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APAC RESOURCES

APAC Resources Limited 亞太資源有限公司*

(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 : 1104

2021 年報 ANNUAL REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*)
Mr. Andrew Charles Ferguson (*Chief Executive Officer*)

Non-Executive Directors

Mr. Arthur George Dew (*Chairman*)
(*Mr. Wong Tai Chun, Mark as his alternate*)
Mr. Lee Seng Hui
Ms. Lam Lin Chu

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Wang Hongqian

AUDIT COMMITTEE

Dr. Wong Wing Kuen, Albert (*Chairman*)
Mr. Arthur George Dew
(*Mr. Wong Tai Chun, Mark as his alternate*)
Mr. Chang Chu Fai, Johnson Francis
Mr. Wang Hongqian

REMUNERATION COMMITTEE

Dr. Wong Wing Kuen, Albert (*Chairman*)
Mr. Arthur George Dew
(*Mr. Wong Tai Chun, Mark as his alternate*)
Mr. Chang Chu Fai, Johnson Francis
Mr. Wang Hongqian

NOMINATION COMMITTEE

Mr. Arthur George Dew (*Chairman*)
(*Mr. Wong Tai Chun, Mark as his alternate*)
Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Wang Hongqian

COMPANY SECRETARY

Ms. Lau Tung Ni

AUDITOR

Crowe (HK) CPA Limited

STOCK CODE

1104

LEGAL ADVISERS

Addisons
Conyers Dill & Pearnan
P. C. Woo & Co.

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
DBS Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
OCBC Wing Hang Bank Limited

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WEBSITE

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CEO'S MESSAGE

Dear Shareholder,

For the 12 months ended 30 June 2021 (“FY 2021”), we delivered a strong result across all our segments, but most pleasingly we generated over HK\$500 million profit in our Resource Investment segment. We also had a reversal in the impairment loss on interest in an associate of HK\$580,014,000 which relates to our investment in Mount Gibson Iron Limited as iron ore prices were solid throughout FY 2021. When combined with profits in our Commodity Business segment and our Principal Investment and Financial Services segment, we generated a total profit for the company of HK\$1,357,290,000, which is the largest profit we have delivered since I joined as CEO.

This result comes against a background of strong commodity prices driven by goods consumption as the world remains partly shut for services consumption due to the ongoing COVID-19 pandemic. As the risks around COVID-19 became better understood, and the virus has come under a measure of control, we have seen a surge of pent-up demand. Further fueling commodity prices is loose monetary policy and fiscal stimulus as governments sought to support their economies during the COVID-19 lockdowns, part of which has translated into increased infrastructure spend.

The COVID-19 pandemic is not yet over, and as new strains like the recent Delta strain flare up means that the recovery of the global economy will be bumpy. However we are cautiously optimistic that the ongoing roll out of vaccines will allow the world to stay ahead of hospitalizations and fatalities, providing a path towards normalization.

The US Federal Reserve has indicated that it intends to start tapering asset purchases before the end of 2021 as the US economy makes progress in employment levels, however Federal Reserve Chairman Powell also reiterated earlier comments that the current spike in inflation is transitory driven by supply chain bottlenecks, which has dampened expectations of a near term US rate rise. Other central banks have generally been dovish. ECB is expected to maintain its PEPP purchases at least until the end of 2021, Reserve Bank of Australia recently went ahead with its planned tapering starting in September but delayed a potential increase in tapering by at least three months, and Japan's inflation levels are well below Bank of Japan's target of 2% so it is unlikely there will be a wind down of stimulus soon. Meanwhile various South East Asian central banks increased stimulus from June 2021 as a result of the surge in the Delta variant.

The near term outlook for the Chinese economy is somewhat uncertain. The country was temporarily impacted by an outbreak of the Delta variant which led to lockdowns across parts of the country, affecting manufacturing and exports, and reflected in weaker PMI numbers for August. China has implemented a range of policies to promote the idea of “Common Prosperity” which has resulted in turbulence across a number of sectors such as technology and education. Nonetheless, we believe that the People’s Bank of China has room for additional stimulus measures if there is sustained weakness in the economy, such as cuts in RRRs and interest rates.

Barring another surge in COVID-19 infections, which is still difficult to rule out, we see support for commodities as the world continues to reopen. We continue to believe that the world is moving towards a lower carbon footprint, and remain vigilant in identifying investment opportunities that can benefit from this longer term trend.

It is our long held belief that shareholders should receive a return, and given the strong results, we are pleased to recommend a final dividend of HK10 cents per share and a special dividend of HK10 cents per share for FY 2021. As ever, I would like to thank you all for your continued faith in APAC Resources.

Andrew Ferguson
Chief Executive Officer

24 September 2021

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

APAC Resources Limited (“**APAC**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) reported a net profit attributable to shareholders of the Company of HK\$1,357,290,000 for the year ended 30 June 2021 (“**FY 2021**”), compared with a net loss attributable to shareholders of the Company of HK\$429,401,000 for the year ended 30 June 2020 (“**FY 2020**”). In the past 12 months our Resource Investment, Commodity Business and Principal Investment and Financial Services segments generated a combined profit of HK\$616,375,000. In addition, we had a non-cash impairment loss reversal on our ownership in Mount Gibson Iron Limited (“**Mount Gibson**”) of HK\$580,014,000 driven by the stronger Mount Gibson share price.

PRIMARY STRATEGIC INVESTMENTS

Our Primary Strategic Investments are in Mount Gibson which is listed and operating in Australia, and in the year ended 30 June 2018 we also acquired an investment in Tanami Gold NL (“**Tanami Gold**”). The net attributable profit from our Primary Strategic Investments for FY 2021 was HK\$130,374,000 (FY 2020: Net profit of HK\$145,377,000). Mount Gibson reported a FY 2021 net profit after tax of A\$64 million.

Mount Gibson

Mount Gibson is an Australian producer of direct shipping grade iron ore products. Mount Gibson owns the Koolan Island mine off the Kimberley coast in the remote north-west of Western Australia. Sales of low grade material from and the Extension Hill/Iron Hill operations ended during the FY 2021. Mount Gibson is developing the Shine Iron Ore Project, located 85km north of Extension Hill, and target Stage 1 production to start in September quarter 2021 at a rate for 1.5 million tonnes per annum for an initial two years period.

Ore sales at the Koolan Island Restart Project started in April 2019, and achieved commercial production in the June quarter 2019. The restart project had 21 million tonnes of 65.5% Fe reserves. Mount Gibson is partway through a planned elevated waste mining phase, which should then allow for increased production from the year ending 30 June 2022 (“**FY 2022**”) onwards.

Mount Gibson reported a net profit after tax of A\$64 million for FY 2021 from sales of 3.0 million tonnes.

Mount Gibson’s operating costs remained high in FY 2021 as it continued its waste mining phase at Koolan Island and upgrade of the crushing circuit, which is expected to be completed in the first half of FY 2022. Operations were also impacted by a rockfall at the western end of the main pit, and Mount Gibson has engaged a specialist contractor to provide footwall ground support in the area. Mount Gibson reported an all in cash cost of A\$70 per tonne for FY 2021 and expects site operating cash cost of A\$75-80 per wet metric tonne in FY 2022.

Mount Gibson’s cash reserve, including term deposits and tradable investments, ending FY 2021 was A\$365 million or an equivalent of A\$0.31 per share, despite paying a A\$16 million dividend during FY 2021.

Mount Gibson sales guidance for FY 2022 is 3.0 million tonnes to 3.2 million tonnes, including 1.0 million tonnes from the new Shine Project in the Midwest region of Western Australia.

The Platts IODEX 62% CFR China index strengthened considerably during FY 2021, starting the year at US\$101 per dry metric tonne (“**dmt**”) and steadily trended upwards to reach a high of US\$233 per dmt by May 2021. Demand for iron ore was driven by strong steel demand from China construction activity and a global rebound in manufacturing. We are now seeing a softening in Chinese construction activity, with China announcing a new target to keep steel output flat this year, implying significantly weaker production in the second half of 2021 and causing iron ore prices to retreat aggressively. At time of writing it is trading around US\$130 per dmt.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Tanami Gold

We currently own 46.3% of Tanami Gold.

Tanami Gold's principal business activity is gold exploration. It holds 50% of the Central Tanami Project and has a cash balance of A\$28 million. In May 2021, Tanami Gold entered into a binding agreement with Northern Star Resources Limited ("**Northern Star**") (ASX: NST) to establish a new 50-50 Joint Venture covering the Central Tanami Project. Northern Star agreed to pay A\$15 million cash to increase its ownership in the project from 40% to 50%, and going forward both parties will be jointly responsible for funding exploration and development activities. This agreement has now been completed.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss comprise mainly the Group's investments in Metals X Limited ("**Metals X**") and Resource Investment. As at 30 June 2021, APAC had a significant investment representing 5% or more of the Group's total assets in Shougang Fushan Resources Group Limited ("**Shougang Fushan**") (HKEX: 639).

Significant Investment

Name of investee company	Number of shares held	% of shares held	Investment cost HK\$'000	For the year ended 30 June 2021				As at 30 June 2021	
				Dividend received HK\$'000	Realised gain HK\$'000	Unrealised gain HK\$'000	Fair value gain HK\$'000	Carrying value HK\$'000	% of carrying value to the Group's total assets
Shougang Fushan	116,898,000	2.3%	190,767	8,010	2,367	75,018	77,385	267,697	5.4%
			190,767	8,010	2,367	75,018	77,385	267,697	

Brief description of principal businesses of the investee company of the significant investment held by the Group:

Name of investee company	Principal businesses
Shougang Fushan	Coking coal mining, production and sales of coking coal products

Shougang Fushan generated a fair value gain of HK\$77,385,000 with carrying value as at 30 June 2021 of HK\$267,697,000.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Shougang Fushan is a coking coal producer listed on The Stock Exchange of Hong Kong Limited. Its principal businesses are coking coal mining, production and sales of coking coal products in China. It has 3 mines located in China with reserves of 75 million tonnes of raw coking coal at 31 December 2020 and during six months ended 30 June 2021 Shougang Fushan produced 2.6 million tonnes raw coking coal.

The market capitalisation of Shougang Fushan in early September 2021 is around HK\$14 billion, while its working capital reported at 30 June 2021 is HK\$4.8 billion and it generated EBITDA of HK\$1.4 billion in six months ended 30 June 2021. 2021 guidance is for 5.2 million tonnes of raw coking coal, in line with the production rate achieved in the first half of 2021. It declared an interim dividend of HK8 cents per share. In the near term, we are concerned about whether coking coal demand will remain elevated given a softening in Chinese steel demand, but restrictions on seaborne imports are expected to remain in place for now which should provide a floor to China domestic coking coal prices.

Other our notable investment is in Metals X.

The carrying value of Metals X as at 30 June 2021 amounted to HK\$174,333,000 (As at 30 June 2020: HK\$58,398,000) represented approximately 3.5% (As at 30 June 2020: 1.7%) of the total assets of the Group. In FY 2021, our investment in Metals X generated an unrealised gain of HK\$115,935,000 (FY 2020: Loss of HK\$95,631,000) which was accounted for in profit or loss.

In July 2020, Mr. Brett Robert Smith, who is the Deputy Chairman and an Executive Director of the Company, was appointed to the board initially as a non-executive director and subsequently as an executive director of Metals X. Since his appointment, Metals X has sold its copper asset portfolio and is in the process of spinning out its nickel assets. APAC provided a loan facility to refinance Metals X debt, and at end June 2021 there was A\$15.5 million outstanding on the loan, and subsequent to the FY 2021 year end, the loan has been paid down to approximately A\$7.8 million. Metals X is focused on implementing its life of mine plan at Renison mine, including development of the high grade Area 5 deposit.

During FY 2021, the Renison mine produced 3,974 tonnes of tin (net 50% basis) up 11% year-on-year (“YoY”), and the average realised tin price of A\$27,011 per tonne was up 26% YoY. Tin prices strengthened considerably during FY 2021 as part of the global reopening trade. Tin price ran up from as low as US\$17,000 per tonne to a peak of US\$36,000 per tonne by July 2021 and at time of writing is around US\$33,500 per tonne. Demand for semiconductors has increased on the back of consumer electronics sales. We remain bullish on the medium term outlook for tin due to the lack of significant supply growth and new demand for tin from the growing electrical vehicle and energy storage industries.

Resource Investment

The investments in this division comprise mostly minor holdings in various natural resource companies listed on major stock exchanges including Australia, Canada, Hong Kong, the United Kingdom and the United States. Our investments focus on select commodities within several commodity segments, namely energy, bulk commodities, base metals and precious metals. Some of our positions are exploration or development stage companies and this section of the market is particularly sensitive to risk aversion, lower commodity prices, and the difficult financing markets.

Resource Investment posted a fair value gain of HK\$448,111,000 in FY 2021 (FY 2020: Gain of HK\$42,317,000), which after accounting for segment related dividend and other investment income and expenses, resulted in a segment profit of HK\$510,268,000 (FY 2020: Gain of HK\$63,356,000).

Our Resource Investment division includes the results of the two resource portfolios which were announced in August 2016. As the world recovered from the shock of the COVID-19 pandemic, the broader commodity complex has had a strong rebound.

Precious

Precious metals (majority gold exposure) generated a net fair value gain of HK\$30,812,000 in FY 2021 while the gold price was down 1%. As at 30 June 2021, the carrying value of the Precious segment was HK\$317,518,000 (As at 30 June 2020: HK\$314,449,000). Our largest gold investment in the Resource Investment division is in Northern Star (ASX: NST) which generated a fair value loss of HK\$24,659,000 with carrying value as at 30 June 2021 of HK\$102,558,000. We also own Westgold Resources Limited ("**Westgold Resources**") (ASX: WGX) which generated a fair value gain of HK\$11,168,000 with carrying value as at 30 June 2021 of HK\$21,950,000. Other notable fair value gains include HK\$10,592,000 generated from our investment in Discovery Metals Corp. (TSX: DSV).

Northern Star owns high grade underground mines in Western Australia and Alaska. In FY 2021 its gold sales were 1,595,000 ounces, and it generated free cash flow of A\$735 million before acquisitions. In FY 2022 its production target is 1,550,000 to 1,650,000 ounces of gold.

Westgold Resources produced 245,411 ounces of gold in FY 2021 up 4% YoY but below its target 270,000 to 300,000 ounces. It is guiding for FY 2022 production of greater than 270,000 ounces, with all-in sustaining cost of A\$1,500 to A\$1,700 per ounce.

The gold price reached a peak of US\$2,050 per ounce in August 2020 and has gradually weakened as market expectations of real rates increased with the global reopening trade. Recent comments from the US Federal Reserve has led to expectations that it will start to taper its bond buying program sometime in calendar year 2021. Even though we do not see rates increasing materially in the medium term, we see limited opportunity for the gold price to outperform if real rates have indeed bottomed.

Bulk

Bulk commodities segment generated a fair value gain of HK\$161,539,000, as iron ore and thermal/met coal have been strong performers in FY 2021. As at 30 June 2021, the carrying value of this segment was HK\$490,627,000 (As at 30 June 2020: HK\$189,224,000). This segment included our investment in Shougang Fushan.

Base Metals

Base Metals segment (a mix of copper, nickel and zinc companies) delivered a fair value gain of HK\$129,482,000 in FY 2021, the copper, nickel and zinc prices increased by 56%, 47% and 47% respectively. The Base Metals segment includes our investment in China Molybdenum Co., Ltd. (HKEX: 3993) which generated a fair value gain of HK\$18,000,000 in FY 2021 and had a carrying value as at 30 June 2021 of HK\$18,440,000 (As at 30 June 2020: HK\$22,761,000).

Energy

The Energy segment (mainly oil and gas, renewables and uranium exposure) had a fair value gain of HK\$63,313,000 in FY 2021. Our significant Energy investments include CNOOC Limited (HKEX: 883), which generated a fair value gain of HK\$6,833,000 and had a carrying value as at 30 June 2021 of HK\$38,411,000 (As at 30 June 2020: Nil) and Peninsula Energy Limited (ASX: PEN), which generated a fair value gain of HK\$3,852,000 and had a carrying value as at 30 June 2021 of HK\$7,443,000 (As at 30 June 2020: HK\$7,226,000).

Others

We also have a fair value gain of HK\$62,540,000 from the remaining commodity (diamonds, manganese and mineral sands among others) and non-commodity investments in FY 2021 and had a carrying value as at 30 June 2021 of HK\$117,161,000 (As at 30 June 2020: HK\$21,921,000).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

COMMODITY BUSINESS

Our iron ore offtake at Koolan Island recommenced as the mine restarted operations, and we continue to look for new offtake opportunities across a range of commodities. For FY 2021, our Commodity Business, which engaged in trading of iron ore, generated a profit of HK\$55,905,000 (FY 2020: Loss of HK\$5,912,000).

PRINCIPAL INVESTMENT AND FINANCIAL SERVICES

The Principal Investment and Financial Services segment, which covers the income generated from loan receivables, loan notes, convertible notes and other financial assets. For FY 2021, this segment generated a profit of HK\$50,202,000 (FY 2020: Profit of HK\$57,851,000).

MONEY LENDING

The Group engaged in money lending activities under the Money Lenders Ordinance of Hong Kong. For FY 2021, the revenue and profits generated from money lending formed part of results of the Principal Investment and Financial Services segment.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2021, our non-current assets amounted to HK\$2,755,862,000 (As at 30 June 2020: HK\$1,930,522,000) and net current assets amounted to HK\$2,076,671,000 (As at 30 June 2020: HK\$1,506,047,000) with a current ratio of 20.7 times (As at 30 June 2020: 17.7 times) calculated on the basis of its current assets over current liabilities. Included in non-current assets and current assets are loan notes of HK\$3,924,000 (As at 30 June 2020: HK\$3,916,000) and loan receivables of HK\$493,850,000 (As at 30 June 2020: HK\$468,876,000).

As at 30 June 2021, we had no borrowings (excluding lease liabilities) (As at 30 June 2020: Nil) and had undrawn banking facilities amounting to HK\$217,927,000 secured against certain term deposits of the Group. As at 30 June 2021, we had a gearing ratio of nil (As at 30 June 2020: Nil), calculated on the basis of net debt over equity attributable to owners of the Company. For this purpose, net debt is defined as borrowings (excluding lease liabilities) less cash and cash equivalents.

As disclosed in the announcement of the Company dated 29 June 2021 and the circular of the Company dated 27 July 2021, on 29 June 2021, the Company proposed a bonus issue of warrants to the qualifying shareholders of the Company on the basis of one warrant for every 5 shares held on the record date. A total of 243,778,782 warrants have been issued by the Company pursuant to the bonus warrants issue, conferring the rights to the holders to subscribe in cash for 243,778,782 new shares of the Company at an initial exercise price of HK\$1.20 per new share (subject to adjustment) at any time during the period of thirteen months from 7 September 2021 to 6 October 2022 (both days inclusive).

FOREIGN EXCHANGE EXPOSURE

For the year under review, the Group's assets were mainly denominated in Australian Dollars and Renminbi while the liabilities were mainly denominated in United States Dollars and Hong Kong Dollars. There would be no material immediate effect on the cash flows of the Group from adverse movements in foreign exchange for long term investments. In addition, the Group is required to maintain foreign currency exposure to cater for its present and potential investment activities, meaning it will be subject to reasonable exchange rate exposure. In light of this, the Group did not actively hedge for the risk arising from the Australian Dollars denominated assets. However, the Group will closely monitor this risk exposure as required.

PLEDGE OF ASSETS

As at 30 June 2021, the Group's bank deposits of HK\$18,266,000 (As at 30 June 2020: HK\$88,611,000) were pledged to banks to secure various trade and banking facilities granted to the Group.

EMPLOYEES AND EMOLUMENT POLICY

The Group ensures that its employees are remunerated according to the prevailing manpower market conditions and individual performance with its remuneration policies reviewed on a regular basis. All employees are entitled to participate in the Company's benefit plans including medical insurance and pension fund schemes including the Mandatory Provident Fund Scheme (subject to the applicable laws and regulations of the People's Republic of China (the "PRC") for its employees in the PRC).

As at 30 June 2021, the Group, including its subsidiaries but excluding associates, had 15 (As at 30 June 2020: 14) employees. Total remuneration together with pension contributions incurred for FY 2021 amounted to HK\$64,097,000 (FY 2020: HK\$12,868,000).

PRINCIPAL RISKS

The Group adopts a comprehensive risk management framework. Policies and procedures are developed, regularly reviewed and updated to enhance risk management and react to changes in market conditions and the Group's business strategy. The audit committee of the Company reviews the Group's policies and scrutinises that management has performed its duty to have effective risk management and internal control systems necessary for monitoring and controlling major risks arising from the Group's business activities, changing external risks and the regulatory environment, and reports to the board of directors of the Company (the "Board") on the above.

FINANCIAL RISK

Financial risk includes market risk, credit risk and liquidity risk. Market risk concerns that the value of an investment will change due to movements in market factors and which can be further divided into foreign currency risk, interest rate risk and price risk. Credit risk is the risk of losses arising from clients or counterparties failing to make payments as contracted. Liquidity risk concerns that a given security or asset cannot be traded readily in the market to prevent a loss or make the required profit. Further discussion on financial risk management is outlined in note 31 to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OPERATIONAL RISK

The Group faces various operational risks which are concerned with possible losses caused by human factors, inadequate or failed internal processes, systems or external events. Operational risk is mitigated and controlled through establishing robust internal controls, proper segregation of duties and effective internal reporting.

The business and operating line management are responsible for managing the operational risks of their business units on a day-to-day basis. Each department head has to identify risks, evaluate the effectiveness of key controls in place and assess whether the risks are effectively managed. Independent monitoring and reviews are conducted by the internal audit team which reports regularly to the respective senior management and the audit committee of the Company.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, during the year ended 30 June 2021, the Group did not hold any other significant investments nor have any material acquisitions or disposals of subsidiaries, associates and joint ventures. Save as disclosed in this report, as at 30 June 2021, the Group did not have any plan for material investments or capital assets.

CAPITAL COMMITMENTS

As at 30 June 2021, the Group has a capital commitment contracted for of approximately HK\$102,582,000 in relation to the acquisition of an associate. Details of this acquisition is further disclosed in the section “Important Events Affecting the Group After the End of the Financial Year” of this report.

Save as disclosed above, as at 30 June 2021 and 30 June 2020, the Group had no material capital commitments contracted but not provided for.

CONTINGENT LIABILITIES

As at the date of this report and as at 30 June 2021, the Board is not aware of any material contingent liabilities.

IMPACT OF NOVEL CORONAVIRUS OUTBREAK TO THE GROUP

The COVID-19 spread globally during 2020 & 2021. When COVID-19 spread to major western economies, the global economy was once on the brink of paralysis in March 2020. Fortunately, global central banks and governments have swiftly adopted aggressive fiscal and monetary policies to bolster the economies and global financial liquidity. In the second half of 2020, global equity markets have rebounded strongly.

In preparing the consolidated financial statements, the Group applies fair value to measure its financial assets at fair value through profit or loss and, if applicable, to estimate impairment loss of the Group's interests in associates and loan receivables. In FY 2020 and FY 2021, provision and reversal of impairment loss of the Group's interests in associates and loan receivables and fair value of the Group's financial assets stated at fair value are subject to fluctuations due to the COVID-19 outbreak. The Group will keep monitoring the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group, in particular the impact of the fair value of its financial instruments and the recoverable amount of the interests in associates and loan receivables. Save as disclosed in this report, the COVID-19 outbreak did not have material impacts on our Commodity Business, liquidity positions, working capital sufficiency and capital commitments for FY 2021.

COVID-19 PANDEMIC RESPONSE

The Group has implemented certain protocols below to minimise the associated risks to employees while ensuring a safe environment for operations to continue as usual:

- measures to maximise social distancing and staff protection within the offices;
- meetings are held off-site or by conference calls as far as possible;
- cancellation of all non-essential travel;
- flexible and remote working plans for employees;
- self-isolation following outbound travel, development of symptoms, or interaction with a confirmed case of COVID-19 and do coronavirus test as and when necessary at the Company's cost;
- increased inventory of face mask, hand sanitiser and hygiene supplies; and
- increased focus on cleaning and sanitation.

IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE END OF THE FINANCIAL YEAR

On 18 June 2021, a wholly-owned subsidiary of the Company acquired 29.83% equity interests in Mabuhay Holdings Corporation (“**Mabuhay**”) for a consideration of approximately US\$4 million. Mabuhay is a company incorporated in the Philippines with its shares listed on the Philippine Stock Exchange. Mabuhay is a holding company principally engaged in the acquisition and disposition of investments in securities, stocks, real properties and of investments in other entities. On 2 August 2021, Mr. Andrew Ferguson, who is an Executive Director and the Chief Executive Officer of the Company, was appointed as a director of Mabuhay and Mabuhay became an associate of the Company.

As disclosed in the announcement of the Company dated 14 May 2021 and the circular of the Company dated 25 June 2021, on 14 May 2021, a direct wholly-owned subsidiary (the “**Purchaser**”) of the Company entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Allied Properties Overseas Limited (the “**Vendor**”), being an indirect wholly-owned subsidiary of Allied Group Limited which is a substantial shareholder of the Company. Pursuant to the Sale and Purchase Agreement and subject to the fulfillment of certain conditions, (i) the Purchaser shall acquire and the Vendor shall sell the entire issued share capital of Allied Properties Resources Limited (the “**Target Company**”); and (ii) a shareholder’s loan in the principal amount of HK\$412,260,366 due to the Vendor by the Target Company shall be assigned by the Vendor to the Purchaser, for a consideration of HK\$102,581,817.50 (collectively, the “**Transaction**”). The principal asset of the Target Company was its 41,032,727 shares in Dragon Mining Limited (“**Dragon Mining**”) (HKEX: 1712), which represents approximately 25.83% of its issued share capital. Its principal activities involve the operation of gold mines and processing facilities in Finland and Sweden. All conditions were fulfilled and the Transaction was completed on 13 August 2021. After completion of the Transaction, Dragon Mining became an associate of APAC.

Subsequent to the end of the reporting period, there was a decline in the share price of Mount Gibson. At the date of this report, the fair value of the Group’s investment in Mount Gibson reduced to HK\$1,165,440,000. The decline in fair value may impact the impairment loss on interests in associates for the year ending 30 June 2022.

Save as disclosed in this report, there are no important events affecting the Group after the end of the financial year and up to the date of this report.

COMPANY STRATEGY

Commodity markets have benefitted by a rebound in demand for durable goods, and ongoing government stimulus as a result of the COVID-19 pandemic. Looking forward, the Board believes that the performance of the equity investments will be dependent on market sentiment which is affected by factors such as commodity prices, interest rate movements, geo-political conditions and performance of the macro economy. In order to mitigate the associated risks, the Group will review its investment strategy regularly and take appropriate actions whenever necessary in response to changes in market situation. In addition, the Group will also seek potential investment opportunities with an aim to maximise value for the shareholders.

FORWARD LOOKING OBSERVATIONS

The COVID-19 outbreak is ongoing, although we remain optimistic that the ongoing vaccine roll out provides a path forward for normalisation of activity. The Group has maintained protocols to protect the health and safety of our workforce, their families, local suppliers and neighboring communities while ensuring a safe environment for operations to continue as usual.

The challenges of the COVID-19 pandemic are not yet behind us, and the outlook for the global economy in the short term will still be impacted by COVID-19 infection rates and in our view, more importantly, hospitalization rates. We have already seen the start of a reopening that has driven global growth but have also seen the impact from mutations in the COVID-19 virus, the most recent being the delta strain. While governments and central banks are likely to dial back some of the fiscal and monetary support, we still expect a relatively loose environment to support businesses and households.

We remain selective with our investments in the near term, and continue to look for high quality opportunities which will generate attractive returns over the long run. Our mining and energy investment portfolios are the platform for future mining and energy investments. Our largest investment is in Mount Gibson which is focused on ramping up production at the Koolan Island mine as it completes its large waste stripping program and also starting production from its smaller Shine mine, which will position it for strong free cash flow generation in coming years.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Brett Robert Smith, aged 60, was appointed as the Deputy Chairman and an Executive Director of the Company on 18 May 2016. Mr. Smith graduated from Melbourne University, Australia with a Bachelor's Degree in Chemical Engineering with Honours. He has also obtained a Master's Degree in Business Administration from Henley Management College, the United Kingdom and a Master's Degree in Research Methodology from Macquarie University, Australia. Mr. Smith has participated in the development of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Mr. Smith has served on the board of private mining and exploration companies and has over 35 years international experience in the engineering, construction and mineral processing businesses. He is currently the chief executive officer and an executive director of Dragon Mining Limited ("**Dragon Mining**") (Stock Code: 1712), an executive director of Metals X Limited ("**Metals X**") (Stock Code: MLX), and a non-executive director of each of Elementos Limited ("**Elementos**") (Stock Code: ELT), Prodigy Gold NL ("**Prodigy Gold**", formerly known as ABM Resources NL) (Stock Code: PRX) and Tanami Gold NL ("**Tanami Gold**") (Stock Code: TAM). Dragon Mining is a company listed on the main board of The Stock Exchange of Hong Kong Limited. Elementos, Metals X, Prodigy Gold and Tanami Gold are companies listed on the Australian Securities Exchange.

Mr. Andrew Charles Ferguson, aged 48, was appointed as an Executive Director and the Chief Executive Officer of the Company on 12 January 2010. Mr. Ferguson holds various directorships in subsidiaries of the Company. Mr. Ferguson holds a Bachelor of Science Degree in Natural Resource Development and worked as a mining engineer in Western Australia in the mid 90's. In 2003, Mr. Ferguson co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded "Best UK Investment Trust" in 2006. In addition, he managed New City High Yield Trust Ltd. and Geiger Counter Ltd.. He worked for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors. He has 26 years of experience in the finance industry specialising in global natural resources. Being a fund manager for assets in London and Hong Kong, he was responsible for day to day management of portfolios, risk management, business development, relationship management and working with independent boards, custodians and auditors to ensure that all shareholders' funds were managed properly. He is currently an alternate director to Mr. Lee Seng Hui in Mount Gibson Iron Limited ("**Mount Gibson**") (Stock Code: MGX), a company listed on the Australian Securities Exchange. Mr. Ferguson was appointed as a director of Mabuhay Holdings Corporation (Stock Code: MHC), a company listed on The Philippine Stock Exchange, Inc., on 2 August 2021.

NON-EXECUTIVE DIRECTORS

Mr. Arthur George Dew, aged 79, was appointed as the Chairman and a Non-Executive Director of the Company on 1 March 2016. Mr. Dew graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is currently the chairman and a non-executive director of each of Allied Group Limited ("**AGL**") (Stock Code: 373), a substantial shareholder of the Company, and Dragon Mining (Stock Code: 1712); a non-executive director of Tian An Australia Limited ("**Tian An Australia**") (Stock Code: TIA); and the non-executive chairman and a non-executive director of Tanami Gold (Stock Code: TAM). AGL and Dragon Mining are companies listed on the main board of The Stock Exchange of Hong Kong Limited. Tanami Gold and Tian An Australia are companies listed on the Australian Securities Exchange. On 27 April 2021, Mr. Dew resigned as a non-executive director of SHK Hong Kong Industries Limited ("**SHK HK IND**", a company previously listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 666) until 22 April 2021). He was the chairman and a non-executive director of Allied Properties (H.K.) Limited ("**APL**", a substantial shareholder of the Company which was previously listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 56) until 26 November 2020) between January 2007 and December 2020.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT (CONTINUED)

Mr. Lee Seng Hui (李成輝), aged 52, was appointed as a Non-Executive Director of the Company on 2 October 2009. Mr. Lee graduated from the Law School of the University of Sydney with Honours. Previously, he worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. Mr. Lee is currently the chief executive and an executive director of AGL (Stock Code: 373), a substantial shareholder of the Company, and the chairman and a non-executive director of Tian An China Investments Company Limited (“**Tian An**”) (Stock Code: 28). AGL and Tian An are companies listed on the main board of The Stock Exchange of Hong Kong Limited. He is also the non-executive chairman of Mount Gibson (Stock Code: MGX), a company listed on the Australian Securities Exchange. He was the chief executive and an executive director of APL between June 2010 and December 2020.

Ms. Lam Lin Chu (林蓮珠), aged 50, was appointed as a Non-Executive Director of the Company on 21 May 2020. Ms. Lam graduated from The University of Hong Kong with the degree of Bachelor of Business Administration, majoring in accounting and finance. She is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and Institute of Chartered Accountants in England and Wales. Ms. Lam is currently a certified public accountant in Hong Kong. She had been awarded by The Stock Exchange of Hong Kong Limited with a certificate for passing the 15th Securities Brokers Examination. Ms. Lam has extensive experience in the fields of accounting and finance, management of listed companies, mergers and acquisitions etc.. Ms. Lam is currently the chief financial officer of Shougang Fushan Resources Group Limited (Stock Code: 639), a company listed on the main board of The Stock Exchange of Hong Kong Limited and a substantial shareholder of the Company, and previously served as its company secretary for over 5 years. She also worked as the corporate finance manager in another Hong Kong listed company, Soundwill Holdings Limited (Stock Code: 878) and had worked in KPMG for over 5 years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Wong Wing Kuen, Albert (王永權), aged 70, has been appointed as an Independent Non-Executive Director of the Company since 6 July 2004. Dr. Wong holds a Doctor of Philosophy in Business Administration degree from the Bulacan State University, Republic of the Philippines. He is a fellow member of The Chartered Governance Institute, The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries), The Taxation Institute of Hong Kong, Association of International Accountants and Society of Registered Financial Planners. He is a member of Hong Kong Securities and Investment Institute, The Chartered Institute of Arbitrators and The Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. Dr. Wong is currently the principal consultant of KIND Associates CPA Limited. He is also an independent non-executive director of each of Solargiga Energy Holdings Limited (Stock Code: 757), China Merchants Land Limited (Stock Code: 978), China VAST Industrial Urban Development Company Limited (Stock Code: 6166), China Medical & HealthCare Group Limited (Stock Code: 383), China Wan Tong Yuan (Holdings) Limited (Stock Code: 6966) (previously listed on GEM (Stock Code: 8199)) and Dexin China Holdings Company Limited (Stock Code: 2019). These six companies are listed on the main board of The Stock Exchange of Hong Kong Limited. He is also an independent non-executive director of Capital Finance Holdings Limited (Stock Code: 8239), a company listed on GEM of The Stock Exchange of Hong Kong Limited.

Mr. Chang Chu Fai, Johnson Francis (鄭鑄輝), aged 67, was appointed as an Independent Non-Executive Director of the Company on 6 July 2007. Mr. Chang obtained a Bachelor’s Degree in Commerce from Concordia University in Montreal, Canada in 1976 and a Master’s Degree in Business Administration from York University in Toronto, Canada in 1977. He has over 43 years of experience in banking, corporate finance, investment and management and has held various executive positions at financial institutions and directorships of listed companies. Mr. Chang is currently an independent non-executive director of Tian An (Stock Code: 28), a company listed on the main board of The Stock Exchange of Hong Kong Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT (CONTINUED)

Mr. Wang Hongqian (王宏前), aged 62, was appointed as an Independent Non-Executive Director of the Company on 24 May 2019. Mr. Wang graduated from Xi'an Institute of Metallurgy and Construction Engineering (now known as Xi'an University of Architecture and Technology) with a Bachelor's Degree in General Layout and Transportation Design in 1982 and holds a Master's Degree of Business Administration in Finance from The Chinese University of Hong Kong. He is a senior engineer (professor level) and national registered architect (Class A). Mr. Wang is currently a part-time adviser (industry mentor) of Master of Business Administration in Finance in School of Economics and Management of Tsinghua University, vice managing director of Expert Committee of China Association of International Engineering Consultants and commissioner of Committee on Foreign Investment. Mr. Wang worked as the secretary, team leader, deputy director, director and vice-president of Planning and Design Research Institute under the former Ministry of Coal Industry of China, vice-president of Beijing Coal Design and Research Institute (Group) (now known as Beijing Huayu Engineering Co., Ltd.), chairman and president of NFC Real Estate Development Co., Ltd, and chief engineer of China Nonferrous Metal Mining (Group) Co., Ltd.. He was the president and a director of the board of China Nonferrous Metal Industry's Foreign Engineering & Construction Co., Ltd. (Stock Code: 758), a company listed on the Shenzhen Stock Exchange, between November 2002 and October 2018.

ALTERNATE DIRECTOR TO MR. ARTHUR GEORGE DEW

Mr. Wong Tai Chun, Mark (王大鈞), aged 57, was appointed as an alternate director to Mr. Arthur George Dew on 1 March 2016. Mr. Wong holds various directorships in subsidiaries of the Company. Mr. Wong has a Master's Degree in Business Administration and is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, The Chartered Governance Institute and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). Mr. Wong was the financial controller of other listed companies in Hong Kong. He is currently the director of investment of AGL (Stock Code: 373), a substantial shareholder of the Company, and an alternate director to Mr. Arthur George Dew in Dragon Mining (Stock Code: 1712), Tanami Gold (Stock Code: TAM) and Tian An Australia (Stock Code: TIA). AGL and Dragon Mining are companies listed on the main board of The Stock Exchange of Hong Kong Limited. Tanami Gold and Tian An Australia are companies listed on the Australian Securities Exchange. He is also a director of each of APL and SHK HK IND.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT (CONTINUED)

SENIOR MANAGEMENT

Hong Kong

Mr. Brett Robert Smith

Deputy Chairman

Biographical details of Mr. Brett Robert Smith are set out on page 16 of this Annual Report.

Mr. Andrew Ferguson

Chief Executive Officer

Biographical details of Mr. Andrew Ferguson are set out on page 16 of this Annual Report.

Ms. Tam Kit Ling (譚潔玲)

Chief Financial Officer

Ms. Tam Kit Ling, aged 55, joined the Company in July 2016 as the Chief Financial Officer. Ms. Tam is also a supervisor of certain subsidiaries of the Company. She has over 31 years of experience in finance and accounting with international businesses and listed companies in Hong Kong. Ms. Tam holds a Bachelor's Degree in Laws and is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

OTHER MANAGEMENT

Hong Kong

Mr. John Ellis

Investment Manager

Mr. Ellis joined the Company in July 2010 as Investment Manager. Prior to joining APAC, he was Portfolio Manager — Global Resources with Colonial First State in Sydney, and Director — Mining Research Sales with the Royal Bank of Canada in Sydney and London. Mr. Ellis has over 21 years of experience in resources investments and holds a Bachelor of Arts degree as well as a number of industry accreditations including the Canadian Securities Course, the ASX/ACH Responsible Executive, and the Finsia Graduate Certificate of Applied Finance and Investment.

Ms. Jenny Wong (黃靜琳)

Vice President, Corporate and Investment

Ms. Wong joined the Company in February 2012 as Vice President of Corporate and Investment. Prior to joining APAC, she was an Oil & Gas Research Analyst at Renaissance Capital Hong Kong, and prior to that, was at Credit Suisse Melbourne for over 4 years also as an Oil & Gas Analyst. Ms. Wong is a Chartered Financial Analyst and completed a Bachelor of Commerce and Bachelor of Information Systems degrees at the University of Melbourne.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT (CONTINUED)

Mr. To Yung Kan, Kenneth (杜容根)

Financial Controller

Mr. To joined the Company as Financial Controller and Company Secretary in January 2007. He resigned in July 2008 and joined China Medical & HealthCare Group Limited (formerly known as COL Capital Limited) (Stock Code: 383), a company listed on The Stock Exchange of Hong Kong Limited. Mr. To then re-joined the Company in January 2011 as Financial Controller. Mr. To also holds various directorships in subsidiaries of the Company. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. To has extensive experience in corporate finance, financial management, accounting and auditing.

Shanghai, the PRC

Mr. Zhou Luyong (周魯勇)

General Manager, Shanghai Commodity Business

Mr. Zhou joined the Company in July 2007 and is currently the General Manager, Shanghai Commodity Business. Mr. Zhou has more than 28 years experience within the natural resource sector, including commodity trading and bulk carrier chartering. Prior to APAC, Mr. Zhou was the Manager of Baosteel's overseas subsidiaries (in both Hong Kong and Europe), and worked as the General Manager of Coal & Coke Department at Shanghai Baosteel International Economic and Trading Co., Ltd. from 2002, responsible for coal & coke purchase and sales for Baosteel Group. He also established Shanghai Baoding Energy Co., Ltd., a subsidiary of Baosteel Group.

DIRECTORS' REPORT

The directors of the Company (the “**Directors**”) present their report and the consolidated financial statements of the Group for the year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 29 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 30 June 2021 are set out in the consolidated statement of profit or loss on page 113.

FINAL DIVIDEND AND SPECIAL DIVIDEND

The board of Directors (the “**Board**”) has recommended the payment of (i) a final dividend of HK10 cents per share; and (ii) a special dividend of HK10 cents per share for the year ended 30 June 2021 (2020 interim dividend (in lieu of a final dividend): HK10 cents per share), payable to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on Friday, 31 December 2021 subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (“**2021 AGM**”). The proposed final dividend and the proposed special dividend will be paid on or around Friday, 28 January 2022.

For holders of the warrant(s) of the Company (Warrant Code: 1074) who wish to exercise the subscription rights attaching to the warrants and be entitled to the proposed final dividend and the proposed special dividend, they must ensure that the subscription forms accompanied by the relevant warrant certificates and exercise money be lodged with the Company’s branch share registrar in Hong Kong for determining their entitlement not later than 4:30 p.m. on Tuesday, 28 December 2021.

CLOSURE OF REGISTERS OF MEMBERS AND WARRANT HOLDERS

(1) For determining the entitlement to attend and vote at the 2021 AGM scheduled to be held on Thursday, 2 December 2021

- | | |
|---|---|
| – Latest time to lodge transfer and/or subscription documents for registration with the Company’s branch share registrar in Hong Kong | At 4:30 p.m.
on Friday, 26 November 2021 |
| – Closure of the register of members and the register of warrant holders of the Company | Monday, 29 November 2021
to Thursday, 2 December 2021
(both days inclusive) |

DIRECTORS' REPORT (CONTINUED)

(2) For determining the entitlement to the proposed final dividend and the proposed special dividend for the year ended 30 June 2021 subject to the approval of the Shareholders at the 2021 AGM

- Latest time to lodge transfer and/or subscription documents for registration with the Company's branch share registrar in Hong Kong At 4:30 p.m.
on Tuesday, 28 December 2021
- Closure of the register of members and the register of warrant holders of the Company Wednesday, 29 December 2021
to Friday, 31 December 2021
(both days inclusive)

During the above closure periods, no transfer of shares and warrants of the Company will be effected. In order to qualify to attend and vote at the 2021 AGM and to qualify for the proposed final dividend and the proposed special dividend, (i) in the case of shareholders, all transfers of share ownership, accompanied by the relevant share certificates; or (ii) in the case of warrant holders, all subscription forms accompanied by the relevant warrant certificates and exercise money, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than the aforementioned latest time.

BUSINESS REVIEW

Schedule 5 of the Companies Ordinance of Hong Kong (the "**Companies Ordinance**") requires companies to include a business review in the directors' report. Specifically, the Companies Ordinance requires a business review to cover a number of areas which are also approved by the Board and included in the sections headed "Management Discussion and Analysis" and "Corporate Governance Report" of this Annual Report, the discussion of which forms part of this Directors' Report, as follows:

1. A fair review of the Group's business Pages 6 to 15 of this Annual Report
2. Principal risks and uncertainties facing the Group Pages 4 to 15 of this Annual Report
3. Indication of likely development of the Group Pages 14 to 15 of this Annual Report
4. Key relationships with shareholders Pages 43 to 44 of this Annual Report
5. Important events affecting the Group after the end of the financial year Page 14 of this Annual Report

The Company's environmental policies and performance, an account of the Company's relationship with other stakeholders that have a significant impact of the Group including the community and our staff can be found in the "Environmental, Social and Governance Report".

