及其他貸款 | (47,060) |
| Deferred income (note 28) | 遞延收入 (附註28) | (5,164) |
| Deferred tax liabilities | 遞延稅項負債 | (3,119) |
| Total identifiable net assets at fair value (note (c)) | 可識別資產淨值總額，按公平值 (附註(c)) | 42,531 |
| Non-controlling interests | 非控股權益 | (20,649) |
| Bargain purchase arising from acquisition (note (d)) | 收購事項產生之議價購買 (附註(d)) | (2,629) |
| | | 19,253 |
| Fair value of consideration shares | 股份代價之公平值 | 19,253 |
| Acquisition-related costs (included in administrative expenses for the six months ended 30 June 2018) | 與收購事項有關的成本 (計入截至二零一八年六月三十日止六個月的行政開支) | 3,112 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

8. ACQUISITION OF SUBSIDIARIES (continued)

8. 收購附屬公司 (續)

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

| | | |
|--|-------------------|--------|
| Analysis of net cash inflows arising on the Acquisition: | 收購事項所產生的現金流入淨額分析： | |
| Consideration paid by cash | 以現金支付的代價 | — |
| Less: Cash and cash equivalents acquired | 減：已獲得現金及現金等價物 | 19,586 |
| | | <hr/> |
| | | 19,586 |

Notes:

附註：

- (a) The gross contractual undiscounted balances amounted to approximately HK\$56,133,000. The fair values of these accounts and bills receivables and contract assets at the acquisition date were estimated to be approximately HK\$49,448,000, based on an assessment of the expected credit risks of the balances. The fair values include allowance of expected credit loss of approximately HK\$6,685,000, which is estimated based on the estimated credit risk of the debtors, over the expected life of the debtors and are adjusted with forward-looking information that is available without undue cost or effort.
- (a) 合約未折現結餘總額約為56,133,000港元。根據對結餘預期信貸風險的評估，該等應收賬款及票據及合約資產於收購日期的公平值估計約為49,448,000港元。公平值包括預期信貸虧損撥備約6,685,000港元，其根據債務人預期年期的估計信貸風險估計，並可以獲得無須不必要的成本或努力的前瞻性資料作出調整。
- (b) The gross contractual undiscounted balances of deposits and other receivables amounted to approximately HK\$4,581,000. The fair values of these deposits and other receivables at the acquisition date were estimated to be approximately HK\$4,581,000, based on an assessment of the expected credit risks of the balances, which is estimated based on the estimated credit risk of the debtors, over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort.
- (b) 按金及其他應收款項的合約未折現結餘總額為約4,581,000港元。根據對結餘預期信貸風險的評估，該等按金及其他應收款項於收購日期的公平值估計為約4,581,000港元，其根據債務人預期年期的估計信貸風險估計，並可以獲得無須不必要的成本或努力的前瞻性資料作出調整。
- (c) The non-controlling interests which represent 49% equity interest in Xingan recognised at the acquisition date were measured at the non-controlling interests' proportionate share of the identifiable net assets of Xingan at the acquisition date.
- (c) 於收購日期確認為興安49%股權的非控股權益乃於收購日期按非控股權益於興安可識別資產淨值的股份比例計量。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

8. ACQUISITION OF SUBSIDIARIES

(continued)

Notes: (Continued)

- (d) The nominal consideration and the nominal issue price for the Acquisition of HK\$0.2 per consideration share were determined after an arm's length negotiation made between the Group and independent third party at the time when the agreement was entered into. The major contributing factor to the gain on bargaining purchase arising from the Acquisition was the effect arising from the nominal issue price determined at premium compare to the market price at the agreement date and acquisition date.

8. 收購附屬公司

(續)

附註：(續)

- (d) 收購事項的名義代價及名義發行價每股代價股份0.2港元乃於訂立協議時本集團與獨立第三方公平磋商後釐定。收購事項所產生的議價購買收益的主要促成因素為以溢價釐定的名義發行價格與協議日期及收購日期的市場價格相比所產生的影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

9. INCOME TAX CREDIT/(EXPENSE)

9. 所得稅抵免／（開支）

| | | Unaudited Six months ended 30 June | |
|---|---------------------|---------------------------------------|----------|
| | | 2019 | 2018 |
| | | HK\$'000 | HK\$'000 |
| | | 未經審核 | |
| | | 截至六月三十日止六個月 | |
| | | 二零一九年 | 二零一八年 |
| | | 千港元 | 千港元 |
| Current tax – PRC corporate income tax | 本期稅項－中國企業所得稅 | | |
| – Current period | －本期間 | – | (716) |
| Deferred tax | 遞延稅項 | | |
| – Current period | －本期間 | 1,487 | (82) |
| Income tax credit/(expense) | 所得稅抵免／（開支） | 1,487 | (798) |

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in Bermuda and the BVI (six months ended 30 June 2018: Nil).

No Hong Kong Profits Tax has been provided for the six months ended 30 June 2019 in the condensed consolidated interim financial statements as the Group has tax losses brought forward from previous years. No Hong Kong Profits Tax has been provided for the six months ended 30 June 2018 in the condensed consolidated interim financial statements as the Group did not generate any estimated assessable profits in Hong Kong for the six months ended 30 June 2018.

No corporate income tax arising from operations in the PRC has been provided for the six months ended 30 June 2019 as the Group did not generate any estimated assessable profits in the PRC. Corporate income tax arising from operations in the PRC was calculated at the statutory income tax rate of 25% for the six months ended 30 June 2018 of the estimated assessable profits in the PRC as determined in accordance with the relevant income tax rules and regulations in the PRC.

根據百慕達及英屬處女群島（「英屬處女群島」）的規則及法規，本集團於百慕達及英屬處女群島毋須繳納任何所得稅（截至二零一八年六月三十日止六個月：無）。

於截至二零一九年六月三十日止六個月並無於簡明綜合中期財務報表內計提香港利得稅撥備，原因是本集團有自以往年度結轉的稅項虧損。於截至二零一八年六月三十日止六個月並無於簡明綜合中期財務報表內計提香港利得稅撥備，原因是本集團於截至二零一八年六月三十日止六個月並無於香港產生任何估計應課稅溢利。

由於本集團並無於中國產生任何估計應課稅溢利，故截至二零一九年六月三十日止六個月並無就中國業務產生之企業所得稅計提撥備。截至二零一八年六月三十日止六個月，根據中國相關所得稅規則及規例，中國經營業務之企業所得稅乃按於中國之估計應課稅溢利之法定所得稅稅率25%計算。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

10. DIVIDEND

The board of directors of the Company does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

10. 股息

董事會不建議派付截至二零一九年六月三十日止六個月之中期股息(截至二零一八年六月三十日止六個月:無)。

11. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

11. 本公司擁有人應佔每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃基於以下數據計算:

| | Unaudited Six months ended 30 June | |
|---|---------------------------------------|-----------|
| | 2019 | 2018 |
| | HK\$'000 | HK\$'000 |
| | 未經審核 | |
| | 截至六月三十日止六個月 | |
| | 二零一九年 | 二零一八年 |
| | 千港元 | 千港元 |
| Loss for the period attributable to the owners of the Company for the purpose of basic and diluted loss per share | (48,112) | (46,991) |
| Weighted average number of ordinary shares in issue for the purpose of basic and diluted loss per share | 1,040,174 | 1,040,174 |

There were no dilutive potential ordinary shares during the six months ended 30 June 2019 and 2018 and therefore, the amount of diluted loss per share is same as the amount of basic loss per share.

截至二零一九年及二零一八年六月三十日止六個月概無具攤薄作用之潛在普通股,因此,每股攤薄虧損金額與每股基本虧損金額相同。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

12. PROPERTY, PLANT AND EQUIPMENT

- (a) During the six months ended 30 June 2019, the Group incurred capital expenditure of approximately HK\$Nil (six months ended 30 June 2018: approximately HK\$3,256,000) in buildings and mining structures, approximately HK\$402,000 (six months ended 30 June 2018: approximately HK\$705,000) in plant and machineries, approximately HK\$1,670,000 (six months ended 30 June 2018: approximately HK\$1,301,000) in mining related machinery and equipment, approximately HK\$94,000 (six months ended 30 June 2018: approximately HK\$486,000) in furniture, fixtures, equipment and leasehold improvement, approximately HK\$347,000 (six months ended 30 June 2018: approximately HK\$446,000) in motor vehicles, and approximately HK\$1,413,000 (six months ended 30 June 2018: approximately HK\$2,291,000) in construction in progress.
- (b) During the six months ended 30 June 2019, the Group disposed of certain items of property, plant and equipment with net carrying amounts of approximately HK\$69,000 (six months ended 30 June 2018: approximately HK\$97,000) and recognised a loss of approximately HK\$47,000 (six months ended 30 June 2018: approximately HK\$47,000) in the condensed consolidated income statement.
- (c) During the six months ended 30 June 2019, no provision for impairment (six months ended 30 June 2018: approximately HK\$4,996,000) has been made for those property, plant and equipment within the Coal Production cash-generating unit (“CGU”). Particulars of impairment testing of property, plant and equipment is set out in note 17.

