



**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 with limited liability)  
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1380

**2012** 年報  
**ANNUAL REPORT**










# CONTENTS

## 目錄

Corporate Information	2	公司資料
CEO's Statement	5	行政總裁報告書
Management Discussion and Analysis	7	管理層討論及分析
Corporate Governance	21	企業管治
Corporate and Social Responsibility	44	企業及社會責任
Profile of Directors and Senior Management	47	董事及高級管理層履歷
Directors' Report	50	董事會報告
Independent Auditor's Report	70	獨立審計師報告
Consolidated Statement of Comprehensive Income	74	綜合全面收入表
Consolidated Statement of Financial Position	75	綜合財務狀況表
Consolidated Statement of Changes in Equity	77	綜合權益變動表
Consolidated Statement of Cash Flows	78	綜合現金流量表
Notes to Financial Statements	81	財務報表附註
Financial Summary	147	財務概要



# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### NON-EXECUTIVE DIRECTOR

Mr. Wang Dong (*Chairman and Authorised Representative*)  
Mr. Chan Chi Yin  
Mr. Lee, Warren Wa Lun

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Mak, Patrick Ka Wing  
Mr. Chung, Raymond Wai Man  
Mr. Lam Tin Faat

#### CHIEF EXECUTIVE OFFICER

Mr. Chen Jianhong

#### AUDIT COMMITTEE

Mr. Lam Tin Faat (*Chairman*)  
Mr. Mak, Patrick Ka Wing  
Mr. Chung, Raymond Wai Man

#### REMUNERATION COMMITTEE

Mr. Mak, Patrick Ka Wing (*Chairman*)  
Mr. Lam Tin Faat  
Mr. Chung, Raymond Wai Man

#### NOMINATION COMMITTEE

Mr. Chung, Raymond Wai Man (*Chairman*)  
Mr. Mak, Patrick Ka Wing  
Mr. Lam Tin Faat

#### INVESTIGATION COMMITTEE

Mr. Chung, Raymond Wai Man (*Chairman*)  
Mr. Mak, Patrick Ka Wing  
Mr. Lam Tin Faat

#### AUTHORISED REPRESENTATIVES

Mr. Wang Dong  
Mr. Law Wai Fai

#### COMPANY SECRETARY

Mr. Law Wai Fai

### 董事會

#### 非執行董事

王棟先生(*主席兼授權代表*)  
陳鈺賢先生  
李華倫先生

#### 獨立非執行董事

麥家榮先生  
鍾衛民先生  
林天發先生

#### 行政總裁

陳建紅先生

#### 審計委員會

林天發先生(*主席*)  
麥家榮先生  
鍾衛民先生

#### 薪酬委員會

麥家榮先生(*主席*)  
林天發先生  
鍾衛民先生

#### 提名委員會

鍾衛民先生(*主席*)  
麥家榮先生  
林天發先生

#### 調查委員會

鍾衛民先生(*主席*)  
麥家榮先生  
林天發先生

#### 授權代表

王棟先生  
羅偉輝先生

#### 公司秘書

羅偉輝先生

### REGISTERED OFFICE

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

### 註冊辦事處

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

### HEADQUARTERS OF BUSINESS IN THE PRC

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

### 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

### PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 1203, Building C3  
Chuangxin Building  
182 Science Avenue, Science Town,  
Guangzhou Development Zone  
the PRC

### 中國主要營業地點

中國  
廣東省  
廣州市  
開發區科學城  
科學大道182號  
創新大廈C3棟1203室

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### 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

### AUDITORS

Anda CPA Limited  
21/F., Max Share Centre  
373 King's Road  
North Point  
Hong Kong

### 審計師

安達會計師事務所有限公司  
香港  
北角  
英皇道373號  
上潤中心21樓

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### 股份過戶登記總處及過戶辦事處

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

## CORPORATE INFORMATION · 公司資料

### 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

### 香港證券登記處

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

### PRINCIPAL BANKERS

Agricultural Bank of China  
Jiangyou City, Jiangyou Branch  
Sichuan Province  
the PRC

### 主要往來銀行

中國農業銀行  
中國  
四川省  
江油市江油分行

Industrial and Commercial Bank of China  
Guangzhou Tianpingjia Branch  
Guangdong Province  
the PRC

中國工商銀行  
中國  
廣東省  
廣州天平架分行

Industrial and Commercial Bank of China (Asia) Ltd.  
Hong Kong

中國工商銀行(亞洲)有限公司  
香港

China Construction Bank  
Guangzhou Dongshan Subbranch  
Guangdong Province  
the PRC