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is highly committed to comply with applicable laws and regulations that govern our businesses from time to time. Being a company listed in Hong Kong, the Company has to comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Our money lending business segment is governed by the Money Lenders Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong.

SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to results by business activities for the year ended 30 June 2021 is set out in notes 6 and 5 respectively to the consolidated financial statements.

SHARE CAPITAL, SHARES ISSUED AND WARRANTS

Details of movements in share capital of the Company during the year ended 30 June 2021 are set out in note 28(b) to the consolidated financial statements.

As disclosed in the announcement of the Company dated 29 June 2021 and the circular of the Company dated 27 July 2021, on 29 June 2021, the Company proposed a bonus issue of warrants to the qualifying Shareholders (the “**Bonus Warrants Issue**”), details are set out in “Liquidity, Financial Resources and Capital Structure” under sections headed “Management Discussion and Analysis” of this report and note 34 to the consolidated financial statements.

DEBENTURES

The Group has not issued any debentures during the year ended 30 June 2021.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

RESERVES

Details of movements in reserves of the Company and of the Group during the year ended 30 June 2021 are set out in note 28(a) to the consolidated financial statements and in the consolidated statement of changes in equity on page 117 respectively.

The Company's reserves available for distribution to shareholders as at 30 June 2021 represented the aggregate of contributed surplus and retained profits amounting to HK\$1,266,534,000 (2020: HK\$989,051,000).

DIRECTORS' REPORT (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year ended 30 June 2021 are set out in note 15 to the consolidated financial statements.

DIRECTORS

The Directors during the year ended 30 June 2021 and up to the date of this report were:

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*)
Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-Executive Directors

Mr. Arthur George Dew (*Chairman*)
Mr. Wong Tai Chun, Mark (*alternate to Mr. Arthur George Dew*)
Mr. Lee Seng Hui
Ms. Lam Lin Chu

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Wang Hongqian

In accordance with Bye-law 87 of the Bye-laws of the Company (the "**Bye-laws**"), Messrs. Arthur George Dew, Andrew Ferguson and Wang Hongqian will retire by rotation at the 2021 AGM and, being eligible, offer themselves for re-election.

No Director being proposed for re-election at the 2021 AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions held by the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "SFO") as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name of Directors	Capacity in which interests are held	Number of shares/ underlying shares held		Approximate percentage of shareholding
		Interests in shares	Total interests	
Ms. Lam Lin Chu	Beneficial owner	75,000	75,000	0.00%
Mr. Lee Seng Hui	Other interests	486,457,630 (Note 1)	486,457,630	39.90%

Note:

- Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.96% of the total number of issued shares of Allied Group Limited ("AGL") (inclusive of Mr. Lee Seng Hui's personal interests) and was therefore deemed to be interested in 486,457,630 shares of the Company in which AGL was deemed to be interested through Allied Properties Investments (1) Company Limited ("API(1)"), its indirect wholly-owned subsidiary.

Save as disclosed above, as at 30 June 2021, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the Bonus Warrants Issue proposed on 29 June 2021, at no time during the year ended 30 June 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 30 June 2021 and up to the date of this report, the following Directors are considered to have interests in the businesses listed below which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

- (i) Mr. Arthur George Dew is a director of AGL, and was a director of Allied Properties (H.K.) Limited ("**APL**", a subsidiary of AGL and was previously listed on the Stock Exchange until 26 November 2020) (retired in December 2020) and SHK Hong Kong Industries Limited ("**SHK HK IND**", a subsidiary of AGL and was previously listed on the Stock Exchange until 22 April 2021) (resigned in April 2021). Mr. Wong Tai Chun, Mark, alternate director to Mr. Arthur George Dew, is a director of certain subsidiaries of AGL (including APL and SHK HK IND). AGL, through certain of its subsidiaries (including APL and SHK HK IND), is partly engaged in the businesses of (a) money lending; (b) investment and trading in securities in the resources and related industries and financial instruments; and (c) trading in listed securities and investment in bonds;
- (ii) Mr. Lee Seng Hui is a director of each of AGL, Tian An China Investments Company Limited ("**Tian An**"), Mount Gibson Iron Limited ("**Mount Gibson**") and a non wholly-owned subsidiary of Sun Hung Kai & Co. Limited ("**SHK**"), was a director of APL between June 2010 and December 2020, and is also one of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of AGL (including APL and SHK HK IND), SHK, Tian An, Asiasec Properties Limited ("**Asiasec**"), Mount Gibson, Dragon Mining Limited ("**Dragon Mining**") and Tanami Gold NL ("**Tanami Gold**") which, through their subsidiaries, are partly engaged in the businesses as follows:
- AGL, through certain of its subsidiaries (including APL and SHK HK IND), is partly engaged in the businesses of (a) money lending; (b) investment and trading in securities in the resources and related industries and financial instruments; and (c) trading in listed securities and investment in bonds;
 - SHK, through certain of its subsidiaries, is partly engaged in the business of money lending;
 - Tian An and Asiasec, through certain of their subsidiaries, are partly engaged in the business of money lending;
 - Mount Gibson, through certain of its subsidiaries, is partly involved in the investment and trading in listed securities in the resources and related industries; and
 - Dragon Mining and Tanami Gold, through certain of their subsidiaries, are involved in the exploration for, and mining and processing gold ores and are partly involved in the investment and trading in listed securities in the resources and related industries;
- (iii) Mr. Andrew Ferguson is an alternate director to Mr. Lee Seng Hui in Mount Gibson which, through certain of its subsidiaries, is partly involved in the investment and trading in listed securities in the resources and related industries; and
- (iv) Mr. Arthur George Dew and Mr. Brett Robert Smith are both directors of each of Dragon Mining and Tanami Gold. Mr. Wong Tai Chun, Mark is an alternate director to Mr. Arthur George Dew in each of Dragon Mining and Tanami Gold. Dragon Mining and Tanami Gold, through certain of their subsidiaries, are involved in the exploration for, and mining and processing gold ores and are partly involved in the investment and trading in listed securities in the resources and related industries.

Although the above-mentioned Directors have competing interests in other companies by virtue of their respective common directorship (other than an independent non-executive director) or shareholding, they will fulfil their fiduciary duties in order to ensure that they will act in the best interests of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

1. As disclosed in the announcement of the Company dated 1 September 2017, on 1 September 2017, APAC Resources Treasury Management Limited ("**APAC Treasury Management**", a wholly-owned subsidiary of the Company) subscribed for US\$2.5 million of the five-year guaranteed 4.65% note due 8 September 2022 (the "**SHK Loan Note**") issued by Sun Hung Kai & Co. (BVI) Limited ("**SHK BVI**") and guaranteed by SHK. SHK BVI is a wholly-owned subsidiary of SHK. SHK BVI early redeemed 80% of the SHK Loan Note on 15 November 2019.
2. As disclosed in the announcements of the Company dated 23 May 2019, 14 June 2019 and 9 July 2019, and the circular of the Company dated 20 June 2019, on 23 May 2019, Ultra Effort Limited ("**Ultra Effort**", a wholly-owned subsidiary of the Company) as the lender entered into the loan agreement (the "**Loan Agreement**") with Best Advantage Limited ("**Best Advantage**") as the borrower and Tian An as the guarantor, pursuant to which, Ultra Effort agreed to, among other things, make available to Best Advantage a revolving loan (the "**Loan Facility**") in the amount not exceeding HK\$235,000,000 (or an amount equivalent to HK\$235,000,000 in such alternative currency as acceptable to and agreed by Ultra Effort) during the availability period commencing on the date of the Loan Agreement and ending on the date falling 1 month prior to the repayment date, at an interest rate of 5.5% per annum, secured by a guarantee and indemnity provided by Tian An and repayable on 24 months from the date of first drawdown. Best Advantage is a wholly-owned subsidiary of Tian An.
3. As disclosed in the announcements of the Company dated 10 May 2021, 17 May 2021, 1 June 2021 and 9 July 2021, and the circular of the Company dated 9 June 2021, on 10 May 2021, Ultra Effort as the lender entered into a supplemental loan agreement (the "**Supplemental Loan Agreement**") with Best Advantage as the borrower and Tian An as the guarantor, pursuant to which, Ultra Effort agreed to, among other things, increase the limit of the Loan Facility from HK\$235,000,000 (or an amount equivalent to HK\$235,000,000 in such alternative currency as acceptable to and agreed by Ultra Effort) to HK\$260,000,000 (or an amount equivalent to HK\$260,000,000 in such alternative currency as acceptable to and agreed by Ultra Effort) and extend the repayment date of the Loan Facility from 12 July 2021 to 12 July 2024 on the terms and subject to the conditions therein (the "**Renewal of Loan Agreement**").
4. As disclosed in the announcements of the Company dated 14 May 2021, 18 May 2021, 7 June 2021, 18 June 2021, 20 July 2021 and 13 August 2021, and the circular of the Company dated 25 June 2021, on 14 May 2021, Genuine Legend Limited ("**Genuine Legend**", a wholly-owned subsidiary of the Company) as the purchaser entered into the sale and purchase agreement (the "**Sale and Purchase Agreement**") with Allied Properties Overseas Limited ("**APOL**", a wholly-owned subsidiary of AGL) as the vendor, pursuant to which and subject to the fulfillment of the conditions, (i) Genuine Legend shall acquire and APOL shall sell the entire issued share capital of Allied Properties Resources Limited (the "**Target Company**", being a wholly-owned subsidiary of APOL); and (ii) the shareholder's loan in the principal amount of HK\$412,260,336 due to APOL by the Target Company (subject to adjustment provided that it shall not exceed HK\$412,260,336 at completion) shall be assigned by APOL to Genuine Legend, at a consideration of HK\$102,581,817.50 (the "**Acquisition**"). As at the date of the Sale and Purchase Agreement, the principal asset of the Target Company was its 41,032,727 shares in Dragon Mining, which represented approximately 25.83% of the issued share capital of Dragon Mining.

Mr. Arthur George Dew, the Chairman and a Non-Executive Director, is also the chairman and a non-executive director of each of AGL and Dragon Mining, and held approximately 0.14% of the issued share capital of Dragon Mining as at 30 June 2021, was therefore deemed to be interested in the Acquisition.

DIRECTORS' REPORT (CONTINUED)

Mr. Brett Robert Smith, the Deputy Chairman and an Executive Director, is also the chief executive officer and an executive director of Dragon Mining, and held approximately 0.07% of the issued share capital of Dragon Mining as at 30 June 2021, was therefore deemed to be interested in the Acquisition.

Mr. Lee Seng Hui, a Non-Executive Director, is the chief executive and an executive director of AGL, the chairman and a non-executive director of Tian An, and also one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, controlled approximately 74.96% interests in the total number of issued shares of AGL, which in turn indirectly owned approximately 39.90% of the total number of issued shares of the Company as at 30 June 2021. Since AGL indirectly owned approximately 72.75% and 48.86% interests in the total number of issued shares of SHK and Tian An respectively as at 30 June 2021, and APOL is a wholly-owned subsidiary of AGL, Mr. Lee was deemed to be interested in (i) the subscription of the SHK Loan Note; (ii) the transactions contemplated under the Loan Agreement and the Supplemental Loan Agreement; and (iii) the Acquisition.

Mr. Chang Chu Fai, Johnson Francis, an Independent Non-Executive Director, is also an independent non-executive director of Tian An and was therefore interested in the transactions contemplated under the Loan Agreement and the Supplemental Loan Agreement.

Save as disclosed above, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 30 June 2021.

MANAGEMENT CONTRACTS

Save for employment contracts and the sharing of administrative services and management services agreement as detailed below under "Continuing Connected Transactions", no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended 30 June 2021.

PERMITTED INDEMNITY PROVISION

The Bye-laws provide that the Directors, Secretary and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. The Company accordingly maintains appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in more than 5% of the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in shares and underlying shares of the Company

Name of Shareholders	Capacity in which interests are held	Number of shares/ underlying shares held		Approximate percentage of shareholding
		Interests in shares	Total interests	
Old Peak Asia Fund Ltd.	Interest of a controlled corporation (Note 1)	110,000,000	110,000,000	9.03%
OPG Holdings LLC	Interest of a controlled corporation (Note 1)	110,000,000	110,000,000	9.03%
Shougang Fushan Resources Group Limited	Interest of a controlled corporation (Note 2)	143,400,000	143,400,000	17.64%
AGL	Interest of controlled corporations (Note 3)	486,457,630	486,457,630	39.90%
Lee and Lee Trust	Interest of controlled corporations (Note 5)	486,457,630	486,457,630 (Note 4)	39.90%

Notes:

- These shares are held by OP Master Fund Ltd. ("**OP Master**"), a wholly-owned subsidiary of Old Peak Asia Fund Ltd., and Old Peak Ltd. ("**Old Peak**"), a wholly-owned subsidiary of Old Peak Group Ltd. which in turn is a wholly-owned subsidiary of OPG Holdings LLC. Accordingly, Old Peak Asia Fund Ltd. and OPG Holdings LLC were deemed to have interests in the shares in which OP Master and Old Peak were interested.
- These shares are held by Benefit Rich Limited ("**Benefit Rich**"), a wholly-owned subsidiary of Shougang Fushan Resources Group Limited ("**Shougang Fushan**"). Accordingly, Shougang Fushan was deemed to have an interest in the shares in which Benefit Rich was interested.
- These shares are held by API(1), a wholly-owned subsidiary of APOL which in turn is a wholly-owned subsidiary of APL. AGL directly and indirectly (through Capscore Limited, Citiwealth Investment Limited and Sunhill Investments Limited, all being direct wholly-owned subsidiaries of AGL) owned in aggregate 100% of the total number of issued shares of APL. AGL was therefore deemed to have an interest in the shares in which API(1) was interested.
- This represents the same interest of AGL in 486,457,630 shares.
- Mr. Lee Seng Hui, Director, together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.96% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and was therefore deemed to have an interest in the shares in which AGL was interested through API(1).

DIRECTORS' REPORT (CONTINUED)

Save as disclosed above and in the section headed "Directors' Interests in Shares, Underlying Shares and Debentures", as at 30 June 2021, the Company was not notified of any other persons having any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2021.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 June 2021, the Group's five largest customers in aggregate accounted for 80% of the turnover of the Group and the largest customer accounted for approximately 25% of the total turnover of the Group.

For the year ended 30 June 2021, the entire purchases of the Group were attributable to the sole supplier.

Shougang Fushan, a substantial shareholder of the Company, is deemed to have interests in the sole supplier of the Group.

Save as disclosed above and to the best of the Directors' knowledge, at no time during the year ended 30 June 2021 did a Director, a close associate of a Director or a shareholder of the Company, which to the knowledge of the Directors owns more than 5% of the total number of issued shares of the Company, have a beneficial interest in any of the five largest customers and the sole supplier of the Group.

EMOLUMENT POLICY

The Group's employees are selected, remunerated and promoted based on their merit, qualifications and competence.

The Company adopted the model set out in Code Provision B.1.2(c)(ii) of Appendix 14 to the Listing Rules as its remuneration model for determining the emoluments of the Directors. This model stipulates that the remuneration committee shall make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The remuneration committee of the Company would take into consideration, among other things, the duties and responsibilities of the Directors and senior management and prevailing market conditions when determining their remuneration.

RELATED PARTY TRANSACTIONS

During the year ended 30 June 2021, the Group entered into transactions with related parties, details of which are set out in note 33 to the consolidated financial statements. Certain of these related party transactions constitute a connected transaction or a continuing connected transaction of the Group as defined in and required to be disclosed under Chapter 14A of the Listing Rules and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION

As disclosed in the announcements of the Company dated 14 May 2021, 18 May 2021, 7 June 2021, 18 June 2021, 20 July 2021 and 13 August 2021, and the circular of the Company dated 25 June 2021, on 14 May 2021, Genuine Legend as the purchaser entered into the Sale and Purchase Agreement with APOL (a wholly-owned subsidiary of AGL) as the vendor in respect of the Acquisition. The transaction contemplated under the Sale and Purchase Agreement was subsequently approved by the independent Shareholders at the special general meeting of the Company held on 20 July 2021. The Acquisition was completed on 13 August 2021.

As at the date of the Sale and Purchase Agreement, since APOL was a substantial shareholder of the Company through its interest in API(1), APOL was a connected person of the Company and the Acquisition constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

1. As disclosed in the announcements of the Company dated 23 May 2019, 14 June 2019 and 9 July 2019, and the circular of the Company dated 20 June 2019, on 23 May 2019, Ultra Effort as the lender entered into the Loan Agreement with Best Advantage (a wholly-owned subsidiary of Tian An) as the borrower and Tian An (a then 48.66%-owned company of AGL through APL) as the guarantor, pursuant to which, Ultra Effort agreed to, among other things, make available to Best Advantage the Loan Facility. The transaction contemplated under the Loan Agreement was subsequently approved by the independent Shareholders at the special general meeting of the Company held on 9 July 2019.

The annual caps in respect of the Loan Facility under the Loan Agreement were set at HK\$249,900,000, HK\$249,900,000 and HK\$236,300,000 for each of the three financial years ending 30 June 2022 respectively. The aggregate amounts for the principal loan outstanding and the interest amount under the Loan Agreement payable by Best Advantage to Ultra Effort for the year ended 30 June 2021 was HK\$227,856,000 which did not exceed the annual cap of HK\$249,900,000 for the financial year ended 30 June 2021.

2. As disclosed in the announcements of the Company dated 10 May 2021, 17 May 2021, 1 June 2021 and 9 July 2021, and the circular of the Company dated 9 June 2021, on 10 May 2021, Ultra Effort as the lender entered into the Supplemental Loan Agreement with Best Advantage (a wholly-owned subsidiary of Tian An) as the borrower and Tian An (a then 48.86%-owned company of AGL) as the guarantor in respect of the Renewal of Loan Agreement. The transaction contemplated under the Supplemental Loan Agreement was subsequently approved by the independent Shareholders at the special general meeting of the Company held on 9 July 2021.

The annual caps in respect of the loan facility under the Supplemental Loan Agreement were set at HK\$273,869,000, HK\$274,300,000, HK\$274,300,000 and HK\$260,431,000 for the period from 12 July 2021 to 30 June 2022, each of the two financial years ending 30 June 2024 and the period from 1 July 2024 to 11 July 2024 respectively.

DIRECTORS' REPORT (CONTINUED)

3. As disclosed in the 2020 Annual Report of the Company, on 2 January 2020, the Company entered into a renewed sharing of administrative services and management services agreement (the “**Services Agreement**”) with AGL, pursuant to which the Company agreed to renew and extend the term of the sharing of administrative services and management services agreement dated 7 February 2017 entered into between the Company and AGL for a period of three years which commenced from 1 January 2020 and expiring on 31 December 2022 and engaged AGL for the provision of, (i) the administrative services, which included the corporate secretarial services, provision of registered office address, utilities services including water, electricity, telephone (including international telephone services) and internet, photocopying, postal, courier, delivery and other services ancillary to the day-to-day administration and operation of the Group provided by AGL to the Group, and shall reimburse AGL the actual costs incurred; and (ii) the management services, which included the management, consultancy, strategic, internal audit, management information system consultancy and business advice services provided by the senior management and selected staff of AGL (the “**Management Staff**”) to the Group (the “**Management Services**”), and shall reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of the Management Staff providing the Management Services.

As (i) Mr. Lee Seng Hui, by being a Non-Executive Director, and also one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, controlled approximately 74.96% interests in the total number of issued shares of AGL as at 30 June 2021; (ii) Mr. Arthur George Dew, by being the Chairman and a Non-Executive Director and a member of the Management Staff providing the Management Services under the Services Agreement; and (iii) Mr. Wong Tai Chun, Mark, by being an alternate to Mr. Arthur George Dew and a member of the Management Staff providing the Management Services under the Services Agreement, all of them are deemed to be interested in the Services Agreement.

Since AGL is a substantial shareholder of the Company, and Tian An and Best Advantage are all associates of AGL, each of AGL, Tian An and Best Advantage is a connected person of the Company and the transactions contemplated under the Loan Agreement, the Supplemental Loan Agreement and the Services Agreement (other than the sharing of the administrative services) constituted continuing connected transactions of the Company under Rule 14A.31 of the Listing Rules. The transactions contemplated under the Loan Agreement (the “**Continuing Connected Transaction**”) and the Supplemental Loan Agreement are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. However, the transaction contemplated under the Services Agreement (other than the sharing of the administrative services) constituted a de minimis transaction which is fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules pursuant to Rule 14A.76 of the Listing Rules. The information is disclosed herein for information only.

Pursuant to Rule 14A.55 of the Listing Rules, the Independent Non-Executive Directors have reviewed the Continuing Connected Transaction and have confirmed that the Continuing Connected Transaction was entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing them on terms that were fair and reasonable and in the interests of the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform certain agreed upon procedures in respect of the above Continuing Connected Transaction and the auditor has reported its conclusion on these procedures to the Board, confirming the matters set out in Rule 14A.56 of the Listing Rules. The auditor of the Company was engaged to report on the above Continuing Connected Transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants.

DONATION

During the year ended 30 June 2021, the Group made donations of total HK\$41,000.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws, or the Companies Act 1981 of Bermuda (the "Act"), which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PUBLIC FLOAT

As at the date of this report, the Company has maintained a sufficient public float as required under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of its Directors.

AUDITOR

Messrs. Deloitte Touche Tohmatsu resigned as auditor of the Company and Messrs. Crowe (HK) CPA Limited was appointed as auditor of the Company to fill the casual vacancy, both with effect from 22 June 2020.

The consolidated financial statements of the Group for the year ended 30 June 2021 were audited by Messrs. Crowe (HK) CPA Limited. Messrs. Crowe (HK) CPA Limited will retire and a resolution for re-appointment of Messrs. Crowe (HK) CPA Limited as auditor of the Company will be proposed at the 2021 AGM.

Save as disclosed above, there has been no other change in the auditor of the Company in any of the preceding three years.

REVIEW OF RESULTS BY AUDIT COMMITTEE

The Group's final results for the year ended 30 June 2021 have been reviewed by the audit committee of the Company.

On behalf of the Board

Arthur George Dew

Chairman

Hong Kong, 24 September 2021

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders' value.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

In the light of the Corporate Governance Code and Corporate Governance Report ("**CG Code**") contained in Appendix 14 of the Listing Rules, the Board has reviewed the corporate governance practices of the Company with the adoption of the various enhanced procedures which are detailed in this report. The Company has applied the principles of, and fully complied with, the applicable code provisions of the CG Code during the year ended 30 June 2021. The Board will review the current practices at least annually, and make appropriate changes if considered necessary.

THE BOARD

The Board currently comprises eight Directors in total, with two Executive Directors, three Non-Executive Directors ("**NEDs**") and three Independent Non-Executive Directors ("**INEDs**"). The composition of the Board during the year ended 30 June 2021 and up to the date of this report is set out as follows:

Executive Directors:

Mr. Brett Robert Smith (*Deputy Chairman*)
Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-Executive Directors:

Mr. Arthur George Dew (*Chairman*)
Mr. Wong Tai Chun, Mark (*alternate to Mr. Arthur George Dew*)
Mr. Lee Seng Hui
Ms. Lam Lin Chu

Independent Non-Executive Directors:

Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Wang Hongqian

The brief biographical details of the Directors are set out in the Biographical Details of Directors and Management on pages 16 to 20 of this Annual Report.

Board Process

During the year, the NEDs (at least three of whom are independent) provided the Group with a wide range of expertise and experience. Their active participation in the Board and committee meetings brought independent judgment on issues relating to the Group's strategy, performance and management process, taking into account the interests of all Shareholders.

Throughout the year and up to the date of this report, the Company has had at least three INEDs representing not less than one-third of the Board. At least one of the INEDs has the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters which need to be dealt with. During the year, seven Board meetings were held and the individual attendance records of each Director at the meetings of the Board, Remuneration Committee, Audit Committee and general meeting during the year ended 30 June 2021 are set out below:

Name of Directors	Number of meetings attended/held			General Meeting
	Board	Remuneration Committee	Audit Committee	
Executive Directors:				
Mr. Brett Robert Smith (<i>Deputy Chairman</i>)	6/7	–	–	1/1
Mr. Andrew Ferguson (<i>Chief Executive Officer</i>)	7/7	–	–	1/1
Non-Executive Directors:				
Mr. Arthur George Dew (<i>Chairman</i>) (<i>Mr. Wong Tai Chun, Mark as his alternate</i>)	7/7 (<i>Note 1</i>)	1/1 (<i>Note 1</i>)	2/2 (<i>Note 1</i>)	1/1 (<i>Note 1</i>)
Mr. Lee Seng Hui	4/7	–	–	0/1
Ms. Lam Lin Chu	7/7	–	–	1/1
Independent Non-Executive Directors:				
Dr. Wong Wing Kuen, Albert	7/7	1/1	2/2	1/1
Mr. Chang Chu Fai, Johnson Francis	6/7	1/1	2/2	1/1
Mr. Wang Hongqian	7/7	1/1	2/2	1/1

Note:

- All meetings were attended by himself.

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual and interim results, approval of Directors' appointment or re-appointment (based on the recommendations made by the Nomination Committee), material contracts and transactions, corporate governance as well as other significant policy and financial matters. The Board has delegated the day-to-day responsibility to the executive management under the instruction/supervision of the Executive Committee which has its specific written terms of reference. The respective functions of the Board and management of the Company have been formalised and set out in writing and will be reviewed and updated by the Board from time to time to ensure that they are consistent with the existing rules and regulations.

Regular Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The company secretary of the Company ("**Company Secretary**") assists the Chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

CORPORATE GOVERNANCE REPORT (CONTINUED)

According to the current Board practice, if a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting. The Bye-laws also stipulate that save for the exceptions as provided therein, a Director shall abstain from voting on any Board resolution and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, a written procedure has been established to enable the Directors, in discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

Directors' Continuous Professional Development

For continuous professional development, in addition to Directors' attendance at meetings and review of papers and circulars sent by the management of the Company, Directors participated in the activities including the following:

Participation in Continuous Professional Development Activities

Name of Directors	Reading Regulatory Updates	Attending trainings/ briefings/seminars/ conferences relevant to Directors' duties
Executive Directors:		
Mr. Brett Robert Smith (<i>Deputy Chairman</i>)	✓	✓
Mr. Andrew Ferguson (<i>Chief Executive Officer</i>)	✓	✓
Non-Executive Directors:		
Mr. Arthur George Dew (<i>Chairman</i>)	✓	✓
Mr. Wong Tai Chun, Mark (<i>alternate to Mr. Arthur George Dew</i>)	✓	✓
Mr. Lee Seng Hui	✓	✓
Ms. Lam Lin Chu	✓	✓
Independent Non-Executive Directors:		
Dr. Wong Wing Kuen, Albert	✓	✓
Mr. Chang Chu Fai, Johnson Francis	✓	✓
Mr. Wang Hongqian	✓	✓

Board Diversity

The Company has adopted the Board Diversity Policy in September 2013 which sets out the objectives and principles regarding board diversity to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance. Board nomination and appointments will be made on merit basis based on the Company's business needs from time to time while taking into account diversity.

Selection of Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, cultural background, educational background, skills, knowledge and professional experience.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Arthur George Dew, being the Chairman of the Board, is primarily responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner; (ii) all Directors are properly briefed on issues arising at Board meetings; and (iii) the Directors receive accurate, timely and clear information. The functions of the chief executive are performed by Mr. Andrew Ferguson, the Chief Executive Officer of the Company, who is responsible for the day-to-day management of the Group's business. Their responsibilities are clearly segregated and have been set out in writing and approved by the Board.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The terms of reference of the Nomination Committee include the nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

Every newly appointed Director will receive an induction package from the Company Secretary on the first occasion of his/her appointment. This induction package is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a director pursuant to the Companies Ordinance, Listing Rules and Securities and Futures Ordinance. In addition, this induction package includes materials briefly describing the operations and business of the Company, the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. Directors will be continuously updated on any major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

All NEDs (including INEDs) of the Company were appointed for a specific term which has been renewed for further two years commenced from 1 June 2021, but subject to the relevant provisions of the Bye-laws or any other applicable laws whereby the Directors shall vacate or retire from their offices but eligible for re-election.

According to the Bye-laws, at each annual general meeting of the Company ("**AGM**"), one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Further, any Director appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company whilst for those appointed as an addition to the Board shall hold office until the next following AGM and in both cases, those Directors shall then be eligible for re-election at the relevant meeting. Every Director shall be subject to retirement by rotation at least once every three years.

CORPORATE GOVERNANCE REPORT (CONTINUED)

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted the written terms of reference on its corporate governance functions.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year ended 30 June 2021 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

BOARD COMMITTEES

The Board has established various committees, including a Nomination Committee, a Remuneration Committee, an Audit Committee and an Executive Committee, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section headed "The Board" of this report, have been adopted for the committee meetings so far as practicable.

Nomination Committee

The Nomination Committee has been established since March 2012 and is chaired by the Chairman of the Board and comprises a majority of INEDs. Currently, the Nomination Committee consists of four members, including Mr. Arthur George Dew (Chairman of the Nomination Committee) (Mr. Wong Tai Chun, Mark as his alternate), being a NED, and Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Wang Hongqian, all being the INEDs. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Nomination Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Nomination Committee has formulated and set out the nomination policy ("**Nomination Policy**") in its terms of reference. The objective of the Nomination Policy is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. To ensure changes to the Board composition can be managed without undue disruption, a formal, considered and transparent procedure is in place for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities. Further details of the selection criteria and the procedure are set out in the terms of reference of the Nomination Committee which are available on the websites of the Stock Exchange and the Company.

The Nomination Committee will meet as and when necessary in accordance with its terms of reference and may also deal with matters by way of circulation. During the year ended 30 June 2021, no Nomination Committee meeting was held while the Nomination Committee dealt with matters by way of circulation. During the year ended 30 June 2021 and up to the date of this report, the Nomination Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval the proposed resolution for re-election of the retiring Directors at 2020 AGM and 2021 AGM;
- (ii) reviewed the structure, size, composition and diversity of the Board and assessed the independence of each INED; and
- (iii) reviewed and recommended for the Board's approval the renewal of the term of appointment of the re-appointing Executive Director and NEDs (including the INEDs) for two years commenced from 1 June 2021.

Remuneration Committee

The Remuneration Committee has been established for more than ten years and currently consists of four members, including Dr. Wong Wing Kuen, Albert (Chairman of the Remuneration Committee), Mr. Chang Chu Fai, Johnson Francis and Mr. Wang Hongqian, all being the INEDs, and Mr. Arthur George Dew (Mr. Wong Tai Chun, Mark as his alternate), being a NED. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Remuneration Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference. During the year ended 30 June 2021, one Remuneration Committee meeting was held and the attendance of each member is set out in the section headed "The Board" of this report.

In addition to the Remuneration Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during the year ended 30 June 2021. During the year ended 30 June 2021 and up to the date of this report, the Remuneration Committee performed the works as summarised below:

- (i) reviewed the existing policy and structure for the remuneration of Directors and senior management;
- (ii) reviewed and recommended for the Board's approval the existing remuneration packages of the Executive Directors and senior management;
- (iii) reviewed and recommended for the Board's approval the existing remuneration of the NEDs (including the INEDs);
- (iv) recommended for the Board's approval the bonus for the years ended 30 June 2020 and 30 June 2021 of the Executive Directors and senior management; and
- (v) reviewed and recommended for the Board's approval the remuneration and the renewal of the term of appointment of the re-appointing Executive Director and NEDs (including the INEDs).

CORPORATE GOVERNANCE REPORT (CONTINUED)

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 11 to the consolidated financial statements whereas detailed changes in the emoluments of certain Director during the interim period and up to the date of the Interim Report were also disclosed in the Interim Report of the Company dated 25 February 2021. Details of the emolument policy of the Group are also set out in the "Emolument Policy" section contained in the Directors' Report on page 30.

Audit Committee

The Audit Committee has been established for more than ten years and currently consists of four NEDs, three of whom are INEDs. To retain independence and objectivity, the Audit Committee is chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The current members of the Audit Committee are Dr. Wong Wing Kuen, Albert (Chairman of the Audit Committee), Mr. Chang Chu Fai, Johnson Francis and Mr. Wang Hongqian, all being the INEDs, and Mr. Arthur George Dew (Mr. Wong Tai Chun, Mark as his alternate), being a NED. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Audit Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Audit Committee shall meet at least twice a year in accordance with its terms of reference. During the year ended 30 June 2021, two Audit Committee meetings were held and the attendance of each member is set out in the section headed "The Board" of this report.

In addition to the Audit Committee meetings, the Audit Committee also dealt with matters by way of circulation during the year ended 30 June 2021. During the year ended 30 June 2021 and up to the date of this report, the Audit Committee performed the works as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor;
- (ii) reviewed the reports of findings/independent review report from the external auditor and the management's response in relation to the final audit for the year ended 30 June 2020, the interim results review for the six months ended 31 December 2020 and the final audit for the year ended 30 June 2021 of the Group;
- (iii) reviewed and recommended for the Board's approval the financial reports for the year ended 30 June 2020, for the six months ended 31 December 2020 and for the year ended 30 June 2021 together with the relevant management representation letters and announcements;
- (iv) reviewed and recommended for the Board's annual review the Group's risk management and internal control systems;
- (v) reviewed the Internal Audit Report prepared by the Internal Audit Department ("**IAD**");
- (vi) reviewed and recommended for the Board's annual review the report on substantiation of the resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget; and
- (vii) reviewed and recommended for the Board's annual review the Procedure for Reporting Possible Improprieties in Financial Reporting, Internal Control or Other Matters, Related Party Transaction Policies and Procedures, Procedures for the Identification and Monitoring of Connected Transactions, Policy on the Disclosure of Inside Information, Internal Control Manual and Policy on Risk Management, Compliance and Internal Control Procedures.

Executive Committee

The Executive Committee has been established by the Board with specific terms of reference and currently consists of two Executive Directors, being Mr. Andrew Ferguson (Chairman of the Executive Committee) and Mr. Brett Robert Smith. The Executive Committee is responsible for reviewing and approving, inter alia, any matters arising from the day-to-day activities of the Group and any matters to be delegated by the Board from time to time.

COMPANY SECRETARY

Ms. Lau Tung Ni is the Company Secretary. All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with the Shareholders and management.

Ms. Lau is a fellow member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). During the year ended 30 June 2021, Ms. Lau undertook over 15 hours of relevant professional training to update her skills and knowledge.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of inside information in relation to the Company or its securities.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the Accounts Department, the consolidated financial statements of the Group. In preparing the consolidated financial statements for the year ended 30 June 2021, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance were complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgments and estimates that are prudent and reasonable and have ensured that the consolidated financial statements are prepared on a going concern basis.

The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor's Report of this Annual Report.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Risk Management and Internal Control

The Board has the responsibility to review annually the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational, compliance and Environmental, Social and Governance-related controls. During the year, the Board, through the Audit Committee, had reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget.

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals. They have a key role in the management of risks that are significant to the fulfilment of business objectives. In addition, they should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

Systems and procedures are put in place to identify, evaluate and manage the risks of different businesses and activities. The annual assessment is performed through the completion by the relevant department heads of their respective responsibility statements as co-ordinated by the IAD. The result and findings are reported by the management to the Chairman of Executive Committee who puts forward the same to the Audit Committee and the Board for review on the effectiveness of the risk management and internal control systems, which have been considered effective and adequate.

A discussion of the policies and procedures on the management of each of the major types of risk which the Group is facing is included in note 31 to the consolidated financial statements and in the "Management Discussion and Analysis" section of this Annual Report.

Internal Audit

The Head of Internal Audit reports to the Chairman of the Board and the Audit Committee. The IAD generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems.

The Internal Audit Report was prepared by the IAD and issued to the Audit Committee and the Board for review.

Policy on Disclosure of Inside Information

The Board has adopted the Policy on the Disclosure of Inside Information ("**Policy**") with respect to the procedures and internal controls for the handling and dissemination of inside information. The Policy sets out guidelines and procedures to the Directors and relevant officers of the Group to ensure inside information of the Group is to be disseminated to the public on an equal basis and in timely manner. Directors and relevant officers in possession of potential inside information and/or inside information are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain the information confidential. The Policy shall be updated and revised as and when necessary in light of changes in circumstances and changes in the Listing Rules, Part XIVA of the Securities and Futures Ordinance and relevant statutory and regulatory requirements from time to time.

External Auditor's Remuneration

During the year ended 30 June 2021, the remuneration paid or payable to the Company's auditor, Crowe (HK) CPA Limited, is set out below:

Services rendered	Fee paid or payable HK\$'000
Audit services	800
Non-audit services:	
– assurance work on continuing connected transactions	30
– review interim financial information	100
	930

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with Shareholders. Information in relation to the Group is disseminated to Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the website of the Company.

The Company's AGM is a valuable forum for the Board to communicate directly with Shareholders. The Chairman actively participates at the AGM through telephone conference due to COVID-19 and the relevant travel restrictions to answer any questions from Shareholders. The chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or in their absence, another member of the respective committees or failing that their respective duly appointed delegate, are also available to answer questions at the AGM. The chairman of any independent board committee formed as necessary or pursuant to the Listing Rules (or if no such chairman is appointed, at least a member of the independent board committee) will also be available to answer questions at any general meeting of Shareholders to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

During the year ended 30 June 2021, the 2020 AGM was held on 20 November 2020. The attendance records of the Directors at the general meeting are set out in the section headed "The Board" of this report.

Separate resolutions are proposed at the general meeting for each substantial issue, including the re-election of retiring Directors.

The notice to Shareholders is to be sent in the case of AGM at least 20 clear business days before the meeting and to be sent at least 10 clear business days in case of all other general meetings. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the meeting. The Chairman answers questions from Shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Pursuant to Bye-law 58 of the Bye-laws, Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. Such requisition must state the purposes of the general meeting, signed by the Shareholder(s) concerned and can be addressed to the Board or the Company Secretary in writing by mail to the Company's registered office in Bermuda ("**Registered Office**") and preferably with a copy to its principal office in Hong Kong ("**Head Office**"). Besides, Shareholder(s) may make a proposal at a Shareholders' meeting by submitting it in written form addressed to the Board or the Company Secretary at the Registered Office and preferably with a copy to the Head Office in accordance with the Act and the Bye-laws where applicable.

The Board established a shareholders' communication policy. Shareholders may, at any time, direct enquiries to the Board. Such enquiries can be addressed to the Board or the Company Secretary in writing by mail to the Registered Office and preferably with a copy to the Head Office.

DIVIDEND POLICY

The Board has adopted the dividend policy since November 2018. The Company's dividend policy aims at providing reasonable and sustainable returns to its Shareholders whilst maintaining a position of financial stability which allows the Company to take advantage of any investment and expansion opportunities that may arise from time to time.

The Board may declare or propose dividends on an annual basis and/or may declare interim dividends or special dividends. Proposal or declaration of dividends by the Board is subject to consideration of the Company's and the Group's operating results, accumulated and future earnings, gearing, liquidity position, capital commitment requirement and future expansion plan as well as general economic conditions and external factors that may have impact on the financial performance and position of the Company and the Group. In addition, as the Company is a holding company, the Board will also consider the dividends received from its subsidiaries and associates as the ability to pay dividends by the Company is dependent on the dividends received from those subsidiaries and associates.

The Board will regularly review the dividend policy and will amend and/or modify the dividend policy if necessary.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code of the Stock Exchange but also about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our Shareholders to promote and improve our transparency are also welcome.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GOVERNANCE STRUCTURE, APPROACH AND STRATEGY

APAC Resources Limited (the “**Company**” or “**APAC**”, together with its subsidiaries, the “**Group**”) is pleased to present its Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”). This Report outlines the Group’s sustainability initiatives and selected targets and Key Performance Indicators (“**KPIs**”) that are material to the Group and its stakeholders on ESG issues. This Report supplements information disclosed elsewhere in this Annual Report.

APAC is an established natural resource investment fund and commodity trading house which owns strategic interests in natural resource companies with the main business lines comprising of primary strategic investment; resource investment; and commodity trading business, focused primarily on metals, mining and energy and investment in financial assets.

APAC believes in delivering long term, sustainable value creation not only to our shareholders and investors but to all our stakeholders, including employees, and the broader environment and society. In doing so, we recognise that the choices we make will have an impact on the communities in which we carry on business and we commit to make such impact a positive one. Central to our ESG approach is our commitment to creating sustained value for all our stakeholders. We believe a robust governance structure is important in effectively managing risk and ESG performance. We consider stakeholder opinions are crucial for our continuous improvement. We strongly believe that ongoing communication with major stakeholders is vital to understand the interests and expectations of our stakeholders, as well as to help us prioritise ESG topics that may ultimately serve the Company.

The Board is accountable for oversight ESG issues and endorses the initiative to pursue a clear ESG management approach that is closely in line with the Group’s overall business strategic development. The Board has delegated the day-to-day responsibility for all related matters to the senior management and department heads. Department heads are responsible for identifying, evaluating and managing business and operating risks including ESG-related risks for the Group. The result and findings are reported annually by department heads to the Chairman of Executive Committee who puts forward the same to the Audit Committee and the Board for review. In addition, designated personnel of the management are responsible to identify and manage ESG issues, collecting and analysing relevant ESG data from various departments and reporting in the ESG Report on an annual basis. This Report has been reviewed and approved by the Board.

The Company has adopted a Sustainability Policy in September 2017 which covers our principles in the area of employment and labour practices, business integrity, the environment and the community. We shall endeavor to embrace these principles as part of our practice and governance to guide our business and operational decision-making and to contribute to the sustainable development of society and the environment.

REPORTING BOUNDARY AND SCOPE

This Report covers the operations of APAC and all its subsidiaries. There is no significant change in the reporting boundary compared to the previous year. The subject areas and aspects are presented based on the “Environmental, Social and Governance Reporting Guide” for listed issuers published by The Stock Exchange of Hong Kong Limited (the “**ESG Reporting Guide**”).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

REPORTING PRINCIPLES

All information of this Report has been compiled according to the data and information obtained within the Group. The preparation of this Report strictly adheres to the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”.

Materiality	This Report is structured based on the materiality of respective issues, determined by the management that are important to stakeholders after taking into accounts stakeholders expectation.
Quantitative	This Report discloses material environmental and social KPIs. Targets are set to reduce impact if relevant. Information of the standards, methodologies, assumptions and/or calculation references, and sources of key conversion factors used on these KPIs are stated wherever appropriate.
Balance	This Report presents an unbiased overview of the Group’s ESG performance with both achievements and areas of improvements disclosed.
Consistency	This Report is prepared in accordance with the ESG Reporting Guide, as well as consistent methodology for the calculation of KPIs in order to provide a meaningful comparison over years.

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

The Group aims to actively collaborate with its stakeholders to ensure that their opinions can be voiced out through a proper communication channel.

Stakeholders	Communication channels
Government and regulatory authorities	<ul style="list-style-type: none">• Routine reports• Correspondences• Laws and regulations
Shareholders and investors	<ul style="list-style-type: none">• General meetings and other shareholders’ meetings• Annual and interim reports• Announcements and circulars• Company website
Employees	<ul style="list-style-type: none">• Training and briefing• Performance reviews• Staff meetings
Customers	<ul style="list-style-type: none">• Call and email• Face-to-face meetings
Suppliers	<ul style="list-style-type: none">• Call and email• Websites• Brochures• Supplier sustainability reports
Media and the public	<ul style="list-style-type: none">• Annual and interim reports• Company website• Regular reports and announcements

We defined material stakeholder groups as those who have frequent connections, significant financial and operational influence, and form a long-term and strategic relationship with the Group. After conducting a materiality screening, our material stakeholders are identified as: the Board, management, shareholders/investors, employees and customers.

