



KINGSTONE
金石礦業

China Kingstone Mining Holdings Limited
中國金石礦業控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(於開曼群島註冊成立並於百慕達存續的有限公司)

Stock Code 股份代號 : 1380

2018
中期報告
INTERIM REPORT



BOARD OF DIRECTORS

Executive Directors

Mr. Wang Minliang (*Chairman*)
Mr. Zhang Jianzhong
Mr. Zhang Weijun
Mr. Zhang Cuiwei

Independent Non-executive Directors

Ms. Wang Yihua
Mr. Sheng Guoliang
Mr. Yang Ruimin

AUDIT COMMITTEE

Ms. Wang Yihua (*Chairman*)
Mr. Yang Ruimin
Mr. Sheng Guoliang

REMUNERATION COMMITTEE

Mr. Sheng Guoliang (*Chairman*)
Mr. Yang Ruimin
Mr. Wang Minliang

NOMINATION COMMITTEE

Mr. Yang Ruimin (*Chairman*)
Mr. Sheng Guoliang
Mr. Wang Minliang

AUTHORISED REPRESENTATIVES

Mr. Wang Minliang
Mr. Cheung Wai Kee

COMPANY SECRETARY

Mr. Cheung Wai Kee

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

董事會

執行董事

王民良先生 (*主席*)
張建忠先生
張衛軍先生
張翠薇女士

獨立非執行董事

王藝華女士
盛國良先生
楊銳敏先生

審計委員會

王藝華女士 (*主席*)
楊銳敏先生
盛國良先生

薪酬委員會

盛國良先生 (*主席*)
楊銳敏先生
王民良先生

提名委員會

楊銳敏先生 (*主席*)
盛國良先生
王民良先生

授權代表

王民良先生
張蔚琦先生

公司秘書

張蔚琦先生

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Corporate Information

公司資料

HEADQUARTERS OF BUSINESS IN THE PRC

Zhangjiaba Mine
Zhenjiang Village
Xiangshui County
Jiangyou City
Sichuan Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

5/F, Nanfang Security Building,
386 Shuiwanlu
Xiangzhou District
Zuhai City
Guangdong Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 6812-13, 68/F
The Center
99 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Bank of Communications Limited
Industrial and Commercial Bank of China
The Hongkong and Shanghai Banking Corporation Limited

中國營業總部

中國
四川省
江油市
香水鄉
鎮江村
張家壩礦山

中國主要營業地點

中國
廣東省
珠海市
香洲區
水灣路386號
南方證券大廈5樓

香港主要營業地點

香港
皇后大道中99號
中環中心
68樓6812-13室

股份過戶登記總處

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716號舖

主要往來銀行

中國建設銀行(亞洲)股份有限公司
交通銀行股份有限公司
中國工商銀行
香港上海滙豐銀行有限公司

Corporate Information

公司資料

AUDITORS

Elite Partners CPA Limited

審計師

開元信德會計師事務所有限公司

STOCK CODE

1380

股份代號

1380

WEBSITE OF THE COMPANY

www.kingstonemining.com

公司網址

www.kingstonemining.com

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

China Kingstone Mining Holdings Limited (the "Company"), together with its subsidiaries (the "Group"), is the mining operator in China which focuses on beige marble blocks and processing of marble slabs, and owned the largest beige marble mine, namely Zhangjiaba Mine, which is located in Zhenjiang Village, Xiangshui County, Jiangyou City of Sichuan Province, China, in terms of marble reserves, according to the certification issued by China Stone Material Association in August 2010.

Sales Volume

The summarized sales volume are set out below:

		Six months ended 30 June 截至6月30日止六個月		
		2018 2018年	2017 2017年	Change 變動
Sales volume:	銷量:			
Marble slabs (square meter)	大理石板材 (平方米)	79,000	-	N/A 不適用
Marble slags (tonnes)	大理石礦渣 (噸)	197,159	224,286	-12.1%
Average selling prices:	平均售價:			
Marble slabs (RMB per square meter)	大理石板材 (人民幣/平方米)	254	-	N/A 不適用
Marble slags (RMB per tonnes)	大理石礦渣 (人民幣/噸)	26	21	+23.8%

Exploration, Development and Production Activities

There was no geological exploration activity during the six months ended 30 June 2018 ("HY18") as the Group focuses on the development and mining at the Zhangjiaba mine during the year. The Zhangjiaba mine located in Sichuan Province of China, contains 44.2 million cubic meter of measured and indicated marble resources, which represents 16.8 million cubic meter of proved and probable marble reserves based on a block rate of 38%, according to the independent competent person's report dated on 7 March 2011 (as shown in the Company's Prospectus).

業務回顧

中國金石礦業控股有限公司(「本公司」)連同其附屬公司(「本集團」)是中國專注於米黃色大理石荒料及加工成大理石板材的礦業營運商，擁有位於中國四川省江油市香水鄉鎮江村的張家壩礦山。根據中國石材協會於2010年8月發出的證明，張家壩礦山是全國米黃色大理石儲量最大的礦山。

銷量

銷量概況載列如下：

勘探、開發及生產活動

於截至2018年6月30日止六個月(「2018年上半年」)並無地質勘探活動，因本集團於年內主要專注於張家壩礦山的開發及開採。張家壩礦山位於中國四川省，根據獨立合資格人士於2011年3月7日的報告(載於本公司招股章程)，蘊藏44,200,000立方米探明及推定大理石資源，按荒料率38%計，相當於16,800,000立方米的證實及概略大理石儲量。

The Zhangjiaba mine mainly divided into the eastern mining zone and the western mining zone. During HY18, the Group was carrying out the stripping at the Zhangjiaba mine. As the Group was mining the relatively upper benches of the mine, the limestone deposit in this area is still cracked and the quality of the marble stone in terms of the color and pattern is hard to compete with the import marble stones. It is expected that the further development of the mine to lower benches will be required for large block production.

During HY18, the aggregate expenditure of the mining operation of the Group was approximately RMB5.8 million, which mainly included depreciation on property, plant and equipment of approximately RMB3.5 million, fuel and materials consumption of approximately RMB1.5 million and repair and safety protection costs of approximately RMB0.5 million.

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue increased by RMB20.4 million or 433% to RMB25.1 million for HY18 from RMB4.7 million for the six months ended 30 June 2017 ("HY17"). The increase was primarily due to an increase of RMB20.0 million in sales of marble slabs for HY18.

Gross profit increased by RMB1.3 million or 68% to RMB3.2 million for HY18 from RMB1.9 million for HY17. The increase was primarily due to an increase of HK\$1.0 million in gross profit from trading of marble slabs.

Selling and distribution expenses

Selling and distribution expenses was RMB0.4 million and RMB0.3 million for HY17 and HY18, respectively.

Administrative expenses

Administrative expenses increased from RMB18.3 million for HY17 to RMB18.6 million for HY18. The increase was primarily due to an increase in legal and professional fee incurred for HY18.

張家壩礦山主要分為東部採礦區及西部採礦區。於2018年上半年，本集團於張家壩礦山進行剝採。由於本集團一直在開採礦山的相對上層台階，該區域的石灰岩礦床仍為破裂，且大理石顏色及紋理的品質難以與進口大理石競爭。預期大型荒料生產將需要進一步開發礦山的下層台階。

2018年上半年，本集團採礦業務的總開支約為人民幣5,800,000元（主要包括物業、廠房及設備折舊約人民幣3,500,000元、燃料及材料消耗約人民幣1,500,000元及維修及安保成本約人民幣500,000元）。

財務回顧

收入及毛利

本集團收入由截至2017年6月30日止六個月（「2017年上半年」）的人民幣4,700,000元增加人民幣20,400,000元或433%至2018年上半年的人民幣25,100,000元。該增加乃主要由於2018年上半年大理石磚頭銷售增加人民幣20,000,000元所致。

毛利由2017年上半年的人民幣1,900,000元增加人民幣1,300,000元或68%至2018年上半年的人民幣3,200,000元。該增加乃主要由於大理石磚頭買賣毛利增加1,000,000港元。

銷售及分銷開支

2017年上半年及2018年上半年的銷售及分銷開支分別為人民幣400,000元及人民幣300,000元。

行政開支

行政開支由2017年上半年的人民幣18,300,000元增加至2018年上半年的人民幣18,600,000元。該增加乃主要由於2018年上半年產生之法律及專業費用增加。

Management Discussion and Analysis

管理層討論及分析

Profit/(loss) for the period

The Group recorded a profit of RMB0.9 million for HY18 as compared to a loss of RMB15.5 million for HY17. The increase was primarily due to improvement of gross profit for HY18 and a gain on RMB15.7 million of reversal of provision for litigation for HY18.