中國建設銀行  
中國  
廣東省  
廣州東山支行

China Construction Bank  
Guangzhou Zhixinnan Subbranch  
Guangdong Province  
the PRC

中國建設銀行  
中國  
廣東省  
廣州執信南支行

### STOCK NAME

China Kingstone Mining Holdings Limited  
(Chi Kingstone)

### 股份名稱

中國金石礦業控股有限公司  
(中國金石)

### STOCK CODE

1380

### 股份代號

1380

### WEBSITE OF THE COMPANY

[www.kingstonemining.com](http://www.kingstonemining.com)

### 公司網站

[www.kingstonemining.com](http://www.kingstonemining.com)

# CEO'S STATEMENT

## 行政總裁報告書

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of China Kingstone Mining Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012.

In 2012, hampered by the slowdown in the stone industry, the fall in demand attributable to macro-economic policies of the PRC Government and the continued slump in market prices, the performance of the Group deteriorated significantly. During the year, our production and sale were affected by changes in senior management and the Board. Moreover, Wongs Investments Development Holdings Group Limited, the controlling shareholder of the Company, was ordered to appoint a provisional liquidator by the High Court of Hong Kong. Consequently, there were changes in the composition of our Board and management in early 2013. The new Board and the new management, including myself, will use our best efforts to lead the Group towards a turnaround in business performance.

Production at the Zhangjiaba mine was suspended by the Group during the period from November 2012 to February 2013 for carrying out clear-up of inventories. Taking advantage of the suspension, the Group endeavoured to enhance its mining skills and mining efficiency, while providing its mining workers with trainings on new mining technologies during the suspension period, so as to stand poised for the adoption of new mining technologies. We expect to achieve our targets of uplifting mining efficiency, reducing costs and boosting mining production of available marble blocks.

Looking ahead, the Group believes that comprehensive coverage of industry chain is the key to sustainable development. In order to become a leading stone mining enterprise, the Group will strive for more effective exploitation and exploration of upstream mining resources, while ensuring the production of high-quality marble products with the use of state-of-the-art modern processing equipment in production process. We will also take gradual steps to expand our sales team and build a strong customer base.

尊敬的各位股東：

本人謹代表中國金石礦業控股有限公司(「本公司」)之董事(「董事」)會(「董事會」)，欣然提呈本公司及其附屬公司(統稱「本集團」)截至2012年12月31日止年度的年度報告。

於2012年由於石材行業發展放緩，需求受到中國政府的宏觀調控政策影響而下滑，市場價格不斷走低，本集團的表現嚴重倒退。年內，由於主要管理層及董事會的人事變動，導致生產及銷售方面出現障礙。另受到本公司的控股股東Wongs Investments Development Holdings Group Limited被香港高等法院頒令委任臨時清盤人所影響，於2013年初董事會及管理層均出現改組，新的董事會及包括本人領導的新管理層將竭盡所能，為扭轉本集團的業務形勢付出最大努力。

本集團於2012年11月起至2013年2月曾暫停張家壩礦山之生產營運，以清理存貨及藉此機會改善其採礦技術及開採效率，而礦山之工人亦於停產期間參加新採礦技術的培訓，為準備採用新採礦技術打好基礎。以期望達致改善開採效率、減低成本及增加開採的可用大理石荒料產量的目標。

展望未來，集團相信，實現產業鏈的全面覆蓋是石材企業持續發展的一個方向。為了讓集團成為業內最優秀的石材企業，集團除了在力圖更有效在開採上游自主的礦山資源，亦將會在生產過程中採用先進及現代化的加工設備以保證出產高品質的大理石產品，並同時按部就班擴充銷售隊伍及建立穩固的客戶基礎。



## CEO'S STATEMENT · 行政總裁報告書

On behalf of the management, I would like to take this opportunity to express my most heartfelt thanks to our shareholders, investors, business partners, as well as all of the management and staff for their enduring trust and support of the Group. Going forward, we will use our best efforts to pursue a turnaround in business and to promote better business development for the Group, with a vision to create better returns for shareholders and investors.