Amongst various environmental and social issues based on the ESG Reporting Guide within the scope of sustainability, the following is the list of issues that are considered to be material and relevant to the Group. The priorities are set based on management's view as well as certain conclusions from our stakeholders' engagement. Based on management's view, the aspects and KPIs relevant to this Report's disclosure are set out as follows:

Material and relevant issues:

Climate Change (Aspect A4) general disclosure, KPI A4.1
Employment (Aspect B1) general disclosure, KPI B1.1, B1.2
Anti-corruption (Aspect B7) general disclosure, KPI B7.1, B7.2, B7.3

Other relevant issues:

Emissions (Aspect A1) general disclosure
Use of resources (Aspect A2) general disclosure, KPI A2.1, A2.3
The environment and natural resources (Aspect A3) general disclosure, KPI A3.1
Health and safety (Aspect B2) general disclosure, KPI B2.1, B2.2
Development and training (Aspect B3) general disclosure, KPI B3.1, B3.2
Labour standards (Aspect B4) general disclosure
Supply chain management (Aspect B5) general disclosure, KPI B5.1, B5.2, B5.3
Product responsibility (Aspect B6) general disclosure, KPI B6.1, B6.2, B6.3
Community investment (Aspect B8) general disclosure, KPI B8.1, B8.2

All other KPIs not mentioned above were considered not relevant for detailed disclosure.

The following ESG issues are presented based on the classification of provisions by the ESG Reporting Guide.

A. Environmental Issues

The Group's Sustainability Policy encompasses our general approach towards environmental issues. We endeavour to:

- observe relevant laws and regulations and aim to go beyond minimum requirements;
- prevent/minimise air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste;
- make efficient use of resources, including energy, water and other raw materials;
- minimise the impact of the Group's activities on the environment and natural resources; and
- engage our staff, customers and partners to promote environmentally sustainable business practices and constantly re-assess our processes to minimise environmental impact.

This Report does not include the disclosure of all the environmental KPIs as they are not considered material or relevant. Instead, we have discussed our general approach and effort to reduce the Group's environmental footprint in various aspects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Emissions (Aspect A1)

The Group is not involved in any manufacturing activities. Emissions produced directly by the Group related to 2 executive vehicles in Hong Kong and mainland China. These are used for senior staff's local travel only. The scale and usage are immaterial. Other emissions produced are mostly on a "second degree" basis as incurred during occasional business travels and the Group did not generate any hazardous waste during the year. The Group's non-hazardous waste consists of paper, office equipment waste, office stationery, as well as domestic waste generated from our employees.

In line with our policy to minimise air and greenhouse gas emissions and generation of hazardous and non-hazardous waste, major operations are equipped with audio conferencing facilities to minimise the need for face to face meetings and keep business travelling to a minimum. We aim to reduce the amount of waste generated by diverting useful resources from landfills to recycling or repurposing, whenever applicable.

There are no relevant laws and regulations that have a significant impact to our business on this aspect.

Use of Resources (Aspect A2) and The Environment and Natural Resources (Aspect A3)

We place a high priority on the efficient use of resources. With only 15 staff members across the Group, we consume limited amounts of electricity and paper. Water consumption is not material to our business as it relates only to the personal consumption of our staff for their personal hygiene.

Environmental protection guidelines in relation to energy savings, materials recycling and reduction in paper consumption are in place. For instance, staff are encouraged to use duplex printing for internal documents, return used printer toner capsules and coffee capsules to respective suppliers and facilities and procedures are in place for paper waste recycling. Staff are reminded to switch off lights and equipment after work, during lunch break or during the time working outside the office and wherever possible. Electronic communication and storage are promoted and energy efficiency of office equipment is taken into consideration in making purchase decision. During the year ended 30 June 2021, the Group's total electricity and paper consumption were 35,800 kWh (2020: 35,000 kWh) and 105,000 pages (2020: 89,000 pages) respectively, equivalent to 2,387 (2020: 2,500) kWh/employee and 7,000 (2020: 6,357) pages/employee respectively.

Throughout the Group, the following business processes were implemented whenever possible to improve efficiency and to reduce paper usage:

- Electronic bank and broker statements;
- Recycling schemes of office equipment and supplies; and
- Internal electronic administration and communication platform.

Except for the abovementioned, the Group's businesses have no direct impact on the environment and natural resources. Despite the growth in activities, the Group targets to maintain its current energy and paper consumption with the steps described above.

Climate Change (Aspect A4)

Climate change is materially affecting societies and economies around the world and therefore it also impacts upon our businesses. As a listed company, we are aware of the increasing demands and requirements of climate-related information disclosures.

The risks posed by “stranded assets” that unexpectedly loss value as a result of climate change is a major concern in the investment industry. At APAC, climate change is increasingly becoming a focus of investment risk as our investments are mainly on mining, metal and energy companies which are of relatively high carbon emission. In evaluating climate risk, we consider both the physical risks brought by more frequent and severe weather conditions and other environment impacts and the transition risks from changes in government policies, technological innovation and shift in market preference.

The investment implications of climate risk are multi-faceted and complex. We conduct climate risk analysis through ongoing engagements with the companies in which we invest. We have increasingly focused our investments on segments that are exposed to low carbon industries, including electric vehicles, battery metals and renewable energy. If relevant and appropriate, we will also consider applying hedging tools or implementing and managing different dimension divestment strategies, changing the balance of our portfolio and its risk/return parameters in order to mitigate climate risk. In this respect, our ultimate goal is to invest in companies that are well positioned to manage the physical and transition risks and opportunities associated with climate change.

In addition, changes in weather patterns and the increased severity of extreme weather events will likely disrupt the continuity of daily operations. For this reason, we have developed emergency protocols to handle such events, including procedures to approach typhoons and black rainstorms.

B. Social Issues

Employment (Aspect B1), Health and Safety (Aspect B2) and Labour Standards (Aspect B4)

Our people are our most important assets that will drive the long-term development of the Group. The Group’s policy on employment is as follows:

- observing relevant laws and regulations;
- being an equal-opportunity employer, implementing fair practices relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for our staff;
- providing a safe, healthy and quality workplace and protecting employees from occupational hazards;
- promoting a good work-life balance for staff;
- investing in training and professional development of our staff for the purpose of improving their knowledge and skills for discharging duties at work;
- maintaining an open dialogue with our staff, facilitating a transparent two way communication; and
- preventing child and forced labour.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

In Hong Kong and in the mainland China, the Group's employment of staff is governed by the following laws and regulations:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong)
- Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)
- Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong)
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
- Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong)
- Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)
- Labour Law and Labour Contract Law of the PRC
- Labour Relations Law (Law No. 7/2008)
- Regulation on Prohibition of Illegal Work (Ordinance No. 17/2004)
- Law of Hiring Non-Residents Workers (Law No. 21/2009)

The Group has no known non-compliance with the above relevant laws and regulations. The Group ensured that our compensation and benefits (including working hours, rest periods, welfare) are according to the prevailing manpower market conditions and individual performance.

Further information on the Group's emolument policy is also included in the "Management Discussion and Analysis" section of this Annual Report.

As at 30 June 2021, the Group has a total of 15 full time staff, 9 in Hong Kong and 6 in mainland China. By gender, 47% is male and 53% is female. By age group, 40%, 20%, 20% and 20% are between age groups of 30 to 39, 40 to 49, 50 to 59 and over 59 respectively.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Employee turnover rate calculated by the number of permanent staff who left during the year divided by the average total number of staff employed by the Group over the same timeframe is 11.1% in Hong Kong (2020: Nil) and nil in mainland China (2020: Nil). By gender, 14.3% is male and nil is female. By age group, 16.7% is between the age group of 30 to 39 and nil for other age groups.

The Group endeavours to provide a safe and pleasant working environment for our staff. Employees are required to be familiarised with the location of fire alarms, fire-fighting equipment, fire escape routes and emergency response protocols. Fire drills are also conducted regularly in accordance with property management guidelines. Safety equipment including first-aid boxes and trolleys for heavy goods is accessible in the workplace. In addition, to maintain good indoor quality, smoking indoors is strictly prohibited.

Under COVID-19, in order to protect our employees' health and well-being while maintaining business-as-usual, the Group reacted quickly to implement a set of measures as detailed in the "Management Discussion and Analysis" section of this Annual Report. Through monitoring the situation stringently and keeping informed of local and regional guidelines, we adjusted our updates and advice on a regular basis.

Most of our staff have to use computer for a long period. Their regular and repetitive actions in operating their computers may cause repetitive strain injuries and visual fatigue if they have not adopted a proper working posture. A Guide to Work with Computers prepared by the Labour Department has been circulated to all staff to enhance their awareness in this aspect.

There are no work-related fatalities occurred in each of the past three years and in the reporting year, no working days were lost due to work injury.

The Group respects all basic human rights and forbids any forms of child or forced labour practice. During the recruitment process, we require all personnel to provide valid personal identification documents for verification purposes, while background checks will also be carried out whenever necessary. In the unlikely event that false information or a false identity is discovered, the Group will address the situation by closely following the necessary procedures in accordance with laws and regulations.

During the reporting period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to labour standards. Additionally, no cases of child or forced labour were reported during the reporting period.

Development and Training (Aspect B3)

The Group is committed to fostering a culture of continuous learning in our organisation. Emphasis is placed on staff training which is tailored to equip our workplace with the necessary professional and market knowledge and skills relevant to their work, as well as to build our talent pool. Our Directors are required to participate in training to enhance their knowledge to enable them to discharge their duties and responsibilities more effectively. Management have participated in seminars in relation to anti-money laundering and update of Listing Rules and corporate governance code. Our investment specialists have frequently attended various seminars and webinars in order to keep up to date on the investment markets. The Group has also provided support for our staff in their continuous professional development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Gender	Total Training Hours (hours)	Average Training Hours (hours/employee)
Female	198	25
Male	54	8

Employment Category	Total Training Hours (hours)	Average Training Hours (hours/employee)
Management	128	32
General Staff	124	11

Supply Chain Management (Aspect B5)

The Group aims at building our primary strategic investments which will provide off-take to complement our commodity business in China. The Group's sole supplier of commodity trading is a listed company in Australia in which the Group has equity interest. We manage environmental and social risks through ongoing engagements with the company. We have periodically reviewed its sustainability report for its awareness and commitment to its environmental and social risks.

As an investment fund, the Group's general business suppliers include providers of information technology, financial information and services, agents, consultants, law firms and over 70 securities brokers located mainly in Hong Kong, Australia, Canada, the United States of America and the United Kingdom. These are not considered to pose significant environmental and social risks for our business and procurement decisions are based on pricing, track record of good practices, suitability as well as the reputation of suppliers.

Product Responsibility (Aspect B6)

The Group is dedicated in providing products with good quality and up to the specification to our customers. Customers of commodity trading are provided with quality certifications to prove the product quality. The Group strictly complies with all relevant laws and regulations in relating to health and safety, advertising, labelling and privacy matters relating to products. The Group is involved in money lending activities operating under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615 of the Laws of Hong Kong). Other than that, there are no laws and regulations that has a significant impact on the Group.

Comprehensive policies and procedures have been implemented to facilitate a responsible and efficient investment process. Investment opportunities are subject to stringent screening in line with our procedures by the investment team, comprised of experienced professionals, to ensure our investment decisions are prudent, consistent and impartial.

We strictly protect the confidentiality of non-public material information. All staff members are reminded of the importance of keeping confidential any aspects of the Company's business and the need to comply with the requirements of confidentiality. Non-disclosure agreements are signed with the counterparty where applicable to prevent leakage and loss of confidential information.

During the reporting period, there are no products sold and shipped subject to recalls for safety and health reasons nor complaints in relation to our products or services. The Group was not aware of any material non-compliance of laws and regulations that have a significant impact on the Group relating to product and services responsibility, including matters in relation to data privacy and copyright.

We respect intellectual property rights, including but not limited to trademarks, patents and copyrights. Employees shall not privately use or allow outside parties to possess and exploit intellectual property, unless permission has been obtained by copyright owners. Our MIS department carries out periodic inspection of employees' computers, ensuring that genuine software is installed.

Anti-Corruption (Aspect B7)

The Group is committed to compliance with applicable anti-corruption laws and regulations and to uphold ethics. The Group has implemented a whistle blower policy for reporting fraud, corruption and other improprieties. We encourage the reporting of suspected business irregularities and provide clear channels specifically for this purpose for access to the Chairman of the Audit Committee. The Group also provides assurance to protect the whistle-blower from common concerns such as confidentiality, reprisal and victimisation. This policy is circulated to employees periodically to facilitate employees' easy access and reporting. To maintain appropriateness to our business and regulatory compatibility, the whistle blower policy will be subject to review from time to time whenever necessary.

For the year ended 30 June 2021, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees and no significant risks relating to corruption had been identified. During the year, Directors and relevant staff have been provided training materials on anti-corruption and ethical issues in order to strengthen business ethics and to keep them updated in relation to regulatory requirements.

Community Investment (Aspect B8)

APAC undertakes the responsibility of a good corporate citizen contributing by encouraging our staff to participate in community and charitable activities and support with sponsorship and donation.

APAC focused its engagement in developing a better and healthier local community. During the year, our staff members participated in the Virtual Walk for Millions organised by the Community Chest. The Group has donated approximately HK\$41,000 to the Hong Kong Cancer Fund.

INDEPENDENT AUDITOR'S REPORT



獨立核數師報告

國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF APAC RESOURCES LIMITED

(Incorporated in Bermuda with limited liability)

致：亞太資源有限公司股東

(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of APAC Resources Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 113 to 251 which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

本核數師已審核載於第113頁至251頁亞太資源有限公司（「**貴公司**」）及其附屬公司（統稱「**貴集團**」）之綜合財務報表，當中包括於二零二一年六月三十日之綜合財務狀況表、截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註（包括主要會計政策概要）。

本核數師認為，綜合財務報表已根據香港會計師公會（「**香港會計師公會**」）頒佈之香港財務報告準則（「**香港財務報告準則**」）真實而公平地反映 貴集團於二零二一年六月三十日之綜合財務狀況以及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

意見之基礎

本核數師根據香港會計師公會頒佈之香港審計準則（「**香港審計準則**」）進行審核。本核數師於該等準則下之責任在本核數師之報告內核數師就審核綜合財務報表須承擔之責任一節中作進一步闡述。根據香港會計師公會之「**職業會計師道德守則**」（「**守則**」），本核數師獨立於 貴集團，並已遵循守則履行其他道德責任。本核數師相信，本核數師所獲得之審核憑證能充足及適當地為本核數師之意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Impairment assessment of the Group's interest in an associate listed on the Australian Securities Exchange ("ASX")

Refer to accounting policy note 2(d) and disclosure in note 16 to the consolidated financial statements.

The Key Audit Matter 關鍵審核事項

We identified impairment assessment of the Group's interest in an associate in Australia, namely Mount Gibson Iron Limited ("**MGX**"), as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant estimation and judgement involved by the management of the Group in determining the recoverable amount of MGX. 本核數師把 貴集團於澳洲聯營公司(即Mount Gibson Iron Limited("MGX"))之權益之減值評估列為關鍵審核事項，原因為有關結餘對綜合財務報表整體而言屬重大，且 貴集團管理層於釐定MGX可收回金額時涉及重大估計及判斷。

As set out in note 3 to the consolidated financial statements, the recoverable amount of MGX are determined by the management of the Group with reference to the higher of its value in use and fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate the present value of the future cash flows expected to arise from dividends of MGX which is estimated based on the cash flows from the operations of MGX and the proceeds on the ultimate disposal of MGX. The estimation takes into account the estimated future prices and production volume of hematite iron ores of MGX, a suitable discount rate and historical dividend payout ratio of MGX. The fair value less costs of disposal of MGX is determined by reference to the closing price of its shares listed on the ASX as at 30 June 2021.

誠如綜合財務報表附註3所載，MGX之可收回金額乃由 貴集團管理層經參考其使用價值及公平值減出售成本中之較高者而釐定。計算使用價值時， 貴集團管理層需要估計MGX股息預期將產生之未來現金流量之現值，有關估計乃根據MGX經營所得現金流量以及最終出售MGX之所得款項而得出，當中計及MGX赤鐵礦石的估計未來價格及估計產量、合適折現率以及MGX之過往派息率。MGX之公平值減出售成本乃參考其於澳交所上市股份於二零二一年六月三十日之收市價釐定。

關鍵審核事項

關鍵審核事項為根據本核數師之專業判斷，對本核數師審核本期間綜合財務報表至關重要之事項。本核數師在整體審核綜合財務報表及就此達致意見時處理該等事項，而不會就此等事項單獨發表意見。

A. 貴集團於澳洲證券交易所(「澳交所」)上市聯營公司之權益之減值評估

請參閱綜合財務報表附註2(d)的會計政策及附註16的披露資料。

How the matter was addressed in our audit 本核數師在審核中處理該事項之方法

Our procedures in relation to the impairment assessment of the Group's interest in MGX included: 本核數師有關 貴集團於MGX權益之減值評估之審核程序包括：

- Understanding the impairment assessment of the Group's interest in MGX performed by the management of the Group, including the valuation model adopted and key assumptions used; 了解 貴集團管理層就於MGX之權益進行之減值評估，包括所採用之估值模型及所使用之主要假設；
- Evaluating the key assumptions and inputs used by the management of the Group in the value in use calculation, including the future cash flows expected to arise from dividends of MGX which is estimated based on the cash flows from the operations of MGX and the proceeds on the ultimate disposal of MGX and the discount rate used, with reference to historical performance and publicly available information; 評估 貴集團管理層於計算使用價值時所採用之主要假設及輸入數據，包括基於MGX經營所得現金流量及最終出售MGX之所得款項以及經參考過往表現及公開可得資料而得出所採用之折現率估計之MGX股息預期將產生之未來現金流量；

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

A. Impairment assessment of the Group's interest in an associate listed on the Australian Securities Exchange ("ASX") (Continued)

A. 貴集團於澳洲證券交易所(「澳交所」)上市聯營公司之權益之減值評估(續)

The Key Audit Matter
關鍵審核事項

How the matter was addressed in our audit
本核數師在審核中處理該事項之方法

As disclosed in note 16 to the consolidated financial statements, the recoverable amount of the Group's interest in MGX, which represents the fair value less costs of disposal, is higher than its carrying amount. Accordingly, a reversal of impairment loss of HK\$580,014,000 in respect of the Group's interest in MGX is recognised in the consolidated statement of profit or loss for the year and it results in the carrying amount of the Group's interest in MGX of HK\$2,185,085,000 as at 30 June 2021.

誠如綜合財務報表附註16所披露，貴集團於MGX之權益之可收回金額(指公平值減出售成本)高於其賬面值。因此，於年度綜合損益表就貴集團於MGX之權益確認減值虧損回撥580,014,000港元，導致貴集團於MGX之權益於二零二一年六月三十日之賬面值為2,185,085,000港元。

- Checking the closing price of the shares of MGX which are listed on the ASX as at 30 June 2021; 核查MGX於澳交所上市股份於二零二一年六月三十日之收市價；
- Comparing the result of the value in use calculation with the fair value less costs of disposal of the Group's interest in MGX, which is determined by reference to the closing price of shares of MGX as at 30 June 2021, when determining the recoverable amount of the Group's interest in MGX; 於釐定貴集團於MGX之權益之可收回金額時，比較使用價值計算結果與參考MGX股份於二零二一年六月三十日之收市價釐定的貴集團於MGX之權益之公平值減出售成本；
- Comparing the recoverable amount of the Group's interest in MGX with its carrying amount; and 比較貴集團於MGX之權益之可收回金額與其賬面值；及
- Recalculating the reversal of impairment loss of the Group's interest in MGX. 重新計算貴集團於MGX之權益之減值虧損回撥金額。

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

B. Impairment assessment of loan receivables

B. 應收貸款的減值評估

Refer to accounting policy note 2(h) and disclosure in notes 19 and 31(a) to the consolidated financial statements.

請參閱綜合財務報表附註2(h)的會計政策及附註19和31(a)的披露資料。

The Key Audit Matter
關鍵審核事項

How the matter was addressed in our audit
本核數師在審核中處理該事項之方法

The measurement of expected credit loss ("ECL") requires the application of significant judgement which include the identification of exposures with a significant deterioration in credit quality, and assumptions used in the ECL models, such as the probabilities of default, loss given default, expected future cash flows and forward looking macroeconomic factors.

預期信貸虧損(「預期信貸虧損」)的計量要求應用重大判斷，包括識別信貸質素顯著惡化的風險，以及預期信貸虧損模型中使用的假設，例如違約概率、違約損失率、預期的未來現金流量和前瞻性的宏觀經濟因素。

Due to the subjectivity inherent in the estimation of ECL allowances, we considered this as a key audit matter.

由於估計預期信貸虧損撥備時固有的主觀性，本核數師認為此乃一項關鍵審核事項。

Our audit procedures included the following:
本核數師的審核程序如下：

- Assessing controls over the origination, segmentation, ongoing internal credit quality assessments, recording and monitoring of loan receivables;
評估對應收貸款的產生、分類、持續內部信貸質量評估、記錄及監督的控制；
- Assessing the effectiveness of key controls over the application of the impairment methodology, the governance for the ECL models, inputs and assumptions used by the Group in calculating the ECL and the mathematical accuracy of the ECL calculations;
評估主要控制對減值方法的應用、預期信貸虧損模型管治、貴集團計算預期信貸虧損所用的輸入數據及假設及預期信貸虧損計算的數學準確度的有效性；
- Assessing the reasonableness of the Group's ECL models, including the model input, model design, model performance and calculation;
評估貴集團預期信貸虧損模型的合理性，包括模型輸入數據、模型設計、模型表現及計算；
- Assessing the reasonableness of the Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
評估貴集團評估信貸風險是否已顯著增加致使金融資產的撥備應按全期預期信貸虧損基準計量及定性評估的標準的合理性；
- Challenging whether historical experience is representative of current circumstances and of the recent losses incurred in the portfolios and assessing the reasonableness of the forward looking adjustments;
質疑歷史經驗是否代表當前情況以及投資組合中產生的近期虧損，並評估前瞻性調整的合理性；
- Reviewing the Group's assumptions on the expected future cash flows, including the value of realisable collateral based on available market information; and
檢討貴集團對預期未來現金流量的假設，包括基於市場可得資料的可變現抵押品價值；及
- Assessing the financial statement disclosures relating to the Group's exposure to credit risk.
評估貴集團信貸風險敞口相關的財務報表披露。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

綜合財務報表及核數師報告以外 之資料

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

董事須對其他資料承擔責任。其他資料包括所有載於年報之資料，但不包括綜合財務報表及本核數師之核數師報告除外。

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

本核數師對綜合財務報表作出之意見並無涵蓋其他資料，而本核數師不會對其他資料發表任何形式之鑑證結論。

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

就本核數師審核綜合財務報表而言，本核數師之責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本核數師在審核過程中獲悉之資料存在重大不符，或似乎存在重大錯誤陳述。

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

倘若本核數師基於已進行之工作認為其他資料出現重大錯誤陳述，本核數師須報告有關事實。本核數師就此並無須報告事項。

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

董事就綜合財務報表須承擔之責任

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

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而公平地反映情況之綜合財務報表，及董事釐定對編製綜合財務報表屬必要之有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致之重大錯誤陳述。

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

在編製綜合財務報表時，董事須負責評估貴集團持續經營之能力，並披露與持續經營有關之事項(如適用)。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行之辦法，否則須採用以持續經營為基礎之會計法。

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

審核委員會協助董事履行彼等監督貴集團財務申報流程的責任。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表須承擔之責任

本核數師之目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致之重大錯誤陳述，並發出載有本核數師意見之核數師報告。本報告按照百慕達公司法第90條僅向閣下(作為整體)作出，除此之外本報告別無其他目的。本核數師並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。

合理確定屬高層次之核證，惟根據香港審計準則進行之審核工作不能保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審核之過程中，本核數師在整個審核中運用專業判斷，保持專業懷疑態度。本核數師亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險、設計及執行審核程序以應對該等風險，以及獲取充足和適當之審核憑證，作為本核數師意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控之情況，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審核相關之內部監控，以設計適當之審核程序，惟並非旨在對貴集團內部監控之有效性發表意見。
- 評估董事所採用會計政策之恰當性及所作出會計估計和相關披露之合理性。

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

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

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

**核數師就審核綜合財務報表須承
擔之責任(續)**

- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲取之審核憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對 貴集團之持續經營能力產生重大疑慮。倘本核數師認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中之相關披露。倘有關披露不足，則修訂本核數師意見。本核數師結論乃基於截至核數師報告日期止所取得之審核憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表之整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動之財務資料獲取充足及適當之審核憑證，以便對綜合財務報表發表意見。本核數師負責集團審核之方向、監督和執行。本核數師為審核意見承擔全部責任。

本核數師與審核委員會就(其中包括)審核之計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括本核數師在審核過程中識別之內部監控之任何重大缺失。

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

**核數師就審核綜合財務報表須承
擔之責任(續)**

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

本核數師亦向審核委員會作出聲明，指出本核數師已符合有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響本核數師獨立性之所有關係及其他事宜，以及所採取以消除威脅的行動或所採用的防範措施(如適用)。

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

從與審核委員會溝通之事項中，本核數師釐定對本期間綜合財務報表之審核至關重要之事項，因而構成關鍵審核事項。本核數師在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期在本核數師報告中溝通某事項造成之負面後果超出產生之公眾利益，則本核數師決定不應在報告中傳達該事項。

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 24 September 2021

Chan Wai Dune, Charles
Practising Certificate Number P00712

國富浩華(香港)會計師事務所有限公司
執業會計師
香港，二零二一年九月二十四日

陳維端
執業證書編號 P00712

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2021

綜合損益表

截至二零二一年六月三十日止年度

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue	收益			
Trading of goods	商品貿易		517,672	367,690
Interest income	利息收入		46,928	68,837
Total revenue	收益總額	6	564,600	436,527
Cost of sales	銷售成本		(461,968)	(386,639)
Gross profit	毛利		102,632	49,888
Other gains and losses	其他收益及虧損	7	646,759	(56,684)
Other income	其他收入	8	18,021	25,735
Reversal of impairment loss/ (impairment loss) on interests in associates, net	於聯營公司之權益之 回撥減值虧損/(減值 虧損)淨額	16	580,014	(549,614)
Administrative expenses	行政費用		(111,267)	(45,032)
Finance costs	融資成本	9(a)	(162)	(240)
Share of results of associates	分佔聯營公司業績	16	131,973	146,545
Profit/(loss) before taxation	除稅前溢利/(虧損)	9	1,367,970	(429,402)
Income tax (expense)/credit	所得稅(開支)/抵免	10	(10,680)	1
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔年度 溢利/(虧損)		1,357,290	(429,401)
Earnings/(loss) per share (expressed in HK cents)	每股盈利/(虧損) (以港仙列示)	14		
– basic	– 基本		111.35	(35.23)
– diluted	– 攤薄		111.35	(35.23)

The notes on pages 121 to 251 form part of these consolidated financial statements.

第121至251頁的附註構成該等綜合財務報表之一部份。

Details of dividends payable to owners of the Company attributable to profit for the year are set out in note 13.

應付本公司擁有人之股息佔年度溢利之詳情載於附註13。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

綜合損益及 其他全面收益表

截至二零二一年六月三十日止年度

	Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Profit/(loss) for the year	年度溢利/(虧損)	1,357,290	(429,401)
Other comprehensive income/ (expense), net of tax	其他全面收益/(支出) (扣除稅項)		
Items that may be reclassified subsequently to profit or loss:	可能於其後重新分類至 損益之項目：		
Exchange differences on translation of associates	換算聯營公司時產生 之匯兌差額	148,972	(30,625)
Exchange differences on translation of other foreign operations	換算其他海外業務時 產生之匯兌差額	6,509	(2,047)
Share of other comprehensive income of an associate, net of related income tax	分佔一間聯營公司之 其他全面收益 (扣除相關所得稅)	89	180
		155,570	(32,492)
Item that will not be reclassified to profit or loss:	將不會重新分類至損益 之項目：		
Share of other comprehensive (expense)/income of an associate, net of related income tax	分佔一間聯營公司之 其他全面(支出)/ 收益(扣除相關 所得稅)	(3,185)	5,104
Other comprehensive income/ (expense) for the year, net of income tax	年內其他全面收益/(支出) (扣除所得稅)	152,385	(27,388)
Total comprehensive income/ (expense) for the year attributable to owners of the Company	本公司擁有人應佔年內 收益/(支出)總額	1,509,675	(456,789)

The notes on pages 121 to 251 form part of these consolidated financial statements.

第121至251頁的附註構成該等綜合財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

綜合財務狀況表

於二零二一年六月三十日

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	4,299	5,653
Interests in associates	於聯營公司之權益	16	2,404,381	1,525,576
Financial assets at fair value through profit or loss ("FVTPL")	按公平值於損益賬處理 (「按公平值於損益賬處理」)之金融資產	18	208,234	76,379
Loan receivables	應收貸款	19	133,170	317,813
Loan notes	貸款票據	20	3,924	3,916
Rental deposits	租賃按金	21	239	539
Deferred tax assets	遞延稅項資產	25	1,615	646
			2,755,862	1,930,522
Current assets	流動資產			
Inventories	存貨	17	33,604	108,356
Trade and other receivables	貿易及其他應收賬款	21	121,070	43,568
Financial assets at FVTPL	按公平值於損益賬處理之 金融資產	18	1,227,912	640,472
Loan receivables	應收貸款	19	360,680	151,063
Pledged bank deposits	已抵押銀行存款	22	18,266	88,611
Bank balances and cash	銀行結餘及現金	22	420,389	564,039
			2,181,921	1,596,109
Total assets	資產總值		4,937,783	3,526,631

CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (CONTINUED)

At 30 June 2021

綜合財務狀況表(續)

於二零二一年六月三十日

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
EQUITY AND LIABILITIES	股權及負債			
Capital and reserves	股本及儲備			
Share capital	股本	28(b)	1,218,894	1,218,894
Other reserves	其他儲備		402,635	251,991
Accumulated profits	累計溢利		3,202,064	1,964,923
			4,823,593	3,435,808
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	24	1,238	761
Deferred tax liability	遞延稅項負債	25	7,702	–
			8,940	761
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	23	99,837	85,443
Tax payable	應付稅項		3,232	876
Lease liabilities	租賃負債	24	2,181	3,743
			105,250	90,062
Total liabilities	負債總額		114,190	90,823
Total equity and liabilities	股權及負債總額		4,937,783	3,526,631
Net current assets	流動資產淨值		2,076,671	1,506,047
Total assets less total liabilities	資產總值減負債總額		4,823,593	3,435,808

Approved and authorised for issue by the board of directors on 24 September 2021.

由董事會於二零二一年九月二十四日批准及授權發表。

Arthur George Dew

Director
董事

Andrew Ferguson

Director
董事

The notes on pages 121 to 251 form part of these consolidated financial statements.

第121至251頁的附註構成該等綜合財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

綜合權益變動表

截至二零二一年六月三十日止年度

		Share capital	Share premium	Special reserve	Investment revaluation reserve	Exchange reserve	Capital redemption reserve	Accumulated profits	Total equity
		股本	股份溢價	特別儲備	重估儲備	匯兌儲備	贖回儲備	累計溢利	股權總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note (i)) (附註(i))	投資		資本	(note (ii)) (附註(ii))	
At 1 July 2019	於二零一九年七月一日	1,218,894	206,694	(14,980)	18,944	(2,863)	79,436	2,508,362	4,014,487
Loss for the year	年度虧損	-	-	-	-	-	-	(429,401)	(429,401)
Other comprehensive income/(expense) for the year	年度其他全面收益/(支出)	-	-	-	5,284	(32,672)	-	-	(27,388)
Total comprehensive expense for the year	年度全面支出總額	-	-	-	5,284	(32,672)	-	(429,401)	(456,789)
Share of reserve movements of an associate	分佔一間聯營公司之儲備變動	-	-	-	(7,852)	-	-	7,852	-
Dividends recognised as distribution (Note 13)	確認為分派的股息(附註13)	-	-	-	-	-	-	(121,890)	(121,890)
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日及 二零二零年七月一日	1,218,894	206,694	(14,980)	16,376	(35,535)	79,436	1,964,923	3,435,808
Profit for the year	年度溢利	-	-	-	-	-	-	1,357,290	1,357,290
Other comprehensive (expense)/income for the year	年度其他全面(支出)/收益	-	-	-	(3,096)	155,481	-	-	152,385
Total comprehensive income for the year	年度全面收益總額	-	-	-	(3,096)	155,481	-	1,357,290	1,509,675
Share of reserve movements of an associate	分佔一間聯營公司之儲備變動	-	-	-	(1,741)	-	-	1,741	-
Dividends recognised as distribution (Note 13)	確認為分派的股息(附註13)	-	-	-	-	-	-	(121,890)	(121,890)
At 30 June 2021	於二零二一年六月三十日	1,218,894	206,694	(14,980)	11,539	119,946	79,436	3,202,064	4,823,593

Notes:

- The special reserve represents the difference between the nominal value of aggregate share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued for the acquisition at the time of a group reorganisation in 1998.
- The capital redemption reserve represents the par value of ordinary shares transferred from accumulated profits upon repurchase of these shares by the Company in previous years.

The notes on pages 121 to 251 form part of these consolidated financial statements.

附註：

- 特別儲備指所收購附屬公司之總股本面值與本公司於一九九八年集團重組時就收購而發行之股本面值之間之差額。
- 資本贖回儲備指本公司於過往年度購回普通股時自累計溢利轉撥之該等股份面值。

第121至251頁的附註構成該等綜合財務報表之一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

綜合現金流量表

截至二零二一年六月三十日止年度

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
	Notes 附註			
Operating activities	經營業務			
Profit/(loss) before taxation	除稅前溢利/(虧損)		1,367,970	(429,402)
Adjustments for:	就下列項目作出調整：			
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	9(c)	440	419
Depreciation of right-of-use assets	使用權資產之折舊	9(c)	3,984	3,908
(Gains)/loss arising from changes in fair value of financial assets at FVTPL, net	按公平值於損益賬處理之金融資產公平值變動而產生之(收益)/虧損淨額	7	(558,159)	61,824
Loss arising from deemed disposal of partial interest in an associate	視作出售於一間聯營公司部份權益而產生之虧損	7	1,911	1,679
Impairment loss on loan receivables, net	應收貸款之減值虧損淨額	7	19,218	4,048
Interest income	利息收入		(48,045)	(73,973)
Interest expenses	利息支出	9(a)	162	240
(Reversal of write-down)/write-down of inventories	(存貨撇減撥回)/撇減存貨	9(c)	(8,980)	5,833
Share of results of associates	分佔聯營公司業績		(131,973)	(146,545)
(Reversal of impairment loss)/impairment loss on interests in associates, net	於聯營公司之權益之(減值虧損撥回)/減值虧損淨額		(580,014)	549,614
Gain arising from modification of loan receivables	調整應收貸款而產生之收益	7	(5,010)	(5,934)
Fair value loss/(gain) on trade receivables designated at FVTPL	指定為按公平值於損益賬處理之貿易應收賬款公平值虧損/(收益)	7	3,498	(1,749)
Fair value gain on trade payables designated at FVTPL	指定為按公平值於損益賬處理之貿易應付賬款公平值收益	7	(4,604)	(19,549)
Gain arising from changes in fair value of derivative financial instruments – warrants	衍生金融工具公平值變動而產生之收益 – 認股權證	7	(32,822)	(11,414)
Foreign exchange (gain)/loss, net	匯兌(收益)/虧損淨額		(38,125)	13,681
Dividend income from financial assets at FVTPL	按公平值於損益賬處理之金融資產所得股息收入	8	(15,136)	(15,630)
Others	其他		(1)	(18)
			(25,686)	(62,968)

CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)

綜合現金流量表(續)

For the year ended 30 June 2021

截至二零二一年六月三十日止年度

	Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Changes in working capital	營運資金變動		
Decrease/(increase) in inventories	存貨減少/(增加)	89,895	(66,311)
Increase in trade and other receivables	貿易及其他應收賬款增加	(80,700)	(16,286)
Increase in trade and other payables	貿易及其他應付賬款增加	18,998	92,181
Increase in financial assets at FVTPL held for trading	按公平值於損益賬處理之持作買賣之金融資產增加	(57,130)	(33,809)
Cash used in operations	經營所用現金	(54,623)	(87,193)
Income tax paid	已付所得稅	(1,591)	-
Net cash used in operating activities	經營業務所用現金淨額	(56,214)	(87,193)
Investing activities	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(20)	(186)
Purchase of listed equity securities not held within the trading portfolios	購買並非於買賣組合內持有之上市股本證券	(31,121)	(67,141)
Purchase of unlisted equity securities not held within the trading portfolios	購買並非於買賣組合內持有之非上市股本證券	(40,063)	(1,361)
Proceeds from disposal of listed equity securities not held within the trading portfolios	出售並非於買賣組合內持有之上市股本證券所得款項	-	36,132
Proceed from redemption of loan notes	贖回貸款票據所得款項	20	46,997
New loans granted	新增貸款	19(b) (201,331)	(347,981)
Repayments of loan receivables	獲償還應收貸款	19(b) 197,560	278,527
Placement of pledged bank deposits	存放已抵押銀行存款	(383,862)	(351,175)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	454,135	335,747
Investments in associates	投資於聯營公司	(29,016)	(45,613)
Interest received	已收利息	50,917	64,856
Dividend received from investments in securities	來自證券投資之已收股息	15,136	15,630
Net cash generated from/ (used in) investing activities	投資活動所得/(所用) 現金淨額	32,335	(35,568)

CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)

綜合現金流量表(續)

For the year ended 30 June 2021

截至二零二一年六月三十日止年度

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financing activities	融資活動			
Capital element of lease rentals paid	已付租賃租金的資本部份	22(b)	(4,122)	(3,905)
Interest element of lease rentals paid	已付租賃租金的利息部份	22(b)	(162)	(240)
Dividend paid	已付股息	22(b)	(121,890)	(121,890)
Net cash used in financing activities	融資活動所用現金淨額		(126,174)	(126,035)
Net decrease in cash and cash equivalents	現金及等值現金減少淨額		(150,053)	(248,796)
Cash and cash equivalents at beginning of the year	於年初之現金及等值現金		564,039	814,547
Effect of foreign exchange rate changes, net	匯率變動之影響淨額		6,403	(1,712)
Cash and cash equivalents at end of the year, represented by bank balances and cash	於年終之現金及等值現金，代表銀行結餘及現金	22(a)	420,389	564,039

The notes on pages 121 to 251 form part of these consolidated financial statements.

第121至251頁的附註構成該等綜合財務報表之一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

綜合財務報表附註

截至二零二一年六月三十日止年度

1. GENERAL INFORMATION

APAC Resources Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in primary strategic investments, resource investment, commodity business, and principal investment and financial services.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1. 一般資料

亞太資源有限公司(「**本公司**」)根據百慕達一九八一年公司法(經修訂)在百慕達註冊成立為獲豁免有限公司，其股份在香港聯合交易所有限公司(「**聯交所**」)上市。本公司註冊辦事處及主要營業地點之地址已於年報內公司資料一節披露。

本公司為一間投資控股公司，連同其附屬公司(統稱「**本集團**」)主要從事主要策略性投資、資源投資、商品業務以及主要投資及金融服務。

綜合財務報表以港元(「**港元**」)(亦為本公司之功能及呈列貨幣)呈列。除另有指明外，所有數值已捨入至最近之千位數。

2. 主要會計政策

(a) 遵例聲明

此等財務報表乃按照所有適用之香港財務報告準則(「**香港財務報告準則**」)(即包括香港會計師公會(「**香港會計師公會**」)頒佈之所有適用個別香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋之統稱)、香港公認會計原則及香港公司條例之披露規定而編製。此等財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露規定。下文披露本集團採用之主要會計政策概要。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，其於本集團之本會計期間首次生效或可供提早採納。首次應用該等與本集團有關之香港財務報告準則所引致當前和以往會計期間之會計政策變動，已反映於此等財務報表內，有關資料列載於附註4。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2021 comprise Group and the Group's interests in associates.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Listed equity securities held-for-trading (note 2(h))
- Convertible notes (note 2(h))
- Listed equity securities not held within the trading portfolios (note 2(h))
- Unlisted equity investments (note 2(h))
- Derivative financial instruments – warrants (note 2(h))
- Trade receivables designated at fair value through profit or loss (“**FVTPL**”) (note 2(h))
- Trade payables designated at FVTPL (note 2(i))

2. 主要會計政策(續)

(b) 財務報表編製基準

截至二零二一年六月三十日止年度之綜合財務報表涵蓋本集團及本集團於聯營公司的權益。

計入本集團各實體財務報表的項目已使用實體經營所在的主要經濟環境的貨幣(「**功能貨幣**」)計算。

在編製財務報表時所使用的計量基準為歷史成本基準，惟下列按其公平值呈列之資產及負債除外，有關會計政策解釋如下：

- 持作買賣之上市股本證券(附註2(h))
- 可換股票據(附註2(h))
- 並非於買賣組合內持有之上市股本證券(附註2(h))
- 非上市股本投資(附註2(h))
- 衍生金融工具－認股權證(附註2(h))
- 指定按公平值於損益賬處理(「**按公平值於損益賬處理**」)之貿易應收賬款(附註2(h))
- 指定按公平值於損益賬處理之貿易應付賬款(附註2(i))

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs, that is, 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 valuations: Fair value measured using significant unobservable inputs

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(b) 財務報表編製基準(續)

就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

- 第一級估值：僅使用第一級輸入數據(即於計量日期相同資產或負債於活躍市場的未經調整報價)計量的公平值
- 第二級估值：使用第二級輸入數據(即不符合第一級的可觀察輸入數據)且並非使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為市場數據欠奉下的輸入數據
- 第三級估值：使用重大不可觀察輸入數據計量的公平值

在編製符合香港財務報告準則之財務報表時，管理層須作出會影響政策應用及所呈報資產、負債、收入及開支數額之判斷、估計及假設。有關估計及相關假設乃根據過往經驗及因應當時情況認為合理之多項其他因素而作出，其結果構成了在無法依循其他途徑即時得知資產與負債之賬面值時判斷該等賬面值之基礎。實際結果可能有別於所估計之數額。

各項估計及相關假設乃按持續基準審閱。倘會計估計之修訂僅影響某一期間，其影響將在該期間內確認；倘修訂對當前及未來期間均有影響，則將在作出修訂的期間及未來期間確認。

管理層於應用香港財務報告準則所作出對財務報表有重大影響之判斷及估計不確定因素之主要來源於附註3內討論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss (see note 2(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(c) 附屬公司

附屬公司指受本集團控制的公司。倘本集團具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，則本集團擁有該實體的控制權。當評估本集團是否具有該權力時，只會考慮(由本集團及其他人士持有之)實質權。

本集團於附屬公司的投資自控制開始日期起綜合入賬至綜合財務報表，直至該控制權終止為止。集團內部往來的結餘、集團內部交易及現金流及其產生的任何未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現收益相同，惟以並無減值證據為限。

本集團於現有附屬公司之所有權權益變動

本集團於附屬公司不構成失去控制權之權益變動乃以股權交易列賬，當中在綜合權益內控股權益及非控股權益之數額會被調整以反映相對權益之變動，惟商譽不予調整，損益亦不會被確認。

倘本集團失去附屬公司之控制權，則以出售該附屬公司全部權益入賬，所產生之收益或虧損於損益確認為。於失去控制權當日在該前附屬公司保留之任何權益按公平值確認為，而此金額被視為於初步確認一項金融資產時之公平值，或(如適用)初步確認於一間聯營公司或合營企業之投資之成本。

本公司財務狀況表所示於附屬公司的投資，乃按成本減去減值虧損後入賬(見附註2(j))，除非投資分類為持作出售(或計入分類為持作出售的出售組別)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(j)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with the any other long-term interests that in substance form part of the Group's net investment in the associate (after applying the ECL model to such other long-term interests where applicable (see note 2(j))).