12. 物業、廠房及設備

- (a) 截至二零一九年六月三十日止六個月，本集團就以下各項產生資本開支：樓宇及煤礦建築物約零港元（截至二零一八年六月三十日止六個月：約3,256,000港元）、廠房及機器約402,000港元（截至二零一八年六月三十日止六個月：約705,000港元）、採礦相關機器及設備約1,670,000港元（截至二零一八年六月三十日止六個月：約1,301,000港元）、傢私、裝置、設備及租賃物業裝修約94,000港元（截至二零一八年六月三十日止六個月：約486,000港元）、汽車約347,000港元（截至二零一八年六月三十日止六個月：約446,000港元）及在建工程約1,413,000港元（截至二零一八年六月三十日止六個月：約2,291,000港元）。
- (b) 截至二零一九年六月三十日止六個月，本集團出售淨賬面值約69,000港元（截至二零一八年六月三十日止六個月：約97,000港元）之若干物業、廠房及設備項目，並於簡明綜合收益表內確認虧損約47,000港元（截至二零一八年六月三十日止六個月：約47,000港元）。
- (c) 截至二零一九年六月三十日止六個月，並無就煤炭生產業務之現金產生單位（「現金產生單位」）內的物業、廠房及設備計提減值撥備（截至二零一八年六月三十日止六個月：約4,996,000港元）。物業、廠房及設備之減值測試詳情載於附註17。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

12. PROPERTY, PLANT AND EQUIPMENT

(continued)

- (d) During the six months ended 30 June 2018, additional property, plant and equipment amounting to approximately HK\$207,400,000 was attributable to the Acquisition, which completed on 3 January 2018, as set out in note 8, in which approximately HK\$108,289,000 was allocated to buildings and mining structures, approximately HK\$86,669,000 was allocated to plant and machineries, approximately HK\$443,000 was allocated to furniture, fixtures, equipment and leasehold improvement, approximately HK\$2,670,000 was allocated to motor vehicles, and approximately HK\$9,329,000 was allocated to construction in progress.
- (e) The Group entered into agreements with financing companies to transfer the ownership of certain property, plant and equipment with net carrying amount of approximately HK\$8,289,000 (as at 31 December 2018: approximately HK\$64,639,000) as at 30 June 2019, and lease back the respective property, plant and equipment to the Group for 3 years (as at 31 December 2018: 1 to 3 years). Despite the agreement involves a legal form of a lease, the Group accounted for the agreement as collateralised loan according with the actual substance of such agreement. Thus, as at 30 June 2019, property, plant and equipment with net carrying amount of approximately HK\$8,289,000 (as at 31 December 2018: approximately HK\$64,639,000) was considered to be pledged to secure other loans (note 27 (b)).

12. 物業、廠房及設備

(續)

- (d) 截至二零一八年六月三十日止六個月，金額約207,400,000港元的添置物業、廠房及設備歸屬於收購事項（於二零一八年一月三日完成）（如附註8所載），其中約108,289,000港元分配予樓宇及煤礦建築物、約86,669,000港元分配予廠房及機器、約443,000港元分配予傢俬、裝置、設備及租賃物業裝修、約2,670,000港元分配予汽車及約9,329,000港元分配予在建工程。
- (e) 於二零一九年六月三十日，本集團與融資公司訂立協議以轉讓若干物業、廠房及設備的擁有權，賬面淨值約為8,289,000港元（二零一八年十二月三十一日：約64,639,000港元），並將有關物業、廠房及設備租回本集團，租期為3年（二零一八年十二月三十一日：1至3年）。儘管協議涉及租賃的法律形式，但本集團根據該協議的實際內容將該協議列賬為抵押貸款。因此，於二零一九年六月三十日，賬面淨值約為8,289,000港元（二零一八年十二月三十一日：約64,639,000港元）的物業、廠房及設備被視為抵押以擔保其他貸款（附註27(b)）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

12. PROPERTY, PLANT AND EQUIPMENT

(continued)

(f) As at 30 June 2019, the Group does not have the title certificates for certain items of buildings with an aggregate net carrying amount of approximately HK\$88,256,000 (as at 31 December 2018: approximately HK\$105,544,000). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use the above mentioned properties and therefore the aforesaid matter does not affect the ownership rights of the Group over these assets and hence did not have any significant impact on the Group's financial position as at 30 June 2019.

12. 物業、廠房及設備

(續)

(f) 於二零一九年六月三十日，本集團並無擁有總賬面淨值約為88,256,000港元（二零一八年十二月三十一日：約105,544,000港元）的若干樓宇項目的房地產權證。本公司董事認為本集團有權合法及有效地佔用和使用上述物業，因此上述事項不影響本集團對該等資產的擁有權，從而對本集團於二零一九年六月三十日的財務狀況並無任何重大影響。

13. PREPAID LAND LEASE PAYMENTS

13. 預付土地租賃款項

HK\$'000
千港元

| | | |
|--|------------------------------------|----------|
| Carrying amount at 1 January 2018 (audited) | 於二零一八年一月一日之賬面值（經審核） | - |
| Additions through acquisition of subsidiaries (note 8) | 透過收購附屬公司而添置（附註8） | 71,530 |
| Amortisation for the year | 年內攤銷 | (1,569) |
| Exchange realignment | 匯兌調整 | (2,258) |
| Carrying amount at 31 December 2018 (audited) | 於二零一八年十二月三十一日之賬面值（經審核） | 67,703 |
| Impact on initial application of HKFRS 16 (unaudited) (note 3(iv)) | 初步應用香港財務報告準則第16號之影響（未經審核）（附註3(iv)） | (67,703) |
| Carrying amount at 1 January 2019 and 30 June 2019 (unaudited) | 於二零一九年一月一日及二零一九年六月三十日之賬面值（未經審核） | - |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

13. PREPAID LAND LEASE PAYMENTS

(continued)

13. 預付土地租賃款項

(續)

| | | Unaudited 30 June 2019 HK\$'000 未經審核 二零一九年 六月三十日 千港元 | Unaudited 1 January 2019 HK\$'000 未經審核 二零一九年 一月一日 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 |
|---------------------|-------|---|--|--|
| Current portion | 流動部分 | - | - | 1,506 |
| Non-current portion | 非流動部分 | - | - | 66,197 |
| | | - | - | 67,703 |

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

As at 31 December 2018, the land use rights of the Group with net carrying amount of approximately HK\$67,703,000 have been pledged for the bank loans (note 27).

Upon the adoption of HKFRS 16, an opening adjustment as at 1 January 2019 was made to reclassify prepaid land lease payments to right-of-use assets (note 3(iv)).

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

於二零一八年十二月三十一日，本集團賬面淨值約67,703,000港元的土地使用權已為銀行貸款而予以抵押（附註27）。

於採納香港財務報告準則第16號後，已作出於二零一九年一月一日期初調整以將預付土地租賃款項重新分類至使用權資產（附註3(iv)）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

14. RIGHT-OF-USE ASSETS

14. 使用權資產

HK\$'000
千港元

| | | |
|--|--|---------|
| Cost | 成本 | |
| At 1 January 2018 and 31 December 2018 (audited) | 於二零一八年一月一日及二零一八年十二月三十一日 (經審核) | - |
| Impact on initial application of HKFRS 16 (note 3(iv)) (unaudited) | 初步應用香港財務報告準則第16號之影響 (附註3(iv)) (未經審核) | 68,912 |
| At 1 January 2019 (unaudited) | 於二零一九年一月一日 (未經審核) | 68,912 |
| Addition for the period | 期內添置 | 867 |
| Exchange realignment | 匯兌調整 | (22) |
| At 30 June 2019 (unaudited) | 於二零一九年六月三十日 (未經審核) | 69,757 |
| Accumulated depreciation | 累計折舊 | |
| At 1 January 2018, 31 December 2018 (audited) and 1 January 2019 (unaudited) | 於二零一八年一月一日、二零一八年十二月三十一日 (經審核)及二零一九年一月一日 (未經審核) | - |
| Depreciation for the period | 期內折舊 | (1,441) |
| Exchange realignment | 匯兌調整 | 16 |
| At 30 June 2019 (unaudited) | 於二零一九年六月三十日 (未經審核) | (1,425) |
| Net carrying amount | 賬面淨值 | |
| At 31 December 2018 (audited) | 於二零一八年十二月三十一日 (經審核) | - |
| At 30 June 2019 (unaudited) | 於二零一九年六月三十日 (未經審核) | 68,332 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

14. RIGHT-OF-USE ASSETS (continued)

The carrying amounts of right-of-use assets are as below:

14. 使用權資產 (續)

使用權在資產之賬面值載列如下：

| | | Unaudited 30 June 2019 HK\$'000 未經審核 二零一九年 六月三十日 千港元 | Unaudited 1 January 2019 HK\$'000 未經審核 二零一九年 一月一日 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 |
|------------------|-------|---|--|--|
| Land | 土地 | 66,965 | 67,703 | - |
| Property | 物業 | 1,294 | 1,126 | - |
| Office equipment | 辦公室設備 | 73 | 83 | - |
| | | 68,332 | 68,912 | - |

Upon the initial application of HKFRS 16 as at 1 January 2019, operating lease commitments related to land, property and office equipment were remeasured and recognised as adjustments to right-of-use assets and prepaid land lease payments were reclassified as adjustments to right-of-use assets immediately after the date of initial application (note 3(iv)).

As at 30 June 2019, the right-of-use assets of the Group with net carrying amount of approximately HK\$66,965,000 have been pledged for bank loans (note 27).