**Chen Jianhong**  
*Chief Executive Officer*

28 March 2013

本人謹代表管理層同仁，借此機會向一直給予集團鼎力支持和信任的各位股東、投資者、業務夥伴以及全體管理層及員工致以最衷心的謝意。放眼未來，我們將盡最大的努力，扭轉本集團的業務形勢，並推動集團業務發展，為股東及投資者創造更豐盛的回報。

行政總裁  
**陳建紅**

2013年3月28日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

#### I. BUSINESS OVERVIEW

During the year ended 31 December 2012, (the "Year"), the Group owned two marble mines in Sichuan Province, namely Zhangjiaba Mine and Tujisi Mine. According to the certification issued by China Stone Material Association\* (中國石材協會), Zhangjiaba Mine is the largest mine in China in terms of beige marble reserves. According to the reserve report as examined and approved by the National Land Resources Bureau of Sichuan Province, Zhangjiaba Mine contains approximately 44,200,000 square metres ("m<sup>2</sup>") of premium beige marble reserves and approximately 16,800,000 m<sup>3</sup> of block reserves.

During the Year, mining platform in Zhangjiaba Mine reached 23,000 square metres ("m<sup>2</sup>"), and mining volume for blocks during the year amounted to approximately 467.25 m<sup>3</sup> (2011: 21,849 m<sup>3</sup>).

Situated on the same mineral vein as Zhangjiaba Mine, Tujisi Mine contains approximately 12,213,200 m<sup>3</sup> of resources (331+332+333 under Chinese Mineral Resource/Reserve Classification according to an exploration report issued by Chinese Construction Material, Geology, Engineering and Exploration Research Institute\* (中材地質工程勘察研究院)).

During the Year, no mining or exploration activity has been conducted at Tujisi Mine due to constraints on mining conditions. On 4 February 2013, the Group completed the transfer of the entire equity interest of Beichuan Lida Mining Co., Ltd\* (北川力達礦業有限公司), an indirect wholly owned subsidiary of the Company which holds the marble mining rights to Tujisi Mine, to Beichuan Bayuan Mining Development Co., Ltd.\* (北川巴源礦業發展有限公司), an independent third party to the Company. Accordingly, with effect from 4 February 2013, Beichuan Lida ceased to be an indirect wholly-owned subsidiary of the Company and the Group ceased to own the Tujisi Mine.

During the year ended 31 December 2012, due to the deterioration of the market conditions, the sales of the Group dropped substantially. As part of the Group's inventory management, the Board decided to suspend production at the Zhangjiaba Mine effective from 1 November 2012 until the end of February 2013.

### 業務回顧

#### I. 業務概況

截至2012年12月31日止年度(「本年度」)，本集團擁有四川兩座大理石礦山，即張家壩礦山及土基寺礦山。根據中國石材協會發出的證明，張家壩礦山是全國米黃色大理石儲量最大的礦山。根據四川省國土資源廳審計通過的儲量報告顯示，張家壩礦山蘊藏優質米黃色大理石儲量約為44,200,000立方米(「立方米」)，荒料儲量約為16,800,000立方米。

於本年度，張家壩礦山的開採平台面積已達23,000平方米(「平方米」)，全年的荒料開採量約為467.25立方米(2011年：21,849立方米)。

土基寺礦山與張家壩礦山位於同一礦脈，資源量約12,213,200立方米(中材地質工程勘察研究院發表勘探報告的中國礦產資源/儲量分類標準下的331、332及333類別)。

於本年度內，由於採礦條件的限制，土基寺礦山並無進行採礦或勘探活動。於2013年2月4日，本集團完成轉讓北川力達礦業有限公司(本公司之間接全資附屬公司)之全部股權予北川巴源礦業發展有限公司(本公司之獨立第三方)。北川力達礦業有限公司持有土基寺礦山之大理石採礦權。因此，由2013年2月4日起，北川力達不再為本公司之間接全資附屬公司，而本集團不再擁有土基寺礦山。

於截至2012年12月31日止年度，由於市場情況惡化，本集團銷售額大幅下跌。作為本集團存貨管理一部分，董事會決定暫停張家壩礦山的生產，由2012年11月1日起生效，直至2013年2月底。

\* The English names are for identification only

## II. SUMMARY OF PRODUCTION AND SALES PERFORMANCE

There was a significant reduction in the Group's actual output in 2012 when compared to 2011. The Zhangjiaba Mine had suspended its production during the period from November 2012 to February 2013. During the Year, the Zhangjiaba mine operated by the Group has produced a total output of 467.25 m<sup>3</sup> of marble stone blocks (2011: 21,849 m<sup>3</sup>), representing a decrease of 98% when compared with 2011.

During the year ended 31 December 2012, sales volume of self-produced marble stone blocks was about 556 cubic metres (2011: 7,620 m<sup>3</sup>), with a sales amount of approximately RMB5,885,000 (2011: RMB61,700,000), whereas sales volume of marble slabs amounted to about 3,605 m<sup>2</sup> (2011: 214,330 m<sup>2</sup>), with a sales amount of approximately RMB397,000 (2011: RMB121,392,000). Sales amount of marble stone blocks and marble slabs accounted for 37% (2011: 21%) and 2% (2011: 42%) of the total year-round revenue in 2012 respectively.