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(d) 聯營公司

聯營公司指本集團或本公司對其管理層有重大影響力(惟並非控制或共同控制)，包括參與財務及經營決策之實體。

於聯營公司之投資按權益法於綜合財務報表入賬，除非該投資分類為持作出售(或計入分類為持作出售之出售組別)。根據權益法，投資初步按成本入賬，並按本集團應佔被投資公司於收購日期可識別淨資產之公平值超出投資成本之差額(如有)作出調整。投資成本包括購買價、直接歸屬於收購投資的其他成本以及構成本集團股權投資一部份的任何於聯營公司的直接投資。其後，投資乃就本集團應佔被投資公司收購後之資產淨值變動及與投資有關之任何減值虧損作出調整(見附註2(j))。於各報告日期，本集團評估是否有任何跡象顯示投資減值。收購日期超出成本之任何差額、本集團應佔被投資公司於收購後及除稅後業績以及年內任何減值虧損乃於綜合損益表內確認，而本集團應佔被投資公司其他全面收益的收購後及除稅後項目乃於綜合損益及其他全面收益表內確認。

當本集團應佔聯營公司之虧損超出其權益時，本集團之權益將減至零，並不再確認進一步虧損，惟本集團已承擔法律或推定責任，或代被投資公司付款之情況除外。就此而言，本集團之權益為根據權益法計算之投資賬面值，連同實質上構成本集團於聯營公司投資淨額一部份之任何其他長期權益(就有關其他長期權益應用預期信貸虧損模式後，倘適用(見附註2(j)))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Company's statement of financial position, investments in associates are stated at cost less impairment losses, unless classified as held for sale (or included in a disposal group that is classified as held for sale).

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(d) 聯營公司(續)

本集團與其聯營公司間之交易所產生之未變現損益，乃以本集團於被投資公司之權益為限予以對銷，除非未變現虧損提供已轉讓資產之減值證據，在此情況下，則該等未變現虧損乃即時於損益中確認。

倘於一間聯營公司的投資變成於一間合營企業的投資，或反之亦然，則保留權益不會重新計量。相反，該投資繼續按權益法入賬。

於所有其他情況下，倘本集團不再對聯營公司有重大影響力，其乃被視作出售於該被投資公司之全部權益，而其盈虧將於損益中確認。任何在喪失重大影響力之日期仍保留在該前被投資公司之權益按公平值確認，而此金額被視為初步確認金融資產之公平值。

於本公司的財務狀況表中，於聯營公司的投資按成本減減值虧損呈列，除非分類為持作出售(或計入分類為持作出售的出售組別)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates (Continued)

Acquisition of additional interests in associates

Goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

Disposal of partial interests in associates

For disposal of partial interests in an associate that does not result in the Group losing significant influence over the associate, the difference between the carrying amount of the associate attributable to the interests disposed of and the consideration is taken into account in the determination of the gain or loss on the disposal of partial interests. In addition, the Group accounts for amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, the proportion of the gain or loss that had previously been recognised in other comprehensive income (i.e. exchange reserve and investment revaluation reserve) relating to that reduction in ownership interest is reclassified to profit or loss as if the associate has disposed of the related assets or liabilities proportionately.

2. 主要會計政策(續)

(d) 聯營公司(續)

收購於聯營公司之額外權益

倘已付代價超逾分佔所收購聯營公司額外權益應佔淨資產賬面值之部分，商譽會於收購日確認。倘分佔所收購聯營公司額外權益應佔淨資產賬面值之部分超逾已付代價，則超逾部分於收購額外權益期間在損益中確認。

出售聯營公司之部分權益

倘出售一間聯營公司之部分權益並不導致本集團對聯營公司失去重大影響力，則於釐定出售部分權益之收益或虧損時計入所出售權益應佔聯營公司賬面值與代價之差額。此外，本集團將先前於其他全面收益確認與該聯營公司有關之金額按該聯營公司直接出售相關資產或負債情況下規定應用之相同基準入賬。因此，先前於其他全面收益(即匯兌儲備及投資重估儲備)確認並與擁有權益減少有關之損益部分將會重新分類至損益，猶如聯營公司已按比例出售相關資產或負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(j)):

- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 2(f)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Leasehold improvements, furniture and fixtures	Over the lease terms
Office equipment	5 years
Computers	5 years
Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2. 主要會計政策(續)

(e) 物業、廠房及設備

以下物業、廠房及設備項目乃按成本減累計折舊及減值虧損列賬(見附註2(j)):

- 以租賃持有之物業且本集團並非該等物業權益的註冊擁有人所產生的使用權資產; 及
- 廠房及設備項目, 包括相關廠房及設備租賃所產生的使用權資產(見附註2(f))。

物業、廠房及設備項目的折舊是使用直線法按其預計可用年限沖銷其成本減估計剩餘價值(如有), 計算方法如下:

租賃物業裝修、傢俬及固定裝置	按租賃期
辦公室裝備	五年
電腦	五年
汽車	五年

當物業、廠房及設備項目之不同部份有不同使用年期時, 項目之成本在不同部份之間按合理基準分配, 每個部份分開計算折舊。資產之可使用年期及其剩餘價值(如有)須每年檢討。

歷史成本包括收購該等項目直接應佔的開支。成本亦可包括來自因外幣購買物業、廠房及設備之合資格現金流量對沖而產生之任何盈利或虧損自權益轉出之部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(f) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the 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 direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(e) 物業、廠房及設備(續)

其後成本乃計入該資產的賬面值內或確認為獨立資產(按適用者,惟僅於與該項目有關的未來經濟利益可能將流入本集團及該項目的成本能可靠地計量的情況下)。以個別資產入賬的任何部份的賬面值會於替代時解除確認。所有其他維修及保養乃於其產生的報告期間於損益內確認。

倘資產的賬面值高於其估計可回收金額,則該資產的賬面值即時撇減至其可收回金額。

報廢或出售物業、廠房及設備項目所產生的損益以出售所得淨額與項目的賬面金額之間的差額釐定,並於報廢或出售當日在損益確認。

(f) 租賃資產

在合同訂立之時,本集團評估合同是否為租賃或者包含租賃。倘合同於一段時間內轉讓已識別資產的使用控制權以換取代價,則該合同為租賃或包含租賃。倘客戶已有權指示已識別資產的用途以及從該用途中獲得絕大部份經濟利益時,即表示控制權已轉讓。

作為承租人

倘合約包含租賃部份及非租賃部份,本集團已選擇不區分非租賃部份,並就所有租賃將各租賃部份及任何相聯非租賃部份入賬為單一租賃部份。

於租賃開始日期,本集團確認使用權資產及租賃負債,惟租期為12個月或以下的短期租賃及低價值資產的租賃則除外。當本集團就低價值資產訂立租賃時,本集團按個別租賃基準決定是否將租賃資本化。與該等租賃有關的未資本化租賃付款於租期內系統化確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leased assets (Continued)

As a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(e) and 2(j)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract (lease modification) that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(f) 租賃資產(續)

作為承租人(續)

如租賃資本化，租賃負債初次按租期內應付租賃付款的現值確認，並使用租賃內含利率(或如該利率無法即時釐定，則按有關增量借款利率)折現。於初次確認後，租賃負債以攤銷成本計量，利息開支則使用實際利率法計算。不取決於指數或利率的可變租賃付款並不計入租賃負債的計量，故於其產生之會計期間自損益扣除。

租賃資本化時確認的使用權資產初次按成本計量，包括租賃負債初次金額加開始日期當日或之前作出的任何租賃付款，以及所引致的任何初次直接成本。如適用，使用權資產成本亦包括在相關資產所在地拆除相關資產或恢復相關資產的估計成本，折現至其現值，減任何已收租賃獎勵。使用權資產其後按成本減累計折舊及減值虧損列賬(見附註2(e)及2(j))。

當未來租賃付款因某一指數或比率變動而變更，或當本集團預期根據剩餘價值擔保估計應付的金額有變，或因重新評估本集團是否合理地確定將行使購買、續租或終止選擇權而產生變動，則會重新計量租賃負債。按此方式重新計量租賃負債時，使用權資產的賬面值將作相應調整，或倘使用權資產的賬面值已減至零，則於損益內列賬。

當租賃範疇發生變化或租賃合約原先並無規定的租賃代價發生變化(租賃修改)，且未作為單獨租賃入賬時，則租賃負債亦會重新計量。在該情況下，租賃負債根據經修訂的租賃付款及租期，使用經修訂的折現率在修改生效日期重新計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leased assets (Continued)

As a lessee (Continued)

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment and presents lease liabilities separately in the statement of financial position.

(g) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest which are derived from the Group's ordinary course of business are presented as revenue.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(f) 租賃資產(續)

作為承租人(續)

於綜合財務狀況表內，長期租賃負債的即期部分釐定為應於報告期後十二月內結付的合約付款的現值。

本集團將不符合投資物業定義的使用權資產呈列於物業、廠房及設備，而租賃負債則單獨呈列於財務狀況表。

(g) 金融工具

金融資產及金融負債於集團實體訂立工具合約條文時確認。所有常規購買或出售金融資產均在交易日確認及取消確認。常規購買或出售為須在市場規則或慣例所設定的時間範圍內交付資產的購買或出售金融資產。

金融資產及金融負債初次按公平值計量，惟來自客戶合約的貿易應收賬款則根據香港財務報告準則第15號初次計量。收購或發行金融資產及金融負債(按公平值於損益賬處理的金融資產或金融負債除外)的直接應佔交易成本於初次確認時計入或扣除自金融資產或金融負債的公平值(視適用情況而定)。收購按公平值於損益賬處理的金融資產或金融負債的直接應佔交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債的攤銷成本及按有關期間分配利息收入及利息開支的方法。實際利率為將金融資產或金融負債於其預計年期或(如適用)較短期間的估計未來現金收入及付款(包括已支付或收取並構成實際利率的組成部份的所有費用及點數、交易成本及其他溢價或折讓)確切貼現至於初次確認時的賬面淨值的利率。

本集團日常業務過程中產生的利息呈列為收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

2. 主要會計政策(續)

(h) 金融資產

金融資產的分類和其後計量

符合以下條件的金融資產其後按攤銷成本計量：

- 金融資產於目的為收取合約現金流量的商業模式內而持有；及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

符合以下條件的金融資產其後按公平值於其他全面收益處理(「按公平值於其他全面收益處理」)計量：

- 金融資產於通過銷售及收取合約現金流量為目的的商業模式內而持有；及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

所有其他金融資產其後按公平值於損益賬處理，惟於首次應用香港財務報告準則第9號日期／初次確認金融資產之日，倘股權投資並非持作買賣用途或收購方於香港財務報告準則第3號「業務合併」適用的業務合併確認的或然代價，則本集團可不可撤銷地選擇於其他全面收益中呈列有關股權投資公平值的其後變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(h) 金融資產(續)

金融資產的分類和其後計量 (續)

倘符合下列條件，金融資產則持作買賣：

- 所收購的金融資產主要用於在短期內出售；或
- 於初次確認時，金融資產是作為本集團整合管理的已識別金融工具組合的一部份，且有近期實現短線套利模式；或
- 金融資產為衍生工具，但非指定為有效對沖工具。

此外，本集團可不可撤銷地指定須按攤銷成本計量或按公平值於其他全面收益處理的金融資產為按公平值於損益賬處理（倘若此舉可消除或顯著減少會計錯配）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item in the consolidated statement of profit or loss.

2. 主要會計政策(續)

(h) 金融資產(續)

金融資產的分類和其後計量(續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產的利息收入乃使用實際利率法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(ii) 按公平值賬處理損益賬處理的金融資產

不符合按攤銷成本或按公平值於其他全面收益處理或指定為按公平值於其他全面收益處理標準的金融資產，按公平值於損益賬處理。

按公平值於損益賬處理的金融資產於各報告期末的公平值計量，任何公平值收益或虧損於損益內確認。於損益確認的收益或虧損淨額不包括就金融資產賺取的任何股息或利息，並計入綜合損益表「其他收益及虧損」項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including pledged bank deposits, receivable from security brokers, other receivables, deposits, loan receivables, loan note and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For the financial assets at amortised costs, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(h) 金融資產(續)

金融資產減值

本集團根據預期信貸虧損(「**預期信貸虧損**」)模式對金融資產(包括已抵押銀行存款、應收證券經紀款項、其他應收賬款、按金、應收貨款、貸款票據及銀行結餘,其受限於香港財務報告準則第9號下的減值)進行減值評估。預期信貸虧損金額於各報告日期更新,以反映信貸風險自初次確認以來的變動。

全期預期信貸虧損指相關工具於預計年內所有可能違約事件將產生的預期信貸虧損。相反,12個月預期信貸虧損(「**12個月預期信貸虧損**」)指於報告日期後12個月內可能發生的違約事件預計產生的該部份全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗為基礎,並就債務人特定因素、整體經濟狀況及報告日期當前及未來情況預測的評估作出調整。

對於按攤銷成本計量的金融資產,本集團按12個月預期信貸虧損的相同金額計量虧損撥備,除非自首次確認以來信貸風險顯著上升,則本集團確認全期預期信貸虧損。評估全期預期信貸虧損應否予以確認乃基於自首次確認以來發生違約的可能性或風險顯著上升而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2. 主要會計政策(續)

(h) 金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著上升

評估信貸風險自初次確認以來是否顯著上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初次確認日期發生違約的風險。評估時，本集團會考慮合理及可支持的定量及定性資料，包括過往經驗及毋須付出過多成本及努力獲取之前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約掉期價格顯著上升；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人的經營業績實際或預期顯著惡化；及
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人償還債項的能力顯著下降。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(h) 金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著上升(續)

不論上述評估之結果如何，當合約付款逾期超過30天，則本集團會假定信貸風險自初次確認以來已顯著增加，除非本集團具有合理且可支持之資料證明。

儘管有上文所述，倘債務工具於報告日期確定信貸風險為低，則本集團假定自初次確認以來債務工具的信貸風險並未顯著增加。倘i)其違約風險低；ii)借款人有強大能力於短期滿足其合約現金流量責任；及iii)較長期的經濟及商業環境存在不利變動，可能會但未必削弱借款人履行其合約現金流量責任的能力，則債務工具的信貸風險釐定為低。倘債務工具內部或外部信貸評級為「投資級別」(按照全球理解的釋義)，則本集團會視該債務工具的信貸風險為低。

本集團定期監察用於識別信貸風險是否大幅增加的標準的有效性，並於適當情況下對其進行修訂，以確保該等標準能夠於相關款項逾期前識別信貸風險的顯著上升。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2. 主要會計政策(續)

(h) 金融資產(續)

金融資產減值(續)

(ii) 違約之定義

就內部信貸風險管理而言，倘內部制定或自外部來源取得的資料顯示債務人不可能悉數(不計及本集團所持任何抵押品)償還其債權人(包括本集團)，則本集團視作發生違約事件。

儘管上文所述，倘金融資產逾期超過90天，則本集團視為違約已經發生，惟本集團擁有合理及有依據資料顯示一項更滯後的違約標準更為合適，則另作別論。

(iii) 信貸減值金融資產

當發生一項或多項對金融資產估計未來現金流量有不利影響之事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括有關以下事件之可觀察數據：

- (a) 發行人或借款人陷入重大財務困難；
- (b) 違反合約，如違約或逾期事件；
- (c) 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件；
- (d) 借款人有可能破產或進行其他財務重組；
- (e) 金融資產因出現財政困難而失去活躍的市場；或
- (f) 以高折扣收購或產生金融資產，反映已產生信貸虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(h) 金融資產(續)

金融資產減值(續)

(iv) 撇銷政策

當有資料顯示對手方處於嚴重財務困難，且並無實際預期收回時(例如對手方已清盤或已進入破產程序)，則本集團會撇銷金融資產。已撇銷的金融資產仍可能需要根據本集團的收回程序進行法律行動，惟需於適當時候聽取法律意見。撇銷構成終止確認事件。任何其後收回將於損益確認。

(v) 計量及確認預期信貸虧損

計量預期信貸虧損乃違約概率、違約損失率程度(即倘發生違約的損失程度)及違約風險的函數。違約概率及違約損失率程度的評估根據經前瞻性資料調整的歷史數據作出。預期信貸虧損的估算反映以各自發生違約的風險作加權釐定的公正及概率加權金額。

一般而言，預期信貸虧損乃根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量間的差額估計，並按初次確認時釐定的實際利率貼現。

利息收入乃按金融資產之賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入乃按金融資產之攤銷成本計算。

本集團通過調整賬面值於損中就所有金融工具確認減值收益或虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(i) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2. 主要會計政策(續)

(h) 金融資產(續)

取消確認金融資產

僅當從資產收取現金流量的合約權利屆滿或倘其轉讓金融資產及資產所有權的絕大部分風險及回報予另一實體，本集團方會取消確認該項金融資產。倘本集團並無轉讓或保留所有權的絕大部分風險及回報，並繼續控制已轉讓資產，則本集團確認其於資產的保留權益及就其可能須支付的金額確認相關負債。倘本集團保留已轉讓金融資產所有權的絕大部分風險及回報，本集團繼續確認金融資產，亦會就已收所得款項確認有抵押借貸。

於取消確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價總和之間的差額會在損益中確認。

(i) 金融負債及股本

分類為債務或股本

債務及股本工具按訂約安排之具體內容及金融負債與股本工具之定義分類為金融負債或股本。

股本工具

股本工具乃任何證明享有實體於扣除所有負債後之資產之剩餘權益之合約。本公司發行的股本工具已於已收所得款項(扣除直接發行成本)內確認。

購回本公司自有股本工具已直接於權益確認及扣除。概無收益或虧損於購買、出售、發行或註銷本公司自有股本工具時在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial liabilities and equity (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(i) 金融負債及股本(續)

金融負債

所有金融負債隨後以實際利息法按攤銷成本或按公平值於損益賬處理。

按公平值於損益賬處理之金融負債

倘金融負債(i)為收購方於業務合併中的或然代價(適用於香港財務報告準則第3號)，(ii)持作買賣或(iii)指定為按公平值於損益賬處理，則其分類為按公平值於損益賬處理。

若符合以下條件，則金融負債為持作買賣：

- 收購的主要目的為於短期內回購；或
- 初次確認時，其為本集團共同管理的一組已識別金融工具的一部分，且有短期盈利的近期實際模式；或
- 為衍生工具，不包括屬於財務擔保合約或指定及實際對沖工具的衍生工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as trade payables with commodity derivative, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated profits upon derecognition of the financial liability.

2. 主要會計政策(續)

(i) 金融負債及股本(續)

按公平值於損益賬處理之金融負債(續)

若符合以下條件，金融負債(持作買賣或收購方於業務合併中的或然代價之金融負債除外)可於初次確認時指定為按公平值於損益賬處理：

- 該指定消除或大幅減少可能出現之計量或確認方面之不一致性；或
- 該金融負債為一組金融資產或金融負債或兩者兼備之組合之一部分，而根據本集團制定之風險管理或投資策略，該項資產之管理及表現評估乃按公平值為基礎進行，而有關分組之資料乃按此基礎向內部提供；或
- 其構成包含一項或多項嵌入衍生工具之合約之一部分，而香港財務報告準則第9號允許將整個組合合約指定為按公平值於損益賬處理。

就指定為按公平值於損益賬處理之金融負債而言，源自該負債信貸風險變動的金融負債公平值變動金額於其他全面收益確認，除非於其他全面收益確認負債信貸風險變動之影響會產生或擴大損益賬內之會計錯配，則作別論。就包含嵌入衍生工具之金融負債(例如包含商品衍生工具之貿易應付賬款)而言，嵌入衍生工具的公平值變動不會計入於其他全面收益呈列之金額。於其他全面收益所確認之金融負債信貸風險所產生公平值變動其後不會重新分類至損益，而是於取消確認金融負債後轉移至累計溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(j) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- interests in associates;
- prepayments; and
- investments in subsidiaries in the Company's statement of financial position.

2. 主要會計政策(續)

(i) 金融負債及股本(續)

按攤銷成本計量的金融負債

金融負債(包括貿易及其他應付賬款以及租賃負債)隨後以實際利息法按攤銷成本計量。

取消確認金融負債

當及僅當本集團的義務解除、取消或到期時，本集團方會取消確認該項金融負債。取消確認的金融負債的賬面值與已付及應付的代價之間的差額會在損益中確認。

(j) 非金融資產減值

於每個報告期末均會審核內部及外部資料，以識別下列資產是否可能出現減值跡象或之前已確認之減值虧損是否不再存在或已減少：

- 物業、廠房及設備，包括使用權資產；
- 於聯營公司之權益；
- 預付款項；及
- 本公司財務狀況表內附屬公司之投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Impairment of non-financial assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 主要會計政策(續)

(j) 非金融資產減值(續)

如果發現有減值跡象，則會估計該資產之可收回數額。

– 計算可收回數額

資產之可收回數額以公平值減出售成本和使用價值兩者中之較高數額為準。在評估使用價值時，會使用除稅前折讓率將估計未來現金流量折讓至現值。該折讓率反映市場當時所評估之貨幣時間價值和該資產之獨有風險。如果資產未能以大致獨立於其他資產之方式產生現金流入，則以可獨立產生現金流入之最小組別資產(即現金產生單位)來釐定可收回數額。

– 確認減值虧損

當資產或其所屬現金產生單位之賬面值超過其可收回數額，則減值虧損於損益確認。有關現金產生單位確認之減值虧損按比例減少該單位(或一組單位)內資產之賬面值，惟資產之賬面值不會減至低於其個別公平值減去出售成本(如可計量)或使用價值(如可釐定)。

– 減值虧損轉回

倘用以釐定可收回數額之估計出現有利轉變，則轉回減值虧損。

減值虧損之轉回僅限於資產之賬面值(在以往年度內並無確認任何減值虧損之情況下原應釐定者)。減值虧損之轉回在確認轉回之年度內撥入損益內處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(k) 衍生金融工具

衍生工具初步以衍生工具合約簽訂日的公平值確認，其後則以報告期末的公平值重新計量。所產生的收益或虧損將在損益表內確認，除非該衍生工具是一項指定並有效的對沖工具，在此情況下，於損益表內確認的時間取決於對沖關係的性質。

嵌入衍生工具

包含屬於香港財務報告準則第9號範疇內的金融資產之混合合約內嵌之衍生工具不應拆分。整份混合合約分類為及其後作為整體按攤銷成本或公平值(視乎情況而定)計量。

就並非香港財務報告準則第9號範疇內的金融資產之非衍生工具主合約內嵌之衍生工具而言，倘其符合衍生工具的定義、其風險及特點與主合約的風險及特點並無緊密關聯，且主合約並非按公平值於損益賬處理，則視作單獨的衍生工具。

整體而言，與主合約分開的單一工具中的多個嵌入衍生工具，乃作為單一複合嵌入衍生工具處理，除非該等衍生工具涉及不同風險及可隨時分拆及彼此之間獨立。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Inventories

Inventories are assets which are held for sale in the ordinary course of business.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for expected credit losses ("ECLs") in accordance with the policy set out in note 2(h).

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(l) 存貨

存貨為於日常業務過程中持有以供銷售的資產。

存貨以成本及可變現淨值兩者中之較低數額入賬。

成本以加權平均成本法計算，其中包括所有採購成本、加工成本及將存貨運至目前地點和變成現狀之其他成本。

可變現淨值是以日常業務過程中之估計售價減去完成生產及銷售所需之估計成本後所得之數額。

所有出售存貨之賬面值在相關收入確認之期間內確認為支出。任何存貨撇減至可變現淨值之數額及存貨之所有虧損，均在出現撇減或虧損之期間內確認為支出。存貨之任何撇減轉回之數額，均在出現轉回之期間內確認為已列作支出之存貨數額減少。

(m) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構的活期存款以及購入後於三個月內到期可隨時轉換為已知金額現金的短期高流通性並且價值改變風險不大的投資。在編製綜合現金流量表時，現金及現金等價物亦包括須按要求償還及構成本集團現金管理一部份的銀行透支。現金及現金等價物根據附註2(h)所載政策評估預期信貸虧損(「預期信貸虧損」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

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

(ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(n) 僱員福利

(i) 短期僱員福利及定額供款退休計劃供款

薪金、年度花紅、有薪年假、定額供款退休計劃供款及非貨幣福利成本會在僱員提供相關服務之年度內計提。倘延遲付款或清償會產生重大影響，則有關金額按其現值列賬。

(ii) 終止福利

終止福利於本集團不再能取消提供該等福利時及於本集團確認涉及支付終止福利之重組成本時(以較早者為準)確認。

(o) 所得稅

本年度所得稅包括本期所得稅及遞延所得稅資產和負債的變動。本期所得稅及遞延所得稅資產和負債的變動均在損益內確認，但與確認為其他全面收益或直接確認為權益項目相關的稅項，則分別於其他全面收益或直接於權益確認。

本期所得稅是按本年度應課稅收入根據已執行或在報告期末實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延所得稅資產和負債分別由可抵扣和應課稅暫時差額產生。暫時差額是指資產和負債在財務報表上的賬面值與這些資產和負債的計稅基礎的差額。遞延所得稅資產也可以由未利用所得稅虧損和未利用所得稅抵免產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(o) 所得稅(續)

除若干有限之例外情況外，所有遞延所得稅負債和遞延所得稅資產（只限於未來可能有應課稅溢利予以抵銷之資產）都會確認。支持確認由可抵扣暫時差額所產生遞延所得稅資產的未來應課稅溢利包括因轉回目前存在的應課稅暫時差額而產生的數額；但這些轉回的差額必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差額預計轉回的同一年間或（致遞延所得稅資產產生之）所得稅虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應課稅暫時差額是否足以支持確認由未利用所得稅虧損和抵免所產生的遞延所得稅資產時，亦會採用同一準則，即差額是否與同一稅務機關及同一應課稅實體有關，並是否預期在能夠使用該等所得稅虧損或抵免的同一年間內轉回。

確認遞延所得稅資產及負債之有限例外情況為初次確認不影響會計或應課稅溢利之資產或負債所產生之暫時差額（屬於業務合併之一部份則除外）；以及有關投資附屬公司之暫時差額（如屬應課稅差額，只限於本集團可以控制轉回之時間，而且在可預見將來不大可能轉回之暫時差額；或如屬可抵扣差額，則只限於很可能在將來轉回之差額）。

已確認的遞延所得稅金額是按照預期變現或清償資產和負債賬面值之方式，按報告期末有效或基本上有效之稅率計算。遞延所得稅資產和負債均不貼現計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(o) 所得稅(續)

本集團會在各報告期末審查遞延所得稅資產的賬面值。如果本集團預期不再可能獲得足夠的應課稅溢利以利用相關的稅務利益，該遞延所得稅資產的賬面值便會調低；但是如果日後又可能獲得足夠的應課稅溢利，有關減額便會轉回。

分派股息所產生的額外所得稅於支付相關股息的負債確認時確認。

本期所得稅和遞延所得稅結餘及其變動會分開列示，並且不予抵銷。倘若本公司或本集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，則本期所得稅資產可抵銷本期所得稅負債，及遞延所得稅資產則可抵銷遞延所得稅負債：

- 就本期所得稅資產和負債而言，本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 就遞延所得稅資產和負債而言，這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，這些實體計劃在日後每個預計有大額遞延所得稅負債需要清償或大額遞延所得稅資產可以收回的期間內，按淨額基準變現本期所得稅資產和清償本期所得稅負債，或同時變現該資產和清償該負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Provisions, contingent liabilities and onerous contracts

(i) Provisions and contingent liabilities

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

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

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

2. 主要會計政策(續)

(p) 撥備、或然負債及虧損性合約

(i) 撥備及或然負債

倘本集團須就過往事件承擔法律或推定責任，而履行該責任有可能導致經濟利益流出且能對金額作出可靠估計，則確認撥備。倘金錢時間價值屬重大，則撥備按預期履行責任的開支現值列示。

倘需要經濟利益流出的可能性不大，或金額無法可靠地估計，則有關責任將披露為或然負債，除非經濟利益流出的可能性微乎其微。可能出現的責任(其存在與否取決於一項或多項未來事件是否發生)亦披露為或然負債，除非經濟利益流出的可能性微乎其微。

(ii) 虧損性合約

倘本集團訂有合約而合約下為達成義務必須支付的成本超出預期將自合約收到的經濟利益時，則為虧損性合約。虧損性合約撥備按終止合約的預期成本及繼續合約的成本淨額的較低者的現值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services in the ordinary course of the Group's business.

Revenue is recognised when a performance obligation is satisfied, i.e. when control over a product or service is transferred to the customer, underlying the particular performance obligation at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(q) 收益及其他收入

當收入於本集團日常業務過程中因銷售貨品、提供服務而產生時，本集團將收入分類為收益。

收益在履約責任達成時，即當特定履約責任的相關產品或服務的控制權按本集團預期有權獲取的承諾代價金額(不包括代表第三方收取的金額)轉移至客戶時確認。收益不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

履約責任指一項明確貨品及服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下其中一項條件，則控制權為隨時間轉移，而收益則參考相關履約責任的完成進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建或增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權利收取至今已履約部份的款項。

否則，收益於客戶獲得明確貨品或服務之控制權時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue and other income (Continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

2. 主要會計政策(續)

(q) 收益及其他收入(續)

委託人相對代理人

當另一方從事向客戶提供商品或服務，本集團釐定其承諾的性質是否為提供指定商品或服務本身的履約責任(即本集團為委託人)或安排由另一方提供該等商品或服務(即本集團為代理人)。

倘本集團在向客戶轉讓商品或服務之前控制指定商品或服務，則本集團為委託人。

倘本集團的履行義務為安排另一方提供指定的商品或服務，則本集團為代理人。在此情況下，在將商品或服務轉讓予客戶之前，本集團不控制另一方提供的指定商品或服務。當本集團為代理人時，應就為換取另一方安排提供的指定商品或服務預期有權取得的任何收費或佣金的金額確認收益。

倘合約中包含為客戶提供超過12個月的重大融資利益的融資部份，則收益按應收金額的現值計量，並使用與客戶的單獨融資交易中反映的貼現率貼現，而利息收入按實際利率法單獨累計。倘合約中包含為本集團提供重大融資利益的融資部份，則根據該合約確認的收益包括按實際利率法計算的合約負債所產生的利息開支。本集團運用香港財務報告準則第15號第63段的可行權宜方法，當融資期限為12個月或以下時，則不會就重大融資部份的任何影響調整代價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue and other income (Continued)

Principal versus agent (Continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

The Group recognises revenue from the sale of commodities (i.e. iron ore) in the period that the performance obligations are satisfied which refers to delivery of the goods to the destination specified by the customers. The destination may be the destination port or the customer's premises. The quantity of commodities as specified in each sales contract is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated. Performance obligations are satisfied at a point in time once control of the commodities have been transferred to the customers. The customers have obtained control on the commodities through their ability to direct the use of and obtain substantially all the benefits from the commodities.

Provisional pricing arrangements in relation to trading of commodities

For trading of commodities, the sales price is determined on a provisional basis at the date of sale, as the final sales price is subject to (a) final assay for the quality and quantity of commodities after discharge and (b) movements in prevailing spot prices up to the date of final pricing, normally within the month at which the commodities are delivered to customers (i.e. quotation period). Revenue on provisionally priced sales is recognised based on the estimated quality and quantity of commodities and fair value of the total consideration receivable.

2. 主要會計政策(續)

(q) 收益及其他收入(續)

委託人相對代理人(續)

有關本集團收益及其他收入確認政策的進一步詳情如下：

(i) 銷售貨品

本集團於履行責任期間確認商品(即鐵礦石)銷售收益，該等履約責任指貨品交付至客戶指定的目的地。目的地可能是目的地港口或客戶的物業。各銷售合約規定之商品數量為可獨立識別，並指交易價分配的獨特履約責任。一旦商品的控制權轉移給客戶，履約責任就會在某個時間點獲達成。客戶通過指示商品用途並從商品中獲得絕大部分利益獲得對商品的控制。

有關商品貿易臨時定價安排

就商品貿易而言，由於在截至最終定價日(通常於商品交付客戶當月內，即報價期)，(a)最終售價會根據卸貨後對商品質量及數量的最終檢測以及(b)通行現貨價格波動作出調整，故售價為銷售日期臨時釐定。臨時定價銷售之收益乃基於估計商品質量及數量以及應收總代價公平值確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue and other income (Continued)

Principal versus agent (Continued)

(i) Sale of goods (Continued)

Provisional pricing arrangements in relation to trading of commodities (Continued)

The Group estimates the amount of the variable consideration of trading of commodities to which it will be entitled using the most likely amount as it better predicts the amount of consideration to which the Group will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Adjustment to the sales price occurs based on movements in prevailing spot prices up to the completion of quotation period and, thus, the revenue adjustment mechanism has the characteristic of a commodity derivative. Accordingly, the fair value of the total consideration receivable subject to the final sales price adjustment is re-estimated continuously by reference to prevailing spot prices and the changes in fair value are recognised in profit or loss. Such fair value adjustments do not form part of the revenue recognised from contracts with customers but included in "other gains and losses" line item in these consolidated financial statements. These trade receivables are governed under HKFRS 9 "Financial Instruments" and are recognised at fair value through profit or loss.

2. 主要會計政策(續)

(q) 收益及其他收入(續)

委託人相對代理人(續)

(i) 銷售貨品(續)

有關商品貿易臨時定價安排(續)

本集團使用最有可能收取金額(因其能更準確預測本集團將有權收取的代價金額)以估計其將有權收取的商品貿易的變量代價金額。只有於變量代價相關不明朗因素其後得以解決且變量代價計入交易價格很大機會不會導致日後出現大額收益撥回時,估計變量代價金額方會計入交易價格。於各報告期結束時,本集團會更新估計交易價格(包括更新其對估計變量代價是否受限所作出的評估),以真實反映於報告期結束時的現況及於報告期間的狀況變動。

售價按截至報價期完成時現行現貨價之變動作出調整,因此,收益調整機制具有商品衍生工具的特性。因此,存在最終售價調整的應收總代價之公平值將參照現行現貨價持續重估,而公平值之變動於損益中確認。該等公平值調整並不構成客戶合約確認收益之一部份但計入綜合財務報表「其他收益及虧損」一項。該等貿易應收賬款適用香港財務報告準則第9號「金融工具」並按公平值於損益賬確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue and other income (Continued)

Principal versus agent (Continued)

(ii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost that are not credit impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(h)).

(iii) Dividend income

Dividend income from unlisted investments is recognised when the shareholders' rights to receive payment have been established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(q) 收益及其他收入(續)

委託人相對代理人(續)

(ii) 利息收入

利息收入於產生時以實際利率法使用透過金融資產的預計年限內的估計未來現金收入準確貼現至金融資產的總賬面值的利率確認。就按攤銷成本計量且並未出現信貸減值的金融資產而言，將實際利率應用於該資產的賬面總值。就出現信貸減值的金融資產而言，實際利率適用於資產的攤銷成本(即扣除虧損撥備的總賬面值)(見附註2(h))。

(iii) 股息收入

非上市投資的股息收入於股東收取款項的權利確立時確認。上市投資的股息收入在投資的股價除息時確認。

(iv) 政府補助

倘可合理確定能夠收取政府補助，而本集團將符合政府補助所附帶的條件，則政府補助在財務狀況表中初始確認。補償本集團所產生開支的補助於產生開支的同一期間有系統地於損益中確認為收入。補償本公司資產成本的補助自資產賬面值扣除，其後則按該資產的可使用年期透過扣減折舊開支在損益內有效確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities.

Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value is measured.

The results of foreign operations are translated into HK\$ at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into HK\$ at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(r) 外幣換算

年內外幣交易乃按於交易日適用之外幣匯率換算。以外幣計值之貨幣資產及負債乃按於報告期末適用之外幣匯率換算。匯兌收益及虧損乃於損益內確認。

以外幣的歷史成本計量之非貨幣資產及負債乃使用於交易日適用之外幣匯率換算。交易日為本集團初步確認該等非貨幣資產或負債之日期。

按公平值列賬之外幣計值之非貨幣資產及負債乃使用於計量公平值當日適用之外幣匯率換算。

海外業務業績乃按與交易日適用之外幣匯率相若之匯率換算為港元。財務狀況表之項目按報告期末之收市外幣匯率換算成港元。所產生之匯兌差額乃於其他全面收益內確認，並單獨於權益之匯兌儲備內累計。

出售海外業務時(即出售本集團於海外業務之全部權益、或出售涉及失去包括海外業務之附屬公司之控制權，或部分出售包括海外業務之聯營公司之權益而其保留權益成為金融資產)，本公司股東就該業務應佔的所有於權益累計的匯兌差額乃重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Translation of foreign currencies (Continued)

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non – controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

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

(t) Related parties

- a) A person, or a close member of that person's family, is related to the Group if that person:
- i) has control or joint control over the Group;
 - ii) has significant influence over the Group; or
 - iii) is a member of the key management personnel of the Group or the Group's parent.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(r) 外幣換算(續)

此外，就部份出售一間附屬公司，惟並未導致本集團失去對該附屬公司的控制權而言，按比例分佔的累計匯兌差額乃重新計入非控股權益，而並不於損益內確認。就所有其他部分出售(即部分出售聯營公司，惟並無導致本集團失去重大影響力)而言，按比例分佔累計匯兌差額重新分類至損益。

(s) 借貸成本

收購、建設或生產需要一段較長時間方可達致擬定用途或出售之資產直接應佔之借貸成本會撥充資本，作為該等資產之部份成本。其他借貸成本於產生期間支銷。

資本化借貸成本作為合資格資產的成本的一部份於資產產生開支、產生借貸成本及進行使資產達致其擬定用途或出售的必要準備工作期間開始。借貸成本的資本化於進行使合資格資產達致其擬定用途或出售的絕大部份必要活動中止或完成時暫停或不再進行。

(t) 關聯方

- a) 倘屬以下人士，即該人士或該人士家族的緊密成員與本集團有關聯：
- i) 控制或共同控制本集團；
 - ii) 對本集團有重大影響力；或
 - iii) 擔任本集團或本集團母公司的主要管理層成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Related parties (Continued)

- b) An entity is related to the Group if any of the following conditions applies:
- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - vi) The entity is controlled or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(t) 關聯方(續)

- b) 倘符合下列任何條件，則實體與本集團有關聯：
- i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此之間有關連)。
 - ii) 一間實體為另一間實體的聯營公司或合營公司(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營公司)。
 - iii) 兩間實體均為同一第三方的合營公司。
 - iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。
 - v) 該實體是以本集團或本集團關連實體的僱員為受益人的離職後福利計劃。
 - vi) 該實體受(a)所識別人士控制或受共同控制。
 - vii) (a)(i)項所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)的主要管理人員。
 - viii) 向本集團或本集團的母公司提供主要管理人員服務的實體或其所屬集團的任何成員公司。

有關人士家族的緊密成員為預期可在與實體進行交易時對該人士有重大影響力或受其重大影響的家族成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's executive directors (the chief operating decision maker) for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Critical accounting judgements

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

2. 主要會計政策(續)

(u) 分部報告

經營分部及財務報表呈報的各分部項目金額與定期提供予本集團執行董事(主要營運決策者)的財務資料區分開來,以向本集團的各業務系列及地區營運分配資源並評估其表現。

就財務報告而言,個別重大的經營分部並不予以合算,除非該等分部具有相似經濟特性,以及就產品及服務性質、生產程序性質、客戶類別或種類、用以分銷產品或提供服務的方式及監管環境的性質方面相似,則另當別論。倘符合大部份該等條件,並非個別重大的經營分部可予以合算。

3. 主要會計判斷及估計

編製本集團的財務報表要求管理層作出判斷、估計及假設,該等判斷、估計及假設將對收益、開支、資產及負債的呈報金額及其相關披露以及或然負債的披露造成影響。該等假設及估計的不確定因素可能導致日後須就受影響的資產或負債的賬面金額進行重大調整。

(a) 關鍵會計判斷

金融資產減值

金融資產虧損撥備是基於對違約風險和預期虧損率的假設而計算的。本集團在做出假設和選擇減值計算的輸入數據時,按照本集團以往經驗、現有市場狀況以及於各報告期末的前瞻性估計進行判斷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(b) Key sources of estimation uncertainty

(i) Estimated impairment loss of the Group's interest in MGX (as defined in note 16)

Determining whether impairment loss should be recognised in relation to interest in MGX requires an estimation of the recoverable amount of the interest in MGX which is the higher of value in use and fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate the present value of the future cash flows expected to arise from dividends of MGX which is estimated based on the cash flows from the operations of MGX and the proceeds on the ultimate disposal of MGX taking into account the estimated future prices and production volume of hematite iron ores of MGX, a suitable discount rate and historical dividend payout ratio of MGX. The fair value less costs of disposal of MGX has been determined based on the closing price of shares of MGX listed on the Australian Securities Exchange ("ASX"). Where the actual cash flows are less or more than expected or upon the management's revision of estimated cash flows for the purpose of determining the value in use due to changes in conditions, facts and circumstances, the recoverable amount may change and a material reversal or further recognition of impairment loss may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognised takes place.

(ii) Impairment allowance on loan receivables

The measurement of impairment losses under HKFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

3. 主要會計判斷及估計(續)

(b) 估計不明朗因素的主要來源

(i) 本集團於MGX(定義見附註16)之權益之估計減值虧損

在釐定應否就於MGX之權益確認減值虧損時，需要估計於MGX之權益之可收回金額(即使用價值及公平值減出售成本中之較高者)。計算使用價值時，本集團管理層需要估計預期將自MGX股息產生之未來現金流量之現值，有關估計乃根據MGX經營所得現金流量以及最終出售MGX之所得款項而得出，當中計及MGX赤鐵礦石的估計未來價格及產量以及合適折現率及MGX之過往派息率。MGX之公平值減出售成本乃根據MGX於澳洲證券交易所(「澳交所」)上市股份之收市價釐定。當實際現金流量少於或多於預期，或管理層因環境、事實及情況轉變而就釐定使用價值修改估計現金流量，則可收回金額或會改變，及可能會產生重大撥備或進一步確認減值虧損，其將於該撥回或進一步確認發生期間在損益確認。

(ii) 應收貸款之減值撥備

根據香港財務報告準則第9號計量所有類別的金融資產的減值虧損需作出判斷，尤其是釐定減值虧損時估計未來現金流量金額及時間以及抵押品價值，及評估信貸風險大幅增加。該等估計受多項因素影響，而該等因素的變動或會導致不同水平的撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(b) Key sources of estimation uncertainty (Continued)

(ii) Impairment allowance on loan receivables (Continued)

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns probabilities of default to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets based on risk characteristics of the customers when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs over determination of the period over which the entity is exposed to credit risk based on the behavioral life of the credit exposures, loss given default and collateral recovery of the credit exposures;
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on probabilities of default, exposures at default and losses given default; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group/s policy to regularly review its models in the context of actual loss experience and adjust when necessary.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

3. 主要會計判斷及估計(續)

(b) 估計不明朗因素的主要來源 (續)

(ii) 應收貸款之減值撥備(續)

本集團的預期信貸虧損計算為複雜模型的輸出數據，當中包含多項有關選擇可變輸入數據及其彼此之間的關聯性的相關假設。視為會計判斷及估計的預期信貸虧損模型組成部分包括：

- 本集團的內部信貸評級模型，其將違約可能性與各個評級配對；
- 本集團評估信貸風險是否大幅上升(以評估金融資產撥備是否應按全期預期信貸虧損基準計量)及定性評估的標準；
- 倘預期信貸虧損按共同基準評估，基於客戶的風險特點分類金融資產；
- 基於信貸風險行為週期、拖欠還款虧損概率及信貸風險的抵押品收回率，制定預期信貸虧損模型，包括各類公式及選擇釐定實體面臨信貸風險的期間的輸入數據；
- 釐定宏觀經濟狀況、經濟輸入數據及對拖欠還款概率、拖欠還款及拖欠還款虧損風險的影響之間的關聯；及
- 選擇前瞻性宏觀經濟狀況及其概率加權以得出預期信貸虧損模型的經濟輸入數據。

本集團的政策為在實際虧損經驗的情況下定期審閱其模型及於必要時作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iii) Fair value measurement of financial instruments

As at 30 June 2021, certain of the Group's financial assets, including unlisted equity investments, investments in convertible notes and trade receivables designated at FVTPL amounting to HK\$158,705,000 (2020: HK\$24,254,000), and certain of the Group's financial liabilities, including trade payables designated at FVTPL amounting to HK\$28,916,000 (2020: HK\$61,852,000) are measured at fair value with fair value being determined based on unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See note 31(h) for further disclosures.