Liquidity and Capital Resources

As at 30 June 2018, the Group's total equity interests was RMB416.0 million (31 December 2017: RMB409.9 million), representing an increase of 1.5%. The increase was mainly attributable to a gain of RMB5.2 million from exchange difference on translation of foreign operation.

As at 30 June 2018, the Group had cash and bank balances of RMB139.5 million (31 December 2017: RMB168.6 million). Cash and bank balances were mainly denominated in Hong Kong dollars and Chinese Renminbi ("RMB"). The Group has adequate financial resources to meet the anticipated future liquidity requirement and capital expenditure commitment.

Capital Expenditure

The Group's capital expenditure was amounted to RMB1.3 million during HY18 (HY17: 19.6 million), which was primarily related to an acquisition of property, plant and equipments.

Exposure to Fluctuations in Exchange Rates

The Group principally operates its businesses in the PRC. The Group is not exposed to significant foreign exchange risk as most of the Group's business transactions, assets and liabilities are principally denominated in Chinese Renminbi ("RMB"), which is the functional and reporting currency of the Group, except certain administrative expenses, denominated in Hong Kong dollar and United States dollar, in the Hong Kong office. The Group has not entered into any foreign exchange contract as hedging measures.

Human Resources

As at 30 June 2018, the Group had a total workforce of 25 (31 December 2017: 25). The total staff cost, including directors' emoluments, share options benefit and pension scheme contribution, was approximately RMB3.1 million for HY18 (HY17: RMB3.7 million).

期內溢利／（虧損）

本集團於2018年上半年錄得溢利人民幣900,000元，2017年上半年則錄得虧損人民幣15,500,000元，該增加乃主要由於2018年上半年毛利增加及2018年上半年訴訟撥備撥回收益人民幣15,700,000元。

流動資金及資本資源

於2018年6月30日，本集團總權益為人民幣416,000,000元（2017年12月31日：人民幣409,900,000元），增幅為1.5%。該增加乃主要由於換算海外業務產生匯兌差異收益人民幣5,200,000元。

於2018年6月30日，本集團擁有現金及銀行結餘人民幣139,500,000元（2017年12月31日：人民幣168,600,000元）。現金及銀行結餘主要以港元及中國人民幣（「人民幣」）計值。本集團擁有足夠財務資源滿足預期未來流動資金需求及資本開支承擔。

資本開支

本集團於2018年上半年的資本開支為人民幣1,300,000元（2017年上半年：人民幣19,600,000元），主要與收購物業、廠房及設備有關。

匯率波動風險

本集團主要營業地點為中國。本集團並無重大外匯風險，因為除香港辦事處的若干行政開支以港元及美元計值外，本集團大部份業務交易、資產及負債主要以中國人民幣（「人民幣」）計值，而人民幣為本集團的功能及列報貨幣。本集團並無訂立任何外匯合同作對沖措施。

人力資源

於2018年6月30日，本集團共有25名員工（2017年12月31日：25名）。2018年上半年，員工成本總額（包括董事酬金、購股權福利及退休金計劃供款）約為人民幣3,100,000元（2017年上半年：人民幣3,700,000元）。

Management Discussion and Analysis

管理層討論及分析

The Group's emolument policies are formulated on the performance of individual employee and on the basis of the salary trends in Hong Kong and the PRC, and will be reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

Pledge of Assets

As at 30 June 2018 and 2017, the Group had no pledge of assets.

Contingent Liabilities

As at 30 June 2018 and 2017, the Group had no material contingent liabilities.

Capital Commitment

As at 30 June 2018, the Group has capital commitment of RMB10.7 million (HY17: Nil) for the acquisition of property, plant and equipment not provided for in the condensed consolidated financial statements.

Business Update

On 14 April 2017, the Group entered in a non-legal binding memorandum of understanding (the "MOU") with a ground calcium carbonate manufacturer (the "JV partner") to form a joint venture company to extend the downstream business of calcium carbonate production in Jiangyou City, Sichuan Province.

On 22 June 2018, the Group and the shareholder of JV Partner entered into a joint venture agreement (the "JV Agreement") in relation to the formation of a joint venture company (the "JV Company") to operate the calcium carbonate production in Jiangyou City, Sichuan Province, in which the initial registered capital is RMB10 million. Pursuant to the JV Agreement, the capital contribution in the amount of RMB5.1 million and RMB4.9 million will be made by the Group and the shareholder of JV Partner, respectively.

The JV Company was formed on 1 August 2018. The equity interests in JV Company are owned as to 51% and 49% by the Group and the shareholder of the JV Partner, respectively, and the financial results of JV Company will be consolidated into the Group's consolidated financial statements.

本集團的薪酬政策按照個別員工的表現以及香港及中國的薪酬趨勢制訂，並會定期審閱。本集團亦會根據其盈利情況，向員工分派酌情花紅，作為對員工為本集團所作出貢獻的獎勵。

資產抵押

於2018年及2017年6月30日，本集團並無資產抵押。

或然負債

於2018年及2017年6月30日，本集團並無重大或然負債。

資本承擔

於2018年6月30日，本集團就收購物業、廠房及設備有資本承擔人民幣10,700,000元（2017年上半年：無），惟並無於簡明綜合財務報表計提撥備。

最新業務情況

於2017年4月14日，本集團與一名重碳酸鈣生產商（「合營夥伴」）訂立不具法律約束力的諒解備忘錄（「諒解備忘錄」），以成立一間合營公司於中國四川省江油市擴展碳酸鈣生產下游業務。

於2018年6月22日，本集團與合營夥伴的股東訂立合營協議（「合營協議」），內容有關成立一間合營公司（「合營公司」）在四川省江油市經營碳酸鈣生產業務，初始註冊資本為人民幣10,000,000元。根據合營協議，本集團及合營夥伴的股東將分別出資人民幣5,100,000元及人民幣4,900,000元。

合營公司於2018年8月1日成立，其股權分別由本集團及合營夥伴的股東分別擁有51%及49%，而合營公司的財務業績將綜合計入本集團的綜合財務報表。

Management Discussion and Analysis

管理層討論及分析

Use of proceeds from fund raising activities

On 3 March 2017 and 24 April 2017, the Company entered into an agreement and supplemental agreement with an underwriter, respectively, by issuing 2,360,068,975 rights shares to qualifying shareholders by way of the rights issue at subscription price of HK\$0.12 per rights share on the basis of five rights shares for every share in issue were approximately HK\$276.5 million. As at 29 September 2017, the Company has resolved to change the use of the unutilized net proceeds of HK\$50.94 million for the settlement of the potential damages arising from the litigation to use the unutilized proceeds of (i) approximately HK\$15 million for purchasing of machineries for replacement of well-worn mining equipment; (ii) approximately HK\$20 million for marble slabs business, and (iii) HK\$15.94 million for general working capital. For details, please refer to the announcement of the Company dated 29 September 2017.

As at 30 June 2018, the net proceeds had been utilized as follows:

集資活動的所得款項用途

於2017年3月3日及2017年4月24日，本公司與包銷商分別訂立協議及補充協議，按認購價每股供股股份0.12港元及每持有一股已發行股份可獲發五股供股股份之基準以供股形式向合資格股東發行2,360,068,975股供股股份，以籌集約276,500,000港元。於2017年9月29日，本公司決議將未動用所得款項淨額50,940,000港元的用途從用於結算訴訟產生之潛在損害賠償變更為(i)將未動用所得款項淨額約15,000,000港元用於購置機械以替代陳舊的採礦設備；(ii)將未動用所得款項淨額約20,000,000港元用於大理石磚頭業務；及(iii)將未動用所得款項淨額約15,940,000港元用作一般營運資金。詳情請參閱本公司日期為2017年9月29日之公告。

於2018年6月30日，所得款項淨額已動用如下：

		Intended use of proceeds 所得款項之 計劃用途 HK\$'000 千港元	Actual use of proceeds 所得款項之 實際用途 HK\$'000 千港元
The contribution of funding for the calcium carbonate business	注資以發展碳酸鈣業務		
- The set-up of manufacturing building (including the property, plant and equipment)	- 建設生產樓宇(包括物業、 廠房及設備)	149,150	37,000
- General working capital of the calcium carbonate business	- 碳酸鈣業務的一般營運資金	42,610	-
General working capital of the Group	本集團的一般營運資金		
- Purchasing of machineries for replacement of well-worn mining equipment	- 購置機械以替代陳舊的 採礦設備	15,000	15,000
- Marble slabs business	- 大理石磚頭業務	20,000	20,000
- Other general working capital	- 其他一般營運資金	49,780	49,780
		276,540	121,780

Litigation

- (i) A litigation related to a claim of RMB15 million together with interest and cost thereon (collectively the "Claim") charged by Mr. Shao Weiyan (the "Plaintiff") against Sichuan Jiangyou Jinshida Stone Co., Limited (四川江油金時達石業有限公司) ("Sichuan Jinshida"), an indirectly wholly owned subsidiary of the Company, and others including Mr. Huang Xianyou, the then controlling shareholder of the Company and former owner of Sichuan Jinshida, pursuant to the guarantees purported to be executed by each of them in 2010 in favour of the Plaintiff in securing the obligation and liabilities of Guangzhou Jiucheng Mining Co., Ltd ("Guangzhou Jiucheng"), a then related party of the Company, under the loan agreement entered into between the Plaintiff and Guangzhou Jiucheng dated 25 July 2010.