During the Year, the Group incurred expenditures of RMB21,207,000 for mining production activities.

## II. 產量及銷售表現摘要

集團的2012年實際產量比2011年明顯降低，2012年11月至2013年2月張家壩礦山處於停產狀態。於本年度，集團經營的張家壩礦山，總共生產了467.25立方米（2011年：21,849立方米）的大理石荒料，較2011年下降98%。

截至2012年12月31日止年度，自產大理石荒料銷售約556立方米（2011年：7,620立方米），銷售金額約人民幣5,885,000元（2011年：人民幣61,700,000元），而大理石板材銷售約3,605平方米（2011年：214,330平方米），銷售金額約人民幣397,000元（2011年：人民幣121,392,000元），大理石荒料銷售和大理石板材銷售分別佔2012年全年總收入的37%（2011年：21%）和2%（2011年：42%）。

年內，本集團產生礦產業務開支人民幣21,207,000元。

## MANAGEMENT DISCUSSION AND ANALYSIS · 管理層討論及分析

The Group's production and sales volume for the year ended 31 December 2012, as compared with that for the year ended 31 December 2011, are summarized as follows:

本年團截至2012年12月31日止年度之產量及銷量，與截至2011年12月31日止年度之比較概述如下：

		January – December 2012 2012年 1-12月	January – June 2012 2012年 1-6月	July – December 2012 2012年 7-12月	January – December 2011 2011年 1-12月	January – June 2011 2011年 1-6月	July – December 2011 2011年 7-12月
<b>Mining of Marble Block</b>	<b>大理石荒料開採</b>						
Marble blocks mined (m <sup>3</sup> )	已開採大理石荒料(立方米)	467	453	14	21,849	9,371	12,478
<b>Sales and Processing of Marble Block</b>	<b>大理石荒料銷售及加工</b>						
Marble blocks for direct sales (m <sup>3</sup> )	直接銷售大理石荒料(立方米)	1,446	1,440	6	7,620	7,612	8
Marble blocks for slab processing (m <sup>3</sup> )	用於板材加工大理石荒料(立方米)	636	636	–	6,810	2,474	4,336
Subtotal	小計	2,082	2,076	6	14,430	10,086	4,344
<b>Processing of Marble Slab</b>	<b>大理石板材加工</b>						
Marble slabs processed (m <sup>2</sup> )	大理石板材加工(平方米)						
Pure beige (m <sup>2</sup> )	純米(平方米)	–	–	–	85,776	1,338	84,438
Mixed beige (m <sup>2</sup> )	雜米(平方米)	26,162	25,405	757	134,391	62,803	71,588
Others (m <sup>2</sup> )	其他(平方米)	–	–	–	27,319	27,319	–
Subtotal	小計	26,162	25,405	757	247,486	91,460	156,026
<b>Sales of Marble Slabs Self-produced (m<sup>2</sup>)</b>	<b>大理石板材銷售自產(平方米)</b>						
Pure beige (m <sup>2</sup> )	純米(平方米)	–	–	–	80,924	1,107	79,817
Mixed beige (m <sup>2</sup> )	雜米(平方米)	3,605	–	3,605	107,527	61,827	45,700
Others (m <sup>2</sup> )	其他(平方米)	–	–	–	25,879	25,450	429
<b>Purchased from external suppliers (m<sup>2</sup>)</b>	<b>向外部供應商購買(平方米)</b>						
Subtotal	小計	3,605	–	3,605	328,010	88,384	239,626
<b>Average Selling Prices (Note) Self-produced</b>	<b>平均售價(附註)自產</b>						
Marble block (RMB/m <sup>3</sup> )	大理石荒料(人民幣/立方米)	12,459	12,500	2,480	9,610	9,610	9,610
Marble slab	大理石板材						
Pure beige (RMB/m <sup>2</sup> )	純米(人民幣/平方米)	–	–	–	865	865	865
Mixed beige (RMB/m <sup>2</sup> )	雜米(人民幣/平方米)	129	–	129	568	568	568
Others (RMB/m <sup>2</sup> )	其他(人民幣/平方米)	350	350	–	539	539	539
<b>Purchased from external suppliers</b>	<b>向外部供應商購買</b>						
Marble slab (RMB/m <sup>2</sup> )	大理石板材(人民幣/平方米)	–	–	–	935	–	935

Note: The average selling price includes the value added tax.