於二零一九年一月一日初步應用香港財務報告準則第16號後，與土地、物業及辦公室設備有關的經營租賃承擔重新計量，並確認使用權資產調整及於緊隨初步應用日期後將預付土地租賃付款重新分類為使用權資產調整（附註3(iv)）。

於二零一九年六月三十日，本集團的賬面淨值約為66,965,000港元的使用權資產已抵押，以獲得銀行貸款（附註27）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

15. GOODWILL

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

| | |
|---|---------|
| At beginning and end of the period/year | 於期／年初及末 |
| Gross carrying amount | 賬面總值 |
| Accumulated impairment loss | 累計減值虧損 |
| Net carrying amount | 賬面淨值 |

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

* For identification purpose only

15. 商譽

商譽賬面淨值可分析如下：

| 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 |
|---|--|
|---|--|

| | | |
|--|------------------|-----------|
| | 246,149 | 246,227 |
| | (246,149) | (246,227) |
| | - | - |

過往年度產生的商譽分別涉及就煤炭生產現金產生單位收購 Clear Interest Limited 及其附屬公司以及就購入煤炭貿易收購鄭州輝瑞商貿有限公司。因該等收購產生的商譽已於過往年度完全減值，各期間之間的差異完全為匯兌差額調整。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

16. MINING RIGHTS

- (a) As at 31 December 2018, the Group has 4 coal mining rights in Dengfeng City, Zhengzhou, the PRC. Amongst these mining rights, one coal mine had been fully impaired in 2015 and was expired on 20 June 2019. As at 30 June 2019, the remaining 3 coal mining rights with the aggregate net carrying amount of approximately HK\$290,825,000 will expire from September 2020 to June 2029. In the opinion of the directors of the Company, there should be no legal barrier for the Group to renew such mining rights and that renewals can be obtained for indefinite times period at minimal cost.
- (b) As at 30 June 2019, mining rights with net carrying amount of approximately HK\$290,825,000 (as at 31 December 2018: approximately HK\$293,917,000) have been pledged to banks to secure the Group's bank loans (note 27).

17. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS, RIGHT-OF-USE ASSETS AND MINING RIGHTS

For the purpose of impairment assessment as at 30 June 2019, property, plant and equipment, prepaid land lease payments, right-of-use assets and mining rights set out in notes 12 to 14 and 16 respectively have been allocated to two individual CGUs, (i) Building Materials Business CGU, which represents Xingan, a subsidiary under Goal Getter which acquired by the Group on 3 January 2018; and (ii) Coal Production CGU, which in the opinion of the directors of the Company, all coal mines owned by the Group are collectively regard as a single CGU.

16. 採礦權

- (a) 於二零一八年十二月三十一日，本集團在中國鄭州登封市有4項採煤權。該等採礦權中，一個煤礦已於二零一五年完全減值並於二零一九年六月二十日屆滿。於二零一九年六月三十日，總賬面淨值約為290,825,000港元的餘下3項採煤權將於二零二零年九月至二零二九年六月屆滿。本公司董事認為，本集團重續該採礦權證不存在法律障礙，且能按極低成本無限取得續期。
- (b) 於二零一九年六月三十日，賬面淨值約為290,825,000港元（二零一八年十二月三十一日：約293,917,000港元）的採礦權已抵押予銀行以擔保本集團的銀行貸款（附註27）。

17. 物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權之減值測試

就於二零一九年六月三十日的減值評估而言，分別於附註12至14及16所載的物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權已分配至兩個單獨的現金產生單位，(i) 建築材料業務現金產生單位指興安，於二零一八年一月三日由本集團收購的志達下的附屬公司；(ii) 煤炭生產現金產生單位，本公司董事認為，本集團擁有的所有煤礦共同被視為單一現金產生單位。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

17. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS, RIGHT-OF-USE ASSETS AND MINING RIGHTS (continued)

Building Materials Business CGU

Building Materials Business CGU suffered operating loss during the period, as a result, the Group assessed the recoverable amount of Building Materials Business CGU. The management of the Company determined that the recoverable amount of Building Materials Business CGU is more than the carrying amount of Building Materials Business CGU as at 30 June 2019. In the opinion of the directors of the Company, there is no impairment of property, plant and equipment and right-of-use assets in respect of this CGU as at 30 June 2019.

In the opinion of the directors of the Company, there is no impairment indication identified in this CGU as at 31 December 2018. There is no impairment of property, plant and equipment and prepaid land lease payments in respect of this CGU as at 31 December 2018.

Coal Production CGU

As the Group depletes its coal reserves, the recoverable amount of Coal Production CGU will also decrease. Also, Coal Production CGU suffered operating loss during the periods, as a result, the Group assessed the recoverable amount of Coal Production CGU was determined using fair value less costs of disposal (as at 31 December 2018: fair value less costs of disposal), which was based on income approach using a cash flow projection covering a detailed five-year budget plan, followed by an extrapolation of discounted cash flows, by reference to the average market coal price with similar heating power in the PRC with adjustments, where necessary, to reflect the differences. In determining the recoverable amount of Coal Production CGU, the directors of the Company have taken account of the coal reserves of the mines after deducting the cumulative amounts of coal already extracted and sold.

17. 物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權之減值測試 (續)

建材業務現金產生單位

建材業務現金產生單位於期內錄得經營虧損，因此，本集團評估建材業務現金產生單位的可收回金額。本公司管理層釐定建材業務現金產生單位的可收回金額超過建材業務現金產生單位於二零一九年六月三十日的賬面值。本公司董事認為，於二零一九年六月三十日，有關該現金產生單位的物業、廠房及設備及使用權資產並無減值。

本公司董事認為，於二零一八年十二月三十一日，該現金產生單位並無識別減值跡象。於二零一八年十二月三十一日，有關該現金產生單位的物業、廠房及設備及預付土地租賃款項並無減值。

煤炭生產現金產生單位

隨著本集團耗用其煤儲量，煤炭生產之現金產生單位之可收回金額亦會減少。此外，於該等期間煤炭生產之現金產生單位面對經營虧損，故本集團根據收入法以按照公平值減出售成本（二零一八年十二月三十一日：公平值減出售成本），其參考中國類似熱能之煤炭之平均市場價格（並作出必要調整以反映差別），基於收入法並使用涵蓋一項詳盡之五年預算計劃的現金流預測，然後就折現現金流量作出推算而釐定。於釐定煤炭生產之現金產生單位之可收回金額時，本公司董事已考慮到煤礦之煤儲量，並減去已開採及出售之累計煤量。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

17. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS, RIGHT-OF-USE ASSETS AND MINING RIGHTS (continued)

Coal Production CGU (continued)

As at 30 June 2018, the recoverable amount of the Coal Production CGU is less than the carrying amount of the Coal Production CGU. As a result, the Group made an impairment loss of approximately HK\$4,996,000 on property, plant and equipment, and no impairment was made on mining rights (notes 12 and 16 respectively) during the six months ended 30 June 2018. As at 30 June 2019, the recoverable amount of the Coal Production CGU is higher than the carrying amount of the Coal Production CGU. As a result, no impairment is made on property, plant and equipment and mining rights.

The discount rate and growth rates used to extrapolate in the cash flow projection of Coal Production CGU are shown as below:

17. 物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權之減值測試 (續)

煤炭生產現金產生單位 (續)

於二零一八年六月三十日，煤炭生產現金產生單位的可收回金額低於煤炭生產現金產生單位的賬面值。因此，本集團就物業、廠房及設備作出減值虧損約4,996,000港元，而截至二零一八年六月三十日止六個月並無對採礦權（分別載於附註12及16）作出減值。於二零一九年六月三十日，煤炭生產現金產生單位的可收回金額高於煤炭生產現金產生單位的賬面值。因此，概無就物業、廠房及設備及採礦權作出減值。

煤礦生產現金產出單位之現金流量預測中推斷使用之折現率及增長率如下：

| | | 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 |
|---|---------------|---|--|
| Growth rate on the estimated selling price of coal | 估計煤炭售價的增長率 | 2.2% Per annum 每年 | 2.3% Per annum 每年 |
| Growth rate on sales and production volumes of coal | 估計煤炭銷量及產量的增長率 | 4.0% Per annum 每年 | 4.3% Per annum 每年 |
| Discount rate | 折現率 | 14.46% Per annum 每年 | 13.17% Per annum 每年 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

18. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

18. 於聯營公司之權益及應付一間聯營公司款項

| | | Unaudited 30 June 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 |
|---|----------------------|---|--|
| Interests in associates – Share of net assets | 於聯營公司之權益 – 應佔資產淨值 | 99,377 | 100,046 |
| Amount due to an associate* | 應付一間聯營公司款項* | (14,635) | (14,640) |

* Amount due to an associate is unsecured, interest-free and repayable on demand.