In September 2014, Guangdong Province Maoming City Dianbai District People's Court handed down a judgment against Sichuan Jinshida in respect of the Claim. In August 2016, Sichuan Jinshida appealed against the judgement to Guangdong Province Maoming City Intermediate People's Court but the appeal was dismissed.

In June 2017, Sichuan Jinshida received an enforcement decision made by the Guangdong Province Maoming City Dianbai District People's Court (the "Decision"). Pursuant to the Decision, the mining right of the Zhangjiaba Mine was seized for a period of three years.

On 5 July 2018, Sichuan Jinshida entered into a settlement agreement with the Plaintiff, of which Sichuan Jinshida and the Plaintiff agreed to settle the Claim for RMB21.8 million (the "Settlement Agreement") which shall be paid by two instalments namely (1) RMB10 million within 15 business days, after the entering of the Settlement Agreement and (2) RMB11.8 million within four months after the entering of the Settlement Agreement. The Plaintiff also agreed to discharge any liabilities of Sichuan Jinshida and forgo any other claim in connection with the subject matter upon the full payment of the Claim.

The Group made a provision of RMB37.5 million in relation to the Claim for the year ended 31 December 2017. As a result of the Settlement Agreement, a gain on reversal of a provision of approximately RMB15.7 million will be reflected in the profit and loss account of the Group for period ended 30 June 2018.

訴訟

- (i) 邵偉權先生(「原告」)針對本公司間接全資附屬公司四川江油金時達石業有限公司(「四川金時達」)及黃賢優先生(為本公司當時的控股股東及四川金時達的前擁有人)等其他人士提起訴訟。根據聲稱由彼等各自於2010年向原告簽立的擔保本公司當時的關連方廣州久成礦業有限公司(「廣州久成」)於原告與廣州久成於2010年7月25日訂立的貸款協議項下義務及責任的擔保,申索人民幣15,000,000元連同相關利息及費用(統稱為「申索」)。

於2014年9月,廣東省茂名市電白區人民法院判決四川金時達在申索中敗訴。於2016年8月,四川金時達向廣東省茂名市中級人民法院提出上訴,但上訴遭駁回。

於2017年6月,四川金時達接獲廣東省茂名市電白區人民法院作出的強制執行決定書(「決定書」)。根據決定書,張家壩礦山的採礦權被查封三年。

於2018年7月5日,四川金時達與原告訂立和解協議,據此,四川金時達與原告同意就申索進行和解,和解金額為人民幣21,800,000元(「和解協議」),將分兩期支付:(1)人民幣10,000,000元於訂立和解協議後15個營業日內支付及(2)人民幣11,800,000元於訂立和解協議後四個月內支付。原告亦同意於悉數償付申索後免除四川金時達的任何責任且放棄有關標的事項的任何其他申索。

本集團已於截至2017年12月31日止年度就申索計提撥備人民幣37,500,000元。由於和解協議,本集團將於截至2018年6月30日止期間的損益賬入賬撥回撥備之收益約人民幣15,700,000元。

Management Discussion and Analysis

管理層討論及分析

(ii) On 8 August 2018, the Company received a writ of summons (the "Writ") issued in the Court of First Instance of the High Court of Hong Kong under Commercial List Action No. 5 of 2018 (the "Action") by Mr. Li Jiaju (the "Plaintiff") against Kinwin International Investment Limited (the "1st Defendant"), a company wholly owned by Mr. Wang Minliang, the Company (the "2nd Defendant") and Mr. Wang Minliang (the "3rd Defendant"), who is a director of the Company, in relation to a claim for the sum of approximately HK\$23.7 million, pursuant to a loan agreement between the Plaintiff and the 1st Defendant and an alleged deed of assignment that was executed between the Plaintiff, 1st Defendant, the 2nd Defendant. The Company is seeking legal advice on this case.

PROSPECT

The Zhangjiaba mine of the Group was still under development to lower benches for a higher quality large block production. The quality of marble stones on the delivery of upper benches of the Zhangjiaba mine is hard to compete with the import marble stones. During the period under review, the revenue of the Group mainly relied on the sale of marble slabs through the stripping of overburden and trading of marble slabs. The Group has planned to extend the downstream business of calcium carbonate production by utilizing the same resources in the Zhangjiaba mine, through a joint venture company which is owned as to 51% by the Group.

With the fierce competition in the PRC construction material market, the marble stone business of the Group is facing a great challenge and uncertainty in the forthcoming years. The development of the calcium carbonate production business can expand the Group's income stream and supplement its existing marble product business.

Looking ahead, the Group will continue to consolidate the production and operations and explore any new business opportunities so arising in order to optimize the shareholder's value in the future.

(ii) 於2018年8月8日，本公司接獲李家駒先生（「原告」）根據2018年商業類別訴訟第5號（「訴訟」）於香港高等法院原訴法庭針對建勝國際投資有限公司（「第一被告」，一間由王民良先生全資擁有之公司）、本公司（「第二被告」）及王民良先生（「第三被告」，本公司董事）發出的傳訊令狀（「令狀」），內容有關根據原告與第一被告訂立之貸款協議及原告與第一被告、第二被告簽立之一份聲稱轉讓契據，提出金額約23,700,000港元之索償。本公司現正就此案尋求法律意見。

前景

本集團的張家壩礦山仍在開發下層台階以實現較高質量的大型荒料生產。張家壩礦山上層台階的大理石質量難以與進口大理石相媲美。於回顧期間，本集團的收益主要依賴銷售透過剝採廢料產生的大理石礦渣以及買賣大理石磚頭。本集團計劃利用張家壩礦山的相同資源，通過本集團擁有51%股權的合營公司擴大碳酸鈣生產的下游業務。

由於中國建材市場競爭激烈，本集團的大理石業務在未來數年面臨巨大挑戰及不確定因素。開發碳酸鈣生產業務可以擴大本集團的收入流，並補充其現有的大理石產品業務。

展望未來，本集團將繼續鞏固生產及經營，並探索所出現的任何新業務機會，以優化股東價值。

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the six months ended 30 June 2018 except for a deviation from code provisions A.2.1, A.1.8, A.5.1 and E.1.2 of CG Code.

- (i) Under code provision A.2.1 of CG Code, the roles of chairman and chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. During the six months ended 30 June 2018, there is no officer carrying the title of CEO. The duties of CEO are undertaken by executive directors of the Company. Although the responsibility of chairman and a part of responsibility of CEO are vested in Mr. Wang Minliang during the six months ended 30 June 2018, in which all major decisions are made in consultation with the other Board members and the senior management of the Company. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.
- (ii) Under code provision of A.1.8 of CG Code, the Company should arrange appropriate insurance cover in respect of legal action against the Directors. Currently, The Company does not have insurance cover in this respect as the Board believes that, with the current internal control system and the close supervision of the management, the Directors' risk of being sued or getting involved in litigation in their capacity as a director of the Company is relatively low. Nevertheless, the Board will review the need for insurance cover from time to time.
- (iii) Under code provision of E.1.2 of CG Code, Mr. Wang Minliang, the chairman of the Board was unable to attend the annual general meeting of the Company held on 25 May 2018 due to business reasons. Ms. Zhang Cuiwei, the executive director of the Company, was authorized by the Chairman present to chair the meeting.