附註：平均售價包括增值稅。

III. SUMMARY OF EXPLORATION AND DEVELOPMENT ACTIVITIES

During the Year, the Group conducted exploration of limestone (for surface decorative purpose) deposit at the Tujisi Mine including verification and determination of the mine's geology, structure, mineralization distribution, scale of mineralization, ore quality, production status of mineral deposit, and horse conditions etc. No exploration activity was conducted at the Zhangjiaba Mine during the Year.

Further, the Group has continued to conduct stone surface detachment development activity at number 3 and 4 exploration platform located at west exploration zone at the Zhangjiaba Mine during the Year. The west exploration zone stone surface detachment is not yet completed and not yet ready for exploration. No development activity was conducted at the Tujisi Mine during the Year.

During the Year, the Group incurred expenditures of RMB600,000 and RMB4,134,000 for exploration and development activities, respectively.

IV. MARBLE RESOURCES AND RESERVES  
*Zhangjiaba Mine Marble Resource and Reserve Summary, as of 31 December 2012 (JORC Compliant)*

JORC Resource and Reserve Class	JORC資源及儲量類別	(million m <sup>3</sup> ) (百萬立方米)
Measured Resource	探明資源	15.74
Indicated Resource	推定資源	28.41
<b>Total Resource</b>	<b>總資源</b>	<b>44.15</b>
Proved Reserve	證實儲量	5.98
Probable Reserve	概略儲量	10.80
<b>Total Reserve</b>	<b>總儲量</b>	<b>16.78</b>

III. 勘探及開發活動概要

年內，本集團於土基寺礦山進行飾面石灰岩礦勘探，包括查明礦區地質、構造、礦體分佈規律、礦體規模、礦石質量、礦層產狀、夾石情況等。本年度，概無於張家壩礦山進行勘探活動。

此外，於年內，本集團已於張家壩礦山西部勘探地區的第3及4號勘探平臺，繼續進行石面剝離開發活動。西部勘探地區的石面剝離活動尚未完成，並未可進行勘探。本年度，概無於土基寺礦山進行開發活動。

年內，本集團分別產生勘探及開發業務開支人民幣600,000元及人民幣4,134,000元。

IV. 大理石資源及儲備  
於2012年12月31日的張家壩礦山大理石資源及儲量摘要(符合JORC準則)



*Information and Reserve Summary on Marble Stones in Tujisi Mine as of 31 December 2012*

於2012年12月31日土基寺礦山大理石資料及儲量概要

Note: The Group ceased to own the Tujisi Mine with effect from 4 February 2013.

附註：本集團自2013年2月4日起不再擁有土基寺礦山。

Name of the mine:	Tujisi Mine
礦山名稱：	土基寺礦山
Location:	Yunlin Village, Xiangquan Country, Beichuan County
位置：	北川縣香泉鄉雲林村
Mining permit area:	0.1748 km <sup>2</sup>
採礦許可面積：	0.1748平方公里
Mining permit elevation:	980 m to 1,160 m above MSL
採礦許可高度：	平均海平面以上980米至1,160米
Mining permit expiration date:	1 June 2017
採礦許可證屆滿日期：	2017年6月1日
Resources (331+332+333 under Chinese Mineral Resource/Reserve Classification:	12,213,200 m <sup>3</sup>
資源量（中國礦產資源／儲量分類的331、332及333類別）：	12,213,200立方米

Save as disclosed in this annual report, the Company believes there is no material change in resource and reserve of Zhangjiaba Mine and Tujisi Mine.

除本年報所披露者外，本公司相信張家壩礦山及土基寺礦山於資源及儲蓄上並無重大改變。

**V. MARBLE PRODUCTS**

The Group's existing product mix mainly includes beige marble stone blocks and marble slabs, among which, both pure beige and mixed beige marble products fall within high-end marble products.

During the Year, the Group's pure beige, mixed beige, wood-patterned and gray-textured marble account for 51.0%, 32.7%, 6.4% and 9.9% of the marble reserves of the Group respectively. Beige marble produced from the Group's Zhangjiaba Mine are suitable for the construction of high-grade buildings and the fitting and decoration markets.