* 應付一間聯營公司款項為無抵押、免息及須按要求償還。

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

於報告期末，本集團聯營公司之詳情如下：

| Name 名稱 | Place of incorporation and type of legal entity 註冊成立地點及法律實體類型 | Particulars of registered capital 註冊資本詳情 | | Percentage of voting right held by the Group 本集團所持投票權百分比 | | Attributable equity interests to the Group 本集團應佔之股本權益 | | Place of operation and principal activities 經營地點及主要業務 |
|--|--|---|--|---|--|--|--|---|
| | | 30 June 2019 (unaudited) 二零一九年六月三十日 (未經審核) | 31 December 2018 (audited) 二零一八年十二月三十一日 (經審核) | 30 June 2019 (unaudited) 二零一九年六月三十日 (未經審核) | 31 December 2018 (audited) 二零一八年十二月三十一日 (經審核) | 30 June 2019 (unaudited) 二零一九年六月三十日 (未經審核) | 31 December 2018 (audited) 二零一八年十二月三十一日 (經審核) | |
| Beijing Zhaohua Hefu Investment Management Limited* ("Zhaohua Hefu") 北京兆華合富投資管理有限公司 (兆華合富) | PRC, limited liability company 中國，有限責任公司 | RMB2,000,000 | RMB2,000,000 | 25% | 25% | 25% | 25% | Investment management, asset management and consultation of investment in the PRC 於中國從事投資管理、資產管理及投資諮詢 |
| Beijing Shuozhan Zhongfu Investment Centre (Limited Partnership)* (the "Partnership") (Note) 北京碩展中富投資中心 (合夥企業) (附註) | PRC, limited partnership 中國，有限合夥企業 | RMB100,000,000 | RMB100,000,000 | 33.33% | 33.33% | 99.25% | 99.25% | Project investment, investment management, asset management and consultation service in the PRC 於中國從事項目投資、投資管理、資產管理及諮詢服務 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

18. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

(continued)

Notes:

Pursuant to the partnership agreements entered into in May 2012 and June 2012, the general partner of the Partnership is Zhaohua Hefu (the "General Partner"), which is an associate of the Group, owns 1% of the equity interest of the Partnership. The General Partner is responsible for management and control of the business of the Partnership through the power to appoint two-third of the committee member of the investment committee while Beijing Kaisheng Guanhua Investment Company Limited* (北京凱盛冠華投資有限公司), a subsidiary of the Company and the limited partner of the Partnership, through the power to appoint the remaining one-third of committee member of the investment committee. As abovementioned, although the Group owned 99.25% equity interest in the Partnership, the Group only possesses significant influence over the operating and financial policies of the Partnership, therefore, the investment has been classified as interests in associates in the condensed consolidated statement of financial position as at the reporting date.

* For identification purpose only

19. INTEREST IN A JOINT VENTURE

18. 於聯營公司之權益及應付一間聯營公司款項 (續)

附註：

根據於二零一二年五月及二零一二年六月訂立之合夥協議，合夥企業之普通合夥人為兆華合富（「普通合夥人」），其為本集團之聯營公司並擁有合夥企業1%股權。普通合夥人透過委任投資委員會三分之二之委員會成員之權力負責管理及監控合夥企業之業務，而北京凱盛冠華投資有限公司（「凱盛」）（本公司附屬公司，為合夥企業之有限合夥人）則透過委任投資委員會餘下三分之一之委員會成員之權力產生重大影響力。如上所述，儘管本集團擁有合夥企業99.25%股權，本集團僅對合夥企業之經營及財務政策擁有重大影響力，故此，投資於報告日期於簡明綜合財務狀況表內歸類為於聯營公司之權益。

19. 於一間合營企業之權益

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

| | | | |
|---------------------|--------|-------|-------|
| Share of net assets | 應佔資產淨值 | 5,994 | 5,973 |
|---------------------|--------|-------|-------|

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

19. INTEREST IN A JOINT VENTURE

(continued)

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

| Name 名稱 | Place of incorporation and type of legal entity 註冊成立地點及法律實體類型 | Particulars of registered capital 註冊資本詳情 | | Percentage of issued capital held by the Group 佔本集團所持已發行股本比例 | | Place of operation and principal activities 經營地點及主要業務 |
|--|--|---|--|---|--|--|
| | | 30 June 2019 (unaudited) 二零一九年六月三十日 (未經審核) | 31 December 2018 (audited) 二零一八年十二月三十一日 (經審核) | 30 June 2019 (unaudited) 二零一九年六月三十日 (未經審核) | 31 December 2018 (audited) 二零一八年十二月三十一日 (經審核) | |
| Henan Chalco Li Chuang Resources Company Limited* ("Henan Chalco") (Note) 河南中鋁立創礦業有限公司 (「河南中鋁」)(附註) | PRC, other limited liability company 中國，有限責任公司 | RMB10,000,000 人民幣10,000,000元 | RMB10,000,000 人民幣10,000,000元 | 51% 51% | 51% 51% | Sale of alumina in the PRC 於中國銷售氧化鋁 |

* For identification purpose only

Note: Although the Group owned 51% equity interest in Henan Chalco, the Group and the other shareholder of Henan Chalco have joint control over Henan Chalco and none of the participating parties have unilateral control over the economic activity pursuant to the joint venture agreement entered into in July 2012. Therefore, the Group classified the investment in Henan Chalco as a joint venture as at the reporting date.

19. 於一間合營企業之權益 (續)

於報告期末，本集團合營企業之詳情如下：

附註：儘管本集團擁有河南中鋁 51% 權益，但本集團及河南中鋁之其他股東對河南中鋁有共同控制權，根據二零一二年七月訂立之合營協議，概無參與方就經濟活動有單方面控制權。因此，於報告日期，本集團將於河南中鋁之投資分類為合營企業。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

20. 按公平值計入其他全面收益之金融資產

| | 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 |
|--|---|--|
| Non-current | | |
| Financial assets at fair value through other comprehensive income | | |
| – Unlisted equity securities in the PRC, Beijing Baiyitong Technology Co., Ltd.* (北京佰鎰通科技有限公司) | 657 | 682 |
| | 657 | 682 |

* For identification purpose only

As at 30 June 2019, the above unlisted equity securities was designated as financial assets at fair value through other comprehensive income (non-recycling), as the investment is held for long-term strategic purposes.

No dividends were received on this investment during the reporting period (six month ended 30 June 2018: Nil).

For details of the fair value measurement are set out in note 32.

於二零一九年六月三十日，上述非上市股本證券指定為按公平值計入其他全面收益的金融資產（不回收），原因為該投資持作長期策略目的。

於報告期內概無就該投資收取任何按金（截至二零一八年六月三十日止六個月：無）。

公平值計量詳情載於附註32。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

21. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS

21. 應收賬款及票據及合約資產

| | | 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 |
|---|----------------|---|--|
| Accounts receivable | 應收賬款 | 248,371 | 254,529 |
| Bills receivable | 應收票據 | 258,326 | 259,433 |
| | | 506,697 | 513,962 |
| Less: Allowance for credit losses | 減：信貸虧損撥備 | (68,892) | (61,313) |
| Accounts and bills receivables, net of loss allowance | 應收賬款及票據，扣除虧損撥備 | 437,805 | 452,649 |
| Contract assets | 合約資產 | 2,978 | 2,371 |
| Less: Allowance for credit losses | 減：信貸虧損撥備 | (1,067) | (451) |
| Contract assets, net of loss allowance | 合約資產，扣除虧損撥備 | 1,911 | 1,920 |
| Total | 總計 | 439,716 | 454,569 |

During the prior year and the current period, the Group discounted part of its trade debtors with full recourse to a financial institution. In the event of default by the debtors, the Group is obliged to pay the financial institution the amount in default. Interest is charged at 4.35% (as at 31 December 2018: a range from 3.3% to 4.57%) per annum on the proceeds received from the financial institution until the day the debtors pay. The Group is therefore exposed to the risks of credit losses and late payment in respect of the discounted debts.

於過往年度及本期間，本集團將其具有追索權的應收賬款部分貼現予一家金融機構。如債務人違約，本集團有義務向該金融機構支付違約金額。利息就從該金融機構收到的款項按每年4.35%（於二零一八年十二月三十一日：介乎3.3%至4.57%）收取，直至債務人還款為止。因此，本集團就已貼現債務面臨信貸損失及逾期風險。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

21. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

The discounting transactions do not meet the requirements in HKFRS 9 for derecognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted trade debts. As at 30 June 2019, trade debtors of approximately HK\$81,283,000 (as at 31 December 2018: approximately HK\$205,500,000) continue to be recognised in the Group's condensed consolidated interim financial statements even though they have been legally transferred to the financial institution. The proceeds of the discounting transactions are included in borrowings as asset-backed financing (note 27) until the trade debts are collected or the Group settles any losses suffered by the financial institution. As at 30 June 2019, the asset-backed financial liability amounted to approximately HK\$55,256,000 (as at 31 December 2018: approximately HK\$153,400,000) (note 27).

Because the trade debts have been transferred to the financial institution legally, the Group did not have the authority to determine the disposition of the trade debts.

The Group's sales are billed to customers according to the terms of the relevant agreements. Normally, credit periods for Coal Business ranging from 30 to 180 days (as at 31 December 2018: 30 to 180 days) are allowed to certain customers. While relatively longer credit period will be granted to customers of Building Materials Business depending on the completion of the contract.