企業管治

本公司於截至2018年6月30日止六個月一直遵守聯交所證券上市規則(「上市規則」)附錄十四所載企業管治守則及企業管治報告(「企業管治守則」)，惟與企業管治守則的守則條文第A.2.1、A.1.8、A.5.1及E.1.2條有所偏離。

- (i) 根據企業管治守則的守則條文第A.2.1條規定，主席及行政總裁(「行政總裁」)的角色應予區分及不應由同一人擔任。主席及行政總裁之間的職責分工應清晰確立及以書面形式載列。於截至2018年6月30日止六個月，並無高級人員出任行政總裁一職。行政總裁的職責由本公司執行董事履行。儘管於截至2018年6月30日止六個月內主席的職責及行政總裁的部分職責歸集於王民良先生，但所有重大決策均經過諮詢本公司其他董事會成員及高級管理層後作出。董事會認為已有足夠的權力均衡及目前的安排可維持本公司管理層的強勢地位。
- (ii) 根據企業管治守則的守則條文第A.1.8條規定，本公司應就針對董事的法律訴訟安排適當保險。由於董事會相信現有內部監控制度及管理層密切監管的情況下，各董事因本公司董事身份而被控告或牽涉於訴訟之風險偏低，故本公司現時並無就此作投保安排。儘管如此，董事會將不時檢討投保需要。
- (iii) 根據企業管治守則的守則條文第E.1.2條規定，董事會主席王民良先生出於業務原因未能出席本公司於2018年5月25日舉行的股東週年大會。本公司執行董事張翠薇女士獲主席授權擔任大會主席。

Other Information

其他資料

(iv) On 12 March 2018, Mr. Ma Ho Yin ("Mr. Ma") resigned as independent non-executive director, chairman of nomination committee and member of audit committee and remuneration committee. Following the resignation of Mr. Ma, the Company has only two independent non-executive Directors, which falls below the minimum number required under Rules 3.10(1) and 3.10A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). In addition, the Company is unable to comply with the requirements set out under the Listing Rules in (i) Rule 3.21 in relation to the composition of the Audit Committee (ii) Rule 3.25 in relation to the composition of the Remuneration Committee and (iii) code provision A.5.1 of CG Code as set out in Appendix 14 in relation to the composition of the Nomination Committee.

On 11 June 2018, Mr. Yang Ruimin ("Mr. Yang") was appointed as independent non-executive director, chairman of nomination committee and member of audit committee and remuneration committee. Following the appointment of Mr. Yang, the Company has fully complied with all the requirements set out under the Listing Rules as mentioned above.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions by the Directors. The Company confirms that, having made specific enquiries with all Directors of the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code and its own code of conduct regarding directors' securities transaction throughout the six months ended 30 June 2018.

(iv) 於2018年3月12日，馬浩賢先生（「馬先生」）辭任獨立非執行董事、提名委員會主席以及審計委員會及薪酬委員會成員職務。馬先生辭任後，本公司只有兩名獨立非執行董事，人數低於聯交所證券上市規則（「上市規則」）第3.10(1)條及3.10A條規定的最低人數。此外，本公司未能遵守上市規則(i)第3.21條有關審計委員會組成，(ii)第3.25條有關薪酬委員會組成及(iii)附錄14所載企業管治守則之守則條文第A.5.1條有關提名委員會組成的規定。

於2018年6月11日，楊銳敏先生（「楊先生」）獲委任為獨立非執行董事、提名委員會主席以及審計委員會及薪酬委員會成員，於楊先生獲委任後，本公司已全面遵守上述上市規則所載之所有規定。

遵從標準守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為其本身就董事進行證券交易之操守準則。本公司確認，經向本公司全體董事作出特定查詢後，全體董事確認彼等於截至2018年6月30日止六個月一直遵守標準守則所載之規定標準及其本身就董事進行證券交易之操守準則。

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company comprised three independent non-executive directors, namely Ms. Wang Yihua, Mr. Yang Ruimin and Mr. Sheng Guoliang. The audit committee of the Company has reviewed the unaudited interim results of the Group for the six months ended 30 June 2018 and has recommended their adoption to the Board.

BOARD OF DIRECTORS

As at 30 June 2018, the Board comprises four executive directors of the Company ("Executive Director(s)"), namely Mr. Wang Minliang, Mr. Zhang Jianzhong, Mr. Zhang Weijun and Ms. Zhang Cuiwei, and three independent non-executive directors of the Company ("Independent Non-executive Director(s)"), namely Mr. Yang Ruimin, Ms. Wang Yihua and Mr. Sheng Guoliang.

INFORMATION ON CHANGES OF DIRECTORS

Information on the changes of directors of the Company subsequent to the year ended 31 December 2017 are set out below:

Name of director 董事姓名	Details of the change 變動詳情
Mr. Ma Ho Yin ("Mr. Ma") 馬浩賢先生(「馬先生」)	On 12 March 2018, Mr. Ma resigned as independent non-executive director, chairman of nomination committee and member of audit committee and remuneration committee 於2018年3月12日，馬先生辭任獨立非執行董事、提名委員會主席以及審計委員會及薪酬委員會成員職務
Mr. Yang Ruimin ("Mr. Yang") 楊銳敏先生(「楊先生」)	On 11 June 2018, Mr. Yang was appointed as independent non-executive director, chairman of nomination committee and member of audit committee and remuneration committee 於2018年6月11日，楊先生獲委任為獨立非執行董事、提名委員會主席以及審計委員會及薪酬委員會成員

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2018.

審計委員會及審閱中期業績

本公司的審計委員會由三名獨立非執行董事組成，包括王藝華女士、楊銳敏先生及盛國良先生。本公司審計委員會已審閱本集團截至2018年6月30日止六個月的未經審核中期業績，並已向董事會建議採納該等業績。

董事會

於2018年6月30日，董事會包括本公司四名執行董事(「執行董事」)王民良先生、張建忠先生、張衛軍先生及張翠薇女士以及本公司三名獨立非執行董事(「獨立非執行董事」)楊銳敏先生、王藝華女士及盛國良先生。

董事變動資料

截至2017年12月31日止年度之後本公司董事變動資料載列如下：

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於截至2018年6月30日止六個月內概無購買、出售或贖回本公司任何上市證券。

Other Information

其他資料

DIRECTORS' INTEREST IN SECURITIES

As at 30 June 2018, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which (a) were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to provisions of Division 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive have taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were set out below:

董事於證券的權益

於2018年6月30日，董事於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部之條文規定須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例有關條文董事或最高行政人員被當作或視作持有之權益及淡倉）；(b)根據證券及期貨條例第352條須載入該條例所指之登記冊之權益及淡倉；或(c)根據聯交所證券上市規則（「上市規則」）附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉載列如下：

(a) Long positions in ordinary shares of the Company

(a) 於本公司普通股之好倉

Name of director 董事姓名	Capacity 身份	Number of ordinary shares of HK\$0.01 each held 所持有每股面值0.01港元之普通股數目			Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
		Direct interest 直接權益	Deemed interest 視作擁有權益	Total interest 總權益	
Mr. Wang Minliang 王民良先生	(a) Interest of a controlled corporation (a) 受控法團權益	-	8081 (Note) (附註)	8081	0.00%
	(b) Beneficial owner (b) 實益擁有人	6,324	-	6,324	0.00%
		6,324	8,081	14,405	0.00%

Note:

The 8,081 shares of the Company were directly owned by Jiang Tong Investment Limited. Mr. Wang Minliang owns the entire issued share capital of Jiang Tong Investment Limited.

附註：

該等8,081股本公司股份由建統投資有限公司直接擁有。王民良先生擁有建統投資有限公司全部已發行股本。

(b) Long positions in underlying shares of the Company

Details of the interests of the Directors in the share options of the Company are separately disclosed under the section headed "Share Options".

(b) 於本公司相關股份的好倉

董事所持本公司購股權權益的詳情於「購股權」一節內個別披露。

Save as disclosed above, none of Directors or the chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities of Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange of Hong Kong (the "Stock Exchange") pursuant to Division 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the period was the Company or any of its holding company or subsidiaries been participated in any arrangements to enable the Directors or chief executive (including their spouse and children under 18 years of age) to acquire any interests and short positions of shares or underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2018, substantial shareholders' interests or short position in the shares and underlying shares of the Company, being interests of 5% or more, as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name	Capacity	Number of underlying shares	Long/Short position	Percentage of the issued share capital of the Company
名稱	身份	相關股份數目	好倉／淡倉	佔本公司已發行股本百分比
Ninotre Investment Limited	Beneficial owner	304,966,082	Long position	10.77%
Ninotre Investment Limited	實益擁有人		好倉	

Save as disclosed above, none of the Directors is aware that any person (not being Directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO.