(iv) Current tax

Significant judgement is required in determining the provision for income tax. There are many transactions for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the financial period in which such determination is made.

3. 主要會計判斷及估計(續)

(b) 估計不明朗因素的主要來源(續)

(iii) 金融工具之公平值計量

於二零二一年六月三十日，本集團若干金融資產(包括非上市股本投資、可換股票據投資及指定為按公平值於損益賬處理之貿易應收賬款)為數158,705,000港元(二零二零年：24,254,000港元)及本集團若干金融負債(包括指定為按公平值於損益賬處理之貿易應付賬款)為數28,916,000港元(二零二零年：61,852,000港元)按公平值計量，其公平值使用估值技巧基於不可觀察輸入數據釐定。確定相關估值技巧及相關輸入數據時需要作出判斷及估計。與該等因素有關的假設變動可能會導致須對該等工具的公平值作出重大調整。有關進一步披露請見附註31(h)。

(iv) 即期稅項

於決定所得稅撥備時須作出重大判斷。於日常業務過程中存在許多其最終稅務決定存在不確定因素的交易。倘該等事宜的最終稅務結果與最初入賬的金額不同，則該等差額將影響作出該決定的財務期間的即期稅項及遞延稅項撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(b) Key sources of estimation uncertainty (Continued)

(v) Write-down of inventories to net realisable Value

Write-down of inventories to net realisable value is made based on the estimated net realisable value of inventories. The assessment of the required write-down amount involves management's judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will have an impact on the carrying amounts of inventories and the write-down charge/write-back amount in the period in which such estimate has been changed.

(vi) Determining the lease term

As explained in policy note 2(f), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

3. 主要會計判斷及估計(續)

(b) 估計不明朗因素的主要來源 (續)

(v) 將存貨撇減至可變現淨 值

將存貨撇減至可變現淨值乃根據存貨的估計可變現淨值而作出。所需之撇減金額評估涉及管理層的判斷及估計。倘實際金額或將來預計有別於原本的估計，該差額會影響存貨的賬面值及在該估計改變的期間的撇減開支／撥回金額。

(vi) 確定租賃期

如政策附註2(f)所解釋，租賃負債初步按租賃期內應付租賃付款的現值確認。在開始日期確定包含可由本集團行使的續租選擇權的租賃之租賃期時，在對本集團行使續租選擇權構成經濟激勵的所有相關因素及情況(包括有利條款、已進行的租賃裝修及該相關資產對本集團業務的重要性)進行考量後，本集團評估行使續租選擇權的可能性。倘發生重大事件或在本集團控制範圍內的情況出現重大變動，本集團會重新評估租賃期。租賃期延長或縮短均可能會對未來數年所確認之租賃負債及使用權資產金額造成影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

4. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 July 2020 for the preparation of the Group’s consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

The application of the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

4. 應用新訂及經修訂香港財務報告準則

於本年度，本集團已首次應用香港會計師公會頒佈並於二零二零年七月一日或之後開始的年度期間強制生效的「香港財務報告準則對概念框架的提述的修訂本」及以下經修訂香港財務報告準則，以編製本集團之綜合財務報表：

香港會計準則第1號及香港會計準則第8號(修訂本)	重大之定義
香港財務報告準則第3號(修訂本)	業務之定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革
香港財務報告準則第16號(修訂本)	2019冠狀病毒相關租金減免

除下文所述者外，本年度應用「香港財務報告準則對概念框架的提述的修訂本」及經修訂香港財務報告準則對本集團於本年度及過往年度之財務狀況及表現及／或載於該等綜合財務報表的披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

5. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Company's executive directors (the chief operating decision maker) for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

1. Commodity business (trading of commodities);
2. Resource investment (trading of and investment in listed and unlisted securities of energy and natural resources companies); and
3. Principal investment and financial services (provision of loan financing and investments in loan note, convertible notes and other financial assets and receiving interest income from these financial assets).

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

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

The measure used for reporting segment profit/(loss) is earnings and loss of each segment without allocation of share of results of associates, reversal of impairment loss/(impairment loss) on interests in associates, loss arising from deemed disposal of partial interest in an associate, net gain/(loss) arising from changes in fair value of financial assets at FVTPL not held within the trading portfolios, other corporate income and gain, central administrative expenses and other corporate losses, and central finance costs.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

5. 分部資料

本集團按分部管理其業務，而分部按業務(產品及服務)設置。本集團以與內部向本集團執行董事(主要經營決策者)呈報資料(以作資源分配及表現評估)一致之方式，呈列以下三個可報告分部。概無合併經營分部以組成以下可報告分部。

1. 商品業務(商品貿易)；
2. 資源投資(能源及天然資源公司上市及非上市證券買賣及投資)；及
3. 主要投資及金融服務(提供貸款融資以及投資貸款票據、可換股票據及其他金融資產及自該等金融資產收取利息收入)。

(a) 分部業績、資產及負債

為評估分部表現及在各分部之間分配資源，本公司的執行董事按以下基準監察各個可報告分部的業績、資產及負債：

收入及開支乃根據分部所產生之銷售及分部所支出之開支或分部應估資產折舊或攤銷另外產生之開支，分配至可報告分部。

計量報告分部溢利/(虧損)時使用未分配分佔聯營公司業績、聯營公司權益回撥減值虧損/(減值虧損)、視作出售於一間聯營公司部份權益而產生之虧損、並非於買賣組合內持有之按公平值於損益賬處理之金融資產公平值變動而產生之收益/(虧損)淨額、其他企業收入及收益、中央行政開支及其他企業虧損及中央財務成本的各個分部的收益及虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

5. SEGMENT INFORMATION (Continued)

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

Segment assets include all assets of operating and reportable segments other than interests in associates, certain property, plant and equipment, certain loan notes and financial assets at FVTPL not held within the trading portfolios not managed under principal investment and financial services segment, financial assets at FVTPL not held within the trading portfolios not managed under resource investment segment, certain other receivables and certain bank balances and cash.

Segment liabilities include provisions and trade and other payables and lease liabilities attributable to the activities of the individual segments and borrowings managed directly by the segments.

In addition to receiving segment information concerning segment profit/(loss), the Board is provided with segment information concerning revenue, interest income (included in other income), depreciation, dividend income from financial assets at FVTPL, gain/(loss) arising from changes in fair value of financial assets mandatorily measured at FVTPL, net, (impairment loss)/reversal of impairment loss on loan receivables, net, (loss)/gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities, net, finance costs, net foreign exchange gain/(loss), income tax and additions to non-current segment assets (other than financial instruments and deferred tax assets) used by the segments in their operations.

The accounting policies of the operating segments are the same as the Group's accounting policies.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

5. 分部資料(續)

(a) 分部業績、資產及負債(續)

除於聯營公司之權益、並非按主要投資及金融服務分部管理之若干貸款票據及並非於買賣組合內持有之按公平值於損益賬處理之金融資產、並非按資源投資分部管理之並非於買賣組合內持有之按公平值於損益賬處理之金融資產、亦非由分部及其他未分配企業資產所管理的若干其他應收賬款以及若干銀行結餘及現金外，分部資產計入經營及可報告分部所有資產。

分部負債包括個別分部活動應佔之撥備及貿易及其他應付賬款及租賃負債以及由分部直接管理之借貸。

除接收有關分部溢利/(虧損)的分部資料外，董事會亦獲提供有關收益、利息收入(計入其他收入)、折舊、按公平值於損益賬處理之金融資產之股息收入、強制性按公平值於損益賬處理之金融資產公平值變動而產生之收益/(虧損)淨額、應收貸款之(減值虧損)/回撥減值虧損淨額、有關商品貿易臨時定價安排公平值變動而產生之(虧損)/收益淨額、融資成本、匯兌收益/(虧損)淨額、所得稅及該等分部營運所用非流動分部資產(不包括金融工具及遞延稅項資產)添置。

經營分部的會計政策與本集團的會計政策相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

5. SEGMENT INFORMATION (Continued)

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

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's executive directors for the purposes of resource allocation and assessment of segment performance for the years ended 30 June 2021 and 2020 is set out below.

5. 分部資料(續)

(a) 分部業績、資產及負債(續)

以下載列按收益確認時間劃分之客戶合約收益分拆，連同截至二零二一年及二零二零年六月三十日止年度向本集團執行董事所提供(以作資源分配及評估分部表現)與本集團可報告分部相關之資料。

		Year ended 30 June 2021 截至二零二一年六月三十日止年度			
		Commodity business	Resource investment	Principal investment and financial services	Total
		商品業務 HK\$'000 千港元	資源投資 HK\$'000 千港元	主要投資 及金融服務 HK\$'000 千港元	合計 HK\$'000 千港元
Segment revenue:	分部收益：				
Disaggregated by timing of revenue recognition	按收益確認時間劃分				
- Point in time	- 於某一時間點	517,672	-	-	517,672
- Revenue from other source: Interest income	- 其他來源之收益： 利息收入	-	-	46,928	46,928
Revenue from external customers	來自外部客戶之收益	517,672	-	46,928	564,600
Gross sales proceeds from resource investment	出售資源投資所得款項總額	-	2,800,470	-	2,800,470
Segment results	分部業績	55,905	510,268	50,202	616,375
Share of results of associates	分佔聯營公司業績				131,973
Reversal of impairment loss on interest in an associate	回撥於一間聯營公司之權益之減值虧損				580,014
Loss arising from deemed disposal of partial interest in an associate	視作出售於一間聯營公司部份權益而產生之虧損				(1,911)
Gain arising from changes in fair value of financial assets at FVTPL not held within the trading portfolios, net	並非於買賣組合內持有之按公平值於損益賬處理之金融資產公平值變動而產生之收益淨額				100,733
Other corporate income and gains	其他企業收入及收益				33,610
Central administrative expenses and other corporate losses	中央行政開支及其他企業虧損				(92,704)
Central finance costs	中央財務成本				(120)
Consolidated profit before taxation	綜合除稅前溢利				1,367,970
Segment assets	分部資產	219,340	1,472,640	502,210	2,194,190
Interests in associates	於聯營公司之權益				2,404,381
Unallocated head office and corporate assets	未分配總部及企業資產				
- Financial assets at FVTPL not held within the trading portfolios	- 並非於買賣組合內持有之按公平值於損益賬處理之金融資產				208,234
- Bank balances and cash	- 銀行結餘及現金				126,173
- Other unallocated corporate assets	- 其他未分配企業資產				4,805
Consolidated total assets	綜合資產總值				4,937,783

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

5. SEGMENT INFORMATION (Continued)

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

5. 分部資料(續)

(a) 分部業績、資產及負債(續)

		Year ended 30 June 2021 截至二零二一年六月三十日止年度			
		Commodity business	Resource investment	Principal investment and financial services	Total
		商品業務 HK\$'000 千港元	資源投資 HK\$'000 千港元	主要投資 及金融服務 HK\$'000 千港元	合計 HK\$'000 千港元
Segment liabilities	分部負債	37,576	16,884	1,635	56,095
Unallocated corporate liabilities	未分配企業負債				58,095
Consolidated total liabilities	綜合負債總額				114,190
Other segment information	其他分部資料				
Interest income (included in other income)	利息收入(計入其他收入)	1,017	5	-	1,022
Unallocated	未分配				95
					1,117
Dividend income from financial assets at FVTPL	按公平值於損益賬處理之 金融資產之股息收入	-	15,136	-	15,136
Gain arising from changes in fair value of financial assets mandatorily measured at FVTPL, net	強制性按公平值於損益賬 處理之金融資產公平值 變動而產生之收益淨額	-	490,248	-	490,248
Unallocated	未分配				100,733
					590,981
Impairment loss on loan receivables, net	應收貸款之減值虧損淨額	-	-	(19,218)	(19,218)
Gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities, net	有關商品貿易臨時定價安排 公平值變動而產生之 收益淨額	1,106	-	-	1,106
Net foreign exchange gain	外匯收益淨額	2,757	16,218	18,827	37,802
Unallocated	未分配				32,988
					70,790
Additions to non-current assets	非流動資產添置	276	-	-	276
Unallocated	未分配				2,766
					3,042
Depreciation	折舊	(1,101)	-	-	(1,101)
Unallocated	未分配				(3,323)
					(4,424)
Finance costs	融資成本	(42)	-	-	(42)
Unallocated	未分配				(120)
					(162)
Income tax (expenses)/credit	所得稅(開支)/抵免	(2,258)	(8,768)	346	(10,680)
Unallocated	未分配				-
					(10,680)

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

5. SEGMENT INFORMATION (Continued)

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

5. 分部資料(續)

(a) 分部業績、資產及負債(續)

		Year ended 30 June 2020 截至二零二零年六月三十日止年度			
		Commodity business	Resource investment	Principal investment and financial services	Total
		商品業務 HK\$'000 千港元	資源投資 HK\$'000 千港元	主要投資 及金融服務 HK\$'000 千港元	合計 HK\$'000 千港元
Segment revenue:	分部收益：				
Disaggregated by timing of revenue recognition	按收益確認時間劃分				
– Point in time	– 於某一時間點	367,690	–	–	367,690
– Revenue from other source: Interest income	– 其他來源之收益： 利息收入	–	–	68,837	68,837
Revenue from external customers	來自外部客戶之收益	367,690	–	68,837	436,527
Gross sales proceeds from resource investment	出售資源投資所得款項總額	–	977,887	–	977,887
Segment results	分部業績	(5,912)	63,356	57,851	115,295
Share of results of associates	分佔聯營公司業績				146,545
Impairment loss on interests in associates, net	於聯營公司之權益之減值 虧損淨額				(549,614)
Loss arising from deemed disposal of partial interest in an associate	視作出售於一間聯營公司 部份權益而產生之虧損				(1,679)
Loss arising from changes in fair value of financial assets at FVTPL not held within the trading portfolios, net	並非於買賣組合內持有之 按公平值於損益賬處理之 金融資產公平值變動 而產生之虧損淨額				(104,141)
Other corporate income and gains	其他企業收入及收益				7,538
Central administrative expenses and other corporate losses	中央行政開支及其他企業 虧損				(43,161)
Central finance costs	中央財務成本				(185)
Consolidated loss before taxation	綜合除稅前虧損				(429,402)
Segment assets	分部資產	403,136	824,292	505,796	1,733,224
Interests in associates	於聯營公司之權益				1,525,576
Unallocated head office and corporate assets	未分配總部及企業資產				
– Financial assets at FVTPL not held within the trading portfolios	– 並非於買賣組合內持有 之按公平值於損益賬 處理之金融資產				76,379
– Bank balances and cash	– 銀行結餘及現金				185,665
– Other unallocated corporate assets	– 其他未分配企業資產				5,787
Consolidated total assets	綜合資產總值				3,526,631

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

5. SEGMENT INFORMATION (Continued)

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

5. 分部資料(續)

(a) 分部業績、資產及負債(續)

		Year ended 30 June 2020 截至二零二零年六月三十日止年度			
		Commodity business	Resource investment	Principal investment and financial services	Total
		商品業務 HK\$'000 千港元	資源投資 HK\$'000 千港元	主要投資 及金融服務 HK\$'000 千港元	合計 HK\$'000 千港元
Segment liabilities	分部負債				
Unallocated corporate liabilities	未分配企業負債	72,579	9,410	1,023	83,012 7,811
Consolidated total liabilities	綜合負債總額				90,823
Other segment information	其他分部資料				
Interest income (included in other income)	利息收入(計入其他收入)	1,457	7	-	1,464
Unallocated	未分配				3,672
					5,136
Dividend income from financial assets at FVTPL	按公平值於損益賬處理之 金融資產之股息收入	-	15,630	-	15,630
Gain/(loss) from changes in fair value of financial assets mandatorily measured at FVTPL, net	強制性按公平值於損益賬 處理之金融資產公平值變動 而產生之收益/(虧損)淨額	-	53,731	-	53,731
Unallocated	未分配				(104,141)
					(50,410)
Impairment loss on loan receivables, net	應收貸款之減值虧損淨額	-	-	(4,048)	(4,048)
Gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities, net	有關商品貿易臨時定價安排 公平值變動而產生之收益 淨額	21,298	-	-	21,298
Net foreign exchange loss	外匯虧損淨額	(5,241)	(1,271)	(12,175)	(18,687)
Unallocated	未分配				(9,110)
					(27,797)
Additions to non-current assets	非流動資產添置	-	-	-	-
Unallocated	未分配				2,794
					2,794
Depreciation	折舊	(1,074)	-	-	(1,074)
Unallocated	未分配				(3,253)
					(4,327)
Finance costs	融資成本	(55)	-	-	(55)
Unallocated	未分配				(185)
					(240)
Income tax (expenses)/credit	所得稅(開支)/抵免	(1)	-	2	1
Unallocated	未分配				-
					1

There are no inter-segment revenue during the years ended 30 June 2021 and 2020.

截至二零二一年及二零二零年六月三十日止年度並無分部間收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

5. SEGMENT INFORMATION (Continued)

(b) Geographical information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and interests in associates. The geographical location of customers is based on the location of goods delivered; the Group's interest income derived from loan receivables in respect of principal investment and financial services is analysed by the location where the loan financing is provided; and the Group's interest income derived from loan notes in respect of principal investment and financial services is analysed by the location where these investments are managed by the Group. In the case of non-current assets (excluding financial assets and deferred tax assets) which is presented based on geographical location of assets (where the property, plant and equipment are located and where the associates are incorporated/listed).

5. 分部資料(續)

(b) 地區資料

下文為(i)本集團來自外部客戶之收益及(ii)本集團物業、廠房及設備及於聯營公司之權益按地理位置的分析。客戶的地理位置乃基於貨品運送的所在地；本集團來自主要投資及金融服務相關應收貸款之利息收入乃按提供貸款融資所在地分析；及本集團來自主要投資及金融服務相關貸款票據之利息收入乃按本集團管理該等投資所在地分析。非流動資產(不包括金融資產及遞延稅項資產)之資料乃根據資產所在地(物業、廠房及設備所在地及聯營公司註冊成立/上市地點)呈列。

		Revenue from external customers 來自外部客戶之收益		Non-current assets 非流動資產	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Hong Kong (place of domicile)	香港(註冊所在地)	14,600	16,023	3,788	4,339
The PRC	中國	537,079	385,726	45,377	40,772
Australia	澳洲	9,981	2,850	2,359,515	1,486,118
Southeast Asia region	東南亞地區	2,940	31,928	-	-
		564,600	436,527	2,408,680	1,531,229

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

5. SEGMENT INFORMATION (Continued)

(c) Information about major customers

Revenue from customers contributing 10% or more of the Group's revenue are as follows:

5. 分部資料(續)

(c) 主要客戶之資料

為本集團收益貢獻10%或以上之客戶如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Commodity business	商品業務		
Customer A	客戶甲	139,665	70,104
Customer B	客戶乙	108,483	—
Customer C	客戶丙	87,788	—
Customer D	客戶丁	77,221	—
Customer E	客戶戊	—	194,469
Customer F	客戶己	—	54,620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

6. REVENUE

- (a) Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15	在香港財務報告準則第15號範圍內之客戶合約收益		
Trading of goods	商品貿易		
– Commodities (Iron ore)	– 商品(鐵礦石)	517,672	367,690
Revenue from other sources	其他來源的收益		
Interest income under effective interest method	以實際利率法計算的利息收入		
– Loan receivables	– 應收貸款	46,748	68,385
– Loan notes	– 貸款票據	180	452
		46,928	68,837
Total revenue	收益總額	564,600	436,527

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets are disclosed in Notes 5(a) and 5(b) respectively.

- (b) All sales contracts with customers within the scope of HKFRS 15 are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these contracts for the remaining unsatisfied performance obligations is not disclosed.

6. 收益

- (a) 按主要產品或服務類別劃分之客戶合約收益分拆如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15	在香港財務報告準則第15號範圍內之客戶合約收益		
Trading of goods	商品貿易		
– Commodities (Iron ore)	– 商品(鐵礦石)	517,672	367,690
Revenue from other sources	其他來源的收益		
Interest income under effective interest method	以實際利率法計算的利息收入		
– Loan receivables	– 應收貸款	46,748	68,385
– Loan notes	– 貸款票據	180	452
		46,928	68,837
Total revenue	收益總額	564,600	436,527

按收入確認時間及按區域市場劃分之來自客戶合約之收入分別於附註5(a)及5(b)披露。

- (b) 香港財務報告準則第15號範圍內所有客戶銷售合約之期限均為一年或以下。如香港財務報告準則第15號所允許，就餘下未達成履約責任分配至該等合約之交易價格並未披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Gain/(loss) arising from changes in fair value of financial assets mandatorily measured at FVTPL, net:	強制性按公平值於損益賬處理之金融資產公平值變動而產生之收益／(虧損)淨額：		
– listed equity securities held-for-trading	– 持作買賣之上市股本證券	448,111	42,317
– listed equity securities not held within the trading portfolios	– 並非持作買賣組合之上市股本證券	115,686	(87,419)
– convertible notes	– 可換股票據	(9,690)	(2,283)
– unlisted equity investments	– 非上市股本投資	4,052	(14,439)
– derivative financial instruments	– 衍生金融工具	32,822	11,414
– warrants	– 認股權證		
Impairment loss on loan receivables, net	應收貸款之減值虧損淨額	(19,218)	(4,048)
Loss arising from deemed disposal of partial interest in an associate	視作出售於一間聯營公司部份權益而產生之虧損	(1,911)	(1,679)
(Loss)/gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities:	有關商品貿易臨時定價安排公平值變動而產生之(虧損)／收益：		
– fair value (loss)/gain on trade receivables designated at FVTPL	– 指定按公平值於損益賬處理之貿易應收賬款之公平值(虧損)／收益	(3,498)	1,749
– fair value gain on trade payables designated at FVTPL	– 指定按公平值於損益賬處理之貿易應付賬款之公平值收益	4,604	19,549
Gain arising from modification of loan receivables (Note 19(b))	調整應收貸款而產生之收益(附註19(b))	5,010	5,934
Net foreign exchange gain/(loss)	外匯收益／(虧損)淨額	70,790	(27,797)
Others	其他	1	18
		646,759	(56,684)

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

8. OTHER INCOME

8. 其他收入

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest income on financial assets measured at amortised cost:	按攤銷成本計量之金融資產 之利息收入：		
– bank deposits	– 銀行存款	1,117	3,478
– loan notes	– 貸款票據	–	558
		1,117	4,036
Interest income from convertible notes	可換股票據之利息收入	–	1,100
Interest income	利息收入	1,117	5,136
Dividend income from financial assets at FVTPL:	按公平值於損益賬處理之金 融資產之股息收入：		
– listed equity securities held-for-trading	– 持作買賣之上市股本 證券	15,136	15,630
Others	其他	1,768	4,969
		18,021	25,735

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For the year ended 30 June 2021

綜合財務報表附註(續)

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9. PROFIT/(LOSS) BEFORE TAXATION

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

9. 除稅前溢利／(虧損)

除稅前溢利／(虧損)經扣除下列各項：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
(a) Finance costs:	(a) 融資成本：		
Interest on lease liabilities (Note 22(b))	租賃負債利息 (附註22(b))	162	240
Total interest expense on financial liabilities not at fair value through profit or loss	並非按公平值於損益賬處理之金融負債之利息開支總額	162	240
(b) Staff costs (including directors' emoluments) (note (i)):	(b) 員工成本(包括董事酬金)(附註(i))：		
Salaries and allowance	薪金及津貼	80,380	19,781
Contributions to defined contribution retirement plans	界定供款退休計劃供款	323	317
		80,703	20,098
(c) Other items:	(c) 其他項目：		
Cost of goods recognised as expenses (note (ii))	確認為開支之商品成本(附註(ii))	459,983	384,605
Auditors' remuneration (note (i))	核數師酬金(附註(i))		
– audit services	– 核數服務	800	750
– non-audit services	– 非核數服務	130	307
Depreciation charges (note (i)) (Note 15)	折舊支出(附註(i)) (附註15)		
– owned property, plant and equipment	– 自有物業、廠房及設備	440	419
– right-of-use assets	– 使用權資產	3,984	3,908
Short-term lease expense (note (i))	短期租賃開支(附註(i))	38	89

Notes:

- (i) Classified under administrative expenses in the consolidated statement of profit or loss. Other major components of administrative expenses include brokerage and custodian fees for investments of HK\$10,834,000 (2020: HK\$4,293,000) and legal, professional and consultancy fees of HK\$5,426,000 (2020: HK\$5,930,000).
- (ii) The amount for the year ended 30 June 2021 includes reversal of write down of inventories of HK\$8,980,000 (2020: write down of inventories of HK\$5,833,000). The reversal of write down of inventories during the year ended 30 June 2021 is due to the sale of inventories at net realisable value of higher than the carrying amounts.

附註：

- (i) 在綜合損益表中分類為行政費用。行政費用的其他主要部分包括投資的經紀和託管費用10,834,000港元(二零二零年：4,293,000港元)，以及法律、專業及顧問費用5,426,000港元(二零二零年：5,930,000港元)。
- (ii) 截至二零二一年六月三十日止年度之金額包括回撥存貨撇減8,980,000港元(二零二零年：存貨撇減5,833,000港元)。於截至二零二一年六月三十日止年度回撥存貨撇減，乃由於存貨銷售的可變現淨值高於賬面值所致。

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

10. INCOME TAX EXPENSE/(CREDIT)

(a) Amounts recognised in profit or loss:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current tax	即期稅項		
– Hong Kong Profits Tax for the year (note (i))	– 一年內香港利得稅 (附註(i))	2,357	644
– Under-provision of Hong Kong Profits Tax for the prior year	– 過往年度之香港利得稅撥備不足	1,066	–
– PRC Enterprise Income Tax (“EIT”) for the year (note (ii))	– 一年內中國企業所得稅 (「企業所得稅」) (附註(ii))	524	–
– Under-provision of EIT for the prior year	– 過往年度之企業所得稅撥備不足	–	1
Deferred tax	遞延稅項		
– Origination and reversal of temporary differences (Note 25(a))	– 暫時差額之產生及回撥 (附註25(a))	6,733	(646)
Income tax expense/(credit)	所得稅開支/(抵免)	10,680	(1)

Notes:

- (i) The provision for Hong Kong Profits Tax for 2021 and 2020 were calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.
- (ii) The Group's subsidiaries established in China are subject to the PRC EIT at 25% (2020: 25%).
- (iii) The Group is not subject to any taxation under the jurisdiction of Bermuda and the British Virgin Islands for the years ended 30 June 2021 and 2020.

附註：

- (i) 二零二一年及二零二零年的香港利得稅乃按年內估計應課稅利潤以稅率16.5%計提撥備，惟本集團一家附屬公司除外，其根據利得稅兩級制屬合資格法團。對於該附屬公司，首筆2百萬港元應課稅利潤以8.25%的稅率徵稅，而超餘下應課稅利潤以16.5%的稅率徵稅。
- (ii) 本集團於中國成立的附屬公司須按25%的稅率繳納中國企業所得稅(二零二零年：25%)。
- (iii) 本集團於截至二零二一年及二零二零年六月三十日止年度毋須繳納百慕達及英屬處女群島司法轄區的任何稅項。

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

10. INCOME TAX EXPENSE/(CREDIT) (Continued)

(b) Reconciliation between tax expense/(credit) and accounting profit/(loss) at applicable tax rate:

10. 所得稅開支/(抵免)(續)

(b) 稅項開支/(抵免)與會計溢利/(虧損)之間按適用稅率之對賬:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Profit/(loss) before taxation	除稅前溢利/(虧損)	1,367,970	(429,402)
Notional tax on profit/(loss) before taxation, calculated at Hong Kong Profits tax rate of 16.5%	按16.5%的香港利得稅稅率計算之除稅前溢利/(虧損)之名義稅項	225,715	(70,851)
Effect of different tax rates arising from other tax jurisdictions	其他稅務司法權區所產生不同稅率之影響	682	(124)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	12,959	107,840
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(206,690)	(17,438)
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	(21,776)	(24,180)
Statutory tax concession	法定稅項減免	(127)	(165)
Tax effect of tax losses/deductible temporary differences not recognised	並無確認之稅項虧損/可扣除暫時差額之稅務影響	2,773	4,855
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(3,980)	-
Under-provision in prior years	過往年度撥備不足	1,066	1
Others	其他	58	61
Income tax expense/(credit) for the year	年內所得稅開支/(抵免)	10,680	(1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

11. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Year ended 30 June 2021

11. 董事酬金

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事酬金如下：

截至二零二一年六月三十日止年度

		Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit schemes contributions	Total	
	Fee	benefits	bonus	contributions	Total	
	袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
Executive directors:	執行董事：					
Mr. Andrew Ferguson (note (a))	Andrew Ferguson先生(附註(a))	-	4,656	10,963	18	15,637
Mr. Brett Robert Smith	Brett Robert Smith先生	-	1,369	-	124	1,493
Non-executive directors:	非執行董事：					
Mr. Lee Seng Hui	李成輝先生	127	-	-	-	127
Ms. Lam Lin Chu (note (b))	林蓮珠女士(附註(b))	127	-	-	-	127
Mr. Arthur George Dew (note (d))	Arthur George Dew先生(附註(d))	-	297	401	-	698
Mr. Wong Tai Chun, Mark, alternate director of Mr. Arthur George Dew (note (d))	王大鈞先生(Arthur George Dew先生之替任董事)(附註(d))	-	144	169	7	320
Independent non-executive directors:	獨立非執行董事：					
Dr. Wong Wing Kuen, Albert	王永權博士	201	-	-	-	201
Mr. Chang Chu Fai, Johnson Francis	鄭鑄輝先生	201	-	-	-	201
Mr. Wang Hongqian	王宏前先生	201	-	-	-	201
		857	6,466	11,533	149	19,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

11. DIRECTORS' EMOLUMENTS (Continued)

Year ended 30 June 2020

	Fee	Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit schemes contributions	Total
	袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive directors:					
執行董事：					
Mr. Andrew Ferguson (note (a))	Andrew Ferguson先生(附註(a))	-	4,769	18	4,787
Mr. Brett Robert Smith	Brett Robert Smith先生	-	1,380	126	1,506
Non-executive directors:					
非執行董事：					
Mr. Lee Seng Hui	李成輝先生	127	-	-	127
Ms. Lam Lin Chu (note (b))	林蓮珠女士(附註(b))	14	-	-	14
Mr. So Kwok Hoo (note (c))	蘇國豪先生(附註(c))	113	-	-	113
Mr. Arthur George Dew (note (d))	Arthur George Dew先生(附註(d))	-	301	401	702
Mr. Wong Tai Chun, Mark, alternate director of Mr. Arthur George Dew (note (d))	王大鈞先生(Arthur George Dew先生之替任董事)(附註(d))	-	146	156	309
Independent non-executive directors:					
獨立非執行董事：					
Dr. Wong Wing Kuen, Albert	王永權博士	201	-	-	201
Mr. Chang Chu Fai, Johnson Francis	鄭鑄輝先生	201	-	-	201
Mr. Wang Hongqian	王宏前先生	201	-	-	201
Mr. Robert Moyses Willcocks (note (e))	Robert Moyses Willcocks先生(附註(e))	80	-	-	80
		937	6,596	557	8,241

Notes:

- (a) Mr. Andrew Ferguson is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as a chief executive officer.

Included in salaries, allowances and other benefit, there is payment of HK\$1,380,000 (2020: HK\$1,279,000) being the payment made by the Group for Mr. Andrew Ferguson's use as the director's quarter which the Group is the lessee for the year ended 30 June 2021 and 2020, which represent the repayment of capital and interest for capitalised lease payments payable under tenancy agreement during the years ended 30 June 2021 and 2020.

附註：

- (a) Andrew Ferguson先生亦為本公司之行政總裁，上述所披露之酬金包括彼擔任行政總裁提供服務之酬金。

薪金、津貼及其他福利包括付款1,380,000港元(二零二零年：1,279,000港元)，為本集團讓Andrew Ferguson先生作為董事之宿舍使用而支付的款項，本集團於截至二零二一年及二零二零年六月三十日止年度為承租人。為截至二零二一年及二零二零年六月三十日止年度償還根據租賃協議應付的資本化租賃付款資金及利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

11. DIRECTORS' EMOLUMENTS (Continued)

Notes: (Continued)

- (b) Ms. Lam Lin Chu was appointed as a non-executive director of the Company on 21 May 2020.
- (c) Mr. So Kwok Hoo resigned as a non-executive director of the Company on 21 May 2020.
- (d) These directors of the Company received certain remuneration from the parent company of the substantial shareholder of the Company which provided management services to the Group and charged the Group a management service fee for services provided by these directors as well as other management personnel who are not the directors of the Company. Details of these management services and the related expenses are set out in Note 33. The amounts disclosed above represented the emoluments paid or payable to these directors by the parent company of the substantial shareholder of the Company which is included in the amounts disclosed in Note 33(b).
- (e) Mr. Robert Moyse Willcocks retired as an independent non-executive director of the Company on 22 November 2019.

The executive directors' emoluments shown above are mainly for their services in connection with the management of the affairs of the Company and of the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above are mainly for their services as directors of the Company.

The bonus was determined in accordance with the performance of the Group and of the individual.

There was no arrangement under which directors and chief executive of the Company have waived or agreed to waive any emoluments during the years ended 30 June 2021 and 2020.

No emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 30 June 2021 and 2020.

A bonus for the year ended 30 June 2021 payable to Mr. Andrew Ferguson, the Chief Executive Officer and an Executive Director of the Company, in the amount of HK\$9,962,550 is subject to the approval by the board of directors of the Company.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

11. 董事酬金(續)

附註：(續)

- (b) 林蓮珠女士於二零二零年五月二十一日獲委任為本公司非執行董事。
- (c) 蘇國豪先生於二零二零年五月二十一日辭任本公司非執行董事。
- (d) 該等本公司董事向本公司主要股東之母公司(其向本集團提供管理服務)收取若干薪酬，該母公司就該等董事以及並非本公司董事之其他管理人員所提供之服務向本集團收取管理服務費。有關該等管理服務及相關費用的詳情載於附註33。上文披露的金額僅指本公司主要股東之母公司已付或應付該等董事的酬金(計入附註33(b)披露的金額內)。
- (e) Robert Moyse Willcocks先生於二零一九年十一月二十二日退任本公司獨立非執行董事。

上文所示執行董事之酬金主要就彼等所提供與管理本公司及本集團事務有關之服務而支付。

上文所示非執行董事及獨立非執行董事之酬金主要就彼等擔任本公司董事之職務而支付。

花紅乃根據本集團表現及個人表現釐定。

於截至二零二一年及二零二零年六月三十日止年度，本公司概無任何董事及最高行政人員放棄或同意放棄任何酬金之安排。

於截至二零二一年及二零二零年六月三十日止年度，本集團並無向任何本公司董事或本集團五名最高薪人士支付任何酬金，作為吸引其加入或將加入本集團時之獎勵，或作為離職賠償。

待本公司董事會批准後，應付本公司行政總裁兼執行董事Andrew Ferguson先生截至二零二一年六月三十日止年度金額為9,962,550港元的花紅。

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For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2020: two) are directors of the Company whose emoluments are disclosed in Note 11. The aggregate of the emoluments in respect of the remaining three (2020: three) individuals were as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	5,659	5,577
Discretionary bonus	酌情花紅	54,014	4,505
Retirement benefits schemes contributions	退休福利計劃供款	54	54
		59,727	10,136

The emoluments of the three (2020: three) individuals with the highest emoluments are within the following bands:

		2021 二零二一年 Number of individuals 人數	2020 二零二零年 Number of individuals 人數
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	-	1
HK\$6,000,001 to HK\$6,500,000	6,000,001港元至6,500,000港元	-	1
HK\$55,500,001 to HK\$56,000,000	55,500,001港元至56,000,000港元	1	-
		3	3

本集團最高酬金之五名人士中，兩名(二零二零年：兩名)為本公司董事，其酬金已披露於附註11。有關餘下三名(二零二零年：三名)人士之酬金總額載列如下：

最高酬金之三名(二零二零年：三名)人士的酬金介乎以下範圍：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

13. DIVIDENDS

Dividends recognised as distribution to owners of the Company during the year

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
2020 interim dividend declared – HK10 cents (2020: 2019 interim dividend declared – HK10 cents)	已宣派二零二零年中期股息 – 10港仙(二零二零年：已宣派二零一九年中期股息 – 10港仙)	121,890	121,890

During the year ended 30 June 2021, an interim dividend of HK10 cents (2020: HK10 cents) per ordinary share, in an aggregate amount of HK\$121,890,000 (2020: HK\$121,890,000), was declared in respect of the year ended 30 June 2020 (2020: year ended 30 June 2019) and an amount of HK\$121,890,000 (2020: HK\$121,890,000) is paid or payable in cash.

Subsequent to the end of the reporting period, the directors of the Company recommended a final dividend of HK10 cents per share and a special dividend of HK10 cents per share for the year ended 30 June 2021 (2020 interim dividend (in lieu of a final dividend): HK10 cents per share) subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company.

14. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the profit attributable to the owners of the Company of HK\$1,357,290,000 (2020: loss of HK\$429,401,000) and the weighted average number of 1,218,893,914 (2020: 1,218,893,914) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

There were no dilutive potential ordinary shares in issue during the years ended 30 June 2021 and 2020. The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the year ended 30 June 2021 and 2020.

13. 股息

年內確認為向本公司擁有人分派的股息：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
截至二零二一年六月三十日止年度，本公司已就截至二零二零年六月三十日止年度(二零二零年：截至二零一九年六月三十日止年度)宣派中期股息每股普通股10港仙(二零二零年：10港仙)，總額為121,890,000港元(二零二零年：121,890,000港元)，而金額121,890,000港元(二零二零年：121,890,000港元)以現金支付或應付。	121,890	121,890

於報告期末後，本公司董事建議派發截至二零二一年六月三十日止年度之末期股息每股10港仙及特別股息每股10港仙(二零二零年中期股息(代替末期股息)：每股10港仙)，惟須待本公司股東於應屆本公司股東週年大會上批准後方可作實。

14. 每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)乃根據年內本公司擁有人應佔溢利1,357,290,000港元(二零二零年：虧損429,401,000港元)及已發行普通股之加權平均數1,218,893,914股(二零二零年：1,218,893,914股)計算。

(b) 每股攤薄盈利/(虧損)

於截至二零二一年及二零二零年六月三十日止年度概無已發行攤薄潛在普通股。截至二零二一年及二零二零年六月三十日止年度，每股攤薄盈利/(虧損)與每股基本盈利/(虧損)相同。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Right-of-use assets 使用權資產 HK\$'000 千港元	Leasehold improvements, furniture and fixtures 租賃物業裝修、傢具及裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Computers 電腦 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 1 July 2019	於二零一九年七月一日	4,863	3,339	126	2,343	1,789	12,460
Additions	添置	2,608	-	-	186	-	2,794
Lease modification	租賃修訂	957	-	-	-	-	957
Exchange adjustments	匯兌調整	(12)	-	-	-	-	(12)
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日及二零二零年七月一日	8,416	3,339	126	2,529	1,789	16,199
Additions	添置	3,022	-	-	20	-	3,042
Lease modification	租賃修訂	(78)	-	-	-	-	(78)
Write off	撇銷	(3,584)	-	-	-	-	(3,584)
Exchange adjustments	匯兌調整	200	-	1	-	34	235
At 30 June 2021	於二零二一年六月三十日	7,976	3,339	127	2,549	1,823	15,814
Accumulated depreciation	累計折舊						
At 1 July 2019	於二零一九年七月一日	-	2,945	107	1,415	1,762	6,229
Charge for the year	年內支出	3,908	182	4	233	-	4,327
Exchange adjustments	匯兌調整	(10)	-	-	-	-	(10)
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日及二零二零年七月一日	3,898	3,127	111	1,648	1,762	10,546
Charge for the year	年內支出	3,984	182	5	253	-	4,424
Write off	撇銷	(3,584)	-	-	-	-	(3,584)
Exchange adjustments	匯兌調整	97	-	1	-	31	129
At 30 June 2021	於二零二一年六月三十日	4,395	3,309	117	1,901	1,793	11,515
Carrying amounts	賬面值						
At 30 June 2021	於二零二一年六月三十日	3,581	30	10	648	30	4,299
At 30 June 2020	於二零二零年六月三十日	4,518	212	15	881	27	5,653

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15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Properties leased for own use, carried at depreciated cost (note (i))	按折舊成本列賬的自用租賃物業(附註(i))	3,437	4,331
Equipment leased for own use, carried at depreciated cost (note (ii))	按折舊成本列賬的自用租賃設備(附註(ii))	144	187
		3,581	4,518

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分的使用權資產折舊費用：		
– Properties leased for own use	– 自用租賃物業	3,934	3,827
– Equipment	– 設備	50	81
		3,984	3,908
Interest on lease liabilities (Note 9(a))	租賃負債利息(附註9(a))	162	240
Expense relating to short-term leases	短期租賃相關支出	38	89

15. 物業、廠房及設備(續)

使用權資產

按相關資產類別劃分的使用權資產賬面淨值分析如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Properties leased for own use, carried at depreciated cost (note (i))	3,437	4,331
Equipment leased for own use, carried at depreciated cost (note (ii))	144	187
	3,581	4,518

於損益確認的與租賃有關的支出項目分析如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Depreciation charge of right-of-use assets by class of underlying asset:		
– Properties leased for own use	3,934	3,827
– Equipment	50	81
	3,984	3,908
Interest on lease liabilities (Note 9(a))	162	240
Expense relating to short-term leases	38	89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Right-of-use assets (Continued)

Notes:

(i) Properties leased for own use

The Group has obtained the right to use properties as its offices and staff quarters through tenancy agreements. The leases typically run for an initial period of 2 years.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities.

(ii) Other leases

The Group leases office equipment under leases expiring in 5 years. Some leases include an option to renew the lease when all terms are renegotiated, while some include an option to purchase the leased equipment at the end of the lease term at a price deemed to be a bargain purchase option. None of the leases includes variable lease payments.

During the year, additions to right-of-use assets were HK\$3,022,000 (2020: HK\$2,608,000), which is related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 24.