21. 應收賬款及票據及合約資產 (續)

貼現交易不符合香港財務報告準則第9號終止確認金融資產的規定，原因是本集團保留已貼現應收賬款的絕大部分風險及回報。於二零一九年六月三十日，應收賬款約81,283,000港元（於二零一八年十二月三十一日：約205,500,000港元）繼續於本集團簡明中期綜合財務報表中確認，儘管在法律上已轉讓予該金融機構。貼現交易所得款項作為資產支持融資（附註27）計入借貸，直到應收賬款已收回或本集團結算該金融機構受到的任何損失為止。於二零一九年六月三十日，資產支持金融負債約55,256,000港元（於二零一八年十二月三十一日：約153,400,000港元）（附註27）。

由於應收賬款已合法轉讓予該金融機構，本集團不再有權決定應收賬款的狀況。

本集團根據有關協議條款向客戶開具銷售發票。就煤炭業務向若干客戶授予之信貸期一般介乎30日至180日（於二零一八年十二月三十一日：30日至180日）。而視乎合約完成情況授予建材業務客戶之信貸期相對較長。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

21. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

The ageing analysis of the accounts and bills receivables of the Group, net of loss allowance, based on the invoice dates as at 30 June 2019 is as follows:

| | |
|----------------|----------|
| 0 – 90 days | 0至90日 |
| 91 – 180 days | 91至180日 |
| 181 – 365 days | 181至365日 |

21. 應收賬款及票據及合約資產 (續)

於二零一九年六月三十日，本集團之應收賬款及票據（扣除虧損撥備）按發票日期計算之賬齡分析如下：

| 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 |
|---|--|
|---|--|

| | |
|----------------|---------|
| 272,843 | 209,226 |
| 42,268 | 219,101 |
| 122,694 | 24,322 |

| | |
|----------------|---------|
| 437,805 | 452,649 |
|----------------|---------|

The ageing analysis of the contract assets of the Group, net of loss allowance, based on the invoice dates as at 30 June 2019 is as follow:

| | |
|----------------|----------|
| 0 – 90 days | 0至90日 |
| 91 – 180 days | 91至180日 |
| 181 – 365 days | 181至365日 |

於二零一九年六月三十日，本集團之合約資產（扣除減值撥備）按發票日期計算之賬齡分析如下：

| 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 |
|---|--|
|---|--|

| | |
|--------------|-------|
| 489 | 200 |
| 209 | 419 |
| 1,213 | 1,301 |

| | |
|--------------|-------|
| 1,911 | 1,920 |
|--------------|-------|

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

21. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

The ageing analysis of the accounts and bills receivables and contract assets of the Group, net of loss allowance, based on the due dates is as follows:

21. 應收賬款及票據及合約資產 (續)

本集團之應收賬款及票據及合約資產(扣除減值撥備)按到期日計算之賬齡分析如下:

| | | 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 |
|--|---------------|---|--|
| Neither past due nor impaired | 未逾期且未減值 | 324,566 | 295,396 |
| Past due for less than 3 months | 逾期少於三個月 | 59,441 | 85,354 |
| Past due for more than 3 months but less than 6 months | 逾期三個月以上但少於六個月 | 18,952 | 47,297 |
| Past due for more than 6 months but less than 1 year | 逾期六個月以上但少於一年 | 36,757 | 26,522 |
| | | 439,716 | 454,569 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

21. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

Movement in the loss allowance for accounts and bills receivables and contract assets is as follows:

21. 應收賬款及票據及合約資產 (續)

應收賬款及票據及合約資產減值撥備變動如下：

| | | Accounts and bills receivables HK\$'000 應收賬款及票據 千港元 | Contract assets HK\$'000 合約資產 千港元 |
|---|--|--|---|
| At 1 January 2018 (audited) | 於二零一八年一月一日 (經審核) | 47,942 | - |
| Additions through acquisition of subsidiaries | 透過收購附屬公司添置 | 6,685 | - |
| Increase in loss allowance recognised in profit or loss during the year | 於年內損益確認的虧損撥備增加 | 9,156 | 470 |
| Exchange realignment | 匯兌調整 | (2,470) | (19) |
| At 31 December 2018 (audited) and 1 January 2019 (unaudited) | 於二零一八年十二月三十一日 (經審核)及二零一九年一月一日(未經審核) | 61,313 | 451 |
| Increase in loss allowance recognised in profit or loss during the period | 於期內損益確認的虧損撥備增加 | 7,715 | 626 |
| Exchange realignment | 匯兌調整 | (136) | (10) |
| At 30 June 2019 (unaudited) | 於二零一九年六月三十日 (未經審核) | 68,892 | 1,067 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

22. 預付款項、按金及其他應收款項

| | Unaudited 30 June 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 |
|---|---|--|
| Prepayments, deposits and other receivables | 113,565 | 30,009 |
| Less: Provision for impairment | (8,557) | (5,529) |
| | 105,008 | 24,480 |

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

按金及其他應收款項之減值虧損撥備之變動載列如下：

| | 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 |
|--|---|--|
| At 1 January | 5,529 | 79,094 |
| Increase in loss allowance recognised in profit or loss during the period/year | 3,078 | - |
| Written off | - | (73,263) |
| Exchange realignment | (50) | (302) |
| At 30 June/31 December | 8,557 | 5,529 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

23. PLEDGED AND RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

(a) Pledged and restricted bank deposits

As at 30 June 2019, the pledged bank deposits are used to secure bills payable (as at 31 December 2018: bills payable and letter of credit) of the Group (notes 24 and 27).

Certain bank deposits of approximately HK\$1,623,000 (as at 31 December 2018: approximately HK\$1,621,000) were restricted for use in relation to the administrative proceedings.

(b) Cash and cash equivalents

As at 30 June 2019, included in cash and cash equivalents of the Group is approximately HK\$42,693,000 (as at 31 December 2018: approximately HK\$33,377,000) of bank balances denominated in RMB placed with the banks in the PRC. RMB is not a freely convertible currency; however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through the banks authorised to conduct foreign exchange business in the PRC.

23. 已抵押及受限制的銀行存款以及現金及現金等值項目

(a) 已抵押及受限制銀行存款

於二零一九年六月三十日，已抵押銀行存款用於擔保本集團的應付票據（於二零一八年十二月三十一日：應付票據及信用證）（附註24及27）。

若干銀行存款約1,623,000港元（於二零一八年十二月三十一日：約1,621,000港元）因行政程序其使用受到限制。

(b) 現金及現金等值項目

於二零一九年六月三十日，本集團現金及現金等值項目包括以人民幣列賬並存放於國內銀行之銀行結餘約42,693,000港元（於二零一八年十二月三十一日：約33,377,000港元）。人民幣並非可自由匯兌之貨幣；然而，根據中國之外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准許透過中國獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

24. ACCOUNTS AND BILLS PAYABLES

Accounts payable 應付賬款
Bills payable 應付票據

0 – 90 days 0至90日
91 – 180 days 91至180日
181 – 365 days 181至365日
Over 365 days 超過365日

24. 應付賬款及票據

| 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 |
|---|--|
|---|--|

| | |
|---------|---------|
| 74,654 | 50,349 |
| 573,048 | 607,783 |

| | |
|---------|---------|
| 647,702 | 658,132 |
|---------|---------|

The bills payable were mainly issued to the supplier for the Coal Business operation.

The Group was granted by its certain suppliers with credit periods normally ranging from 30 to 90 days (as at 31 December 2018: 30 to 90 days). The ageing analysis of accounts payable of the Group presented based on the invoice dates is as follows:

應付票據主要因煤炭業務而向供應商發出。

若干供應商向本集團授予一般介乎30至90日(於二零一八年十二月三十一日:30至90日)之賒賬期。按發票日期呈報之本集團應付賬款之賬齡分析如下:

| 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 |
|---|--|
|---|--|

| | |
|--------|--------|
| 22,415 | 21,493 |
| 20,457 | 3,779 |
| 25,273 | 19,299 |
| 6,509 | 5,778 |

| | |
|--------|--------|
| 74,654 | 50,349 |
|--------|--------|

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

24. ACCOUNTS AND BILLS PAYABLES

(continued)

As at 30 June 2019, bills payable of approximately HK\$516,711,000 (as at 31 December 2018: approximately HK\$485,851,000) were secured by the pledged bank deposits of the Group amounting to approximately HK\$466,633,000 (as at 31 December 2018: approximately HK\$461,487,000) (note 23(a)).

As at 30 June 2019, bills payable of approximately HK\$56,337,000 were guaranteed by Henan Zhongfu Industrial Company Limited# (河南中孚實業股份有限公司), the major customer under the Coal Business operation (the “**Major Customer**”) (as at 31 December 2018: approximately HK\$152,387,000 were guaranteed by the Major Customer or its subsidiary).

For identification purpose only

24. 應付賬款及票據 (續)

於二零一九年六月三十日，應付票據約516,711,000港元（於二零一八年十二月三十一日：約485,851,000港元）以本集團已抵押銀行存款約466,633,000港元（於二零一八年十二月三十一日：約461,487,000港元）作為抵押（附註23(a)）。

於二零一九年六月三十日，應付票據約56,337,000港元由河南中孚實業股份有限公司，為煤炭業務的主要客戶（「**主要客戶**」）作為擔保（於二零一八年十二月三十一日：約152,387,000港元由主要客戶或其附屬公司作為擔保）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

25. AMOUNTS DUE TO AND LOANS FROM SHAREHOLDERS

25. 應付股東款項及來自股東貸款

| | 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 |
|--|---|--|
| Current | | |
| Amounts due to shareholders (note (a)) | 12,113 | 9,135 |
| Non-current | | |
| Loans from shareholders (note (b)) | 56,353 | 54,491 |
| | 68,466 | 63,626 |

Notes:

- (a) Current portion of amounts due to shareholders

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

- (i) Balance amounting to approximately HK\$1,297,000 (as at 31 December 2018: approximately HK\$1,297,000) were advanced from Mr. Yang Hua, a shareholder of the Company, who was also a director of the Company till 8 February 2018 and chief executive of the Company till 31 December 2018; and
- (ii) Balance amounting to approximately HK\$10,816,000 (as at 31 December 2018: approximately HK\$7,838,000) were advanced from Mr. Bao.

These balances are unsecured, interest-free and repayable on demand.