除上文所披露者外，董事或本公司最高行政人員或彼等各自之聯繫人概無於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債券中，擁有已根據證券及期貨條例第XV部第7及8分部知會本公司及香港聯交所（「聯交所」）之任何權益或淡倉，其中包括董事及本公司最高行政人員根據證券及期貨條例之該等條文被當作及視作擁有之權益及淡倉，或須要及已列入證券及期貨條例第352條規定本公司存置的登記冊內之任何權益及淡倉或已根據標準守則另行知會本公司及聯交所之任何權益及淡倉。

除上文所披露者外，本公司或其任何控股公司或附屬公司於期內任何時候從未參與任何安排，使董事或最高行政人員（包括彼等的配偶及未滿18歲子女）於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份或相關股份或債券中購入任何權益及淡倉。

主要股東於證券的權益

於2018年6月30日，按照本公司根據證券及期貨條例第336條規定須存置的主要股東登記冊所記錄，主要股東於本公司股份及相關股份的權益或淡倉（即擁有5%或以上權益）如下：

除上文所披露者外，按照本公司根據證券及期貨條例第336條規定須存置的主要股東登記冊所記錄，董事概不知悉任何人士（並非董事或本公司最高行政人員）於本公司股份及相關股份中擁有權益或淡倉。

Other Information

其他資料

SHARE OPTIONS

2011 Share Option Scheme

The Company has also adopted a share option scheme on 24 January 2011 (the "2011 Option Scheme") for the purpose of giving the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimize their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The 2011 Share Option Scheme will be valid and effective for a period of 10 years from the date of adoption.

Details of outstanding and movement of share options under 2011 Option Scheme (the "2011 Options") during the six months ended 30 June 2018 are as follows:

Grantees	Date of grant	Exercise price	As at			
			1 January 2018 於2018年 1月1日	Grant during the period	Lapsed during the period	As at 30 June 2018 於2018年 6月30日
承授人	授出日期	行使價		於期內授出	於期內失效	
Directors						
董事						
Ms. Zhang Cuiwei 張翠薇女士	26 June 2014 2014年6月26日	note 4 附註4	HK\$1.737 1.737港元	1,731,663	-	1,731,663
	12 January 2015 2015年1月12日	note 5 附註5	HK\$1.649 1.649港元	2,424,329	-	2,424,329
Other employees 其他僱員	9 June 2014 2014年6月9日	note 3 附註3	HK\$1.737 1.737港元	3,290,160	-	3,290,160
	26 June 2014 2014年6月26日	note 4 附註4	HK\$1.737 1.737港元	1,731,663	-	1,731,663
	30 December 2014 2014年12月30日	note 6 附註6	HK\$1.634 1.634港元	4,848,657	-	4,848,657
	12 January 2015 2015年1月12日	note 5 附註5	HK\$1.649 1.649港元	2,424,329	-	2,424,329
	23 November 2017 2017年11月23日	note 7 附註7	HK\$0.0972 0.0972港元	47,200,000	-	47,200,000
Former director and employee 前董事及僱員	4 November 2011 2011年11月4日	note 1,2 附註1、2	HK\$7.97 7.97港元	1,350,697	-	1,350,697
				65,001,498	-	65,001,498
		Vested at end of period 於期終歸屬		65,001,498		65,001,498

購股權

2011年購股權計劃

本公司亦已於2011年1月24日採納一項購股權計劃(「2011年購股權計劃」)，旨在給予合資格人士機會，於本公司擁有個人權益，並有助於激勵彼等為本集團提升其未來表現及效率及／或為彼等過去的貢獻向彼等作出獎勵，並吸引和挽留該等在本集團中擔當重要角色及／或其貢獻目前或將有利於本集團的表現、增長或成功的合資格人士或以其他方式與彼等維持持續關係，而就高級行政人員而言，則可令本集團吸引和挽留具備經驗和能力的人士及／或為彼等過去的貢獻作出獎勵。

2011年購股權計劃將自採納日期起計十年期間生效及有效。

截至2018年6月30日止六個月，2011年購股權計劃下未行使的購股權(「2011年購股權」)及其變動的詳情如下：

Note:

1. On 24 May 2012, the Board passed a resolution that these options shall continue to be vested and be exercisable until the expiry of the option period regardless of these grantees ceased to be director or employee of the Company.
2. The options were divided into three tranches exercisable from 4 November 2011, 4 November 2012 and 4 November 2013 to 3 November 2021.
3. The options were exercisable from 9 June 2014 to 8 June 2024 (both dates inclusive)
4. The options were exercisable from 26 June 2014 to 25 June 2024 (both dates inclusive).
5. The options were exercisable from 12 January 2015 to 15 December 2024 (both dates inclusive).
6. The options were exercisable from 30 December 2014 to 18 December 2024 (both dates inclusive).
7. The options were exercisable from 23 November 2017 to 22 November 2027 (both dates inclusive).
8. The Company recorded the fair value of these share options as staff cost in the income statement. The Company will record the nominal value of the shares which is HK\$0.01 per share issued pursuant to the exercise price of the share options as additional share capital and the Company will record the excess of the exercise price of the share options over nominal value of the shares in its share premium account. Any share options which has lapsed or been cancelled will be deducted from the balance of the share options.

附註：

1. 於2012年5月24日，董事會通過一項決議案，指儘管該等承授人不再擔任本公司董事或僱員，該等購股權應繼續予以歸屬及可予行使，直至購股權期間屆滿為止。
2. 該等購股權分為三期，分別由2011年11月4日、2012年11月4日及2013年11月4日起至2021年11月3日止可予行使。
3. 該等購股權於2014年6月9日至2024年6月8日（首尾兩天包括在內）可予行使。
4. 該等購股權於2014年6月26日至2024年6月25日（首尾兩天包括在內）可予行使。
5. 該等購股權於2015年1月12日至2024年12月15日（首尾兩天包括在內）可予行使。
6. 該等購股權於2014年12月30日至2024年12月18日（首尾兩天包括在內）可予行使。
7. 該等購股權於2017年11月23日至2027年11月22日（首尾兩天包括在內）可予行使。
8. 本公司將該等購股權的公允值作為員工成本記入收益表。本公司將把按購股權行使價發行的股份的面值（每股0.01港元）入賬為額外股本，而本公司將會把購股權行使價超出股份面值的差額記入其股份溢價賬。任何已失效或已註銷的購股權將自購股權結餘中扣除。

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2018 截至2018年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
	Notes 附註		
REVENUE	收入	5	25,113
Cost of sales	銷售成本		(21,959)
Gross profit	毛利		3,154
Other income and gains	其他收入及收益	6	15,871
Selling and distribution costs	銷售及分銷成本		(317)
Administrative expenses	行政開支		(18,636)
Gain on disposal of a subsidiary	出售附屬公司之收益		882
OPERATING PROFIT/(LOSS)	營運溢利/(虧損)		954
Finance costs	財務成本	7	(9)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利/(虧損)		945
Income tax	所得稅	8	-
PROFIT/(LOSS) FOR THE PERIOD	期內溢利/(虧損)	9	945
Other comprehensive income/(loss): <i>Items that may be reclassified subsequently to profit or loss:</i>	其他全面收益/(虧損): <i>其後可能重新分類至損益的項目:</i>		
Exchange differences on translation of foreign operations	因換算海外業務產生的匯兌差異		5,232
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔期內全面收益/(虧損)總額		6,177
Earnings/(loss) per share (RMB cents):	每股盈利/(虧損) (人民幣分):		
-Basic and diluted	-基本及攤薄	10	0.03

The notes on pages 18 to 36 are an integral part of these condensed consolidated interim financial statements.

第18至36頁之附註屬本簡明綜合中期財務報表之一部份。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2018 於2018年6月30日

			30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	194,617	202,027
Intangible assets	無形資產		43,732	43,732
Prepaid land lease payments	預付土地租賃款項		1,269	1,287
			239,618	247,046
CURRENT ASSETS	流動資產			
Inventories	存貨		3,049	3,028
Trade receivables	貿易應收款項	13	42,782	33,293
Prepayments, deposits and other receivables	預付款項、按金及其 他應收款項		35,485	15,159
Cash and cash equivalents	現金及現金等價物		139,455	168,613
			220,771	220,093
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	14	2,117	1,920
Other payables and accruals	其他應付款項及應計費用		16,947	13,952
Obligation under finance lease	融資租賃承擔		357	396
Provision for litigation	訴訟撥備		21,800	37,500
			41,221	53,768
NET CURRENT ASSETS	流動資產淨額		179,550	166,325
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		419,168	413,371

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2018 於2018年6月30日

			30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
		Notes 附註		
NON-CURRENT LIABILITIES	非流動負債			
Obligation under finance lease	融資租賃承擔		58	201
Provision for environmental rehabilitation	環境恢復撥備		2,697	2,697
Deferred tax liabilities	遞延稅項負債		371	608
			3,126	3,506
NET ASSETS	資產淨值		416,042	409,865
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	15	24,435	24,435
Reserves	儲備		391,607	385,430
Total equity	總權益		416,042	409,865

The notes on pages 18 to 36 are an integral part of these condensed consolidated interim financial statements.