As at 30 June 2021 and 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

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15. 物業、廠房及設備(續)

使用權資產(續)

附註：

(i) 自用租賃物業

本集團根據租賃協議取得將物業用作其辦事處及員工宿舍的權利。該等租賃的初始租期通常為兩年。

若干租賃包括合約屆滿後將租賃重續額外期間的選擇權。倘實際可行，本集團尋求加入本集團可行使的有關續期選擇權，以提供營運靈活度。本集團於租賃開始日期評估其是否可合理確定將行使續期選擇權。倘本集團無法合理確定將行使續期選擇權，則延長期內的未來租賃付款不計入租賃負債的計量。

(ii) 其他租賃

本集團根據於五年內屆滿的租約租賃辦公室設備。若干租約包括續期時可重新磋商所有條款的選擇權，而另一些租約包括於租期屆滿時按視作議價購買選擇權的作價購買租賃設備的選擇權。該等租約概不包括可變租賃付款。

年內，使用權資產添置為3,022,000港元(二零二零年：2,608,000港元)，與根據新租賃協議應付的資本化租賃付款有關。

有關租賃的總現金流出以及租賃負債到期日的分析的詳情載於附註24。

於二零二一年及二零二零年六月三十日，短期租賃組合類似上文所披露的短期租賃開支所涉及的短期租賃組合。

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綜合財務報表附註(續)

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16. INTERESTS IN ASSOCIATES

16. 於聯營公司之權益

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interests in associates before impairment (note (i))	於聯營公司之權益(減值前) (附註(i))	2,404,381	2,105,590
Impairment losses recognised (note (ii))	已確認減值虧損(附註(ii))	-	(580,014)
		2,404,381	1,525,576
Fair value of listed investments	上市投資之公平值	2,601,366	1,500,361

Notes:

- (i) The balance includes cost of interests in associates, after adjustment for sharing of the post-acquisition results and other comprehensive income of associates, dividend received and exchange differences.
- (ii) The movement of the impairment losses recognised is as below:

附註:

- (i) 結餘包括於聯營公司之權益成本、調整後的分佔聯營公司收購後業績及其他全面收益、已收取股息及匯兌差額。
- (ii) 已確認減值虧損變動如下:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At beginning of the year	於年初	(580,014)	(30,400)
Impairment loss recognised	已確認減值虧損	-	(580,014)
Reversal of impairment loss	回撥減值虧損	580,014	30,400
At end of the year	於年末	-	(580,014)

At the end of the reporting period, the management of the Group carried out review on impairment loss on the carrying amounts of its interests in Mount Gibson Iron Limited ("MGX") and Tanami Gold NL ("Tanami") by comparing their recoverable amounts (higher of value in use and fair value less costs of disposal) with its respective carrying amounts. The reversal of impairment loss/(impairment loss) on interests in associates recognised in the consolidated statement of profit or loss for the year ended 30 June 2021, net, are as follows:

於報告期末，本集團管理層審視其於 Mount Gibson Iron Limited (「MGX」) 及 Tanami Gold NL (「Tanami」) 之權益之賬面值減值虧損，方法為將其可收回金額(使用價值與公平值減出售成本兩者中較高者)與其各自的賬面值比較。於截至二零二一年六月三十日止年度之綜合損益表確認之於聯營公司之權益之回撥減值虧損/(減值虧損)淨額如下:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
MGX		580,014	(580,014)
Tanami		-	30,400
		580,014	(549,614)

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

16. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's interests in associates, which are accounted for using the equity method in the consolidated financial statements, are as follows:

16. 於聯營公司之權益(續)

本集團於聯營公司之權益(按權益法於綜合財務報表入賬)詳情如下:

Name of company 公司名稱	Listed/ unlisted 上市/ 非上市	Place of establishment/ operation 成立/ 經營地點	Issued and paid up registered capital 已發行及 繳足註冊股本	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
				Group's effective interest 本集團之 實際權益	Held by the Company 本公司 持有	Held by subsidiaries 附屬公司 持有	
平港(上海)貿易有限公司	Unlisted	The PRC/The PRC	Paid-up capital of RMB50,000,000 out of registered capital of RMB50,000,000	40% (2020: 40%)	40% (2020: 40%)	- (2020: Nil)	Wholesales, import and export, agency service and relevant service for coal, coke, material for metallurgy, mineral products, chemical engineering products, mechanical and electrical equipment and spare parts, steel and steel products, construction material and related products and technology.
	非上市	中國/中國	註冊股本人民幣50,000,000元中繳足股本人民幣50,000,000元	40% (二零二零年: 40%)	40% (二零二零年: 40%)	- (二零二零年: 無)	批發、進出口、經紀服務及有關煤、焦煤、冶金料、礦物產品、化學工程產品、機械及電機器材及零件、鋼及鋼產品、建築材料及相關產品及技術之服務。
Mount Gibson Iron Limited ("MGX") (note 附註 (a))	Listed	Australia/Australia	1,185,917,178 ordinary shares (2020: 1,157,682,542 ordinary shares)	36.41% (2020: 35.14%)	- (2020: Nil)	36.41% (2020: 35.14%)	Mining of hematite iron ore in Western Australia.
	上市	澳洲/澳洲	1,185,917,178股普通股(二零二零年: 1,157,682,542股普通股)	36.41% (二零二零年: 35.14%)	- (二零二零年: 無)	36.41% (二零二零年: 35.14%)	於西澳洲開採赤鐵礦石。
Tanami Gold NL ("Tanami") (note 附註 (b))	Listed	Australia/Australia	1,175,097,046 ordinary shares (2020: 1,175,097,046 ordinary shares)	46.30% (2020: 46.30%)	- (2020: Nil)	46.30% (2020: 46.30%)	Gold exploration in Tanami Desert straddling the Western Australian and Northern Territory border.
	上市	澳洲/澳洲	1,175,097,046股普通股(二零二零年: 1,175,097,046股普通股)	46.30% (二零二零年: 46.30%)	- (二零二零年: 無)	46.30% (二零二零年: 46.30%)	於Tanami Desert(橫跨西澳洲及北領地邊界)進行黃金勘探。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

16. INTERESTS IN ASSOCIATES (Continued)

Notes:

- (a) During the year ended 30 June 2021, the Group's shareholdings in MGX increased from 35.14% as at 30 June 2020 to 36.41% as at 30 June 2021. Such increase is mainly due to the combined effects of MGX's issuance of 2,545,900 restricted shares to senior management, acquisition of 7,818,007 shares in MGX and the Group's reinvestment of its dividends entitled from MGX in exchange of MGX's 17,141,362 new ordinary shares. The Group recognised a loss of HK\$1,911,000 from the deemed disposal of its partial interest in MGX upon MGX's issuance of the restricted shares and the Group recognised a goodwill of HK\$8,864,000, which is included in the Group's interest in MGX, from the acquisition of additional shares in MGX and reinvestment of its entitled dividends into MGX.

During the year ended 30 June 2020, the Group's shareholdings in MGX increased from 33.23% as at 30 June 2019 to 35.14% as at 30 June 2020. Such increase was mainly due to the combined effects of MGX's issuance of 1,705,800 restricted shares to senior management, acquisition of 9,716,569 shares in MGX and the Group's reinvestment of its dividends entitled from MGX in exchange of MGX's 22,217,842 new ordinary shares. The Group recognised a loss of HK\$1,679,000 from the deemed disposal of its partial interest in MGX upon MGX's issuance of the restricted shares and the Group recognised a goodwill of HK\$22,641,000, which is included in the Group's interest in MGX, from the acquisition of additional shares in MGX and reinvestment of its entitled dividends into MGX.

- (b) During the year ended 30 June 2021, there is no movement of the Group's shareholdings in Tanami.

During the year ended 30 June 2020, the Group's shareholdings in Tanami increased from 43.55% to 46.30% due to acquisition of 32,238,736 shares in Tanami. The cash consideration for the acquisition was A\$1,454,000 (equivalent to approximately HK\$7,684,000). The Group recognised a goodwill of HK\$745,000, which was included in the Group's interest in Tanami, from its acquisition of additional interest in Tanami.

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16. 於聯營公司之權益(續)

附註:

- (a) 於截至二零二一年六月三十日止年度，本集團於MGX之股權由二零二零年六月三十日之35.14%增加至二零二一年六月三十日之36.41%。有關增加乃主要由於MGX向高級管理層發行2,545,900股受限制股份、收購MGX的7,818,007股股份及本集團有權自MGX收取的股息再投資以換取MGX發行的17,141,362股新普通股的合併影響。本集團於MGX發行受限制股份後確認視作出售其於MGX之部份權益產生之虧損1,911,000港元及本集團確認增購MGX股份及將其所享股息再投資於MGX產生之商譽8,864,000港元(計入本集團於MGX之權益)。

於截至二零二零年六月三十日止年度，本集團於MGX之股權由二零一九年六月三十日之33.23%增加至二零二零年六月三十日之35.14%。有關增加乃主要由於MGX向高級管理層發行1,705,800股受限制股份、收購MGX的9,716,569股股份及本集團有權自MGX收取的股息再投資以換取MGX發行的22,217,842股新普通股的合併影響。本集團於MGX發行受限制股份後確認視作出售其於MGX之部份權益產生之虧損1,679,000港元及本集團確認增購MGX股份及將其所享股息再投資於MGX產生之商譽22,641,000港元(計入本集團於MGX之權益)。

- (b) 於截至二零二一年六月三十日止年度，本集團於Tanami之股權並無變動。

於截至二零二零年六月三十日止年度，由於收購Tanami的32,238,736股股份，本集團於Tanami之股權由43.55%增加至46.30%。該收購的現金代價為1,454,000澳元(相當於約7,684,000港元)。本集團確認其收購Tanami額外權益產生之商譽745,000港元(計入本集團於Tanami之權益)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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16. INTERESTS IN ASSOCIATES (Continued)

Impairment assessment on the Group's interest in MGX

At the end of the reporting period, in view of increase (2020: decrease) in share price of MGX, the management of the Group carried out review on reversal of impairment loss (2020: impairment loss) on the carrying amount of its interest in MGX by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. In determining the value in use of MGX, the Group estimated the present value of the future cash flows expected to arise from dividends of MGX which is estimated based on the cash flows from the operations of MGX and the proceeds on the ultimate disposal of MGX. The estimation takes into account the estimated future prices and production volume of hematite iron ores of MGX, a discount rate of 9.4% (2020: 9.4%) and historical dividend payout ratio of MGX. The fair value less costs of disposal of MGX was determined based on the closing price of the shares of MGX listed on the ASX at the end of each reporting period. As at 30 June 2021, the recoverable amount of the Group's interest in MGX, which represents the fair value less costs of disposal of HK\$2,377,465,000 (2020: HK\$1,320,852,000), is higher (2020: lower) than its carrying amount. Accordingly, a reversal of impairment loss of HK\$580,014,000 (2020: an impairment loss of HK\$580,014,000) is recognised in profit or loss during the year ended 30 June 2021.

Impairment assessment on the Group's interest in Tanami

At the end of the reporting period, the management of the Group carried out impairment review on the carrying amount of its interest in Tanami by comparing its recoverable amount with its carrying amount. In view of the material uncertainty associated with the exploration for and evaluation of the mineral resources possessed by Tanami, no sufficient information is available for the management of the Group to estimate future cash flows used in the value in use calculation. Therefore, the recoverable amount of the Group's interest in Tanami is based on its fair value less costs of disposal, which has been determined based on the closing price of the shares of Tanami listed on the ASX at the end of the reporting period. As at 30 June 2021, the recoverable amount of the Group's interest in Tanami, which represents the fair value less costs of disposal of HK\$218,698,000 (2020: HK\$179,150,000), is higher (2020: higher) than its carrying amount. Accordingly, no impairment loss (2020: a reversal of impairment loss of HK\$30,400,000) is recognised in profit or loss during the year ended 30 June 2021.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

16. 於聯營公司之權益(續)

本集團於MGX之權益之減值評估

於報告期末，鑒於MGX的股價上升(二零二零年：下跌)，本集團管理層將其於MGX之權益之可收回金額(使用價值與公平值減出售成本中之較高者)與其賬面值作比較，對該權益之賬面值進行回撥減值虧損檢討(二零二零年：減值虧損)。在釐定MGX之使用價值時，本集團估計MGX股息預期將產生之未來現金流量之現值，此乃根據MGX經營所得現金流量以及最終出售MGX之所得款項而估計。有關估計計及MGX赤鐵礦石的估計未來價格及產量、折現率9.4%(二零二零年：9.4%)以及MGX之過往派息率。MGX之公平值減出售成本乃根據各報告期末MGX於澳交所上市股份之收市價釐定。於二零二一年六月三十日，本集團於MGX之權益之可收回金額(即公平值減出售成本)2,377,465,000港元(二零二零年：1,320,852,000港元)高(二零二零年：低)於其賬面值。因此，於截至二零二一年六月三十日止年度之損益賬確認回撥減值虧損580,014,000港元(二零二零年：減值虧損580,014,000港元)。

本集團於Tanami之權益之減值評估

於報告期末，本集團管理層將其於Tanami之權益之可收回金額與其賬面值作比較，對該權益之賬面值進行減值檢討。鑒於勘探及評估Tanami擁有的礦產資源存在重大不確定性，故本集團管理層並無充足資料可用於估計使用價值計算所用的未來現金流量。因此，本集團於Tanami權益之可收回金額乃基於其公平值減出售成本，根據報告期末Tanami於澳交所上市股份之收市價釐定。於二零二一年六月三十日，本集團於Tanami之權益之可收回金額(即公平值減出售成本)218,698,000港元(二零二零年：179,150,000港元)高(二零二零年：高)於其賬面值。因此，於截至二零二一年六月三十日止年度之損益賬概無確認減值虧損(二零二零年：回撥減值虧損30,400,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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16. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

MGX

Gross amounts of MGX	MGX之總額		
Non-current assets	非流動資產	2,839,529	1,692,683
Current assets	流動資產	2,404,187	2,590,380
Current liabilities	流動負債	(718,032)	(431,629)
Non-current liabilities	非流動負債	(324,138)	(281,803)
Equity	權益	4,201,546	3,569,631
Revenue	收益	1,952,861	2,373,949
Profit from continuing operations	持續經營業務所得溢利	371,990	443,254
Post-tax loss from discontinued operations	已終止經營業務之除稅後虧損	–	(1,328)
Other comprehensive income/(expense)	其他全面收益/(支出)	346,042	(84,320)
Total comprehensive income	全面收益總額	718,032	357,606
Dividend paid by MGX	MGX支付之股息	198,442	240,115
The Group's share of profit of MGX (note (i))	本集團分佔MGX之溢利(附註(i))	133,913	147,195
The Group's share of other comprehensive income/(expense) of MGX	本集團分佔MGX之其他全面收益/(支出)	129,364	(26,835)
The Group's share of total comprehensive income for the year	本集團分佔之年內全面收益總額	263,277	120,360
Dividend declared by MGX attributable to the Group (note (ii))	本集團應佔MGX所宣派之股息(附註(ii))	69,757	79,715
Reconciled to the Group's interest in MGX:	與本集團於MGX之權益對賬:		
Net assets of MGX	MGX之資產淨值	4,201,546	3,569,631
Proportion of the Group's ownership interest	本集團擁有權之權益比例	36.41%	35.14%
The Group's share of net assets of MGX	本集團分佔MGX之資產淨值	1,529,880	1,254,525
Goodwill	商譽	655,205	646,341
Impairment loss recognised	已確認減值虧損	–	(580,014)
Carrying amount of the Group's interest in MGX	本集團於MGX之權益之賬面值	2,185,085	1,320,852

Notes:

- (i) The Group's share of profit of MGX for the year ended 30 June 2021 is after adjustment of the unrealised profit of HK\$6,163,000 (2020: HK\$5,591,000) arising from the upstream sales of MGX.
- (ii) The Group reinvested dividend of HK\$69,757,000 (2020: HK\$79,715,000) into MGX in return for its ordinary shares.

16. 於聯營公司之權益(續)

主要聯營公司之財務資料概要(已就會計政策之任何差異作出調整,並與綜合財務報表內之賬面值對賬)披露如下:

MGX

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Gross amounts of MGX		
Non-current assets	2,839,529	1,692,683
Current assets	2,404,187	2,590,380
Current liabilities	(718,032)	(431,629)
Non-current liabilities	(324,138)	(281,803)
Equity	4,201,546	3,569,631
Revenue	1,952,861	2,373,949
Profit from continuing operations	371,990	443,254
Post-tax loss from discontinued operations	–	(1,328)
Other comprehensive income/(expense)	346,042	(84,320)
Total comprehensive income	718,032	357,606
Dividend paid by MGX	198,442	240,115
The Group's share of profit of MGX (note (i))	133,913	147,195
The Group's share of other comprehensive income/(expense) of MGX	129,364	(26,835)
The Group's share of total comprehensive income for the year	263,277	120,360
Dividend declared by MGX attributable to the Group (note (ii))	69,757	79,715
Reconciled to the Group's interest in MGX:		
Net assets of MGX	4,201,546	3,569,631
Proportion of the Group's ownership interest	36.41%	35.14%
The Group's share of net assets of MGX	1,529,880	1,254,525
Goodwill	655,205	646,341
Impairment loss recognised	–	(580,014)
Carrying amount of the Group's interest in MGX	2,185,085	1,320,852

附註:

- (i) 截至二零二一年六月三十日止年度,本集團分佔MGX溢利乃經調整MGX上游銷售產生之未變現溢利6,163,000港元(二零二零年:5,591,000港元)。
- (ii) 本集團將股息69,757,000港元(二零二零年:79,715,000港元)再投資於MGX以換取其普通股。

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

16. INTERESTS IN ASSOCIATES (Continued)

16. 於聯營公司之權益(續)

Tanami		Tanami	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Gross amounts of Tanami	Tanami之總額		
Non-current assets	非流動資產	176,699	172,163
Current assets	流動資產	206,185	189,667
Current liabilities	流動負債	(917)	(431)
Non-current liabilities	非流動負債	(9,878)	(9,106)
Equity	權益	372,089	352,293
Revenue	收益	-	-
Loss from continuing operations	持續經營業務所得虧損	(7,645)	(3,957)
Other comprehensive income	其他全面收益	27,441	1,145
Total comprehensive income/(expense)	全面收益/(支出)總額	19,796	(2,812)
Dividend paid by Tanami	Tanami支付之股息	-	-
The Group's share of loss of Tanami	本集團分佔Tanami之虧損	(3,539)	(1,818)
The Group's share of other comprehensive (expense)/income of Tanami	本集團分佔Tanami之其他全面(開支)/收益	12,703	2,893
The Group's share of total comprehensive (expense)/income for the year	本集團分佔之年內全面(開支)/收益總額	9,164	1,075
Dividend declared by Tanami attributable to the Group	本集團應佔Tanami所宣派之股息	-	-
Reconciled to the Group's interest in Tanami:	與本集團於Tanami之權益對賬:		
Net assets of Tanami	Tanami之資產淨值	372,089	352,293
Proportion of the Group's ownership interest	本集團擁有權之權益比例	46.30%	46.30%
The Group's share of net assets of Tanami	本集團分佔Tanami之資產淨值	172,261	163,097
Goodwill	商譽	2,169	2,169
Carrying amount of the Group's interest in Tanami	本集團於Tanami之權益之賬面值	174,430	165,266

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

16. INTERESTS IN ASSOCIATES (Continued)

16. 於聯營公司之權益(續)

		An associate that is not individually material	
		個別並非屬重大之一間聯營公司	
		2021	2020
		二零二一年	二零二零年
		HK\$'000	HK\$'000
		千港元	千港元
The Group's share of this associate:	本集團分佔該聯營公司：		
Profit from continuing operations	持續經營業務所得溢利	1,599	1,168
Other comprehensive income	其他全面收益	3,809	(1,399)
Total comprehensive income/(expense) for the year	年內全面收益／(支出)總額	5,408	(231)
Reconciled to the Group's interest in this associate:	與本集團於該聯營公司之權益對賬：		
Net assets of this associate	該聯營公司之資產淨值	112,165	98,645
Proportion of the Group's ownership interest	本集團擁有權之權益比例	40%	40%
Carrying amount of the Group's interest in this associate	本集團於該聯營公司之權益之賬面值	44,866	39,458

Contingent liabilities of MGX

As disclosed in the annual report of MGX for the year ended 30 June 2021, there is contingent liabilities, details of which are extracted below:

- "1. The Group has a Performance Bonding facility drawn to a total of A\$7,495,000 as at balance sheet date (2020: A\$6,587,000). The performance bonds secure the Group's obligations relating primarily to environmental matters and infrastructure assets.
2. Certain claims arising with customers, employees, consultants, and contractors have been made by or against certain controlled entities in the ordinary course of business, some of which involve litigation or arbitration. The Directors do not consider the outcome of any of these claims will have a material adverse impact on the financial position of the consolidated entity."

MGX之或然負債

誠如MGX截至二零二一年六月三十日止年度之年報所披露，存在或然負債，詳情摘錄如下：

- 「1. 本集團於結算日提取履約保證融資合共7,495,000澳元(二零二零年：6,587,000澳元)。履約保證作為本集團主要有關環境事宜及基建資產的責任抵押。
2. 若干受控制實體於一般業務過程中提出或遭針對提出與客戶、僱員、顧問及承包商產生的若干申索，部分涉及訴訟或仲裁。董事並不認為任何該等申索將會對綜合入賬實體的財務狀況造成重大不利影響。」

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17. INVENTORIES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Iron ores	鐵礦石	33,604	108,356

17. 存貨

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

18. 按公平值於損益賬處理(「按公平值於損益賬處理」)之金融資產

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
(a) Listed securities held-for-trading:	(a) 持作買賣之上市證券：		
– Equity securities listed in Hong Kong	– 於香港上市之股本證券	371,789	213,948
– Equity securities listed in Europe	– 於歐洲上市之股本證券	108,654	18,607
– Equity securities listed in Australia	– 於澳洲上市之股本證券	469,495	300,298
– Equity securities listed in Canada	– 於加拿大上市之股本證券	138,895	86,667
– Equity securities listed in the United States of America	– 於美國上市之股本證券	45,465	9,538
		1,134,298	629,058
(b) Unlisted equity investments (note (i))	(b) 非上市股本投資(附註(i))	52,406	8,291
(c) Listed securities not held within the trading portfolios:	(c) 並非持作買賣組合之上市證券：		
– Equity securities listed in Australia	– 於澳洲上市之股本證券	174,333	58,398
– Equity securities listed in the Philippines (note (iii))	– 於菲律賓上市之股本證券(附註(iii))	30,873	–
		205,206	58,398
(d) Derivative financial instruments:	(d) 衍生金融工具：		
– Warrants	– 認股權證	44,236	11,414
(e) Convertible notes (note (ii))	(e) 可換股票據(附註(ii))	–	9,690
		1,436,146	716,851

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”) (Continued) 18. 按公平值於損益賬處理(「按公平值於損益賬處理」)之金融資產(續)

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
The carrying amount of the financial assets at FVTPL is presented as:	按公平值於損益賬處理之金融資產之賬面值呈列為：		
– Non-current assets	– 非流動資產	208,234	76,379
– Current assets	– 流動資產	1,227,912	640,472
		1,436,146	716,851

Notes:

- (i) These unlisted equity investments primarily represent investments in unlisted equity securities issued by certain private entities incorporated in Canada, Australia and Bailiwick of Guernsey (the “Private Entity”), respectively. These unlisted equity investments are measured at fair values and the details of the fair value measurement are set out in Note 31(h).

The fair value measurement was carried out by GW Financial Advisory Services Limited (“GW Financial”) (2020: GW Financial), an independent qualified professional valuer not connected to the Group.

Of these unlisted equity investments, HK\$49,378,000 (2020: nil) are held-for-trading as they are expected to be listed on the recognised stock exchange within one year from the end of the reporting period.

- (ii) In previous year, the Group subscribed convertible notes with a nominal value of US\$1,200,895 from the Private Entity, which carry 12% coupon interest per annum and will mature on 30 November 2022. The interests, at the Private Entity’s option, are payable in cash quarterly or on the maturity date of the convertible notes or settled by the allotment and issue of the conversion shares. The convertible notes are guaranteed by the Private Entity and certain of its related companies. The Group is entitled to convert the convertible notes into preference shares of the Private Entity at a conversion price of US\$0.145 per preference share at any time from the subscription date to the maturity date.

During the year ended 30 June 2021, in view of the severe financial difficulties of the Private Entity, the management of the Group considered the fair value of such convertible notes are of nil value.

The fair values of these convertible notes as at 30 June 2020 were estimated by GW Financial using valuation techniques and key inputs as disclosed in Note 31(h).

- (iii) The investment subsequently became an associate of the Group after the end of the reporting period, details of which are set out in Note 34(i).

附註：

- (i) 該等非上市股本投資主要指投資於若干分別於加拿大、澳洲及根西島行政區(「私人實體」)註冊成立之私人實體所發行之非上市股本證券。該等非上市股本投資按公平值計量，而公平值計量之詳情載於附註31(h)。

公平值計量乃由與本集團並無關連的獨立合資格專業估值師盛德財務諮詢服務有限公司(「盛德財務」)(二零二零年：盛德財務)進行。

該等非上市股本投資中，49,378,000港元(二零二零年：零)為持作買賣，因為預期該等投資將於報告期結束後一年內在認可證券交易所上市。

- (ii) 於過往年度，本集團向私人實體認購面值為1,200,895美元之可換股票據，票面年利率為12%，並將二零二二年十一月三十日到期。私人實體可選擇利息按季或於可換股票據到期日以現金支付，或透過配發及發行轉換股份結付。可換股票據由私人實體及其若干關連公司擔保。本集團有權於認購日至到期日之任何時間按兌換價每股優先股0.145美元將可換股票據轉換為私人實體之優先股。

於截至二零二一年六月三十日止年度，鑒於私人實體出現嚴重的財政困難，本集團管理層認為該等可換股票據的公平值為零。

於二零二零年六月三十日，該等可換股票據的公平值乃由盛德財務採用估值技術及關鍵輸入數據(如附註31(h)所披露)估計。

- (iii) 該投資其後於報告期結束後成為本集團的聯營公司，詳情載於附註34(i)。

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19. LOAN RECEIVABLES

19. 應收貸款

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Fixed rate loan receivables:	應收定息貸款：		
– unsecured	– 無抵押	363,021	349,343
– secured	– 有抵押	64,425	124,139
		427,446	473,482
Variable rate loan receivable, unsecured	應收浮息貸款，無抵押	90,228	–
		517,674	473,482
Less: loss allowance (Note 31(a))	減：虧損撥備(附註31(a))	(23,824)	(4,606)
		493,850	468,876
The carrying amount of the loan receivables is presented as:	應收貸款之賬面值，呈列為：		
– Non-current assets	– 非流動資產	133,170	317,813
– Current assets	– 流動資產	360,680	151,063
		493,850	468,876

(a) Loan receivables, net of loss allowance as at 30 June 2021 and 2020 comprises:

(a) 於二零二一年及二零二零年六月三十日的應收貸款(扣除虧損撥備)包括：

Principal amount 本金額	Maturity date 到期日	Security 抵押品	Guarantee 擔保	Effective interest rate 實際利率 (per annum) (每年)	Carrying amount 賬面值	
					2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
RMB180,000,000 (2020: RMB180,000,000) (note (i))	12 July 2021 (2020: 12 July 2021)	No	Yes	5.5% (2020: 5.5%)	216,784	197,764
人民幣180,000,000元 (二零二零年：人民幣 180,000,000元)(附註(i))	二零二一年七月十二日 (二零二零年： 二零二一年七月十二日)	無	有	5.5% (二零二零年： 5.5%)		
HK\$9,694,000 (2020: HK\$10,000,000) (note (ii))	27 July 2023 (2020: 27 July 2023)	No	No	12% (2020: 12%)	2,997	8,602
9,694,000港元 (二零二零年： 10,000,000港元)(附註(ii))	二零二三年七月二十七日 (二零二零年： 二零二三年七月二十七日)	無	無	12% (二零二零年： 12%)		

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

19. LOAN RECEIVABLES (Continued)

(a) (Continued)

Principal amount 本金額	Maturity date 到期日	Security 抵押品	Guarantee 擔保	Effective interest rate 實際利率 (per annum) (每年)	Carrying amount 賬面值	
					2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
HK\$33,333,000 (2020: HK\$40,000,000) (note (iii))	14 July 2021 (2020: 14 September 2020)	Yes	Yes	24% (2020: 24%)	31,755	38,644
33,333,000港元 (二零二零年： 40,000,000港元)(附註(iii))	二零二一年七月十四日 (二零二零年： 二零二零年九月十四日)	有	有	24% (二零二零年： 24%)		
RMB109,000,000 (2020: RMB109,000,000) (note (iv))	30 December 2022 (2020: 31 December 2021)	No	Yes	5.8% (2020: 5.8%)	133,079	123,046
人民幣109,000,000元 (二零二零年：人民幣 109,000,000元)(附註(iv))	二零二二年十二月三十一日 (二零二零年：二零二一年 十二月三十一日)	無	有	5.8% (二零二零年： 5.8%)		
AS\$15,500,000 (2020: nil) (note (v))	31 July 2021 (2020: N/A)	No	Yes	7.3% (2020: N/A)	86,971	-
15,500,000澳元 (二零二零年：零)(附註(v))	二零二一年七月三十一日 (二零二零年：不適用)	無	有	7.3% (二零二零年： 不適用)		
HK\$28,771,000 (2020: nil) (note (vi))	30 March 2021 (2020: N/A)	Yes	Yes	42% (2020: N/A)	22,264	-
28,771,000港元 (二零二零年：零)(附註(vi))	二零二一年三月三十日 (二零二零年：不適用)	有	有	42% (二零二零年： 不適用)		
Nil (2020: HK\$17,170,000) (note (vii))	N/A (2020: 26 July 2021)	No	No	N/A (2020: 7%)	-	17,125
零 (二零二零年：17,170,000 港元)(附註(vii))	不適用 (二零二零年： 二零二一年七月二十六日)	無	無	不適用 (二零二零年： 7%)		
Nil (2020: HK\$81,469,000) (note (viii))	N/A (2020: 5 September 2020)	Yes	No	N/A (2020: 17.5%)	-	83,695
零 (二零二零年：81,469,000 港元)(附註(viii))	不適用 (二零二零年： 二零二零年九月五日)	有	無	不適用 (二零二零年： 17.5%)		
					493,850	468,876

19. 應收貸款(續)

(a) (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

19. LOAN RECEIVABLES (Continued)

(a) (Continued)

Notes:

- (i) As disclosed in the announcements of the Company dated 23 May 2019, 14 June 2019 and 9 July 2019, and the circular of the Company dated 20 June 2019, on 23 May 2019, the Group as the lender entered into the loan agreement (the “**Loan Agreement**”) with the borrower and a listed company as the guarantor, pursuant to which, the Group agreed to, among other things, make available to the borrower a revolving loan (the “**Loan Facility**”) in the amount not exceeding HK\$235,000,000 (or an amount equivalent to HK\$235,000,000 in such alternative currency as acceptable to and agreed by the Group) at an interest rate of 5.5% per annum, secured by a guarantee and indemnity provided by the listed company and repayable on 24 months from the date of first drawdown. The borrower is a wholly-owned subsidiary of the listed company.

On 9 July 2021, an ordinary resolution was passed at a special general meeting of the Company for the approval of a supplemental loan agreement dated on 10 May 2021. Pursuant to the supplemental loan agreement, the maturity date of this loan was extended from 12 July 2021 to 12 July 2024 and the revolving loan limit is increased from HK\$235,000,000 to HK\$260,000,000.

The principal amount of RMB180,000,000 is equivalent to approximately HK\$216,225,000 out of the revolving loan limit of HK\$235,000,000 (2020: HK\$197,361,000 out of the revolving loan limit of HK\$235,000,000).

The contractual interest charged at 5.5% per annum is payable monthly by Best Advantage.

- (ii) On 14 July 2020, the maturity date of this loan was extended from 16 March 2020 to 27 July 2023.

The contractual interest charged at 12% per annum is payable quarterly by the borrower.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

19. 應收貸款(續)

(a) (續)

附註：

- (i) 誠如本公司日期為二零一九年五月二十三日、二零一九年六月十四日及二零一九年七月九日之公告以及本公司日期為二零一九年六月二十日之通函所披露，於二零一九年五月二十三日，本集團(作為貸款人)與借款人及一間上市公司(作為擔保人)訂立貸款協議(「**貸款協議**」)，據此，本集團同意(其中包括)向借款人提供金額不超過235,000,000港元(或本集團接納及同意與235,000,000港元等值之其他貨幣金額)之循環貸款(「**貸款融資**」)，年利率為5.5%，由上述上市公司提供之擔保及彌償作抵押並須於首次提取日期起計24個月償還。借款人為上述上市公司之全資附屬公司。

於二零二一年七月九日，於本公司股東特別大會上通過一項普通決議案，批准日期為二零二一年五月十日的補充貸款協議。根據補充貸款協議，該貸款的到期日由二零二一年七月十二日延長至二零二四年七月十二日，並將循環貸款上限由235,000,000港元增加至260,000,000港元。

本金額為人民幣180,000,000元，相當於循環貸款上限235,000,000港元中的約216,225,000港元(二零二零年：循環貸款上限235,000,000港元中的197,361,000港元)。

合約利息按年利率5.5%計算，須由Best Advantage每月支付。

- (ii) 於二零二零年七月十四日，此貸款之到期日由二零二零年三月十六日延長至二零二三年七月二十七日。

合約利息按年利率12%計算，須由借款人每季支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

19. LOAN RECEIVABLES (Continued)

(a) (Continued)

Notes: (Continued)

- (iii) The loan is guaranteed by shareholder and director of the borrower, and also guaranteed by certain individuals related to the borrower. The loan is secured by a share mortgage over the entire issued capital of the borrower.

On 8 September 2020, the Group has entered into the supplemental loan agreement with the borrower. Pursuant to the supplemental loan agreement, the maturity date of the loan has been extended from 14 August 2020 to 14 September 2020. On 23 September 2020, the borrower proposed to further extend the loan repayment date to March 2021 and the directors of the Company intend to extend the loan repayment date to March 2021. On 9 February 2021, the Group has entered into the second supplemental loan agreement with the borrower. Pursuant to the second supplemental loan agreement, the maturity date of the loan has been extended to 14 July 2021.

On 15 September 2021, the borrower proposed to further extend the loan repayment date to 15 October 2021 and the directors of the Company intend to extend the loan repayment date to 15 October 2021. The negotiation of the other terms of the third supplemental loan agreement is still in progress at the date of this report.

The contractual interest charged at (i) 36% per annum for the first and second interest period; (ii) 18% per annum until 13 August 2020; (iii) 32% per annum for the period between 14 August 2020 and 13 September 2020 (both dates inclusive); (iv) 32% per annum between 14 September 2020 and 13 October 2020 (both dates inclusive); and (v) 18% per annum for the period between 14 October 2020 to 13 January 2021 (both dates inclusive); (vi) 32% per annum for the period between 14 January 2021 to 15 February 2021 (both dates inclusive); and (vii) 18% per annum thereafter is payable monthly by the borrower.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

19. 應收貸款(續)

(a) (續)

附註：(續)

- (iii) 貸款由借款人的股東及董事擔保，亦由若干與借款人有關連的人士擔保。貸款由借款人全部已發行股本的股份按揭作抵押。

於二零二零年九月八日，本集團與借款人訂立補充貸款協議。根據補充貸款協議，貸款之到期日已由二零二零年八月十四日延長至二零二零年九月十四日。於二零二零年九月二十三日，借款人建議進一步延長貸款還款日期至二零二一年三月，本公司董事有意將貸款還款日期延長至二零二一年三月。於二零二一年二月九日，本集團與借款人訂立第二份補充貸款協議。根據第二份補充貸款協議，貸款的到期日已延長至二零二一年七月十四日。

於二零二一年九月十五日，借款人建議進一步延長貸款償還日期至二零二一年十月十五日，本公司董事擬將貸款償還日期延長至二零二一年十月十五日。第三份補充貸款協議的其他條款的磋商於本報告日期仍在進行。

按(i)首段及次段計息期每年36%；(ii)直至二零二零年八月十三日每年18%；(iii)於二零二零年八月十四日至二零二零年九月十三日(包括首尾兩日)期間每年32%；(iv)於二零二零年九月十四日至二零二零年十月十三日(包括首尾兩日)期間每年32%；及(v)於二零二零年十月十四日至二零二一年一月十三日(包括首尾兩日)期間每年18%；(vi)於二零二一年一月十四日至二零二一年二月十五日(包括首尾兩日)期間每年32%；及(vii)其後每年18%的利率計算的合約利息須由借款人每月支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

19. LOAN RECEIVABLES (Continued)

(a) (Continued)

Notes: (Continued)

- (iv) The loan is guaranteed by the ultimate holding company of the borrower which is a company incorporated in Bermuda and its shares are listed on the Stock Exchange.

The maturity date of this loan was extended from 30 September 2019 to 31 March 2020 during the year ended 30 June 2019. On 13 September 2019, the Group has entered into the loan agreement with the borrower and its guarantor. Pursuant to the loan agreement, the maturity date of the loan has been further extended to 31 December 2021. On 16 December 2020, a supplemental loan agreement was entered into by the Group and the borrower and guarantor, pursuant to which the repayment date of the loan is further extended to 30 December 2022. Details of the loan agreement and supplemental loan agreement are set out in the Company's announcements on 13 September 2019 and 16 December 2020 respectively.

The contractual interest charged at 8% per annum is payable quarterly by the borrower.

- (v) On 27 July 2020, the Group as the lender entered into the facility agreement with the borrower and its certain subsidiaries as the guarantors, pursuant to which, the Group, make available to the borrower a loan facility in the amount of A\$26,000,000 at an interest rate of 1% over Bank Bill Swap Bid rate, which is secured by a guarantee provided by certain subsidiaries of the borrower. The loan facility is originally terminated on 31 January 2021.

On 15 December 2020, the Group and the borrower further entered into a deed of variation to increase the loan facility by A\$5,000,000 to A\$31,000,000. Furthermore, the termination date of the loan facility was extended to 31 July 2021. Details of the facility agreement and deed of variation are set out in the Company's announcements on 27 July 2020 and 15 December 2020 respectively.

On 31 July 2021, the termination date of this loan was extended from 31 July 2021 to 31 January 2022.

The principal amount of A\$15,500,000 was equivalent to approximately HK\$90,486,000 at 30 June 2021.

The contractual interest charged is payable quarterly by the borrower.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

19. 應收貸款(續)

(a) (續)

附註：(續)

- (iv) 貸款由借款人的最終控股公司(一間於百慕達註冊成立之公司，其股份於聯交所上市)擔保。

截至二零一九年六月三十日止年度，貸款之到期日由二零一九年九月三十日延長至二零二零年三月三十一日。於二零一九年九月十三日，本集團與借款人及其擔保人訂立貸款協議。根據貸款協議，貸款之到期日已進一步延長至二零二一年十二月三十一日。於二零二零年十二月十六日，本集團與借款人及擔保人訂立補充貸款協議，據此，貸款的還款日期已進一步延長至二零二二年十二月三十日。貸款協議及補充貸款協議的詳情分別載於本公司日期為二零一九年九月十三日及二零二零年十二月十六日的公告。

合約利息按年利率8%計算，須由借款人每季支付。

- (v) 於二零二零年七月二十七日，本集團(作為貸款人)與借款人及其若干附屬公司(作為擔保人)訂立融資協議，據此，本集團向借款人提供金額為26,000,000澳元的貸款融資，利率按銀行票據互換率加1%計算，由借款人的若干附屬公司提供的擔保作抵押。該貸款融資原先於二零二一年一月三十一日終止。

於二零二零年十二月十五日，本集團與借款人另行訂立變更契據，將貸款融資增加5,000,000澳元至31,000,000澳元。此外，該貸款融資的終止日期亦延長至二零二一年七月三十一日。融資協議及變更契據的詳情分別載於本公司日期為二零二零年七月二十七日及二零二零年十二月十五日的公告。

於二零二一年七月三十一日，該貸款的終止日期由二零二一年七月三十一日延長至二零二二年一月三十一日。

於二零二一年六月三十日，本金額為15,500,000澳元，相當於約90,486,000港元。

合約利息由借款人每季支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

19. LOAN RECEIVABLES (Continued)

(a) (Continued)

Notes: (Continued)

- (vi) The loan is guaranteed by the sole shareholder of the borrower and is secured by a share mortgage over the entire issued capital of the borrower and is secured by a debenture creating first fixed and floating charge over the undertaking, property and assets of the borrower.

On 16 September 2021, the borrower proposed to further extend the loan repayment date to 31 January 2022 and the terms of extension are under negotiation.

The contractual interest charged at 3% per month is payable by the borrower on the maturity date.

- (vii) On 21 August 2020, the Group has entered into the supplemental loan agreement with the borrower. Pursuant to the supplemental loan agreement, the maturity date of the loan has been extended from 24 July 2020 to 26 July 2021.

The contractual interest charged at 7% per annum is payable monthly by the borrower.

The loan was fully settled on 8 January 2021.

- (viii) Details of the securities are set out in the Company's announcements dated 29 September 2018 and 19 July 2019.

At 30 June 2020, the effective interest rate comprises fixed interest rate of 17.5% per annum.

The loan was fully settled on 3 September 2020.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

19. 應收貸款(續)

(a) (續)

附註：(續)

- (vi) 該貸款由借款人的單一股東擔保，並以借款人全部已發行股本的股份押記作抵押，同時以借款人承諾、財產和資產設立首次固定和浮動押記的債權作抵押。

於二零二一年九月十六日，借款人建議進一步延長貸款償還日期至二零二二年一月三十一日，延長條款仍在磋商。

按每月利率3%計算的合約利息須由借款人於到期日支付。

- (vii) 於二零二零年八月二十一日，本集團與借款人訂立補充貸款協議。根據補充貸款協議，貸款到期日由二零二零年七月二十四日延長至二零二一年七月二十六日。

合約利息按年利率7%計算，須由借款人每月支付。

貸款已於二零二一年一月八日悉數償還。

- (viii) 抵押品之詳情載於本公司日期為二零一八年九月二十九日及二零一九年七月十九日之公告。

於二零二零年六月三十日，實際利率包括固定利率每年17.5%。

貸款已於二零二零年九月三日悉數償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

19. LOAN RECEIVABLES (Continued)

(b) The movements of loan receivables during the year are set out as follows:

		HK\$'000 千港元
At 1 July 2019	於二零一九年七月一日	401,418
Interest income (Note 6(a))	利息收入(附註6(a))	68,385
Interest received	已收利息	(60,015)
New grant of loans	新增貸款	347,981
Repayment of loans	償還貸款	(278,527)
Modification (Note 7)	修改(附註7)	5,934
Impairment loss, net (Note 7)	減值虧損淨額(附註7)	(4,048)
Exchange adjustments	匯兌調整	(12,252)
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日及 二零二零年七月一日	468,876
Interest income (Note 6(a))	利息收入(附註6(a))	46,748
Interest received	已收利息	(49,620)
New grant of loans	新增貸款	201,331
Repayment of loans	償還貸款	(197,560)
Modification (Note 7)	修改(附註7)	5,010
Impairment loss, net (Note 7)	減值虧損淨額(附註7)	(19,218)
Exchange adjustments	匯兌調整	38,283
At 30 June 2021	於二零二一年六月三十日	493,850

(c) Further details on the Group's credit policy and credit risk arising from loan receivables are set out in Note 31(a).

19. 應收貸款(續)

(b) 年內應收貸款之變動載列如下：

(c) 有關本集團信貸政策及由應收貸款產生之信貸風險之進一步詳情載於附註31(a)。

20. LOAN NOTES

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Loan notes issued by Sun Hung Kai & Co. (BVI) Limited ("SHK BVI")	3,924	3,916
Sun Hung Kai & Co. (BVI) Limited (「SHK BVI」) 發行之貸款票據		

20. 貸款票據

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

20. LOAN NOTES (Continued)

The movements of loan notes during the year are set out as follows:

		HK\$'000 千港元
At 1 July 2019	於二零一九年七月一日	51,168
Interest income	利息收入	1,010
Interest received	已收利息	(1,363)
Redemption of loan notes	贖回貸款票據	(46,997)
Exchange adjustments	匯兌調整	98
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日及 二零二零年七月一日	3,916
Interest income	利息收入	180
Interest received	已收利息	(180)
Exchange adjustments	匯兌調整	8
At 30 June 2021	於二零二一年六月三十日	3,924

20. 貸款票據(續)

年內貸款票據之變動載列如下：

On 24 May 2016, the Group subscribed loan notes with a nominal value of US\$4,000,000 from SHK BVI, a limited liability company incorporated in the British Virgin Islands (“BVI”), which carry 4.75% coupon interest per annum and originally mature on 31 May 2021. SHK BVI early redeemed the loan note on 15 November 2019.

於二零一六年五月二十四日，本集團向SHK BVI(一間於英屬處女群島(「英屬處女群島」)註冊成立之有限公司)認購面值為4,000,000美元之貸款票據，其票面年利率為4.75%及原本於二零二一年五月三十一日到期。SHK BVI於二零一九年十一月十五日提早贖回貸款票據。

On 1 September 2017, the Group subscribed loan notes with a nominal value of US\$2,500,000 from SHK BVI, which carry 4.65% coupon interest per annum and will mature on 8 September 2022. SHK BVI early redeemed 80.1% of loan note on 15 November 2019.