**V. 大理石產品**

集團目前的主要產品為米黃大理石荒料和板材，其中純米和雜米產品均為中高檔大理石產品。

於本年度，集團的純米、雜米、木紋和灰網大理石分別佔本集團大理石儲量的51.0%、32.7%、6.4%及9.9%。本集團的張家壩礦山所生產的米黃大理石適用於中高檔建築物及裝修裝飾市場。



## BUSINESS STRATEGIES

It is the Group's goal to become the leading integrated stone business operator in China. To achieve this target, the Group will continue to uphold its established strategies:

- **FURTHER EXPANSION INTO HIGH-QUALITY MINING RESOURCE RESERVES**

In order to capture more high-quality stone mining resources and to strengthen its market position in the stone market industry, the Group will actively tap into premium stone mining resources within and outside Mainland China through a variety of ways such as mergers and acquisitions, equity participation and strategic partnership. The Group will seek and negotiate for opportunities to acquire new mines with development potential in future.

- **PROMOTING MARKET AWARENESS OF THE GROUP'S PRODUCTS WITH A VISION TO EXPAND SALES**

The Group plans to develop business relationships with a number of well-known real estate developers, fitting and decoration companies and architectural design houses, in an effort to maximise resources sharing and complementary gains, thus achieving win-win situations. At present, the Group has plans to develop directly-operated outlets in Shuitou, Fujian and Yunfu, Guangdong, the store trade and distribution bases in Mainland China. The Group has gradually selected and appointed partners or agents or distributors in key regions, so as to establish sales channels and network with extensive coverage, and hence build a base from which the Group's products can enter the market at faster pace with wider penetration. This move enables the Group to strategically increase its market visibility and product awareness.

- **OPTIMIZING EXPLOITATION METHODS AND IMPROVING THE MARBLE BLOCK RATE**

Both of the optimization of the exploitation methods and the improvement of the marble block rate are indispensably important to the Group's growth strategy. Through effective digitalized management, the Group will make continued efforts to optimize the exploitation methods and to improve the marble block rate, thereby minimising the required resources and reducing costs. The Group is committed to offering a wide range of marketable stone products.

## 業務策略

本集團的目標是成為中國領先的石材綜合運營商。為達成此目標，集團將繼續秉持所訂立的戰略：

- **擴展至優質礦山資源儲備**

為了掌握更多優質的石材礦山資源，以鞏固在石材行業的市場地位，集團將通過併購、參股、戰略性合作等多種方式，主動控制國內外的優質石材礦山資源。集團將繼續尋求及洽商機，收購具未來發展潛力的新礦山。

- **增強本集團產品認知度以擴大銷售**

集團計劃與具知名度的房地產商、裝修裝飾公司及建築設計公司建立業務關係，充分提升資源互享及互補收益，達到雙贏效益。目前，集團已計劃在國內石材集散地（福建水頭和廣東雲浮）發展石材直營店，並逐步在重點區域選擇合作夥伴或代理或經銷，形成完善的銷售渠道和網絡，讓集團產品更快及更廣泛的進入市場，策略性地增加市場的可見性及產品知名度。

- **優化開採方法，改善大理石荒料率**

優化開採方法，改善大理石荒料率是集團重要的增長策略。透過有效的數字化管理，集團將會繼續優化開採方法，改善大理石荒料率，以減少所需資源、降低成本，提供適銷對路的石材產品。

- **PROMOTING THE GROUP AS AN INTEGRATED STONE OPERATOR AND ENHANCING VALUE ADDED ELEMENTS TO ITS PRODUCTS**

The Group is committed to make a change to the inherent image of low price and poor quality of domestically-produced marble products in Mainland China. Pivoting on its stone mining resources, the Group will promote itself as a supplier of medium to high-end stone products in Mainland China, and develop into a large-sized internationalized enterprise with a top-notch leadership in the industry and competitive strengths in the international market. The Group will continue to minimise cost through optimization of exploitation methods and the improvement of the marble block rate, while consolidating the Group's leading edge in mining aspects. All these efforts will enable the Group to grow into a leading company in the stone mining sector.

Going forward, apart from focusing on mine exploitation operations, the Group will also reinforce its brand building efforts. The Group's pioneering spirits of design and creativity will help to enhance value added elements to its products, including promotion of products of creative designs and the sales of products purchased from external providers. To meet the market demand, and also to fuel market demand, the Group has strived to improve in multiple spectrums ranging from resources, exploitation methods to creativity. In addition, the Group is currently teaming up with designers of different backgrounds in relation to the formulation of solutions for our its customers. The Group will directly purchase the required raw materials which it does not produce from various cooperative partners within and outside Mainland China. Also, with the Group's expertise in stone materials, it will be well-positioned to provide its customers with professional advice. In relation to brand promotion, the Group will increase its brand awareness by forming business partnerships with major commercial real estate developers in Mainland China and by playing an active part in government landmark projects in important cities.