附註：

- (a) 應付股東款項之流動部分

於報告期末，應付股東款項的流動部分餘額包括以下各項：—

- (i) 楊華先生（為本公司股東，於二零一八年二月八日前亦為本公司董事及於二零一八年十二月三十一日止為本公司行政總裁）提供的餘額約1,297,000港元（於二零一八年十二月三十一日：約1,297,000港元）；及
- (ii) 約10,816,000港元（於二零一八年十二月三十一日：約7,838,000港元）的餘額由包先生提供。

該等餘額為無抵押、免息及須按要價償還。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

25. AMOUNTS DUE TO AND LOANS FROM SHAREHOLDERS (continued)

Notes: (continued)

(b) Non-current portion of loans from shareholders

On 14 February 2018, the Group entered into loan agreements with Mr. Bao, Mr. Zhang Xinzhi ("Mr. Zhang") and Mr. Li Xiangfei ("Mr. Li"), all of them are shareholders of the Company in which Mr. Bao and Mr. Li are also directors of the Company. Pursuant to the loan agreements, these shareholders agreed to provide unsecured and interest-free loan with an aggregate amount of RMB600,000,000 (equivalent to approximately HK\$682,877,000) for a term of three years to the Group. The loans are repayable in full or by instalment for further negotiations, within 36 months of the drawdown date. As at 30 June 2019, aggregate loans amounting to RMB55,000,000 (equivalent to approximately HK\$62,617,000) (as at 31 December 2018: RMB55,000,000 (equivalent to approximately HK\$62,617,000)) have been advanced from Mr. Bao, Mr. Zhang and Mr. Li, these loans will be repayable in full within 36 months since the drawdown date. The effective interest rate at 6.90% for imputed interest expense for these interest-free loans is determined based on the cost-of-funds of the Group per annum. Movement has shown as below:

25. 應付股東款項及來自股東貸款 (續)

附註：(續)

(b) 來自股東貸款之非流動部分

於二零一八年二月十四日，本集團與包先生、張志志先生（「張先生」）及李翔飛先生（「李先生」）（均為本公司股東，包先生及李先生亦為本公司董事）訂立貸款協議。根據貸款協議，該等股東同意向本集團提供總額人民幣600,000,000元（相當於約682,877,000港元）的無抵押免息貸款，為期三年。貸款須於提取日期起36個月內全部償還或分期償還（須進一步磋商）。於二零一九年六月三十日，貸款總額約人民幣55,000,000元（相當於約62,617,000港元）（於二零一八年十二月三十一日：人民幣55,000,000元（相當於約62,617,000港元））的貸款由包先生、張先生及李先生提供，該等貸款須於提取日期起36個月內悉數償還。該等免息貸款的估算利息開支之實際利率按6.90%基於本集團每年的資金成本釐定。變動列於下文：

| | | Unaudited 2019 HK\$'000 未經審核 二零一九年 千港元 | Audited 2018 HK\$'000 經審核 二零一八年 千港元 |
|---|--------------------|---|--|
| At 1 January | 於一月一日 | 54,491 | - |
| Proceeds from shareholders' loans | 股東貸款所得款項 | - | 94,800 |
| Discount at inception (note (i)) | 初始折現值（附註(i)） | - | (17,185) |
| Early settlement by the Group (note (ii)) | 本集團提早結算（附註(ii)） | - | (29,660) |
| Unwinding of imputed interest (note (i)) | 估算利息回撥（附註(i)） | 1,909 | 8,750 |
| Exchange realignment | 匯兌調整 | (47) | (2,214) |
| At 30 June/31 December | 於六月三十日/ 十二月三十一日 | 56,353 | 54,491 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

25. AMOUNTS DUE TO AND LOANS FROM SHAREHOLDERS (continued)

Notes: (continued)

- (b) Non-current portion of loans from shareholders (continued)
- (i) The discount of the loans from shareholders at inception was recognised as deemed capital contribution from shareholders as other reserves in the equity of the Group. The corresponding unwinding of imputed interest is recognised as finance costs in the condensed consolidated income statement of the Group (note 6).
- (ii) During the six months ended 30 June 2019, the Group has no voluntary repayment (as at 31 December 2018: RMB25,000,000 (equivalent to approximately HK\$29,660,000)) to the shareholder.

25. 應付股東款項及來自股東貸款 (續)

附註：(續)

- (b) 來自股東貸款之非流動部分 (續)
- (i) 於股東貸款之初的折讓確認為股東作為本集團權益中的其他儲備所作資本貢獻。(估算利息的相應解除於本集團綜合收益表確認為融資成本(附註6)。
- (ii) 截至二零一九年六月三十日止六個月，本集團概無自願向股東償還款項(於二零一八年十二月三十一日：人民幣25,000,000元(相當於約29,660,000港元))。

26. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED

26. 其他應付款項、應計費用及已收按金

| | 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 |
|---------------------------|---|--|
| Current | | |
| Accruals | 294,180 | 293,640 |
| Other payables | 296,624 | 243,774 |
| Contract liabilities | 18,030 | 13,247 |
| Deferred income (note 28) | 785 | 786 |
| | 609,619 | 551,447 |
| Non-current | | |
| Deposit received | 2,250 | 2,165 |
| | 611,869 | 553,612 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

26. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED (continued)

The balances of other payables as of 30 June 2019 included the followings:-

- (a) The balance amounting to approximately HK\$1,390,000 (as at 31 December 2018: approximately HK\$170,000) were advanced from a family member of Mr. Bao;
- (b) The balance amounting to approximately HK\$123,216,000 (as at 31 December 2018: approximately HK\$59,646,000) was advanced from individuals and companies. In the opinion of the directors of the Company, these individuals and companies are independent third parties; and
- (c) The remaining balance of approximately HK\$172,018,000 (as at 31 December 2018: approximately HK\$183,958,000) mainly comprised of accrued coal mines related removal and relocation expenses, payables to suppliers for acquisition of property, plant and equipment and certain miscellaneous expenses payables.

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

26. 其他應付款項、應計費用及已收按金 (續)

截至二零一九年六月三十日，其他應收款項餘額包括以下各項：

- (a) 約1,390,000港元（於二零一八年十二月三十一日：約170,000港元）的餘額由包先生的一名家庭成員提供；
- (b) 約123,216,000港元（於二零一八年十二月三十一日：約59,646,000港元）的餘額由個人及公司提供。本公司董事會認為，該等個人及公司為獨立第三方；及
- (c) 餘額約172,018,000港元（二零一八年十二月三十一日：約183,958,000港元）主要包括就應計煤礦相關拆除及搬遷開支、收購物業、廠房及設備應付供應商款項及若干應付雜項開支。

該等餘額為無抵押、免息及須按要求償還或於一年內償還。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

27. BANK AND OTHER LOANS

27. 銀行及其他貸款

| | 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 |
|------------------------|---|--|
| Current | | |
| Bank loans (note (a)) | 665,908 | 563,257 |
| Other loans (note (b)) | 11,950 | 198,943 |
| | 677,858 | 762,200 |
| Non-current | | |
| Bank loans (note (a)) | - | 51,232 |
| Other loans (note (b)) | 23,709 | 27,132 |
| | 23,709 | 78,364 |
| | 701,567 | 840,564 |

Notes:

- (a) As at 30 June 2019, bank loans of approximately HK\$55,256,000 (as at 31 December 2018: approximately HK\$153,400,000) were secured by certain accounts receivable (note 21) and certain mining rights (note 16) of the Group. Bank loans of approximately HK\$192,287,000 (as at 31 December 2018: approximately HK\$56,925,000) were secured by a mining right (note 16) of the Group.

As at 30 June 2019, bank loans of approximately HK\$311,847,000 (as at 31 December 2018: approximately HK\$273,238,000) were guaranteed by the Major Customer.

附註：

- (a) 於二零一九年六月三十日，銀行貸款約55,256,000港元（於二零一八年十二月三十一日：約153,400,000港元）以若干應收賬款（附註21）及本集團若干採礦權（附註16）抵押。銀行貸款約192,287,000港元（於二零一八年十二月三十一日：約56,925,000港元）以本集團的一個採礦權（附註16）抵押。

於二零一九年六月三十日，銀行貸款約311,847,000港元（於二零一八年十二月三十一日：約273,238,000港元）由主要客戶擔保。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

27. BANK AND OTHER LOANS (continued)

Notes: (continued)

- (a) As at 30 June 2019, a bank loan of approximately HK\$21,169,000 (as at 31 December 2018: Nil) was guaranteed by an independent third party.

As at 30 June 2019, bank loans of approximately HK\$133,719,000 (as at 31 December 2018: approximately HK\$142,015,000) were jointly guaranteed by Mr. Bao, the spouse of Mr. Bao and the Major Customer.

As at 30 June 2019, a bank loan of approximately HK\$45,525,000 (as at 31 December 2018: approximately HK\$45,540,000) was secured by right-of-use assets (as at 31 December 2018: land use rights) and jointly guaranteed by Mr. Zhang, a substantial shareholder of the Company, and Henan Minan Real Estate Development Company Limited* (河南民安房地產開發有限公司) (“**Henan Minan**”), an entity incorporated in the PRC which is beneficially owned and controlled by Mr. Zhang.

As at 30 June 2019, a bank loan of approximately HK\$51,216,000 (as at 31 December 2018: approximately HK\$51,232,000) was secured by buildings located in the PRC which are owned by Henan Mintai Real Estate Company Limited* (河南民泰置業有限公司), an entity incorporated in the PRC which is beneficially owned and controlled by Mr. Zhang, and guaranteed by Henan Minan.