於二零一七年九月一日，本集團向SHK BVI認購面值為2,500,000美元之貸款票據，其票面年利率為4.65%，並將於二零二二年九月八日到期。SHK BVI於二零一九年十一月十五日提早贖回80.1%貸款票據。

Loan notes issued by SHK BVI are guaranteed by Sun Hung Kai & Co. Limited (“SHK”), a limited liability company incorporated in Hong Kong whose shares are listed on the Stock Exchange. SHK BVI is a wholly-owned subsidiary of SHK.

SHK BVI發行之貸款票據由新鴻基有限公司(「新鴻基」，一間於香港註冊成立之有限公司，其股份於聯交所上市)擔保。SHK BVI為新鴻基之全資附屬公司。

Further details on the Group’s credit policy and credit risk arising from loan notes are set out in Note 31(a).

有關本集團信貸政策及由貸款票據產生之信貸風險之進一步詳情載於附註31(a)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

21. TRADE AND OTHER RECEIVABLES AND RENTAL DEPOSITS

21. 貿易及其他應收賬款以及租賃按金

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade receivables designated at FVTPL (note (i))	指定按公平值於損益賬處理之貿易應收賬款(附註(i))	106,299	6,273
Other receivables and deposits	其他應收賬款及按金	3,680	32,090
Rental deposits	租賃按金	578	546
Receivable from securities brokers	應收證券經紀款項	9,979	4,485
Prepayments	預付款項	773	713
		121,309	44,107
Representing:	呈列為：		
Current assets	流動資產	121,070	43,568
Non-current assets	非流動資產	239	539
		121,309	44,107

Except for the non-current rental deposits, all of the trade and other receivables are expected to be recovered or recognised as expense within one year.

除非流動租賃按金外，預期全部貿易及其他應收賬款將於一年內收回或確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

21. TRADE AND OTHER RECEIVABLES AND RENTAL DEPOSITS (Continued)

Note:

(i) Aging analysis

As of the end of the reporting period, the aging analysis of trade receivables designed at FVTPL based on invoice date which approximates the revenue recognition date, is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
0-30 days	0-30日	106,299	–
31-60 days	31-60日	–	6,273
		106,299	6,273

The Group sells iron ore commodities under provisional pricing arrangements where final prices are based on prevailing spot prices over a quotation period after shipment to the customers. These trade receivables are designated at FVTPL on contract by contract basis.

The Group allows an average credit period of 90 days to its trade customers from commodity business. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits to it. The credit limits attributed to customers are reviewed regularly. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 31(a).

21. 貿易及其他應收賬款以及租賃按金(續)

附註：

(i) 賬齡分析

截至報告期末，指定按公平值於損益賬處理之貿易應收賬款按發票日期(與收益確認日期相若)之賬齡分析如下：

本集團根據臨時定價安排銷售鐵礦石商品，最終價格於付運予客戶後基於在報價期內通行現貨價格設定。該等貿易應收賬款按個別合約基準指定為按公平值於損益賬處理。

本集團授予其商品業務之貿易客戶90日的平均信貸期。接受任何新客戶前，本集團會評估潛在客戶的信貸質素並釐定客戶信貸限額。本集團亦會定期檢討客戶的信貸限額。有關本集團信貸政策及由貿易應收賬款產生之信貸風險之進一步詳情載於附註31(a)。

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For the year ended 30 June 2021

綜合財務報表附註(續)

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22. BANK BALANCES AND CASH, PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION

a) Cash and cash equivalents and pledged bank deposits:

Cash at banks earns interest at floating rates based on daily bank deposit rates, ranging from 0.001% to 1.00% (2020: 0.001% to 2.08%) per annum.

Pledged bank deposits represent deposits pledged to banks to secure the Group's trade and banking facilities and carry variable interest rates ranging from 0.01% to 0.31% (2020: 0.15% to 3.62%) per annum.

b) Reconciliation of liabilities arising from financing activities

22. 銀行結餘及現金、已抵押銀行存款和其他現金流量資料

a) 現金及等值現金以及已抵押銀行存款：

銀行現金按每日銀行存款利率之浮動利率賺取利息，年利率介乎0.001%至1.00%（二零二零年：0.001%至2.08%）。

已抵押銀行存款指本集團為獲得貿易及銀行融資而抵押予銀行之存款，其按0.01%至0.31%（二零二零年：0.15%至3.62%）之浮動年利率計息。

b) 融資活動所產生負債之對賬

		Dividend payables 應付股息 HK\$'000 千港元 (note (i)) (附註(i))	Lease liabilities 租賃負債 HK\$'000 千港元 (Note 24) (附註24)	Total 總計 HK\$'000 千港元
At 1 July 2019	於二零一九年七月一日	767	4,863	5,630
New lease entered	訂立新租賃	-	2,608	2,608
Changes from financing cash flows	融資現金流變動	(121,890)	(4,145)	(126,035)
Lease modification	租賃修改	-	939	939
Cash dividend declared (Note 13)	已宣派現金股息(附註13)	121,890	-	121,890
Interest expenses (Note 9(a))	利息開支(附註9(a))	-	240	240
Exchange adjustments	匯兌調整	-	(1)	(1)
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日 及二零二零年七月一日	767	4,504	5,271
New lease entered	訂立新租賃	-	3,022	3,022
Changes from financing cash flows	融資現金流變動	(121,890)	(4,284)	(126,174)
Lease modification	租賃修改	-	(79)	(79)
Cash dividend declared (Note 13)	已宣派現金股息(附註13)	121,890	-	121,890
Interest expenses (Note 9(a))	利息開支(附註9(a))	-	162	162
Exchange adjustments	匯兌調整	-	94	94
At 30 June 2021	於二零二一年六月三十日	767	3,419	4,186

Note:

(i) The closing balance is included in other payables (Note 23).

附註：

(i) 期末結餘計入其他應付賬款(附註23)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

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23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付賬款

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade payables designated at FVTPL (note (i))	指定按公平值於損益賬處理之 貿易應付賬款(附註(i))	28,916	61,852
Other payables measured at amortised cost	按攤銷成本計量的其他 應付賬款	70,921	23,591
		99,837	85,443

Note:

(i) Aging analysis

As of the end of the reporting period, the aging analysis of trade payables designated at FVTPL based on invoice date is as follows:

附註：

(i) 賬齡分析

截至報告期末，指定按公平值於損益賬處理之貿易應付賬款按發票日期之賬齡分析如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
0-30 days	0-30日	28,916	56,529
31-60 days	31-60日	-	5,323
		28,916	61,852

The Group purchases iron ore commodities under provisional pricing arrangements where final prices are based on prevailing spot prices over a quotation period after shipment by the supplier, MGX. These trade payables are designated at FVTPL on contract by contract basis.

本集團根據臨時定價安排採購鐵礦石商品，最終價格於供應商MGX裝運後基於在報價期內通行現貨價格設定。該等貿易應付賬款按個別合約基準指定為按公平值於損益賬處理。

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

預期全部貿易及其他應付賬款將於一年內結付或應要求償還。

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For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

24. LEASE LIABILITIES

At 30 June 2021, the lease liabilities were repayable as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 1 year	一年內	2,181	3,743
After 1 year but within 2 years	一年後但兩年內	1,190	664
After 2 years but within 5 years	兩年後但五年內	48	97
		1,238	761
Balance at end of the year	年末結餘	3,419	4,504

Total cash outflow for leases

Amount included in the consolidated statement of cash flow for leases comprise the following:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within operating cash flows	經營現金流量內	38	89
Within financing cash flows	融資現金流量內	4,284	4,145

24. 租賃負債

於二零二一年六月三十日，應償還的租賃負債如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 1 year	一年內	2,181	3,743
After 1 year but within 2 years	一年後但兩年內	1,190	664
After 2 years but within 5 years	兩年後但五年內	48	97
		1,238	761
Balance at end of the year	年末結餘	3,419	4,504

租賃現金流出總額

就租賃而計入綜合現金流量表的金額如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within operating cash flows	經營現金流量內	38	89
Within financing cash flows	融資現金流量內	4,284	4,145

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For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

25. DEFERRED TAX

(a) Deferred tax assets and liabilities recognised

Deferred tax assets

		Credit loss allowance of loan receivables 應收貸款的 信貸虧損撥備 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2019	於二零一九年七月一日	–	–	–
Credited to profit or loss (Note 10(a))	計入損益(附註10(a))	646	–	646
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日 及二零二零年七月一日	646	–	646
Credited to profit or loss (Note 10(a))	計入損益(附註10(a))	969	4,348	5,317
At 30 June 2021	於二零二一年六月三十日	1,615	4,348	5,963

Deferred tax liability

遞延稅項負債

		Financial assets at FVTPL 按公平值於損益賬 處理之金融資產 HK\$'000 千港元
At 1 July 2019, 30 June 2020 and 1 July 2020	於二零一九年七月一日、二零二零年 六月三十日及二零二零年七月一日	–
Charged to profit or loss (Note 10(a))	於損益扣除(附註10(a))	12,050
At 30 June 2021	於二零二一年六月三十日	12,050

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

25. DEFERRED TAX (Continued)

(a) Deferred tax assets and liabilities recognised (Continued)

Reconciliation to the consolidated statement of financial position

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Net deferred tax assets recognised in the consolidated statement of financial position	1,615	646
Net deferred tax liability recognised in the consolidated statement of financial position	(7,702)	-
	(6,087)	646

(b) Deferred tax assets not recognised

As at 30 June 2021, the Group has unused tax losses of approximately HK\$187,441,000 (2020: HK\$198,526,000) available for offset against future taxable profits. No deferred tax asset was recognised in the consolidated statement of financial position as at 30 June 2021 (2020: nil) since it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

Except for tax loss of nil (2020: HK\$1,846,000) which will expire in 2025, the remaining tax losses may be carried forward indefinitely.

25. 遞延稅項(續)

(a) 已確認遞延稅項資產及負債(續)

綜合財務狀況表對賬

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Net deferred tax assets recognised in the consolidated statement of financial position	1,615	646
Net deferred tax liability recognised in the consolidated statement of financial position	(7,702)	-
	(6,087)	646

(b) 並無確認的遞延稅項資產

於二零二一年六月三十日，本集團有未動用稅項虧損約187,441,000港元(二零二零年：198,526,000港元)可用於抵銷未來應課稅溢利。由於在有關稅務司法權區及有關實體不大可能有可供用於抵銷虧損的未來應課稅溢利，故二零二一年六月三十日的綜合財務狀況表並無確認遞延稅項資產(二零二零年：零)。

除稅項虧損零港元(二零二零年：1,846,000港元)將於二零二五年屆滿外，其餘稅項虧損可無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

25. DEFERRED TAX (Continued)

(c) Deferred tax liabilities not recognised

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards.

At 30 June 2021, temporary differences relating to the undistributed profits of subsidiaries in PRC amounted to HK\$21,476,000 (2020: HK\$14,275,000). Deferred tax liability has not been recognised for taxes that would be payable on these unremitted earnings as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

26. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plans

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The total cost charged to profit or loss of HK\$323,000 (2020: HK\$317,000) represents contributions paid or payable to the schemes by the Group at rates specified in the rules of the respective schemes.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

25. 遞延稅項(續)

(c) 並無確認的遞延稅項負債

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司須就其賺取之溢利所宣派之股息繳納預扣稅。

於二零二一年六月三十日，與中國附屬公司的未分派溢利有關的暫時差額為21,476,000港元(二零二零年：14,275,000港元)。尚未就該等未匯出盈利應付的稅項確認遞延稅項負債，因為本公司控制該等附屬公司的股息政策，並已判定該等溢利在可預見未來可能不會分派。

26. 員工退休福利

定額供款退休計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例管轄之司法權區之受聘僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃是由獨立受託人管理之定額供款退休計劃。根據強積金計劃，僱主及僱員各自均須按僱員有關收入之5%向計劃作出供款，而每月有關收入之上限為30,000港元。計劃供款即時歸屬。

本集團之中國附屬公司之僱員均為中國政府管理之國營退休福利計劃之成員。該等附屬公司須按薪酬成本之指定百分比向退休福利計劃供款，以撥付有關福利。本集團對有關退休福利計劃之責任僅為作出規定之供款。

於損益扣除的總成本323,000港元(二零二零年：317,000港元)指本集團已付或須按個別計劃規則所指定比率向計劃支付之供款。

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綜合財務報表附註(續)

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截至二零二一年六月三十日止年度

27. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 27. 公司層面的財務狀況表

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Investment in an associate	於一間聯營公司之投資		22,716	22,716
Investments in subsidiaries	於附屬公司之投資		5,383	5,383
Amounts due from subsidiaries	應收附屬公司款項		1,442,489	1,206,683
			1,470,588	1,234,782
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項		1,511,249	1,310,754
Other receivables and prepayments	其他應收賬款及預付款項		524	864
Bank balances	銀行結餘		125,759	184,698
			1,637,532	1,496,316
Total assets	資產總值		3,108,120	2,731,098
EQUITY AND LIABILITIES	股權及負債			
Capital and reserves	資本及儲備			
Share capital	股本	28(b)	1,218,894	1,218,894
Share premium and other reserves	股份溢價及其他儲備	28(a)	346,271	346,271
Accumulated profits	累計溢利	28(a)	1,206,260	928,777
			2,771,425	2,493,942
Current liabilities	流動負債			
Accruals and other payables	應計費用及其他應付賬款		54,568	3,989
Amounts due to subsidiaries	應付附屬公司款項		282,127	233,167
Total liabilities	負債總額		336,695	237,156
Total equity and liabilities	股權及負債總額		3,108,120	2,731,098
Net current assets	流動資產淨值		1,300,837	1,259,160
Total assets less total liabilities	資產總值減負債總額		2,771,425	2,493,942

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

28. CAPITAL AND RESERVES

- (a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity (other than share capital as disclosed in Note 28(b)) between the beginning and the end of the year are set out below:

The Company

		Share premium 股份溢價 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Accumulated profits 累計溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 July 2019	於二零一九年七月一日	206,694	139,577	756,454	1,102,725
Profit and total comprehensive income for the year	年度溢利及全面收益總額	-	-	294,213	294,213
Dividends recognised as distribution (Note 13)	確認為分派的股息 (附註13)	-	-	(121,890)	(121,890)
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日及二零二零年七月一日	206,694	139,577	928,777	1,275,048
Profit and total comprehensive income for the year	年度溢利及全面收益總額	-	-	399,373	399,373
Dividends recognised as distribution (Note 13)	確認為分派的股息 (附註13)	-	-	(121,890)	(121,890)
At 30 June 2021	於二零二一年六月三十日	206,694	139,577	1,206,260	1,552,531

28. 股本及儲備

- (a) 本集團綜合權益各部份的年初與年末結餘的對賬載於綜合權益變動表。本公司個別權益部份(附註28(b)披露的股本除外)由年初至年末的變動詳情載列如下：

本公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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28. CAPITAL AND RESERVES (Continued)

(b) Share capital

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
At 1 July 2019, 30 June 2020, 1 July 2020 and 30 June 2021, ordinary shares of HK\$1.00 each	於二零一九年七月一日、 二零二零年六月三十日、 二零二零年七月一日及 二零二一年六月三十日、 每股面值1.00港元之 普通股	2,000,000,000	2,000,000
Issued and fully paid, ordinary shares of HK\$1.00 each	已發行及繳足，每股面值 1.00港元之普通股		
At 1 July 2019, 30 June 2020, 1 July 2020 and 30 June 2021	於二零一九年七月一日、 二零二零年六月三十日、 二零二零年七月一日及 二零二一年六月三十日	1,218,893,914	1,218,894

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股擁有人有權收取不時宣派的股息及於本公司大會擁有每股一票的投票權。所有普通股與本公司的剩餘資產擁有同等地位。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

28. CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves

(i) Share premium

Share premium arose from the issuance of share by the Company at prices in excess of their par value, and may be distributed in the form of fully paid bonus shares. The application of the share premium is governed by section 40 of the Bermuda Companies Act 1981 of Bermuda.

(ii) Investment revaluation reserve

The investment revaluation reserve comprises the sharing of cumulative net change in the fair value of equity instruments designated at FVOCI under HKFRS 9 that are held by the associates at the end of the reporting period.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 2(r).

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for Shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

28. 股本及儲備(續)

(c) 儲備的性質及目的

(i) 股份溢價

股份溢價於本公司按高於股份面值的價格發行股份時產生，並可以繳足紅股的形式分派。股份溢價的應用受百慕達的《百慕達一九八一年公司法》第40條規管。

(ii) 投資重估儲備

投資重估儲備包括攤分根據香港財務報告準則第9條，指定按公平值於其他全面收益處理的股本工具(於報告期末由聯營公司持有)累計公平值變動淨額。

(iii) 匯兌儲備

匯兌儲備包括換算海外業務財務報表而產生的所有外匯差額。該儲備乃按照附註2(r)載述的會計政策處理。

(d) 資本管理

本集團管理資本的目的是保障本集團的持續經營能力，務求繼續為股東帶來回報，以及為其他持份者帶來利益，並且維持最佳資本結構以減少資本成本。

本集團按風險比例釐定資本金額。本集團因應經濟狀況變動及相關資產的風險特性管理及調整資本結構。為維持或調整資本結構，本集團或會調整所派付股息、發行新股、回購股份、新增債務、贖回現有債務或出售資產以減少債務。

本公司或其附屬公司概無受外部施加的資本規定所限。

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29. SUBSIDIARIES

The Group's principal subsidiaries as at 30 June 2021 and 2020 are as follows:

29. 附屬公司

於二零二一年及二零二零年六月三十日，本集團的主要附屬公司如下：

Name of company 公司名稱	Place of incorporation/ principal place of operations 註冊成立/ 主要經營地點	Particulars of issued and paid-up capital 已發行及繳足股本詳情	As at 30 June 2021 Proportion of ownership interest 於二零二一年六月三十日 擁有權益比例			As at 30 June 2020 Proportion of ownership interest 於二零二零年六月三十日 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 本公司持有	Held by subsidiaries 附屬公司持有	Group's effective interest 本集團之實際權益	Held by the Company 本公司持有	Held by subsidiaries 附屬公司持有	
Accardo Investments Limited 英屬處女群島	BVI	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Principal investment and financial services 主要投資及金融服務
APAC Resources Asia Limited 亞太資源亞洲有限公司	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100%	100%	-	100%	100%	-	Resource investment 資源投資
APAC Resources Assets Limited 亞太資源資產有限公司	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Investment holding 投資控股
APAC Resources Beijing Limited 亞太資源北京有限公司	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100%	100%	-	100%	100%	-	Principal investment and financial services 主要投資及金融服務
APAC Resources Commodity Trading Limited 亞太資源商品貿易有限公司	BVI/Hong Kong 英屬處女群島/ 香港	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Resource investment 資源投資
APAC Resources Investment Holding Limited 亞太資源投資控股有限公司	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Principal investment and financial services 主要投資及金融服務
APAC Resources Investments Limited 亞太資源投資有限公司	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Investment holding 投資控股
APAC Resources Management Limited 亞太資源管理有限公司	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100%	100%	-	100%	100%	-	Provision of management services 提供管理服務
APAC Resources Mining Limited 亞太資源礦業有限公司	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Investment holding 投資控股
APAC Resources Shanghai Limited 亞太資源上海有限公司	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100%	100%	-	100%	100%	-	Principal investment and financial services 主要投資及金融服務
APAC Resources Strategic Holdings Limited 亞太資源策略控股有限公司	BVI/Hong Kong 英屬處女群島/ 香港	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Investment holding 投資控股
APAC Resources Treasury Management Limited 亞太資源財資管理有限公司	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Principal investment and financial services 主要投資及金融服務
Asia Cheer Trading Limited 喜亞貿易有限公司	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100%	100%	-	100%	100%	-	Investment holding and principal investment and financial services 投資控股和主要投資及金融服務

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29. SUBSIDIARIES (Continued)

29. 附屬公司(續)

Name of company 公司名稱	Place of incorporation/ principal place of operations 註冊成立/ 主要經營地點	Particulars of issued and paid-up capital 已發行及繳足股本詳情	As at 30 June 2021 Proportion of ownership interest 於二零二一年六月三十日 擁有權益比例			As at 30 June 2020 Proportion of ownership interest 於二零二零年六月三十日 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 本公司持有	Held by subsidiaries 附屬公司持有	Group's effective interest 本集團之實際權益	Held by the Company 本公司持有	Held by subsidiaries 附屬公司持有	
Fortune Arm Limited	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	-	100%	100%	-	100%	Principal investment and financial services 主要投資及金融服務
Fortune Desire Investments Limited	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Investment holding 投資控股
Genuine Legend Limited	BVI/Hong Kong 英屬處女群島/ 香港	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Principal investment and financial services 主要投資及金融服務
Mount Sun Investments Limited 昇辰投資有限公司	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Investment holding 投資控股
Sino Chance Trading Limited 凱機貿易有限公司	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100%	100%	-	100%	100%	-	Trading of commodities 商品貿易
Ultra Effort Limited	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	-	100%	100%	-	Principal investment and financial services 主要投資及金融服務
Zenith Element Limited 盛元有限公司	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	-	100%	-	-	-	Investment holding 投資控股
亞太資源(青島)有限公司*	The PRC 中國	Registered capital of US\$29,800,000 註冊資本 29,800,000美元	100%	-	100%	100%	-	100%	Trading of commodities 商品貿易
瑞域(上海)投資諮詢有限公司*	The PRC 中國	Registered capital of US\$3,600,000 註冊資本 3,600,000美元	100%	100%	-	100%	100%	-	Provision of consultancy service in corporate management, metallurgy technology, investment and development in mineral resources 提供公司管理、冶金技術及礦產資源投資開發方面之諮詢服務

* This subsidiary is registered as a wholly-foreign-owned enterprise under the PRC law.

The above list contains only the particulars of subsidiaries which, in the opinion of the directors of the Company, principally affected the results, assets or liabilities of the Group.

Unless otherwise stated, the principal place of operation of each company is the same as its place of incorporation.

None of the subsidiaries had issued any debt securities at the end of both years or at any time during both years.

* 此附屬公司根據中國法律註冊為外商獨資企業。

本公司董事認為，上表僅包含主要影響本集團業績、資產或負債之附屬公司資料。

除另有註明外，各公司之主要經營地點與其註冊成立地點相同。

概無附屬公司於兩個年度末或兩個年度內任何時間發行任何債務證券。

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綜合財務報表附註(續)

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30. CATEGORIES OF FINANCIAL INSTRUMENTS

30. 金融工具之類別

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial assets	金融資產		
Other receivables and deposits	其他應收賬款及按金	11,868	31,086
Loan notes	貸款票據	3,924	3,916
Loan receivables	應收貸款	493,850	468,876
Pledged bank deposits	已抵押銀行存款	18,266	88,611
Bank balances and cash	銀行結餘及現金	420,389	564,039
Financial assets at amortised cost	按攤銷成本列賬的金融資產	948,297	1,156,528
Financial assets at FVTPL, mandatorily measured at FVTPL	按公平值於損益賬處理之金融資產，強制性按公平值於損益賬處理		
– Listed equity securities held-for-trading	– 持作買賣之上市股本證券	1,134,298	629,058
– Listed equity securities not held within the trading portfolios	– 並非於買賣組合內持有之上市股本證券	205,206	58,398
– Unlisted equity investments	– 非上市股本投資	52,406	8,291
– Derivative financial instruments	– 衍生金融工具	44,236	11,414
– Warrants	– 認股權證		
– Convertible notes	– 可換股票據	–	9,690
Trade receivables designated at FVTPL	指定按公平值於損益賬處理之貿易應收賬款	1,436,146 106,299	716,851 6,273
		1,542,445	723,124
Financial liabilities	金融負債		
Other payables	其他應付賬款	70,921	23,591
Lease liabilities	租賃負債	3,419	4,504
Financial liabilities at amortised cost	按攤銷成本列賬的金融負債	74,340	28,095
Financial liabilities at FVTPL	按公平值於損益賬處理之金融負債		
Trade payables designated at FVTPL	指定按公平值於損益賬處理之貿易應付賬款	28,916	61,852

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For the year ended 30 June 2021

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, currency risk and other price risk. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, loan receivables, other receivables, loan notes, convertible notes, pledged bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with certain loan receivables is mitigated as they are secured (Note 19).

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

As at 30 June 2021, the Group had concentration of credit risk in respect of trade receivables of HK\$106,299,000 (2020: HK\$6,273,000) in to a customer. Taking into account the historical settlement record of this customer, the directors of the Company considered that the Group's credit risk in respect of this trade receivable was insignificant.

Except for trade receivables designated at FVTPL and convertible notes measured at FVTPL, the Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment are summarised as below.

綜合財務報表附註(續)

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31. 財務風險管理及金融工具之 公平值

本集團金融工具所產生的主要風險為信貸風險、流動性風險、利率風險、貨幣風險及其他價格風險。下文載述本集團承受的該等風險及本集團使用以管理該等風險的金融風險管理政策及慣例。

(a) 信貸風險

信貸風險指本集團的交易對方違反其合約責任而導致本集團蒙受財務虧損的風險。本集團的信貸風險主要源自貿易應收賬款、應收貸款、其他應收款項、貸款票據、可換股票據、已抵押銀行存款及銀行結餘。本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關信貸風險提供保障，惟若干與應收貸款有關的信貸風險因有抵押而有所緩解(附註19)。

貿易應收賬款

本集團的信貸風險主要受各客戶的個別特徵，而非受客戶經營所在的行業或國家所影響，因此當本集團因個別客戶而承受重大風險時，就會產生重大信貸集中風險。

於二零二一年六月三十日，本集團就一位客戶的貿易應收賬款106,299,000港元(二零二零年：6,273,000港元)承擔信貸集中風險。考慮到該客戶的過往結算記錄，本公司董事認為本集團就該貿易應收賬款的信貸風險屬不重大。

除指定按公平值於損益賬處理之貿易應收賬款及可換股票據按公平值於損益賬處理外，本集團根據預期信貸虧損模式對金融資產進行減值評估。有關本集團信貸風險管理、最高信貸風險及相關減值評估的資料概述如下。

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Financial assets at amortised cost

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group applies general approach on loan receivables to assess for ECL prescribed by HKFRS 9. To measure ECL of loan receivables, the Group applies internal credit rating for its borrowers and they are assessed individually by reference to their past default records, their current past due exposure and an analysis of their current financial position. The ECL rates are estimated based on historical observed default rates over the expected life of the loan receivables and are adjusted for forward-looking information (for example, the current and forecasted global economy and the general economic conditions of the industry in which the borrowers operate) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current conditions and the forecasted direction at the reporting date.

31. 財務風險管理及金融工具之 公平值(續)

(a) 信貸風險(續)

按攤銷成本列賬的金融資產

為盡量降低信貸風險，本集團管理層已委任一支負責釐定信貸額度、信貸審批及其他監察程序之團隊，以確保採取跟進行動收回逾期債務。此外，本集團管理層於各報告期末評估各個別債務之可收回金額，以確保對不可收回之金額計提充足之減值虧損。本集團就應收貸款應用一般方法以按香港財務報告準則第9號的規定評估預期信貸虧損。為計量應收貸款的預期信貸虧損，本集團就其借款人應用內部信貸評級並參考彼等的過往違約記錄、彼等的當前逾期風險及彼等的當前財務狀況分析對彼等進行個別評估。預期信貸虧損率乃於應收貸款預期年期內根據過往已觀察違約率進行估計並就無須花費過多成本或精力即可獲得的前瞻性資料(例如，當前及預測全球經濟以及借款人經營所在行業的整體經濟狀況)作出調整。本集團管理層於報告日期採用該等前瞻性資料評估當前狀況及所預測方向。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Pledged bank deposits and bank balances

The bank balances are placed in various authorised financial institutions either with high credit ratings or good financial background and the directors of the Company consider the credit risk of such authorised financial institutions is low. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. As at 30 June 2021, the Group had concentration of credit risk on pledged bank deposits of HK\$18,266,000 (2020: HK\$61,771,000) in a bank in Hong Kong and on bank balances of HK\$206,813,000 (2020: HK\$194,968,000) in a bank in Hong Kong. In the opinion of directors of the Company, the credit risks on pledged bank deposits and bank balances are limited because the counterparties are banks with high credit ratings.

Loan receivables

As at 30 June 2021, the Group had concentration of credit risk in respect of certain loan receivables of HK\$349,863,000 (2020: HK\$320,810,000) from two borrowers. The management of the Group reviewed the public announcements and financial information of the guarantors of these loans receivable, the records of continuous settlements of interests and the value of the underlying securities, if any, in order to assess their credit quality. In this regards, the directors of the Company considered the Group's concentration of credit risk in respect of the certain material loan receivables as at 30 June 2021 was significantly reduced.

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31. 財務風險管理及金融工具之 公平值(續)

(a) 信貸風險(續)

已抵押銀行存款以及銀行結餘

銀行結餘存放於多家擁有高信貸評級或良好財務背景的授權金融機構且本公司董事認為該等授權金融機構的信貸風險較低。本集團之信貸風險主要受各債務人之個別特性影響。於二零二一年六月三十日，本集團於香港一間銀行之已抵押銀行存款18,266,000港元(二零二零年：61,771,000港元)及於香港一間銀行之銀行結餘206,813,000港元(二零二零年：194,968,000港元)存在集中信貸風險。本公司董事認為，由於交易對手方為高信貸評級之銀行，該等已抵押銀行存款及銀行結餘之信貸風險有限。

應收貸款

於二零二一年六月三十日，本集團來自兩名借款人之若干應收貸款349,863,000港元(二零二零年：320,810,000港元)存在信貸集中風險。本集團管理層審閱應收貸款擔保人的公開公告及財務資料、利息持續償付的記錄以及相關證券的價值(如有)以評估其信貸風險。就此而言，本公司董事認為，本集團於二零二一年六月三十日有關若干重大應收貸款的信貸集中風險已大幅降低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 June 2021

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

31. 財務風險管理及金融工具之公平值(續)

(a) Credit risk (Continued)

(a) 信貸風險(續)

Loan receivables (Continued)

應收貸款(續)

The directors of the Company estimate the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables. Based on assessment by the directors of the Company, the amount of impairment made and movement in the loss allowance account in respect of loan receivables during the year is as follows:

本公司董事根據債務人之過往信貸虧損經驗以及客戶就應收貸款所質押之抵押品之公平值，估計應收貸款之估計虧損率。根據本公司董事之評估，年內減值計提撥備及應收貸款之虧損撥備賬之變動如下：

		Not credit-impaired 未發生信貸減值				Credit-impaired 已發生信貸減值		Total 總計	
		Stage 1 第一階段		Stage 2 第二階段		Stage 3 第三階段		Gross exposure 承受虧損 撥備總額 HK\$'000 千港元	Allowance for ECL 預期信貸 虧損撥備 HK\$'000 千港元
		Gross exposure 承受虧損 撥備總額 HK\$'000 千港元	Allowance for ECL 預期信貸 虧損撥備 HK\$'000 千港元	Gross exposure 承受虧損 撥備總額 HK\$'000 千港元	Allowance for ECL 預期信貸 虧損撥備 HK\$'000 千港元	Gross exposure 承受虧損 撥備總額 HK\$'000 千港元	Allowance for ECL 預期信貸 虧損撥備 HK\$'000 千港元		
At 1 July 2019	於二零一九年七月一日	210,515	(558)	191,461	-	-	401,976	(558)	
New loan/financing originated	來自新貸款/融資	369,731	(2,089)	46,635	(2,049)	-	416,366	(4,138)	
Loans/financing derecognised or repaid during the year	年內終止確認 或已償還的貸款/融資	(194,792)	169	(143,750)	-	-	(338,542)	169	
Modification	修改	5,934	-	-	-	-	5,934	-	
Movements due to changes in credit risk	因信貸風險轉變引致的變動	-	(79)	-	-	-	-	(79)	
Exchange difference	匯兌差額	(12,252)	-	-	-	-	(12,252)	-	
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日 及二零二零年七月一日	379,136	(2,557)	94,346	(2,049)	-	473,482	(4,606)	
New loan/financing originated	來自新貸款/融資	212,778	(3,257)	2,939	-	32,362	248,079	(11,690)	
Loans/financing derecognised or repaid during the year	年內終止確認 或已償還的貸款/融資	(159,047)	164	(86,634)	-	(1,499)	(247,180)	164	
Modification	修改	5,010	-	-	-	-	5,010	-	
Transfer to lifetime expected credit loss credit-impaired (stage 3)	轉撥至已發生信貸減值的全期 預期信貸虧損(第三階段)	-	-	(10,651)	2,049	10,651	(2,049)	-	
Movements due to changes in credit risk	因信貸風險轉變引致的變動	-	(1,922)	-	-	-	(5,770)	(7,692)	
Exchange difference	匯兌差額	38,283	-	-	-	-	38,283	-	
At 30 June 2021	於二零二一年六月三十日	476,160	(7,572)	-	-	41,514	517,674	(23,824)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Other receivables

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. For the year ended 30 June 2021 and 2020, the Group assessed the ECL for other receivables and deposits were insignificant and thus no loss allowance was recognised.

Loan notes

As at 30 June 2021, the Group had concentration of credit risk in respect of loan notes of HK\$3,924,000 (2020: HK\$3,916,000) into one entity. The management of the Group reviewed the public announcements and financial information of the guarantor of these loan notes as well as subsequent settlements of interests in order to assess their credit quality. In this regard, the directors of the Company considered that the Group's credit risk in respect of these loan notes was significantly reduced.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. 財務風險管理及金融工具之 公平值(續)

(a) 信貸風險(續)

其他應收賬款

就其他應收賬款及按金而言，本公司董事根據過往償付記錄、過往經驗以及合理且有依據的前瞻性定量及定性資料，對其他應收賬款及按金的可收回性進行定期個別評估。本公司董事認為自初次確認以來該等款項的信貸風險並無顯著增加且本集團根據12個月預期信貸虧損撥備減值。截至二零二一年及二零二零年六月三十日止年度，本集團評估其他應收賬款及按金的預期信貸虧損並不重大，因此並無確認虧損撥備。

貸款票據

於二零二一年六月三十日，本集團來自一個實體的貸款票據3,924,000港元(二零二零年：3,916,000港元)存在信貸集中風險。本集團管理層審閱該等貸款票據的擔保人的公開公告及財務資料以及其後利息償付情況以評估其信貸質素。就此而言，本公司董事認為，本集團有關該等貸款票據的信貸風險已大幅降低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明	Financial assets at amortised cost 按攤銷成本列賬的金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手方的違約風險較低，且並無任何逾期款項	12m ECL 12個月預期信貸虧損
Medium risk 中風險	Debtor frequently repays after due dates but usually settle in full 債務人經常於逾期日後還款，但通常悉數結算	12m ECL 12個月預期信貸虧損
High risk 高風險	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部或外部來源得到的資料，信貸風險自首次確認以來大幅增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損－未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已發生信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損－已發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團不認為日後可收回有關款項	Amount is written off 有關款項獲撇銷

31. 財務風險管理及金融工具之公平值(續)

(a) 信貸風險(續)

本集團之內部信貸風險評級評估包括以下類別：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m ECL or lifetime ECL 12個月或全期 預期信貸虧損	2021 Gross carrying amount 二零二一年 賬面總值 HK\$'000 千港元	2020 Gross carrying amount 二零二零年 賬面總值 HK\$'000 千港元
	附註	外部信貸評級	內部信貸評級			
Financial assets at amortised cost						
按攤銷成本列賬的金融資產						
Loan receivables 應收貸款	19	N/A 不適用	Low risk 低風險	12m ECL (not credit impaired and assessed individually) 12個月預期信貸虧損 (未發生信貸減值及進行個別評估)	476,160	379,136
			High risk 高風險	Lifetime ECL (not credit impaired and assessed individually) 全期預期信貸虧損 (未發生信貸減值及進行個別評估)	-	94,346
			High risk 高風險	Lifetime ECL (credit impaired and assessed individually) 全期預期信貸虧損 (已發生信貸減值及進行個別評估)	41,514	-

(a) 信貸風險(續)

下表詳列本集團金融資產面臨的信貸風險，該等金融資產須進行預期信貸虧損評估：

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR
VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

	Notes	External credit rating	Internal credit rating	12m ECL or lifetime ECL 12個月或全期 預期信貸虧損	2021 Gross carrying amount 二零二一年 賬面總值 HK\$'000 千港元	2020 Gross carrying amount 二零二零年 賬面總值 HK\$'000 千港元
	附註	外部信貸評級	內部信貸評級			
Loans note 貸款票據	20	N/A 不適用	Low risk 低風險	12m ECL (not credit impaired and assessed individually) 12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	3,924	3,916
Other receivables and deposits (note (i)) 其他應收賬款及按金(附註(i))	21	N/A 不適用	Low risk 低風險	12m ECL (not credit impaired and assessed individually) 12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	11,868	31,086
Pledged bank deposits 已抵押銀行存款	22	A1	N/A 不適用	12m ECL (not credit impaired and assessed individually) 12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	18,266	88,611
Bank balances 銀行結餘	22	Baa1 to Aa1 Baa1至Aa1	N/A 不適用	12m ECL (not credit impaired and assessed individually) 12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	420,389	564,001
					972,121	1,161,096

31. 財務風險管理及金融工具之
公平值(續)

(a) 信貸風險(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Note:

- (i) For the purpose of internal credit risk management, the Group uses past due information to assess whether credit risk has been increased significantly since initial recognition.

	2021 二零二一年			2020 二零二零年		
	Past due 逾期 HK\$'000 千港元	Not past due/no fixed terms 未逾期/ 無固定還款期 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Past due 逾期 HK\$'000 千港元	Not past due/no fixed terms 未逾期/ 無固定還款期 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other receivables and deposits 其他應收賬款及按金	-	11,868	11,868	-	31,086	31,086

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the parent company's board approval. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

For trade payables under provisional pricing arrangements and are designated at FVTPL, the amount is derived from the estimated future cash payments with reference to the Platts Iron Ore Index Price at the end of the reporting periods.

31. 財務風險管理及金融工具之公平值(續)

(a) 信貸風險(續)

附註：

- (i) 就內部信貸風險管理而言，本集團採用逾期資料以評估信貸風險自初次確認後是否顯著增加。

(b) 流動資金風險

本集團內個別經營實體負責其自身現金管理事宜，包括現金盈餘之短期投資及籌集貸款應付預期現金需求，惟須待母公司董事會批准方可作實。本集團之政策為定期監察其流動資金需求，以確保其維持充足現金儲備，以應付長短期之流動資金需要。

下表列載本集團之非衍生金融負債於報告期末之餘下合約期限，基準為合約未貼現現金流量(包括按合約利率，或如屬浮息，則按報告期末當時利率計算之利息付款)及本集團須予支付之最早日期。

就有臨時定價安排之貿易應付款項而言，有關金額乃經參考於報告期末之倫金所未來商品價格所估計之未來現金付款計算得出。

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綜合財務報表附註(續)

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31. FINANCIAL RISK MANAGEMENT AND FAIR
VALUE OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

		2021 二零二一年				Carrying amount at 30 June 2021 於二零二一年 六月三十日 的賬面值
		Within 1 year or on demand 一年內或 按要求 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 但兩年以內 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 但五年以內 HK\$'000 千港元	Total contractual undiscounted cash flows 未折現合約 現金流量總額 HK\$'000 千港元	HK\$'000 千港元
Non-derivative financial liabilities	非衍生金融負債					
Other payables	其他應付賬款	70,921	-	-	70,921	70,921
Lease liabilities	租賃負債	2,235	1,283	50	3,568	3,419
		73,156	1,283	50	74,489	74,340
Trade payables designated at FVTPL	指定按公平值於損益賬 處理之貿易應付賬款	28,916	-	-	28,916	28,916
		102,072	1,283	50	103,405	103,256

		2020 二零二零年				Carrying amount at 30 June 2020 於二零二零年 六月三十日 的賬面值
		Within 1 year or on demand 一年內或 按要求 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 但兩年以內 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 但五年以內 HK\$'000 千港元	Total contractual undiscounted cash flows 未折現合約 現金流量總額 HK\$'000 千港元	HK\$'000 千港元
Non-derivative financial liabilities	非衍生金融負債					
Other payables	其他應付賬款	23,591	-	-	23,591	23,591
Lease liabilities	租賃負債	3,838	707	112	4,657	4,504
		27,429	707	112	28,248	28,095
Trade payables designated at FVTPL	指定按公平值於損益賬 處理之貿易應付賬款	61,852	-	-	61,852	61,852
		89,281	707	112	90,100	89,947

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to cash flow interest rate risk in relation to variable-rate loan receivable, pledged bank deposits and bank balances as at 30 June 2021 and 2020. The Group is exposed to fair value interest rate risk in relation to fixed-rate loan receivables, convertible notes, loan notes and lease liabilities as at 30 June 2021 and 2020. The Group currently does not have any interest rate hedging policy. The directors of the Company monitor the interest rate exposure and will consider necessary actions when significant interest rate exposure is anticipated.

(i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group's loan receivables at the end of the reporting period:

		Notional Amount 面值	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Loan receivables	應收貸款		
– Fixed rate	– 定息	427,446	473,482
– Variable rate	– 浮息	90,228	–
		517,674	473,482

31. 財務風險管理及金融工具之公平值(續)

(c) 利率風險

利率風險指金融工具的公平值或未來現金流量將因市場利率改變而波動的風險。

於二零二一年及二零二零年六月三十日，本集團所承受之現金流量利率風險與浮息應收貸款、已抵押銀行存款及銀行結餘有關。於二零二一年及二零二零年六月三十日，本集團就定息應收貸款、可換股票據、貸款票據及租賃負債面臨公平值利率風險。本集團當前未採取任何利率對沖政策。本公司董事監控利率風險狀況，並將於預期出現重大利率風險時考慮其他必要措施。

(i) 利率風險概況

下表已向本集團管理層匯報，詳列本集團於報告期末應收貸款的利率風險概況：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 30 June 2021, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's profit after tax and accumulated profits by approximately HK\$902,000 (2020: nil). This is mainly attributable to the Group's exposure to interest rates on its variable rate loan receivables.

The sensitivity analyses above have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2020: not applicable) increase or decrease in variable rate loan receivables is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The analysis is performed on the same basis as 2020.

No interest rate sensitivity analysis is disclosed for pledged bank deposits and bank balances, as in the opinion of the directors of the Company, the interest rate sensitivity does not give additional value in view of insignificant exposure of interest bearing pledged bank deposits and bank balances as at the end of the reporting period. The Group's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note.

(d) Currency risk

(i) Exposure to currency risk

The Group is exposed to currency risk primarily through sales and purchases and provision of loan financing which give rise to receivables, payables and bank balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Renminbi ("RMB"), United States dollars ("US\$"), Australian dollars ("A\$"), Canadian dollars ("CAD") and British Pound ("GBP"). The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. 財務風險管理及金融工具之公平值(續)

(c) 利率風險(續)

(ii) 敏感度分析

於二零二一年六月三十日，估計利率普遍上升/下跌100個基點，而所有其他變量保持不變，本集團的除稅後溢利及累計溢利將增加/減少約902,000港元(二零二零年：零)。這主要由於本集團因其浮息應收貸款而承受利率風險所致。

以上敏感度分析乃按報告期末所承受的利率風險釐定。編製分析時假設於報告期末尚未償還金融工具於整個年度尚未償還。在內部向主要管理人員匯報利率風險時，採用浮息應收貸款的100個基點(二零二零年：不適用)上升或下跌，代表管理層對利率的合理可能變動的評估。分析按與二零二零年相同的基準進行。

由於本公司董事認為，於報告期末之計息已抵押銀行存款及銀行結餘風險不大，利率敏感度不會帶來額外價值，故並無披露有關已抵押銀行存款及銀行結餘的利率敏感度分析。本集團因金融負債而承受之利率風險於本附註流動資金風險管理一節詳述。

(d) 外幣風險

(i) 外幣風險

本集團承受的外幣風險主要來自以外幣(即有關交易的營運的功能貨幣以外之貨幣)計值的銷售及採購及提供貸款融資所產生的應收賬款、應付賬款及銀行結餘。產生該風險之貨幣主要為人民幣(「人民幣」)、美元(「美元」)、澳元(「澳元」)、加元(「加元」)及英鎊(「英鎊」)。本集團確保透過於必要時以即期匯率買入或出售外幣以解決短期失衡情況，從而將淨風險承擔保持於可接受之水平。

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR
VALUE OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised monetary financial assets and monetary financial liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date.