- **打造本集團為石材綜合運營商，提升產品的增值元素**

集團將致力於改善中國國產大理石價廉質劣的固有形象，依託石材礦山資源，打造本集團為中高檔石材產品供貨商，成為佔據行業領先地位的、具有國際市場競爭力的大型國際化公司。通過優化開採方法、改善大理石荒料率以持續降低成本；通過提高荒料質量、規範開採流程，以鞏固集團在礦山開發方面的領先優勢，力爭成為石材礦山開採的領頭公司。

在未來，集團除了專注於礦山開採的業務外，亦致力於品牌推廣，亦加入設計和創意來提升公司產品的附加值，包括推廣產品創意設計及出售向外部供應商購買的產品。集團不僅要迎合市場需求，還要創造市場需求，從資源到工藝創意都要做足功課。此外，集團現時還與不同背景的設計師合作，協助客戶進行組合方案，若我們的礦山未能提供所需的原材料，集團會直接向國內外的合作夥伴購入，另外亦會在石材的知識上給予客戶專業意見。品牌推廣方面，除了要跟內地主要商業地產開發商成為商業夥伴，亦會透過積極參與重要城市的政府地標性工程，以擴大品牌知名度。

## GOING CONCERN BASIS

During the Year, the Group incurred a loss of RMB576,369,000 and the sales and production of the Group were substantially suspended. These conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern in the long run.

The Group has been implementing measures to resume production and formulating plans to resume sales of the Group and has sufficient working capital to support its general daily operation for the forthcoming 12 months. Accordingly, the Directors are of the view that the Group is a going concern, and it is appropriate to prepare the consolidated financial statements on a going concern basis.

## FINANCIAL REVIEW

### REVENUE

In 2011, the Group generated revenue amounted to RMB289,424,000, of which RMB121,392,000 were from the sales of self-produced marble slabs, and RMB61,700,000 were from the sales of self-produced marble blocks. While RMB106,332,000 were generated from the sales of other marble products and granite purchased from external providers.

During 2012, the Group recorded revenue of RMB16,062,000, representing a decrease of approximately 94.45% as compared to the year 2011. The decrease in revenue is mainly attributable to the slowdown in China's property market and thus adversely affected the overall sales performance of the Group for the Year. The cancellation of the long-term sales contracts in 2011 with four customers due to relocation and the non-placement of orders by three other long-term customers, which in aggregate caused a decrease in gross margin for the Year.

### COST OF SALES

During the Year, the Group incurred cost of sales amounted to RMB5,286,000 (2011: RMB115,364,000). Of which RMB1,735,000 (2011: RMB3,885,000) were for the cost related to the production of marble block, RMB357,000 (2011: RMB24,077,000) were for the cost related to the production of marble slabs and RMB3,194,000 (2011: RMB87,402,000) were cost of products purchased from external providers. Such changes were mainly due to the decrease of the sales in the Year.

## 持續經營基準

年內，本集團錄得虧損人民幣576,369,000元，加上本集團之銷售及生產均已大幅度暫停。該等情況反映出現重大不確定因素，對本集團長遠持續經營能力構成重大懷疑。

本集團已執行措施，以恢復本集團生產及制訂銷售之計劃，而本集團有充足營運資金支持其未來十二個月之一般日常營運。因此，董事認為本集團可持續經營，而綜合財務報表按持續經營基準編製實屬適當。

## 財務回顧

### 收入

於2011年，本集團產生收入人民幣289,424,000元，其中人民幣121,392,000元乃來自銷售自有大理石板材、人民幣61,700,000元乃來自銷售自有大理石荒料，而人民幣106,332,000元則來自銷售其他外購大理石產品及花崗岩。

於2012年，本集團錄得收入人民幣16,062,000元，與2011年同期計減少約94.45%。收入的減少乃主要由於中國物業市場放緩，從而對本集團在期內的整體銷售表現造成不利影響。在2011年有四家客戶與本集團取消長期銷售合同，原因為搬遷及其餘三家長期客戶在本年度亦未有向本集團採購，年內毛利率亦因而減少。

### 銷售成本

於本年度，本集團產生銷售成本人民幣5,286,000元(2011年：人民幣115,364,000元)。其中，人民幣1,735,000元(2011年：人民幣3,885,000元)乃關於生產大理石荒料的成本、人民幣357,000元(2011年：人民幣24,077,000元)乃關於生產大理石板材的成本，而人民幣3,194,000元(2011年：人民幣87,402,000元)則為向外部供應商購買產品成本。銷售成本的下跌主要是由於年內的銷售下跌所致。



**GROSS PROFIT AND GROSS MARGIN**

Gross profit of the Group decreased from RMB174,060,000 in 2011 to RMB10,776,000 in 2012, representing a decrease of approximately 93.81%. Despite the significant decrease in sales for the Year, the gross margin increased from 60.14% in 2011 to 67.09% in 2012, which was mainly due to loss of major customers and change in customer mix during the Year.