27. 銀行及其他貸款 (續)

附註：(續)

- (a) 於二零一九年六月三十日，銀行貸款約21,169,000港元（於二零一八年十二月三十一日：無）由一位獨立第三方擔保。

於二零一九年六月三十日，銀行貸款約133,719,000港元（於二零一八年十二月三十一日：約142,015,000港元）由包先生、包先生的配偶及主要客戶共同擔保。

於二零一九年六月三十日，銀行貸款約45,525,000港元（於二零一八年十二月三十一日：約45,540,000港元）以使用權資產（於二零一八年十二月三十一日：土地使用權）作抵押，並由本公司主要股東張信志先生（「張先生」）及河南民安房地產開發有限公司（「河南民安」（一間於中國註冊成立的實體，由張先生實益擁有及控制））共同擔保。

於二零一九年六月三十日，銀行貸款約51,216,000港元（於二零一八年十二月三十一日：約51,232,000港元）位於中國的樓宇（由河南民泰置業有限公司（一間於中國註冊成立的實體，由張先生實益擁有及控制）擁有）作抵押及由河南民安擔保。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

27. BANK AND OTHER LOANS (continued)

Notes: (continued)

(b) On 25 and 26 June 2018, the Group entered into agreements with a financing company, an independent third party, pursuant to which the Group has agreed to transfer the ownership of certain machinery and equipment under production of building materials (the “**Machinery and Equipment I**”) to the financing company as disclosed in note 12, at an aggregate consideration of approximately RMB169,660,000 (equivalent to approximately HK\$193,140,000) and lease back the Machinery and Equipment I for a period of 1 year, subject to the terms and conditions of the agreements. The transaction was completed in June 2018. The financing company will return the ownership of the Machinery and Equipment I to the Group if all the rental fee has been settled fully. Despite the agreements involve a legal form of a lease, the Group accounted for the agreements as collateralised loan according with the actual substance of such agreements. This loan was secured by stand by letter of credit issued by a bank for RMB170,000,000 (equivalent to approximately HK\$193,543,000). During the six months ended 30 June 2019, the loan was fully settled.

On 6 July 2017, the Group entered into an agreement with another financing company, an independent third party, pursuant to which the Group has agreed to transfer the ownership of certain mining machinery and equipment (the “**Machinery and Equipment II**”) to the financing company as disclosed in note 12, at a consideration of RMB30,000,000 (equivalent to approximately HK\$34,155,000) and lease back the Machinery and Equipment II for a period of 3 years, subject to the terms and conditions of the agreement. The transaction was completed in July 2017. Upon discharging all the Group's obligations under the agreement, the financing company will return the ownership of the Machinery and Equipment II to the Group for a nominal amount of RMB1. Despite the agreement involves a legal form of a lease, the Group accounted for the agreement as collateralised loan according with the actual substance of such agreement.

* For identification purpose only

27. 銀行及其他貸款 (續)

附註：(續)

(b) 於二零一八年六月二十五日及二十六日，本集團與一間融資公司（為獨立第三方）訂立協議，據此，本集團已同意將若干生產建材的機器及設備（「**機器及設備一**」）的所有權轉讓予該融資公司（如附註12所披露），總代價為約人民幣169,660,000元（相當於約193,140,000港元），並租回機器及設備一，期限一年（受限於該協議的條款及條件）。該交易於二零一八年六月完成。倘所有租賃費用已悉數結清，融資公司將機器和設備一的擁有權歸還予本集團。儘管該協議涉及租賃的法律形式，但本集團根據該等協議的實質將該協議列賬為抵押貸款。該貸款以銀行簽發的人民幣170,000,000元（相當於約193,543,000港元）之備用信用證作抵押。截至二零一九年六月三十日止六個月，該貸款已悉數結算。

於二零一七年七月六日，本集團與另一間融資公司（為獨立第三方）訂立一份協議，據此，本集團已同意將若干採礦機器及設備（「**機器及設備二**」）的所有權轉讓予該融資公司（如附註12所披露），代價為人民幣30,000,000元（相當於約34,155,000港元），並租回機器及設備二，期限三年（受限於該協議的條款及條件）。該交易於二零一七年七月完成。在本集團於該協議項下所有義務履行後，該融資公司將以人民幣1元的名義金額將機器及設備二的擁有權歸還予本集團。儘管該協議涉及租賃法律形式，但本集團根據該協議的實質將該協議作為抵押貸款入賬。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

28. DEFERRED INCOME

| | | Unaudited | Audited |
|---|---------------------------------|---------------------|------------------|
| | | 30 June 2019 | 31 December 2018 |
| | | HK\$'000 | HK\$'000 |
| | | 未經審核 | 經審核 |
| | | 二零一九年 | 二零一八年 |
| | | 六月三十日 | 十二月三十一日 |
| | | 千港元 | 千港元 |
| Net carrying amount at 1 January | 於一月一日之賬面淨值 | 3,928 | - |
| Additions through acquisition of subsidiaries (note 8) | 透過收購附屬公司添置 (附註8) | - | 5,164 |
| Amortisation for the period/year | 期/年內攤銷 | (399) | (1,115) |
| Exchange realignment | 匯兌調整 | 5 | (121) |
| Net carrying amount at 30 June/31 December | 於六月三十日/十二月三十一日之賬面淨值 | 3,534 | 3,928 |
| Less: Current portion (included in other payables and accruals (note 26)) | 減: 流動部分 (包括於其他應付款項及應計費用 (附註26)) | (785) | (786) |
| Non-current portion | 非流動部分 | 2,749 | 3,142 |

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

本集團就所產生的有關廠房及機器的資本開支收取政府補貼。該款項已於各資產的估計可使用年期內遞延及攤銷。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

29. SHARE CAPITAL

29. 股本

| Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股 | Number of shares '000 股份數目 千股 | HK\$'000 千港元 |
|--|--|-------------------------------|
| Authorised: At 1 January 2018 (audited), 31 December 2018 (audited) and 30 June 2019 (unaudited) | 法定： 於二零一八年一月一日（經審核）、 二零一八年十二月三十一日（經審核） 及二零一九年六月三十日（未經審核） | 3,000,000 |
| Issued and fully paid: At 1 January 2018 (audited) Shares issued in consideration for the acquisition of subsidiaries (note (a)) Issuance of shares pursuant to the subscriptions (note (b)) | 已發行及繳足： 於二零一八年一月一日（經審核） 因收購附屬公司而發行代價股份（附註(a)） 根據認購事項發行股份（附註(b)） | 712,674 127,500 200,000 |
| At 31 December 2018 (audited) and 30 June 2019 (unaudited) | 於二零一八年十二月三十一日（經審核）及二零一九年六月三十日（未經審核） | 1,040,174 |
| | | 3,000,000 |

Notes:

- (a) Pursuant to the agreement in relation to the acquisition of the entire equity interest in Goal Getter, the Company had issued 127,500,000 new ordinary shares at a market price of HK\$0.151 at the date of issuance for settlement of the consideration. The fair value of the consideration was approximately to HK\$19,253,000, out of which approximately HK\$12,750,000 and HK\$6,503,000 were recorded in share capital and share premium account respectively. Further details are set out in the note 8.

附註：

- (a) 根據有關收購志達全部股本權益之協議，本公司已於發行日期按市價0.151港元發行127,500,000股新普通股，用以結算代價。代價之公平值約19,253,000港元，其中約12,750,000港元及約6,503,000港元分別記錄於股本及股份溢價賬目。進一步詳情載於附註8。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

29. SHARE CAPITAL (continued)

Notes: (continued)

- (b) Pursuant to the two subscription agreements dated 31 October 2017 entered into between 1) the Company and Retop International Investment Limited, a company which is wholly owned by Mr. Bao, a substantial shareholder of the Company; and 2) the Company and Mr. Li, an executive director and substantial shareholder of the Company, respectively (the "Subscription Agreements"), in which Retop International Investment Limited and Mr. Li had conditionally agreed to subscribe for and the Company had conditionally agreed to allot and issue of an aggregate of 100,000,000 new ordinary shares to Retop International Investment Limited and an aggregate of 100,000,000 new ordinary shares to Mr. Li at the subscription price of HK\$0.20 per share respectively. Part of the proceeds of HK\$20,000,000 were received before 31 December 2017 and recognised as other reserves as at 31 December 2017. The remaining proceeds of HK\$20,000,000 were received on 3 January 2018.

The proceeds of HK\$40,000,000 over the nominal value of HK\$20,000,000 was credited to the share premium account. All of the conditions precedent set out in the Subscription Agreements had been fulfilled and the subscriptions were completed on 3 January 2018. For details, please refer to the announcements of the Company dated 13 October 2017, 18 October 2017 and 3 January 2018, and the circular of the Company dated 28 November 2017.

29. 股本 (續)

附註：(續)

- (b) 根據1)本公司與瑞拓國際投資有限公司(由包先生(本公司主要股東)全資擁有);及2)本公司與李先生(本公司執行董事及主要股東)分別訂立的日期為二零一七年十月三十一日的兩份認購協議(「認購協議」),瑞拓國際投資有限公司與李先生已有條件同意認購而本公司已有條件同意分別配發及發行合共100,000,000股新普通股予瑞拓國際投資有限公司及合共100,000,000股新普通股予李先生,認購價為每股0.20港元。部分所得款項20,000,000港元於二零一七年十二月三十一日前收到並於二零一七年十二月三十一日確認為其他儲備。餘下所得款項20,000,000港元已於二零一八年一月三日收到。

所得款項40,000,000港元超出面值20,000,000港元的部分已計入股份溢價賬。認購協議所載所有先決條件已達成,認購事項於二零一八年一月三日完成。詳情請參閱本公司日期為二零一七年十月十三日、二零一七年十月十八日及二零一八年一月三日之公告以及本公司日期為二零一七年十一月二十八日之通函。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

30. CAPITAL COMMITMENTS

As at 30 June 2019, the Group had the following capital commitments:

| | |
|--|---------------|
| Capital expenditure contracted but not provided for: | 已訂約但未撥備的資本開支： |
| Acquisition of property, plant and equipment | 收購物業、廠房及設備 |

In additions, the registered capital of Zhengzhou Tairun Aluminum Mold Technology Company Limited* (鄭州泰潤鋁模科技有限公司) ("Tairun") is RMB20,000,000, of which RMB10,300,000 has been paid-up as at 30 June 2019 (as at 31 December 2018: RMB10,000,000), and the Group therefore committed at 30 June 2019 to further invest in Tairun, an indirectly owned subsidiary in which the Group has 60% equity interest, amounting to RMB5,820,000 (equivalent to approximately HK\$6,624,000) (as at 31 December 2018: RMB6,000,000) (equivalent to HK\$6,831,000)).