第18至36頁之附註屬本簡明綜合中期財務報表之一部份。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2018 截至2018年6月30日止六個月

		Issued capital 已發行 股本 RMB'000 人民幣千元	Share premium 股份 溢價 RMB'000 人民幣千元	Capital reserve 資本 儲備 RMB'000 人民幣千元	Contributed reserve 繳入 儲備 RMB'000 人民幣千元	Share option reserve 購股權 儲備 RMB'000 人民幣千元	Foreign currency translation reserve 外幣換算 儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total equity 總權益 RMB'000 人民幣千元
At 1 January 2017 (audited)	於2017年1月1日 (經審核)	3,883	-	-	14,480	24,485	(3,226)	129,754	169,376
Right issue of shares	供股發行股份	-	-	96,729	-	-	-	-	96,729
Share options lapsed (unaudited)	購股權失效 (未經審核)	-	-	-	-	(995)	-	995	-
Total comprehensive loss for the period (unaudited)	期內全面虧損總額 (未經審核)	-	-	-	-	-	(15,389)	(15,542)	(30,931)
At 30 June 2017 (unaudited)	於2017年6月30日 (未經審核)	3,883	-	96,729	14,480	23,490	(18,615)	115,207	235,174
At 1 January 2018 (audited)	於2018年1月1日 (經審核)	24,435	221,144	-	14,480	25,115	(12,860)	137,551	409,865
Total comprehensive income for the period (unaudited)	期內全面收益總額 (未經審核)	-	-	-	-	-	5,232	945	6,177
At 30 June 2018 (unaudited)	於2018年6月30日 (未經審核)	24,435	221,144	-	14,480	25,115	(7,628)	138,496	416,042

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2018 截至2018年6月30日止六個月

For the six months ended 30 June
截至6月30日止六個月

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(29,187)	(828)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,266)	(4,938)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	203
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(1,266)	(4,735)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Received in advance	已收墊款	-	96,729
Repayments of obligation under finance lease	償還融資租賃承擔	(182)	(212)
Repayment of interest-bearing loans	償還計息貸款	-	(356)
Interest paid	已付利息	(9)	(26)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)/所得現金淨額	(191)	96,135
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(30,644)	90,572
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金等價物	168,613	7,198
EFFECT OF FOREIGN EXCHANGE	外匯影響	1,486	61
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	139,455	97,831

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

1. GENERAL INFORMATION

China Kingstone Mining Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) were principally engaged in the production and sale of marble and marble related products mainly in China.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands under the name of China Kingstone Mining Holdings Limited on 29 March 2010 and changed its domicile to Bermuda with limited liability on 10 August 2016. The registered office address of the Company is Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda. The principal place of business of the Company in Hong Kong is located at Units 6812 to 6813, The Center, 99 Queen’s Road Central, Hong Kong.

These financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 28 August 2018.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2018 (“Interim Financial Statements”) have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) issued by the International Accounting Standards Board and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Interim Financial Statements do not include all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2017 (“2017 Annual Report”).

1. 一般資料

中國金石礦業控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）主要在中國從事大理石及大理石相關產品的生產及銷售。

本公司於2010年3月29日根據開曼群島法例第22章公司法（1961年第3號法例，經綜合及修訂）在開曼群島以中國金石礦業控股有限公司的名稱註冊成立為獲豁免有限公司，並於2016年8月10日遷冊至百慕達以有限公司形式存續。本公司的註冊辦事處地址為Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda。本公司於香港的主要營業地點為香港皇后大道中99號中環中心6812-6813室。

除另有指明外，此等財務報表以中國人民幣（「人民幣」）呈列。

本簡明綜合中期財務報表已於2018年8月28日獲董事會批准刊發。

2. 編製基準

截至2018年6月30日止六個月之未經審核簡明綜合中期財務報表（「中期財務報表」）已根據國際會計準則理事會頒佈的國際會計準則第34號（「國際會計準則第34號」）及香港聯合交易所有限公司證券上市規則（「上市規則」）之適用披露規定編製。

中期財務報表並不包括就編製完整財務報表所需之所有資料及披露，並應與本集團截至2017年12月31日止年度的年度綜合財務報表（「2017年年報」）一併閱讀。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

3. ESTIMATES

The preparation of the Interim Financial Statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2017.

In the current period, the Group applied, for the first time, the following amendments to International Financial Reporting Standards ("IFRSs").

Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts With Customers
(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in the Group's interim condensed consolidated financial statements and did not require retrospective adjustments.

3. 估計

根據國際會計準則第34號編製中期財務報表時，管理層須作出影響政策應用及本年度截至現在為止之資產與負債、收益及開支之呈報數額之判斷、估計及假設。實際結果與此等估計可能有差異。

編製中期財務報表時，管理層於應用集團會計政策所作之重大判斷及估計不確定因素之主要來源與截至2017年12月31日止年度之綜合財務報表所應用者一致。

4. 主要會計政策概要

截至2018年6月30日止六個月之簡明綜合財務報表所使用之會計政策及計算方法，與編製本集團截至2017年12月31日止年度之綜合財務報表所遵循者相同。

於本期間，本集團已首次應用下列國際財務報告準則（「國際財務報告準則」）之修訂本。

國際財務報告準則第4號之修訂本	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具
國際財務報告準則第9號	金融工具
國際財務報告準則第15號	來自客戶合約之收入
國際財務報告準則第15號之修訂本	澄清國際財務報告準則第15號來自客戶合約之收入
（國際財務報告詮釋委員會）－詮釋第22號	外幣交易及預付代價

於本中期期間應用上述國際財務報告準則之修訂本對於該等簡明綜合財務報表呈報之金額及／或本集團之中期簡明綜合財務報表內之披露並無重大影響，且亦毋須作追溯調整。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

5. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue represents the net invoiced value of goods sold, net of trade discounts and returns.

The Group's revenue and contribution to profit were mainly derived from its sale of marble and marble related products, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Sichuan Province, the PRC.

Accordingly, no segment analysis is presented other than entity-wide disclosures.

Entity-wide disclosures

Information about products

The following table sets forth the total revenue from external customers by product and the percentage of total revenue during the period:

5. 收入及經營分部資料

收入指已售貨品的淨發票值，扣除貿易折扣及退回。

本集團的收入及對利潤的貢獻主要源自大理石及大理石相關產品的銷售，其被視作單一可報告分部，與內部向本集團的高級管理層報告資料作資源分配及表現評估用途的方式一致。此外，本集團使用的主要資產均位於中國四川省。

因此，除整個實體披露外，未有呈列分部分析。

整個實體披露

有關產品的資料

下表載列期內按產品劃分來自外部客戶的總收入及佔總收入的百分比：

		Six months ended 30 June 截至6月30日止六個月			
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	%	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)	%
Marble slabs	大理石磚頭	5,071	20	4,710	100
Marble slabs	大理石磚頭	20,042	80	-	-
		25,113	100	4,710	100

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

6. OTHER INCOME AND GAINS

6. 其他收入及收益

		Six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
Reversal of impairment	減值撥回	–	1,200
Bank interest income	銀行利息收入	1	1
Machinery rental income	機器租金收入	–	18
Miscellaneous	雜項	170	19
Reversal of provision for litigation	訴訟撥備撥回	15,700	–
		15,871	1,238

7. FINANCE COSTS

7. 財務成本

		Six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
Finance leases charges	融資租賃費用	9	26
		9	26

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

8. INCOME TAX

8. 所得稅

		Six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
Current tax	即期稅項	-	-
Deferred tax	遞延稅項	-	-
		-	-

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for the six months ended 30 June 2018 and 2017.

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施規例，本公司於中國之附屬公司於截至2018年及2017年6月30日止六個月之稅率為25%。

9. PROFIT/(LOSS) FOR THE PERIOD

The Group's profit/(loss) for the period is arrived at after charging/(crediting):

9. 期內溢利／（虧損）

本集團之期內溢利／（虧損）已扣除／（計入）以下各項：

		Six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
Amortisation of intangible assets	無形資產攤銷	18	17
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	6,241	5,643
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	2,052	1,510

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

10. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit/(loss) for the six months ended 30 June 2018 attributable to owners of the Company of approximately RMB945,000 (six months ended 30 June 2017: loss of RMB15,542,000) and the weighted average number of 2,832,083,000 (six months ended 30 June 2017: 472,014,000) ordinary shares in issue during the period.