		2021 二零二一年				
		US\$ 美元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	A\$ 澳元 HK\$'000 千港元	CAD 加元 HK\$'000 千港元	GBP 英鎊 HK\$'000 千港元
Other receivables and rental deposits	其他應收賬款及租賃按金	1,112	363	336	20	430
Loan receivables	應收貸款	-	349,863	86,971	-	-
Loan notes	貸款票據	3,924	-	-	-	-
Bank balances	銀行結餘	33,609	883	38,943	189,192	12,526
Other payables	其他應付賬款	-	-	(3,319)	(2,883)	(346)
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生之風險淨額	38,645	351,109	122,931	186,329	12,610

		2020 二零二零年				
		US\$ 美元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	A\$ 澳元 HK\$'000 千港元	CAD 加元 HK\$'000 千港元	GBP 英鎊 HK\$'000 千港元
Other receivables and rental deposits	其他應收賬款及租賃按金	2,196	-	5,735	3,688	678
Loan receivables	應收貸款	-	320,810	-	-	-
Loan notes	貸款票據	3,916	-	-	-	-
Bank balances	銀行結餘	21,893	786	225,995	55,319	21,056
Other payables	其他應付賬款	-	-	(1,091)	(7,435)	-
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生之風險淨額	28,005	321,596	230,639	51,572	21,734

31. 財務風險管理及金融工具之
公平值(續)

(d) 外幣風險(續)

(i) 外幣風險(續)

下表詳述本集團於報告期末因已確認貨幣金融資產及貨幣金融負債(以資產及負債相關實體功能貨幣以外貨幣計值)而產生的貨幣風險。就呈列而言,有關風險金額乃以港元列示,使用年度結算日的即期匯率換算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit/loss after tax (and accumulated profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

31. 財務風險管理及金融工具之公平值(續)

(d) 外幣風險(續)

(ii) 敏感度分析

下表顯示本集團除稅後溢利/虧損(及累計溢利)因本集團所承受重大風險的匯率已於報告期末轉變(假設所有其他風險變數維持不變)而即時出現的變化。就此而言,假設港元與美元之掛鈎匯率在很大程度上將不受美元兌其他貨幣之價值之任何變動影響。

		2021 二零二一年		2020 二零二零年	
		Increase/ (decrease) in foreign exchange rate	Increase/ (decrease) in profit after income tax	Increase/ (decrease) in foreign exchange rate	Decrease/ (increase) in loss after income tax
		匯率增加/ (減少) %	除所得稅後 溢利增加/ (減少) HK\$'000 千港元	匯率增加/ (減少) %	虧損減少/ (增加) HK\$'000 千港元
RMB	人民幣	10 (10)	35,111 (35,111)	10 (10)	32,160 (32,160)
A\$	澳元	10 (10)	12,203 (12,203)	10 (10)	23,064 (23,064)
CAD	加元	10 (10)	16,045 (16,045)	10 (10)	5,157 (5,157)
GBP	英鎊	10 (10)	1,063 (1,063)	10 (10)	2,173 (2,173)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' profit or loss after tax and equity measured in the respective functional currencies, translated into HK\$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

上表所載分析結果指為呈列目的而將以相關功能貨幣計量的各集團實體除稅後溢利或虧損及權益按報告期末現行匯率兌換為港元的綜合即時影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those monetary financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2020.

(e) Foreign currency price risk

The Group is engaged in equity securities trading and investments which are denominated in foreign currencies and is therefore exposed to foreign currency price risk. 74% (2020: 69%) of the Group's equity investments, including listed securities held-for-trading, listed securities not held within the trading portfolios, unlisted equity investments, and derivative financial instruments are denominated in currencies other than the functional currency of the group entities.

The carrying amounts of the Group's major foreign currency denominated equity investments and derivative financial instruments at the end of the reporting period are set out as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
US\$	美元	79,339	17,052
A\$	澳元	646,856	359,920
GBP	英鎊	88,015	11,092
CAD	加元	198,635	98,081

31. 財務風險管理及金融工具之公平值(續)

(d) 外幣風險(續)

(ii) 敏感度分析(續)

敏感度分析假設外匯匯率變動已應用於重新計量本集團於報告期末面臨外匯風險的貨幣金融工具。分析按與二零二零年相同的基準進行。

(e) 外幣價格風險

本集團從事股本證券買賣及投資，其主要貨幣單位為外幣，因此須承受外幣價格風險。本集團74%(二零二零年：69%)之股本投資(包括持作買賣上市證券、並非於買賣組合內持有之上市證券、非上市股本投資及衍生金融工具)之貨幣單位並非集團實體之功能貨幣。

於報告期末，本集團以主要外幣計值之股本投資及衍生金融工具之賬面值載列如下：

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For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(e) Foreign currency price risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2020: 10%) increase and decrease in HK\$ against foreign currencies and all other variables are held constant. US\$ is not included in sensitivity analysis, as HK\$ is pegged to US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rate. 10% (2020: 10%) is the sensitivity rate used by the management in the assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in post-tax profit (2020: decrease in post-tax loss) for the year where foreign currencies strengthen 10% (2020: 10%) against HK\$. For a 10% (2020: 10%) weakening of foreign currencies against HK\$, there would be an equal and opposite impact on the post-tax profit (2020: post-tax loss) for the year.

31. 財務風險管理及金融工具之公平值(續)

(e) 外幣價格風險(續)

敏感度分析

下表詳列本集團對港元兌外幣匯率上升及下跌10%(二零二零年: 10%)之敏感度,而所有其他變量保持不變。美元並未計入此敏感度分析,因港元與美元掛鈎,本集團預期美元兌港元之匯率不會有任何重大變動。10%(二零二零年: 10%)乃管理層評估外幣匯率之合理可能變動所使用之敏感度比率。下列正數表示外幣兌港元升值10%(二零二零年: 10%)時年度除稅後溢利(二零二零年: 除稅後虧損減少)的增幅。若外幣兌港元貶值10%(二零二零年: 10%),則會對年度除稅後溢利(二零二零年: 除稅後虧損)造成等額相反影響。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Increase in post-tax profit (2020: decrease in post-tax loss) for the year	年度除稅後溢利增加 (二零二零年: 除稅後 虧損減少)	93,351	46,909

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(f) Equity price risk

The Group is exposed to equity price risk through its investments, including listed securities held-for-trading, unlisted equity investments and listed securities not held within the trading portfolios. The management of the Group manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

Sensitivity analysis

The sensitivity analyses below have been determined based on the listed equity securities exposure to price risk at the end of the reporting period. If equity price (in the relevant currencies in which the investments are denominated) had been 30% higher/lower (2020: 30% higher/lower) and all other variables are held constant, post-tax profit for the year ended 30 June 2021 would increase/decrease by HK\$383,448,000 (2020: post-tax loss would decrease/increase by HK\$206,237,000). This is mainly due to the changes in fair value of listed securities held-for-trading and listed securities not held within the trading portfolios.

The sensitivity analyses below have been determined based on the unlisted equity investments at FVTPL exposure to price risk at the end of the reporting period. If equity price (in the relevant currencies in which the investments are denominated) had been 30% higher/lower (2020: 30% higher/lower) and all other variables are held constant:

- post-tax profit for the year ended 30 June 2021 would increase/decrease by HK\$15,722,000 (2020: post-tax loss would decrease/increase by HK\$2,487,000) as a result of changes in fair value of unlisted equity investments at FVTPL of HK\$52,406,000 (2020: HK\$8,291,000).

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. 財務風險管理及金融工具之 公平值(續)

(f) 股價風險

本集團因其投資(包括持作買賣之上市證券、非上市股本投資及並非持作買賣組合之上市證券)而承受股價風險。本集團管理層透過持有風險及回報情況不同之投資組合而管理有關風險。

敏感度分析

以下敏感度分析乃按報告期末上市股本證券之價格風險釐定。假設股本價格(以該等投資之相關計值貨幣計值)上升/下降30%(二零二零年:上升/下降30%)而所有其他變量保持不變,截至二零二一年六月三十日止年度之除稅後溢利將增加/減少383,448,000港元(二零二零年:除稅後虧損將增加/減少206,237,000港元)。這主要由持作買賣之上市證券及並非於買賣組合內持有之上市證券之公平值變動而引起。

以下敏感度分析乃按報告期末按公平值於損益賬處理之非上市股本投資之價格風險釐定。假設股本價格(以該等投資之相關計值貨幣計值)升高/下降30%(二零二零年:升高/下降30%)而所有其他變量保持不變:

- 由於按公平值於損益賬處理之非上市股本投資之公平值52,406,000港元(二零二零年:8,291,000港元)發生變動,截至二零二一年六月三十日止年度之除稅後溢利將增加/減少15,722,000港元(二零二零年:除稅後虧損將減少/增加2,487,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(g) Other price risk

The Group is exposed to other price risk through its convertible notes at FVTPL, which were issued by the Private Entity, and derivative financial instruments (the warrants) at the end of the reporting period with changes in fair value to be recognised in the profit or loss. The fair value adjustment of these financial instruments would be affected positively or negatively, among others, by changes in equity price of the issuers.

Sensitivity analysis

As at 30 June 2021, if the equity price of the unlisted convertible notes at FVTPL and the underlying equity securities of the warrants had been 30% (2020: 30%) higher/lower and all other variables were held constant, the fair values of the unlisted convertible notes at FVTPL and the warrants will increase/decrease and the Group's post-tax profit would increase/decrease by HK\$13,271,000 (2020: the Group's post-tax loss would decrease/increase by HK\$6,331,000).

Commodity price risk

The Group is also exposed to commodity price risk as the Group's sales and purchases are subject to provisional pricing arrangements, predominantly iron ores prices. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

(h) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

31. 財務風險管理及金融工具之公平值(續)

(g) 其他價格風險

於報告期末，本集團因其按公平值於損益賬處理的私人實體所發行的可換股票據及衍生金融工具(認股權證)而面臨其他價格風險，有關公平值變動於損益內確認。該等金融工具的公平值調整可能因(其中包括)發行人所收取股價的變動而受到正面或負面影響。

敏感度分析

於二零二一年六月三十日，假設按公平值於損益賬處理的非上市可換股票據及認股權證的相關股本證券的股本價格上升/下降30%(二零二零年：30%)而所有其他變量保持不變，則按公平值於損益賬處理的非上市可換股票據及認股權證的公平值將增加/減少及本集團的除稅後溢利將增加/減少13,271,000港元(二零二零年：本集團除稅後虧損將減少/增加6,331,000港元)。

商品價格風險

本集團亦承受商品價格風險，因為本集團須按臨時定價安排作出買賣(主要為銅及鈷價)。本集團已委任特別團隊以監控價格風險，並於必要時將考慮對沖風險。

(h) 金融工具之公平值計量

本附註提供資料以展示本集團如何釐定不同金融資產及金融負債之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(h) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used).

Financial instruments	Fair value as at 30 June 2021 於二零二一年六月三十日之公平值 HK\$'000 千港元	Fair value as at 30 June 2020 於二零二零年六月三十日之公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique(s) and key input(s)
金融工具			公平值層級	估值技術及關鍵輸入數據
(1) Equity securities held within the trading portfolios 於買賣組合內持有之股本證券				
– Listed equity securities – 上市股本證券	1,134,298	629,058	Level 1 第一級	Quoted bid prices in active markets 於活躍市場所報的買入價
– Unlisted equity securities – 非上市股本證券	33,874	–	Level 2 第二級	Recent Transaction Method under market approach 市場法下的最近交易法
– Unlisted equity securities – 非上市股本證券	4,280	–	Level 2 第二級	Index Return Method under market approach 市場法下的指數回報法
– Unlisted equity securities – 非上市股本證券	11,224	–	Level 3 第三級	The market approach was used to determine the valuation by volatility and the lack of marketability. 使用市場法通過波幅及缺乏市場流通性以釐定估值。

(h) 金融工具之公平值計量(續)

以經常基準按公平值計量之本集團金融資產及金融負債之公平值

本集團之部份金融資產及金融負債於各個報告期末按公平值計量。下表載列關於如何釐定該等金融工具之公平值的資料(特別是所採用的估值技術及輸入數據)。

At 30 June 2021, it is estimated that a general increase/decrease of discount for lack of marketability by 5%, with all other variables held constant, would have decreased/increased the Group's fair value of investment by HK\$471,000. 於二零二一年六月三十日, 在所有其他變量保持不變的情況下, 估計缺乏市場流通性的貼現普遍增加/減少5%, 本集團投資的公平值將減少/增加471,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(h) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

31. 財務風險管理及金融工具之公平值(續)

(h) 金融工具之公平值計量(續)

以經常基準按公平值計量之本集團金融資產及金融負債之公平值(續)

Financial instruments	Fair value as at 30 June 2021 於二零二一年六月三十日之公平值 HK\$'000 千港元	Fair value as at 30 June 2020 於二零二零年六月三十日之公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique(s) and key input(s)
金融工具			公平值層級	估值技術及關鍵輸入數據
(2) Convertible notes 可換股票據				
- Issued by the Private Entity - 由私人實體發行	-	9,690	Level 3 第三級	Binomial model with an expected volatility of 20% (notes (ii) and (iii)) 二項式模型及預期波幅率為20%(附註(ii)及(iii))
(3) Equity securities not held within the trading portfolios 並非於買賣組合內持有之股本證券				
- Unlisted equity securities - 非上市股本證券	-	7,067	Level 3 第三級	Discounted cash flow and a discount rate of 27.9% for business valuation (notes (i) and (iii)) 對於業務估值，採用貼現現金流量，貼現率為27.9%(附註(i)及(iii))
- Unlisted equity securities - 非上市股本證券	3,028	1,224	Level 3 第三級	Black-Scholes Option Pricing model and an expected volatility of 20% for equity allocation 對於權益分配，採用布萊克-舒爾斯期權定價模型，預期波幅率為20%
- Unlisted equity securities - 非上市股本證券			Level 3 第三級	Price to book multiples with reference to the market price of companies comparable to the investee and the investee's net asset value and a discount rate of 13% (2020: 13%) (note (i)) 賬面值乘以經參考可資比較被投資公司市價及被投資公司資產淨值及貼現率的13%(二零二零年：13%)(附註(i)) At 30 June 2021, it is estimated that a general increase/decrease of discount for lack of marketability by 5%, with all other variables held constant, would have decreased/increased the Group's post-tax profit by HK\$173,000. 於二零二一年六月三十日，在所有其他變量保持不變的情況下，估計缺乏市場流通性的貼現普遍增加/減少5%，本集團的除稅後溢利將減少/增加173,000 港元。
- Listed equity securities - 上市股本證券	205,206	58,398	Level 1 第一級	Quoted bid prices in active markets 於活躍市場所報的買入價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(h) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial instruments	Fair value as at 30 June 2021 於二零二一年六月三十日之公平值 HK\$'000 千港元	Fair value as at 30 June 2020 於二零二零年六月三十日之公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique(s) and key input(s)
金融工具			公平值層級	估值技術及關鍵輸入數據
(4) Derivative financial instruments – Warrants 衍生金融工具－認股權證	44,236	11,414	Level 2 第二級	Black-Scholes Model with references to the quoted prices in active markets and volatility of underlying shares 採用布萊克－舒爾斯模型並參考活躍市場報價和相關股份波幅
(5) Trade receivables designated at FVTPL 指定按公平值於損益賬處理之貿易應收賬款	106,299	6,273	Level 2 第二級	Derived from quoted prices in active markets after considering credit risk of the assets 來源於考慮資產之信貸風險後之活躍市場報價
(6) Trade payables designated at FVTPL 指定按公平值於損益賬處理之貿易應付賬款	28,916	61,852	Level 2 第二級	Derived from quoted prices in active markets after considering credit risk of the liabilities 來源於考慮負債之信貸風險後之活躍市場報價

Notes:

- (i) The fair value measurement is negatively correlated to the discount rate.
- (ii) The fair value measurement is positively correlated to the volatility.
- (iii) The investee is in solvency problem which the management of the Group expects the fair value of such financial instruments are of nil value as at 30 June 2021.

There were no transfers among Level 1, 2 and 3 during both years.

(h) 金融工具之公平值計量(續)

以經常基準按公平值計量之本集團金融資產及金融負債之公平值(續)

Fair value hierarchy	Valuation technique(s) and key input(s)
公平值層級	估值技術及關鍵輸入數據
Level 2 第二級	Black-Scholes Model with references to the quoted prices in active markets and volatility of underlying shares 採用布萊克－舒爾斯模型並參考活躍市場報價和相關股份波幅
Level 2 第二級	Derived from quoted prices in active markets after considering credit risk of the assets 來源於考慮資產之信貸風險後之活躍市場報價
Level 2 第二級	Derived from quoted prices in active markets after considering credit risk of the liabilities 來源於考慮負債之信貸風險後之活躍市場報價

附註：

- (i) 公平值計量與貼現率成反比關係。
- (ii) 公平值計量與波幅成正比關係。
- (iii) 被投資公司出現償債能力問題，本集團管理層預計，於二零二一年六月三十日有關金融工具的公平值為零。

於兩個年度內，第一級、第二級及第三級之間並無轉撥。

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. FINANCIAL RISK MANAGEMENT AND FAIR
VALUE OF FINANCIAL INSTRUMENTS (Continued)

(h) Fair value measurements of financial instruments
(Continued)

Reconciliation of Level 3 fair value
measurements of financial assets

31. 財務風險管理及金融工具之
公平值(續)

(h) 金融工具之公平值計量(續)

金融資產之第三級公平值計
量之對賬

		Convertible notes at FVTPL 按公平值 於損益賬 處理之 可換股票據 HK\$'000 千港元	Unlisted equity securities at FVTPL 按公平值 於損益賬 處理之非 上市股本證券 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 July 2019	於二零一九年七月一日	10,873	21,369	32,242
Interest income (Note 8)	利息收入(附註8)	1,100	–	1,100
Addition	添置	–	1,361	1,361
Loss arising from changes in fair value recognised in profit or loss (Note 7)	於損益確認之公平值 變動產生之 虧損(附註7)	(2,283)	(14,439)	(16,722)
At 30 June 2020 and 1 July 2020	於二零二零年六月三十日 及二零二零年七月一日	9,690	8,291	17,981
Additions	添置	–	8,262	8,262
Loss arising from changes in fair value recognised in profit or loss (Note 7)	於損益確認之公平值 變動產生之虧損 (附註7)	(9,690)	(2,301)	(11,991)
At 30 June 2021	於二零二一年六月三十日	–	14,252	14,252

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(h) Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements of financial assets (Continued)

The net unrealised loss during the year ended 30 June 2021 relating to financial assets that are held at the end of the reporting period which are measured at fair value and are in level 3 in the fair value hierarchy is HK\$11,991,000 (2020: HK\$16,722,000). Such fair value gain/loss is included in “other gains and losses” line item in the consolidated statement of profit or loss.

Fair value of the Group’s financial assets and financial liabilities carried at other than fair value

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis and considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

Fair value measurement and valuation process

The chief financial officer of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of financial instruments, the Group uses market observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The chief financial officer of the Company works closely with these valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various financial instruments are disclosed above.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

31. 財務風險管理及金融工具之 公平值(續)

(h) 金融工具之公平值計量(續)

金融資產之第三級公平值計 量之對賬(續)

截至二零二一年六月三十日止年度，於報告期末持有按公平值計量且屬於第三級公平值層級之金融資產的相關未變現淨虧損為11,991,000港元(二零二零年：16,722,000港元)。該公平值收益／虧損計入該綜合損益表「其他收益及虧損」一項。

並非按公平值列賬之本集團 金融資產及金融負債之公平 值

本集團管理層估計其以貼現現金流量分析按攤銷成本計量之金融資產及金融負債之公平值，且認為綜合財務狀況表內按攤銷成本記錄之金融資產及金融負債之賬面值與其公平值相若。

公平值計量及估值過程

本公司首席財務官負責就公平值計量釐定適當的估值技術及輸入數據。

於估計一項金融工具的公平值時，本集團採用可得的市場可觀察數據。倘第一級輸入數據不可得，本集團委聘第三方合資格估值師進行估值。本公司首席財務官與該等估值師密切合作以就模式建立適當的估值技術及輸入數據。

有關釐定各項金融工具公平值所採用估值技術及輸入數據的資料於上文披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

32. COMMITMENTS

(i) Capital commitments

Capital commitments contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Contracted for:		
Acquisition of an associate through acquisition of a company	102,582	-
已訂約： 透過收購一間公司來 收購聯營公司		

32. 承擔

(i) 資本承擔

於報告期末已訂約但尚未確認為負債的資本承擔如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

截至二零二一年六月三十日止年度

33. MATERIAL RELATED PARTY AND/OR CONNECTED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties and/or connected parties during the year and balances with related parties and/or connected parties at the end of the reporting period:

(a) Transactions and balances with subsidiaries of an associate, MGX:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Purchase of commodities	購買商品	330,329	398,350
Trade payables designated at FVTPL (Note 23)	指定按公平值於損益賬處理之貿易應付賬款(附註23)	28,916	61,852
Other receivables (Note 21)	其他應收賬款(附註21)	-	4,769

The Group entered into several commodity contracts with MGX to purchase certain quantities of iron ores from MGX for which the prices were based on the respective lump and fines Platts Iron Ore Price. The Group is required to take physical delivery of the iron ores from MGX in accordance with terms of the commodity contracts.

The trade payables due to subsidiaries of MGX is unsecured, interest free and repayable in cash within 90 days of invoices.

The other receivables due from subsidiaries of MGX is unsecured, interest free, repayable on demand and will be settled in cash. No provision for doubtful debts for the other receivables was recognised during the year ended 30 June 2021 (2020: HK\$ nil).

33. 重大關聯方及／或關連方交易

除本財務報表其他部份所詳述之交易外，本集團於年內與關聯方及／或關連方有以下交易及於報告期末有以下與關聯方及／或關連方之結餘：

(a) 與聯營公司MGX之附屬公司之交易及結餘：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
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本集團與MGX訂立若干商品合約以向MGX購買一定數量的鐵礦石，其價格乃根據塊礦及粉礦各自的普氏鐵礦石價而釐定。根據商品合約條款，本集團須自MGX實物交收鐵礦石。

應付MGX附屬公司的貿易應付賬款乃無抵押、免息及須於發票的90日內以現金支付。

應收MGX其他附屬公司的貿易應收賬款乃無抵押、免息及須應要求以現金結付。於截至二零二一年六月三十日止年度，概無就其他應收賬款確認呆賬撥備(二零二零年：零港元)。

NOTES TO THE CONSOLIDATED
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For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

33. MATERIAL RELATED PARTY AND/OR
CONNECTED PARTY TRANSACTIONS (Continued)

(b) Transactions and balances with Allied Group Limited (“AGL”), a substantial shareholder of the Company exercising significant influence over the Company, and its wholly-owned subsidiary:

33. 重大關聯方及／或關連方交易(續)

(b) 與聯合集團有限公司(「聯合集團」)(為本公司主要股東，可對本公司行使重大影響力)及其全資附屬公司之交易及結餘：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Reimbursement to AGL the actual costs incurred in respect of administrative services and a portion of actual costs incurred in respect of management, consultancy, strategic, internal audit, management information system consultancy and business advice services provided by senior management and selected staff of AGL to the Group in accordance with the relevant sharing of administrative services and management services agreements	根據相關行政服務及管理服務分攤協議，就聯合集團之高級管理層及選定的僱員向本集團提供行政服務所產生之實際成本及提供管理、顧問、策略、內部審核、管理資訊系統顧問及業務建議服務所產生之部份實際成本向聯合集團作出償付	2,332	2,078
Reimbursement to Allied Properties (H.K.) Limited (“APL”), a substantial shareholder of the Company and a subsidiary of AGL, a portion of actual costs incurred in respect of management services provided by senior management and selected staff of APL to the Group in accordance with the relevant sharing of management services agreement	根據相關管理服務分攤協議，就聯合地產(香港)有限公司(「聯合地產」，為本公司主要股東及聯合集團的附屬公司)之高級管理層及選定的僱員向本集團提供管理服務所產生之部份實際成本向聯合地產作出償付	-	164
Rental and building management expenses payable to AGL (note (i))	應付聯合集團租金及樓宇管理費(附註(i))	1,567	1,609
Amount due to AGL (included in other payables) (note (ii))	應付聯合集團款項(計入其他應付賬款)(附註(ii))	726	725
Future minimum lease payments payable to AGL (note (i))	應付聯合集團未來最低租賃付款(附註(i))		
– within one year	– 一年以內	1,441	1,207
– after one year but not more than five years	– 一年後但不超過五年	1,081	-
		2,522	1,207
Present value of lease liabilities payable to AGL (note (i))	應付聯合集團租賃負債現值(附註(i))		
– within one year	– 一年以內	1,402	1,182
– after one year but not more than five years	– 一年後但不超過五年	1,006	-
		2,408	1,182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

33. MATERIAL RELATED PARTY AND/OR CONNECTED PARTY TRANSACTIONS (Continued)

(b) Transactions and balances with Allied Group Limited (“AGL”), a substantial shareholder of the Company exercising significant influence over the Company, and its wholly-owned subsidiary: (Continued)

Notes:

- (i) The Group entered into a two-year lease in respect of a leasehold property from AGL for use as office. The amount of rent payable by the Group under the lease is approximately HK\$120,000 per month (2020: HK\$134,000 per month).

At 30 June 2021, the total future minimum lease payments and present value of lease liabilities in respect of the leased property payable to AGL, which is included in lease liabilities as set out in Note 24 are disclosed above.

During the year ended 30 June 2021, the lease rentals and building management expenses paid or payable to AGL is HK\$1,567,000 (2020: HK\$1,609,000) as disclosed above.

- (ii) The amount due to AGL is unsecured, interest free and repayable in cash on a monthly cost basis.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

33. 重大關聯方及／或關連方交易(續)

(b) 與聯合集團有限公司(「聯合集團」)(為本公司主要股東，可對本公司行使重大影響力)及其全資附屬公司之交易及結餘：(續)

附註：

- (i) 本集團就向聯合集團租用租賃物業作為辦公室，訂立兩年租約。本集團根據租約的應付租金每月約120,000港元(二零二零年：每月134,000港元)。

於二零二一年六月三十日，就租賃物業應付聯合集團的未來最低租賃付款總額及租賃負債現值，計入附註24列載的租賃負債，並已於上文披露。

於截至二零二一年六月三十日止年度，已付或應付予聯合集團的租賃租金及樓宇管理費為1,567,000港元(二零二零年：1,609,000港元)，已於上文披露。

- (ii) 應付聯合集團的款項為無抵押、免息及須按每月費用基準以現金償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

33. MATERIAL RELATED PARTY AND/OR CONNECTED PARTY TRANSACTIONS (Continued)

(c) Transactions and balances with Best Advantage, an associate of AGL:

33. 重大關聯方及／或關連方交易(續)

(c) 與聯合集團之聯營公司Best Advantage之交易及結餘：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest income from loan receivable 應收貸款之利息收入	11,630	10,692
Loan receivable (Note 19) 應收貸款(附註19)	216,784	197,764

On 23 May 2019, the Group entered into a revolving loan agreement with Best Advantage to make a revolving loan in the amount not exceeding HK\$235,000,000 available to Best Advantage. Details of this revolving loan agreement are set out in the Company's announcement dated 23 May 2019. This transaction is a continuing connected transaction and is approved by shareholders of the Company in the special general meeting held on 9 July 2019.

On 9 July 2021, the maturity date of this loan was extended from 12 July 2021 to 12 July 2024 and the revolving loan limit is increased from HK\$235,000,000 to HK\$260,000,000.

At 30 June 2021, a reversal of expected credit loss of HK\$96,000 (2020: an expected credit loss of HK\$221,000) was recognised for the outstanding loan receivable due from Best Advantage.

於二零一九年五月二十三日，本集團與Best Advantage訂立循環貸款協議，以向Best Advantage提供不超過235,000,000港元的循環貸款。有關該循環貸款協議的詳情載於本公司日期為二零一九年五月二十三日之公告。該項交易為持續關連交易，並於二零一九年七月九日舉行的股東特別大會上獲本公司股東批准。

於二零二一年七月九日，此貸款的到期日期由二零二一年七月十二日延至二零二四年七月十二日及將循環貸款限額由235,000,000港元增至260,000,000港元。

於二零二一年六月三十日，就應收Best Advantage的未償還貸款確認預期信貸虧損撥回96,000港元(二零二零年：預期信貸虧損221,000港元)。

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

33. MATERIAL RELATED PARTY AND/OR
CONNECTED PARTY TRANSACTIONS (Continued)

(d) Transactions and balances with SHK BVI, an
indirect non-wholly-owned subsidiary of AGL:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest income from loan notes (Notes 6(a) and 8)	貸款票據之利息收入 (附註6(a)及8)	180	1,010
Loan notes (Note 20)	貸款票據(附註20)	3,924	3,916

(e) Compensation of key management personnel

The remuneration of key management who are directors of the Company and members of the senior management of the Group during the year, including amounts paid to the Company's directors as disclosed in Note 11 is set out as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	19,244	8,479
Post-employment benefits	離職後福利	165	158
		19,409	8,637

The remuneration of key management is determined by the remuneration committee having regard to the position, experience, qualification and performance of the individuals and market trends.

Certain key management personnel of the Group received remuneration from AGL and APL which provided management services to the Group and charged the Group a fee for services provided by these personnel. Details of the management services and the related expenses are set out in Note 33(b) and such key management personnel related expenses are included in the amounts disclosed above.

33. 重大關聯方及／或關連方交
易(續)

(d) 與聯合集團間接非全資擁有
之附屬公司SHK BVI之交易
及結餘：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest income from loan notes (Notes 6(a) and 8)	貸款票據之利息收入 (附註6(a)及8)	180	1,010
Loan notes (Note 20)	貸款票據(附註20)	3,924	3,916

(e) 主要管理人員報酬

主要管理人員(為本公司董事及本集團高級管理層成員)於年內之薪酬(包括如附註11所披露之已付本公司董事款項)載列如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	19,244	8,479
Post-employment benefits	離職後福利	165	158
		19,409	8,637

主要管理人員之薪酬乃由薪酬委員會經考慮個別人士之職位、經驗、資質及表現以及市場趨勢釐定。

本集團若干名主要管理人員向為本集團提供管理服務之聯合集團及聯合地產收取薪酬，而聯合集團及聯合地產就該等人員提供之服務向本集團收取費用。有關管理服務及相關開支之詳情載於附註33(b)及有關主要管理人員相關開支計入上文所披露金額中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

33. MATERIAL RELATED PARTY AND/OR CONNECTED PARTY TRANSACTIONS (Continued)

(f) Compensation of senior management personnel

Included in the key management personnel of the Group are three (2020: three) senior management personnel of which two (2020: two) are also directors of the Company. An analysis of remuneration paid and payable to the senior management personnel of the Group during the year is set out as follows:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Short-term employee benefits 短期僱員福利	17,378	6,538
Post-employment benefits 離職後福利	157	151
	17,535	6,689

The emoluments were within the following bands:

	2021 二零二一年 Number of individuals 人數	2020 二零二零年 Number of individuals 人數
Nil to HK\$1,000,000 零至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	1	-
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	-	1
HK\$4,500,001 to HK\$5,000,000 4,500,001港元至5,000,000港元	-	1
HK\$15,500,001 to HK\$16,000,000 15,500,001港元至16,000,000港元	1	-

33. 重大關聯方及／或關連方交易(續)

(f) 高級管理人員報酬

本集團主要管理人員包括三名(二零二零年：三名)高級管理人員，其中兩名(二零二零年：兩名)亦為本公司董事。年內已付及應付本集團高級管理人員之薪酬分析如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Short-term employee benefits 短期僱員福利	17,378	6,538
Post-employment benefits 離職後福利	157	151
	17,535	6,689

酬金介乎以下範圍：

	2021 二零二一年 Number of individuals 人數	2020 二零二零年 Number of individuals 人數
Nil to HK\$1,000,000 零至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	1	-
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	-	1
HK\$4,500,001 to HK\$5,000,000 4,500,001港元至5,000,000港元	-	1
HK\$15,500,001 to HK\$16,000,000 15,500,001港元至16,000,000港元	1	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

34. EVENTS AFTER THE END OF THE REPORTING PERIOD

Other than these disclosed elsewhere in these consolidated financial statements, there are other significant events after the end of the reporting period, as follows:

- (i) On 2 August 2021, Mr. Andrew Ferguson, the director and chief executive officer of the Company had been appointed as director of Mabuhay Holdings Corporation (“**Mabuhay**”) of which 29.83% equity interest was acquired by the Group during the year ended 30 June 2021. On 2 August 2021, Mabuhay became an associate of the Group. Mabuhay is a company incorporated in the Philippines with its shares listed on the Philippine Stock Exchange. Mabuhay is a holding company principally engaged in the acquisition and disposition of investments in securities, stocks, real properties and of investments in other entities.
- (ii) On 29 June 2021, the Company proposed a bonus issue of warrants to the qualifying shareholders of the Company on the basis of one warrant for every 5 shares held on the record date. A total of 243,778,782 warrants have been issued by the Company on 7 September 2021 pursuant to the bonus warrants issue, conferring the rights to the holders to subscribe in cash for 243,778,782 new shares of the Company at an initial exercise price of HK\$1.20 per new share (subject to adjustment) at any time during the period of thirteen months from 7 September 2021 to 6 October 2022 (both days inclusive).
- (iii) On 14 May 2021, a direct wholly-owned subsidiary of the Company (the “**Purchaser**”) entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Allied Properties Overseas Limited (the “**Vendor**”), being an indirect wholly-owned subsidiary of AGL which is a substantial shareholder of the Company. Pursuant to the Sale and Purchase Agreement, (i) the Purchaser shall acquire and the Vendor shall sell the entire issued share capital of Allied Properties Resources Limited (the “**Target Company**”); and (ii) a shareholder’s loan in the principal amount of HK\$412,260,366 due to the Vendor by the Target Company shall be assigned by the Vendor to the Purchaser, for a consideration of HK\$102,581,817.50 (collectively, the “**Transaction**”). The principal asset of the Target Company was 41,032,727 shares or approximately 25.83% of issued share capital of Dragon Mining Limited (“**Dragon Mining**”), a company listed on the Hong Kong Stock Exchange. Dragon Mining is principally engaged in the operation of gold mines and processing facilities in Finland and Sweden. All conditions precedent of the Transaction were fulfilled and the Transaction was completed on 13 August 2021. After completion of the Transaction, Dragon Mining becomes an associate of the Group.

34. 報告期末後事項

除該等綜合財務報表的其他部分所披露者外，於報告期末後有以下其他重大事項：

- (i) 於二零二一年八月二日，本公司董事兼行政總裁Andrew Ferguson先生獲委任為Mabuhay Holdings Corporation (「**Mabuhay**」) 的董事，本集團於截至二零二一年六月三十日止年度收購其29.83%股權。於二零二一年八月二日，Mabuhay成為本集團的聯營公司。Mabuhay為一間於菲律賓註冊成立的公司，其股份在菲律賓證券交易所上市。Mabuhay為一間控股公司，主要從事收購及出售證券、股票、房地產的投資，以及於其他實體的投資。
- (ii) 於二零二一年六月二十九日，本公司建議向本公司合資格股東按在記錄日期每持有5股股份獲發1份認股權證的基準進行紅利認股權證發行。本公司已於二零二一年九月七日根據紅利認股權證發行合共發行243,778,782份認股權證，賦予持有人權利可由二零二一年九月七日至二零二二年十月六日(包括首尾兩天)十三個月期間內隨時按初步認購價每股新股份1.20港元(可予調整)，以現金認購本公司243,778,782股新股份。
- (iii) 於二零二一年五月十四日，本公司的直接全資附屬公司(「**買方**」)與Allied Properties Overseas Limited (「**賣方**」，為聯合集團的間接全資附屬公司，而聯合集團為本公司的主要股東)訂立買賣協議(「**買賣協議**」)。根據買賣協議(i)買方將收購而賣方將出售Allied Properties Resources Limited(「**目標公司**」)全部已發行股本；及(ii)目標公司應付予賣方本金額為412,260,366港元的股東貸款將由賣方轉讓予買方，代價為102,581,817.50港元(統稱為「**交易**」)。目標公司主要資產為41,032,727股股份，佔香港交易所上市公司龍資源有限公司(「**龍資源**」)已發行股本約25.83%。龍資源主要在芬蘭及瑞典從事經營金礦及加工設施。交易的所有先決條件已獲達成，交易於二零二一年八月十三日完成。交易完成後，龍資源成為本集團一間聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

34. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

- (iv) Subsequent to the end of the reporting period, there is a decline in share price of MGX. At the date when the consolidated financial statements are authorised for issue, the fair value of the Group's investment in MGX reduced to HK\$1,165,440,000. The decline in fair value may impact the impairment loss on interests in associates for the year ending 30 June 2022.
- (v) Subsequent to the end of the reporting period, the directors of the Company recommended a final dividend of HK10 cents per share and a special dividend of HK10 cents per share for the year ended 30 June 2021 (2020 interim dividend (in lieu of a final dividend): HK10 cents per share) subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company.
- (vi) Subsequent to the end of the reporting period, the directors of the Company proposed to seek shareholders' approval by way of a special resolution to adopt the new bye-laws of the Company and by way of an ordinary resolution to increase the authorised share capital of the Company from HK\$2,000,000,000 divided into 2,000,000,000 shares to HK\$3,000,000,000 divided into 3,000,000,000 shares by the creation of an additional 1,000,000,000 new shares. These resolutions will be proposed for shareholders' approval at the forthcoming annual general meeting of the Company.

34. 報告期末後事項(續)

- (iv) 於報告期末後，MGX的股價下跌。於綜合財務報表獲授權發表當日，本集團於MGX的投資的公平值減至1,165,440,000港元。公平值下跌可能會影響截至二零二一年六月三十日止年度於聯營公司之權益之減值虧損。
- (v) 於報告期末後，本公司董事建議派發截至二零二一年六月三十日止年度之末期股息每股10港仙(二零二零年中期股息(代替末期股息)：每股10港仙)及特別股息每股10港仙，惟須待本公司股東於應屆本公司股東週年大會上批准後方可作實。
- (vi) 於報告期末後，本公司董事擬以特別決議案方式徵求股東對採納本公司新公司細則的批准，以及以普通決議案方式，藉增設1,000,000,000股新股份，將本公司的法定股本由2,000,000,000港元分為2,000,000,000股股份增至3,000,000,000港元分為3,000,000,000股股份。該等決議案將於本公司應屆股東週年大會上提呈以供股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

35. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 30 JUNE 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended 30 June 2021 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice – statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Disclosure of Accounting Estimates ¹
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2021

None of the amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

綜合財務報表附註(續)

截至二零二一年六月三十日止年度

35. 已頒佈但截至二零二一年六月三十日止年度尚未生效的修訂、新訂準則及詮釋的可能影響

截至該等財務報表刊發之日，香港會計師公會已發行多項修訂本及一項新準則，該等準則於截至二零二一年六月三十日止年度尚未生效，且未在該等財務報表中採用。有關發展包括可能與本集團有關的下列內容：

香港財務報告準則第17號 香港財務報告準則 第3號(修訂本)	保險合約及相關修訂本 ¹ 提述概念框架 ²
香港財務報告準則第9號、 香港會計準則第39號、 香港財務報告準則第7、 香港財務報告準則第4號及 香港財務報告準則 第16號(修訂本)	利率基準改革— 第二階段 ⁴
香港財務報告準則第10號 及香港會計準則第28號 (修訂本)	投資者與其聯營公司或 合營企業之間的資產 出售或注資 ³
香港會計準則第1號 (修訂本)	將負債分類為流動或非 流動及香港詮釋 第5號的相關修訂本 (二零二零年) ¹
香港會計準則第1號及 香港財務報告準則實務 準則第2號(修訂本)	會計政策披露 ¹
香港會計準則第8號(修訂本)	會計估計披露 ¹
香港會計準則第16號 (修訂本)	物業、廠房及設備—擬 定用途前的所得款項 ²
香港會計準則第37號 (修訂本)	虧損性合約—履行合約 成本 ²
香港財務報告準則 (修訂本)	香港財務報告準則 二零一八年至二零 二零年的年度改進 ²

¹ 於二零二三年一月一日或以後開始的年度期間生效

² 於二零二二年一月一日或以後開始的年度期間生效

³ 於待定日期或以後開始的年度期間生效

⁴ 於二零二一年一月一日或以後開始的年度期間生效

概無修訂本對本集團當前或過往期間的業績及財務狀況的編製或呈列方式產生重大影響。本集團並無採用任何在本會計期間尚未生效的新準則或詮釋。

FINANCIAL SUMMARY

財務概要

The results and the assets and liabilities of the Group for the past five financial years, as extracted from the Group's published consolidated financial statements are set out below:

以下為本集團過往五個財政年度之業績及資產和負債，乃摘錄自本集團已公佈之綜合財務報表：

RESULTS

業績

		Year ended 30 June 截至六月三十日止年度				
		2021 二零二一年 HK\$'000 千港元 (notes (a) and (b)) (附註(a) 及(b))	2020 二零二零年 HK\$'000 千港元 (notes (a) and (b)) (附註(a) 及(b))	2019 二零一九年 HK\$'000 千港元 (note (b)) (附註(b))	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	564,600	436,527	109,227	156,200	100,476
Profit/(loss) before taxation	除稅前溢利/(虧損)	1,367,970	(429,402)	609,260	321,145	617,373
Income tax (expense)/credit	所得稅(開支)/抵免	(10,680)	1	(828)	6,970	(68,778)
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔年度溢利/(虧損)	1,357,290	(429,401)	608,432	328,115	548,595

ASSETS AND LIABILITIES

資產及負債

		As at 30 June 於六月三十日				
		2021 二零二一年 HK\$'000 千港元 (notes (a) and (b)) (附註(a) 及(b))	2020 二零二零年 HK\$'000 千港元 (notes (a) and (b)) (附註(a) 及(b))	2019 二零一九年 HK\$'000 千港元 (note (b)) (附註(b))	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total assets	資產總值	4,937,783	3,526,631	4,027,529	3,111,495	2,916,650
Total liabilities	負債總額	(114,190)	(90,823)	(13,042)	(59,171)	(28,300)
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,823,593	3,435,808	4,014,487	3,052,324	2,888,350

Notes:

附註：

- (a) The results of the Group for the years ended 30 June 2021 and 2020 and the assets and the liabilities of the Group as at 30 June 2021 and 2020 are figures after application of Hong Kong Financial Reporting Standard ("HKFRS") 16. Therefore, the financial information for years 2021 and 2020 may not be comparable to that of the previous years.
- (a) 本集團截至二零二一年及二零二零年六月三十日止年度之業績以及本集團於二零二一年及二零二零年六月三十日之資產和負債為應用香港財務報告準則(「香港財務報告準則」)第16號後之數字。因此，二零二一年及二零二零年之財務資料可能無法與過往年度之財務資料比較。
- (b) The results of the Group for the years ended 30 June 2021, 2020 and 2019 and the assets and the liabilities of the Group as at 30 June 2021, 2020 and 2019 are figures after application of HKFRS 9 and HKFRS 15. Therefore, the financial information for years 2021, 2020 and 2019 may not be comparable to that of the previous years.
- (b) 本集團截至二零二一年、二零二零年及二零一九年六月三十日止年度之業績以及本集團於二零二一年、二零二零年及二零一九年六月三十日之資產和負債為應用香港財務報告準則第9號及香港財務報告準則第15號後之數字。因此，二零二一年、二零二零年及二零一九年之財務資料可能無法與過往年度之財務資料比較。



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