* For identification purpose only

30. 資本承諾

於二零一九年六月三十日，本集團有以下資本承諾：

| 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 |
|---|--|
| 3,638 | 4,091 |

此外，鄭州泰潤鋁模科技有限公司（「泰潤」）的註冊資本為人民幣20,000,000元，其中人民幣10,300,000元於二零一九年六月三十日已繳足（於二零一八年十二月三十一日：人民幣10,000,000元），因此本集團於二零一九年六月三十日承諾進一步投資於本集團間接擁有60%股權的附屬公司泰潤，金額為人民幣5,820,000元（相當於約6,624,000港元）（於二零一八年十二月三十一日：人民幣6,000,000元（相當於約6,831,000港元））。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

31. RELATED PARTY TRANSACTIONS

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

- (i) Compensation of key management personnel

| | |
|---|-----------------|
| Short-term benefits: | 短期福利： |
| Fees, salaries, allowances and other benefits in kind | 袍金、薪金、津貼及其他實物利益 |
| Post-employment benefits: | 離職後福利： |
| Retirement benefit scheme contributions | 退休福利計劃供款 |

- (ii) Financing arrangement

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

Details of guarantees provided by Mr. Zhang and a company controlled by him, Mr. Bao and Mr. Bao's spouse are disclosed in the note 27.

31. 關連人士交易

除簡明綜合中期財務報表其他部份所披露之交易及結餘外，本集團與關連人士於期內有以下重大交易：

- (i) 主要管理人員之酬金

| Unaudited | |
|--------------------------|----------|
| Six months ended 30 June | |
| 2019 | 2018 |
| HK\$'000 | HK\$'000 |
| 未經審核 | |
| 截至六月三十日止六個月 | |
| 二零一九年 | 二零一八年 |
| 千港元 | 千港元 |

| | |
|--------------|--------------|
| 2,922 | 2,809 |
| 18 | 22 |
| 2,940 | 2,831 |

- (ii) 融資安排

股東及包先生的家庭成員提供的款項提供的免息貸款詳情於附註25及26披露。

由張先生及其所控制的一間公司、包先生及包先生之配偶提供之擔保詳情於附註27披露。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table presents the carrying value of the Group's financial instruments measured at fair value across the three levels of the fair value hierarchy defined in HKFRS 13 Fair Value Measurement with fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:–

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3: fair values measured using significant unobservable input.

Financial assets at fair value through other comprehensive income is measured at fair value and is classified as a Level 3 fair value measurement. The fair values of unlisted equity investments have been estimated using market approach based on market price to net assets ratio and adjusted for the lack of marketability, which are the significant unobservable inputs. The market price to net assets ratio and the discount for lack of marketability applied to this valuation technique are 2.13 (as at 31 December 2018: 2.19) and 15.9% (as at 31 December 2018: 15.9%).

The valuation requires the directors of the Company to make estimates about the market price to net assets ratio and the discount for lack of marketability. The directors of the Company believe that the estimated fair values resulting from the valuation technique, which are recorded in the condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable.

32. 金融工具之公平值

下表列示以香港財務報告準則第13號「公平值計量」所界定的公平值架構之三個層級按公平值計量的本集團金融工具的賬面值，各金融工具的公平值乃按對該公平值計量屬重大之最底層的資料投入。界定的層級如下：–

第1級：就識別金融工具使用於活躍市場之報價（未經調整）計量之公平值。

第2級：使用第2級資料投入（即不符合第1級的不可觀察資料投入）且並未使用重大不可觀察資料投入。不可觀察資料投入為無市場數據可供使用之資料投入計量之公平值。

第3級：使用重大不可觀察投入的數據計量之公平值。

按公平值計入其他全面收益的金融資產按公平值計量，並歸類為第3級公平值計量。非上市股本投資的公平值採用基於市場價格與淨資產比率的市場法估算，並根據缺乏市場流動性進行調整，其為重要的不可觀察的資料投入。適用於該估值技術的市場價格與淨資產比率以及缺乏市場流動性之折讓分別為2.13（於二零一八年十二月三十一日：2.19）及15.9%（於二零一八年十二月三十一日：15.9%）。

估值要求本公司董事估計市場價格與淨資產比率及缺乏市場流動性之折讓。本公司董事認為，估值技術產生的估計公平值（記錄於簡明綜合財務狀況表內）及公平值的相關變動（記錄於其他綜合收益中）屬合理。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

32. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Should the market price to net assets ratio increase or decrease by 5%, the fair value of the financial assets at fair value through other comprehensive income would be increased or decreased by approximately HK\$45,000 (as at 31 December 2018: HK\$47,000). Should the discount for lack of marketability increase or decrease by 1%, the fair value of the financial assets at fair value through other comprehensive income would be decreased or increased by approximately HK\$11,000 (as at 31 December 2018: HK\$9,000).

The movements during the period in the balance of level 3 fair value measurement is as follows:

32. 金融工具之公平值 (續)

倘市場價格與淨資產比率增加或減少5%，則按公平值計入其他全面收益的金融資產公平值將增加或減少約45,000港元（於二零一八年十二月三十一日：47,000港元）。倘缺乏市場流動性的折讓增加或減少1%，則按公平值計入其他全面收益的金融資產公平值將減少或增加約11,000港元（於二零一八年十二月三十一日：9,000港元）。

第3級公平值計量結餘之期內變動如下：

| | | Financial assets at fair value through other comprehensive income HK\$'000 按公平值計入其他全面收益的金融資產 千港元 |
|---|--|---|
| At 1 January 2018 (audited) | 於二零一八年一月一日 (經審核) | 710 |
| Total gain recognised in other comprehensive income as change in the fair value of equity investments at fair value through other comprehensive income included in consolidated statement of comprehensive income | 於其他綜合收益的總收益確認為按公平值計入其他全面收益的股本投資公平值變動(計入綜合全面收益表)之總收益 | 8 |
| Exchange realignment | 匯兌調整 | (36) |
| At 31 December 2018 (audited) and 1 January 2019 (unaudited) | 於二零一八年十二月三十一日 (經審核)及二零一九年一月一日 (未經審核) | 682 |
| Total loss recognised in other comprehensive income as change in the fair value of equity investments at fair value through other comprehensive income included in condensed consolidated statement of comprehensive income (unaudited) | 於其他綜合收益的總收益確認為按公平值計入其他全面收益的股本投資公平值變動(計入簡明綜合全面收益表)之虧損總額(未經審核) | (25) |
| At 30 June 2019 (unaudited) | 於二零一九年六月三十日 (未經審核) | 657 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

32. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2018: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Financial instruments not measured at fair value

Financial instruments not measured at fair value include accounts and bills receivables, contract assets, deposits and other receivables, pledged and restricted bank deposits, cash and cash equivalents, accounts and bills payables, other payables and accruals, deposit received, amounts due to and loans from shareholders, amount due to an associate and bank and other loans.

As at 30 June 2019, all financial instruments measured at amortised costs are carried at amounts not materially different from their fair values, except the amounts due to and loans from shareholders amounting to approximately HK\$68,466,000 (as at 31 December 2018: approximately HK\$63,626,000). In the opinion of the directors of the Company, the fair value of the balance has not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.

33. COMPARATIVE FIGURES

Net impairment loss on financial and contract assets, which were previously included in administrative expenses in the condensed consolidated income statement, were represented as a single line item in the condensed consolidated income statement for the six months ended 30 June 2018, in order to conform with the current period's presentation and disclosures.

32. 金融工具之公平值 (續)

期內，第一層級與第二層級之間並無轉移公平值計量，且金融資產及金融負債均未轉入或轉出第三層級（截至二零一八年六月三十日止六個月：無）。本集團的政策為確認公平值層級間於報告期末其發生的轉移。

並非按公平值計量之金融工具

並非按公平值計量之金融工具包括應收賬款及票據、合約資產、按金及其他應收款、已抵押及受限制的銀行存款、現金和現金等價物、應付賬款及票據、其他應付款和應計費用、已收按金、應付股東款項及來自股東貸款、應付一間聯營公司款項及銀行和其他貸款。

於二零一九年六月三十日，按攤銷成本計量的所有金融工具按與其公平值並無重大差異的金額列賬，惟應付股東款項及來自股東貸款約為68,466,000港元（於二零一八年十二月三十一日：約63,626,000港元）除外。本公司董事認為，受關係影響，無法合理釐定該等結餘的預期現金流時間，因此尚未釐定結餘的公平值。

33. 比較數字

先前計入簡明綜合收益表內的行政開支的金融及合約資產減值虧損淨額於截至二零一八年六月三十日止六個月的簡明綜合收益表內重新列作單獨項目，以與本期間呈列及披露保持一致。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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

34. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

This unaudited condensed consolidated interim financial statements was approved and authorised for issue by the directors of the Company on 29 August 2019.

34. 簡明綜合中期財務報表之批准

本未經審核簡明綜合中期財務報表經本公司董事於二零一九年八月二十九日批准並授權刊發。



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