(b) Diluted earnings/(loss) per share

Diluted earnings per share for the six months ended 30 June 2018 was the same as the basic earnings per share because the computation of diluted earnings per share did not assume the exercises of the Company's outstanding share options as the exercise price of the share option exceeded the average market price of ordinary shares during the period.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2017.

11. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the six months ended 30 June 2018 and 2017.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired plant and machinery at a cost of RMB1,266,000 (2017: Plant and machinery at a cost of RMB4,938,000).

10. 每股盈利／（虧損）

(a) 每股基本盈利／（虧損）

本公司擁有人應佔每股基本盈利／（虧損）乃根據本公司擁有人應佔截至2018年6月30日止六個月溢利／（虧損）約人民幣945,000元（截至2017年6月30日止六個月：虧損人民幣15,542,000元）及期內已發行普通股加權平均數2,832,083,000股（截至2017年6月30日止六個月：472,014,000股）計算得出。

(b) 每股攤薄盈利／（虧損）

截至2018年6月30日止六個月之每股攤薄虧損與每股基本盈利相同，此乃由於計算每股攤薄盈利並無假設行使本公司之尚未行使購股權，原因為期內購股權行使價超過普通股平均市價。

由於本公司於截至2017年6月30日止六個月並無任何具潛在攤薄性質之普通股，因此並無呈列每股攤薄虧損。

11. 股息

董事並不建議就截至2018年及2017年6月30日止六個月各期間派付任何股息。

12. 物業、廠房及設備

截至2018年6月30日止六個月，本集團收購成本為人民幣1,266,000元之廠房及設備（2017年：成本為人民幣4,938,000元之廠房及設備）。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

13. TRADE RECEIVABLES

13. 貿易應收款項

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
Trade receivables	貿易應收款項	145,573	136,084
Less: impairment	減: 減值	(102,791)	(102,791)
		42,782	33,293

An aged analysis of trade receivables, as at the end of the reporting periods based on the goods delivery date, and net of impairments, is as follows:

於報告期末，根據貨品交付日期，貿易應收款項（已扣除減值）的賬齡分析如下：

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
0 to 90 days	0至90日	17,384	22,941
91 to 180 days	91至180日	2,515	–
181 to 365 days	181至365日	4,033	–
Over 1 year	1年以上	18,850	10,352
		42,782	33,293

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

13. TRADE RECEIVABLES (Continued)

Reconciliation of allowance for trade receivables:

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元 (unaudited) (未經審核)
At beginning of period/year	於期/年初	102,791	99,346
Allowance for the period/year	期/年內撥備	-	3,445
At end of period/year	於期/年末	102,791	102,791

The Group's trading terms with its customers are mainly on credit. The credit period is generally three month. In view of the fact that the Group sells most of its products to several major customers, there is a high level of concentration of credit risk. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Trade receivables are non-interest-bearing.

As at 30 June 2018, trade receivables of RMB18,850,000 (as at 31 December 2017: RMB10,352,000) were past due but not impaired, among which RMB10,352,000 (as at 31 December 2017: RMB10,352,000) were secured by certain properties in the PRC as collateral.

13. 貿易應收款項 (續)

貿易應收款項之撥備對賬如下：

	30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元 (unaudited) (未經審核)
At beginning of period/year	102,791	99,346
Allowance for the period/year	-	3,445
At end of period/year	102,791	102,791

本集團與其客戶的貿易條款主要為信貸形式。信貸期一般為三個月。由於本集團向若干主要客戶出售其大部分產品，信貸風險集中水平甚高。本集團設法對其尚未收回應收款項實施嚴格控制以盡量減低信貸風險。貿易應收款項為不計息。

於2018年6月30日，人民幣18,850,000元（於2017年12月31日：人民幣10,352,000元）貿易應收款項已逾期，惟尚未減值，其中人民幣10,352,000元（於2017年12月31日：人民幣10,352,000元）以若干中國物業作為抵押品。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

14. TRADE PAYABLES

Trade payables are non-interest-bearing and are normally settled in 90 days. An aged analysis of trade payables, based on the invoice date, is as follows:

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
0 to 60 days	0至60日	677	585
61 to 120 days	61至120日	-	-
121 to 180 days	121至180日	6	2
Over 180 days	180日以上	1,434	1,333
		2,117	1,920

14. 貿易應付款項

貿易應付款項不計息且一般於90日內清付。根據發票日期，貿易應付款項的賬齡分析如下：

15. SHARE CAPITAL

Ordinary shares of HK\$0.1
每股面值0.1港元之普通股

		Number of shares '000 股份數目 千股	RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	472,014	3,883
Rights issue (Note (a))	供股(附註(a))	2,360,069	20,552
At 31 December 2017, at 1 January 2018 and 30 June 2018	於2017年12月31日、2018年1月1日 及2018年6月30日	2,832,083	24,435

15. 股本

Note:

(a) On 7 July 2017, the Company issued rights shares on the basis of five rights shares for every one existing share held on 3 March 2017, at the subscription price of HK\$0.12 per rights share, resulting in net proceeds of approximately HK\$276.5 million, which was used for purchasing of machineries, financing business development and would also be used for future investment opportunities.

附註：

(a) 於2017年7月7日，本公司按於2017年3月3日每持有一股現有股份可獲發五股供股股份之基準進行供股，認購價為每股供股股份0.12港元，產生所得款項淨額約276,500,000港元，乃用於購置機械、滿足業務發展之資金需求及未來之投資機會。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

16. SHARE OPTION SCHEME

2011 Option Scheme

The Company has adopted a share option scheme (the "2011 Option Scheme") on 24 January 2011 for the purpose of giving its employees, directors, advisers, consultants and business partners an opportunity to have a personal stake in the Company and help motivate them to optimize their future performance and efficiency and/or to reward them for their past contributions, to attract and retain or otherwise maintain on going relationships with such employees, advisers, consultants and business partners who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Company.

The following share options were outstanding under the 2011 Option Scheme during the reporting period:

2011 Option Scheme

		30 June 2018 2018年6月30日		31 December 2017 2017年12月31日	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份
At beginning of reporting period	於報告期初	0.66	65,002	2.81	16,348
Granted during the year	年內授出	–	–	0.0972	47,200
Lapsed during the year	年內失效	–	–	2.30	(3,762)
Adjustment upon rights issue effective on 7 July 2017	於2017年7月7日 供股生效時調整	–	–	–	5,216
Outstanding at end of reporting period	於報告期末尚未行使	0.66	65,002	0.66	65,002
Exercisable at end of reporting period	於報告期末可行使	0.66	65,002	0.66	65,002

16. 購股權計劃

2011年購股權計劃

本公司於2011年1月24日採納一項購股權計劃（「2011年購股權計劃」），旨在給予其僱員、董事、顧問、諮詢人和業務夥伴機會，於本公司擁有個人權益，並激勵彼等提升其未來表現及效率及／或為彼等過去的貢獻向彼等作出獎勵，並吸引和挽留該等在本公司中擔當重要角色及／或其貢獻目前或將有利於本公司的表現、增長或成功的僱員、顧問、諮詢人和業務夥伴或以其他方式與彼等維持持續關係。

於報告期內，根據2011年購股權計劃尚未行使的購股權如下：

2011年購股權計劃

		30 June 2018 2018年6月30日		31 December 2017 2017年12月31日	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份
At beginning of reporting period	於報告期初	0.66	65,002	2.81	16,348
Granted during the year	年內授出	–	–	0.0972	47,200
Lapsed during the year	年內失效	–	–	2.30	(3,762)
Adjustment upon rights issue effective on 7 July 2017	於2017年7月7日 供股生效時調整	–	–	–	5,216
Outstanding at end of reporting period	於報告期末尚未行使	0.66	65,002	0.66	65,002
Exercisable at end of reporting period	於報告期末可行使	0.66	65,002	0.66	65,002

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

16. SHARE OPTION SCHEME (Continued)

2011 Option Scheme (Continued)

The exercise price and exercise period of those share options outstanding under the 2011 Option Scheme as at 30 June 2018 and 31 December 2017 are as follows:

	Number of options 購股權數目 '000 千股	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期
At 30 June 2018 於2018年6月30日	1,351	7.97	Three tranches in proportion of 50%, 25% and 25% exercisable from 4 November 2011, 4 November 2012 and 4 November 2013 to 3 November 2021, respectively. 按50%、25%及25%的比例分作三批，分別自2011年11月4日、2012年11月4日及2013年11月4日起至2021年11月3日止可予行使。
	3,464	1.74	From 26 June 2014 to 25 June 2024 自2014年6月26日起至2024年6月25日止
	3,290	1.74	From 9 June 2014 to 8 June 2024 自2014年6月9日起至2024年6月8日止
	4,849	1.63	From 30 December 2014 to 18 December 2024 15,230,769 options offered may be exercised on or after 30 December 2014; and 30,461,539 options offered may be exercised on or after 19 December 2015. 自2014年12月30日起至2024年12月18日止，15,230,769份提呈授予購股權可於2014年12月30日或之後行使；30,461,539份提呈授予購股權可於2015年12月19日或之後行使。
	4,848	1.65	From 12 January 2015 to 15 December 2024 自2015年1月12日起至2024年12月15日止
	47,200	0.0972	From 23 November 2017 to 22 November 2027 自2017年11月23日起至2027年11月22日止

16. 購股權計劃 (續)

2011年購股權計劃 (續)

於2018年6月30日及2017年12月31日，該等於2011年購股權計劃項下尚未行使的購股權的行使價和行使期如下：

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

16. SHARE OPTION SCHEME (Continued)

2011 Option Scheme (Continued)

	Number of options 購股權數目 '000 千股	Exercise price per share 每股行使價 HK\$ 港元
--	---	--

At 31 December 2017
於2017年12月31日

1,351 7.97

3,464 1.74

3,290 1.74

4,849 1.63

4,848 1.65

47,200 0.0972

No share options were granted during the six months ended 30 June 2017 and 2018.

16. 購股權計劃 (續)

2011年購股權計劃 (續)

Exercise period
行使期

Three tranches in proportion of 50%, 25% and 25% exercisable from 4 November 2011, 4 November 2012 and 4 November 2013 to 3 November 2021, respectively.

按50%、25%及25%的比例分作三批，分別自2011年11月4日、2012年11月4日及2013年11月4日起至2021年11月3日止可予行使。

From 26 June 2014 to 25 June 2024
自2014年6月26日起至2024年6月25日止

From 9 June 2014 to 8 June 2024
自2014年6月9日起至2024年6月8日止

From 19 December 2014 to 18 December 2024 12,000,000 options offered may be exercised on or after 19 December 2014; and 24,000,000 options offered may be exercised on or after 19 December 2015.

自2014年12月19日起至2024年12月18日止，12,000,000份提呈授予購股權可於2014年12月19日或之後行使；及24,000,000份提呈授予購股權可於2015年12月19日或之後行使。

From 12 January 2015 to 15 December 2024
自2015年1月12日起至2024年12月15日止

From 23 November 2017 to 22 November 2027

自2017年11月23日起至2027年11月22日止

於截至2017年及2018年6月30日止六個月並無授出購股權。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

17. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2018, the Group had the following material transaction with related parties:

(a) Key Management Compensation

Salaries, wages and other benefits	薪金、工資及其他福利	1,425	821
------------------------------------	------------	-------	-----

17. 關連方交易

截至2018年6月30日止六個月，本集團與關連方有以下重大交易：

(a) 主要管理層酬金

For the six months ended 30 June
截至6月30日止六個月

2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
--	--

18. LITIGATIONS

- (i) A litigation related to a claim of RMB15 million together with interest and cost thereon (collectively the "Claim") charged by Mr. Shao Weiquan (the "Plaintiff") against Sichuan Jiangyou Jinshida Stone Co., Limited (四川江油金時達石業有限公司) ("Sichuan Jinshida"), an indirectly wholly owned subsidiary of the Company, and others including Mr. Huang Xianyou, the then controlling shareholder of the Company and former owner of Sichuan Jinshida, pursuant to the guarantees purported to be executed by each of them in 2010 in favour of the Plaintiff in securing the obligation and liabilities of Guangzhou Jiucheng Mining Co., Ltd ("Guangzhou Jiucheng"), a then related party of the Company, under the loan agreement entered into between the Plaintiff and Guangzhou Jiucheng dated 25 July 2010.

In September 2014, Guangdong Province Maoming City Dianbai District People's Court handed down a judgment against Sichuan Jinshida in respect of the Claim. In August 2016, Sichuan Jinshida appealed against the judgement to Guangdong Province Maoming City Intermediate People's Court but the appeal was dismissed.

18. 訴訟

- (i) 邵偉權先生(「原告」)針對本公司間接全資附屬公司四川江油金時達石業有限公司(「四川金時達」)及黃賢優先生(為本公司當時的控股股東及四川金時達的前擁有人)等其他人士提起訴訟，根據聲稱由彼等各自於2010年向原告簽立的擔保本公司當時的關連方廣州久成礦業有限公司(「廣州久成」)於原告與廣州久成於2010年7月25日訂立的貸款協議項下義務及責任的擔保，申索人民幣15,000,000元連同相關利息及費用(統稱為「申索」)。

於2014年9月，廣東省茂名市電白區人民法院判決四川金時達在申索中敗訴。於2016年8月，四川金時達向廣東省茂名市中級人民法院提出上訴，但上訴遭駁回。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2018 截至2018年6月30日止六個月

18. LITIGATIONS (Continued)

(i) (continued)

In June 2017, Sichuan Jinshida received an enforcement decision made by the Guangdong Province Maoming City Dianbai District People's Court (the "Decision"). Pursuant to the Decision, the mining right of the Zhangjiaba Mine was seized for a period of three years.

On 5 July 2018, Sichuan Jinshida entered into a settlement agreement with the Plaintiff, of which Sichuan Jinshida and the Plaintiff agreed to settle the Claim for RMB21.8 million (the "Settlement Agreement") which shall be paid by two instalments namely (1) RMB10 million with 15 business days, after the entering of the Settlement Agreement and (2) RMB11.8 million within four months after the entering of the Settlement Agreement. The Plaintiff also agreed to discharge any liabilities of Sichuan Jinshida and forgo any other claim in connection with the subject matter upon the full payment of the Claim.

The Group made a provision of RMB37.5 million in relation to the Claim for the year ended 31 December 2017. As a result of the Settlement Agreement, a gain on reversal of a provision of approximately RMB15.7 million will be reflected in the profit and loss account of the Group for period ended 30 June 2018.

(ii) On 8 August 2018, the Company received a writ of summons (the "Writ") issued in the Court of First Instance of the High Court of Hong Kong under Commercial List Action No. 5 of 2018 (the "Action") by Mr. Li Jiaju (the "Plaintiff") against Kinwin International Investment Limited (the "1st Defendant"), a company wholly owned by Mr. Wang Minliang, the Company (the "2nd Defendant") and Mr. Wang Minliang (the "3rd Defendant"), who is a director of the Company, in relation to a claim for the sum of approximately HK\$23.7 million, pursuant to a loan agreement between the Plaintiff and the 1st Defendant and an alleged deed of assignment that was executed between the Plaintiff, 1st Defendant, the 2nd Defendant. The Company is seeking legal advice on this case.

18. 訴訟 (續)

(i) (續)

於2017年6月，四川金時達接獲廣東省茂名市電白區人民法院作出的強制執行決定書（「決定書」）。根據決定書，張家壩礦山的採礦權被查封三年。

於2018年7月5日，四川金時達與原告訂立和解協議，據此，四川金時達與原告同意就申索進行和解，和解金額為人民幣21,800,000元（「和解協議」），將分兩期支付：(1)人民幣10,000,000元於訂立和解協議後15個營業日內支付及(2)人民幣11,800,000元於訂立和解協議後四個月內支付。原告亦同意於悉數償付申索後免除四川金時達的任何責任且放棄有關標的事項的任何其他申索。

本集團已於截至2017年12月31日止年度就申索計提撥備人民幣37,500,000元。由於和解協議，本集團將於截至2018年6月30日止期間的損益賬入賬撥回撥備之收益約人民幣15,700,000元。

(ii) 於2018年8月8日，本公司接獲李家駒先生（「原告」）根據2018年商業類別訴訟第5號（「訴訟」）於香港高等法院原訴法庭針對建勝國際投資有限公司（「第一被告」，一間由王民良先生全資擁有之公司）、本公司（「第二被告」）及王民良先生（「第三被告」，本公司董事）發出的傳訊令狀（「令狀」），內容有關根據原告與第一被告訂立之貸款協議及原告與第一被告、第二被告簽立之一份聲稱轉讓契據，提出金額約23,700,000港元之索償。本公司現正就此案尋求法律意見。



KINGSTONE
金石礦業

www.kingstonemining.com