We further analyzed the gross margin as follows:

		2012 2012年	2011 2011年
Sales of self-produced marble blocks and slabs	銷售自有大理石荒料及板材	75.12%	84.73%
Sales of marble products purchased from external providers	銷售外購大理石產品	65.11%	17.80%

**OTHER INCOME AND GAINS**

Other income and gains decrease from RMB44,292,000 for the year 2011 to RMB30,570,000 for the Year. For the Year, other income mainly comprises interest income from entrustment loans, loans to an associate and structured deposits.

**SELLING AND DISTRIBUTION COST**

The selling and distribution cost of the Group decreased from RMB1,820,000 from the year 2011 to RMB741,000 for the Year. Selling and distribution cost included staff cost, travelling and accommodation for business negotiation and brand-building expense. The significant decrease in selling and distribution cost was in-line with the significant decrease in sales during the Year.

**ADMINISTRATIVE EXPENSES**

Administrative expenses of the Group were RMB67,117,000 for the Year, as compared to RMB112,789,000 for the year 2011. Decrease for the Year was primarily related to expenses for the initial public offering which amounted to RMB24,916,000 incurred during the year ended 31 December 2011, whereas no such expenses were incurred during the Year. Moreover, non-cash equity-settled share option expense of RMB49,843,000 was recorded in the year 2011, while such expense incurred for the Year only amounted to RMB10,697,000.

**毛利及毛利率**

本集團的毛利由2011年的人民幣174,060,000元，減少至2012年的人民幣10,776,000元，減少約93.81%。雖然銷售額於年內大幅下降，但毛利率則由2011年之60.14%增至2012年之67.09%，主要因為於本年度流失主要客戶及客戶組合之變更。

我們將毛利率進一步分析如下：

**其他收入及收益**

其他收入及收益由2011年人民幣44,292,000元，減少至本年度的人民幣30,570,000元。年內其他收入主要包括委託貸款、聯營公司貸款及結構性存款的利息收入。

**銷售及分銷成本**

本集團的銷售及分銷成本由2011年人民幣1,820,000元，減少至本年度的人民幣741,000元。銷售及分銷成本包括員工成本、有關商業磋商的差旅及住宿開支及建立品牌的支出，年內銷售及分銷成本大減，與銷售額大減相符。

**行政開支**

本集團於本年度的行政開支為人民幣67,117,000元，而於2011年則為人民幣112,789,000元。年內的行政開支有所下跌，主要源於截至2011年12月31日止年度產生之首次公開發售相關開支人民幣24,916,000元，而年內並無產生有關開支所致。再者，2011年錄得非現金股權結算以股份為基礎開支人民幣49,843,000元，而於本年度產生之有關開支僅為人民幣10,697,000元。

### IMPAIRMENTS AND WRITE-OFFS

Impairments of various assets, impairment of trade receivables, and writing off of property, plant and equipment of the Group was RMB494,726,000, RMB18,000,000, and RMB23,591,000 respectively for the year ended 31 December 2012, there was no such impairments and write-offs for the year ended 31 December 2011.

The impairment of various assets was associated with (i) payment in advance RMB310,000,000 to strategic partners in Yunfu to jointly develop and expand stone material processing capacity in Yunfu and to develop national distribution network for stone products, (ii) payment in advance of RMB 94,726,000 to an procurement agent to import mining equipment, (iii) payment in advance of RMB43,000,000 for national distribution network and (iv) payment in advance of RMB 47,000,000 for construction of mining infrastructure of platform No.3 to No.5 at Zhangjiaba Mine. In view of the non-performance of these counter parties, the Company has tried various means to recover the amount but fail to establish a direct contact with those parties. For prudence, provisions for impairment were made in full for the total amount outstanding.

The impairment of trade receivables was associated with amount of unrecoverable sales during the Year. For prudence, provision for impairment was made in full for the amount of trade receivables outstanding.

The writing-off of property, plant and equipment was mainly associated with lost of equipment under construction which was acquired in the year 2011. For prudence, provision for impairment was made in full for the amount.

### FINANCE COST

Finance cost of the Group was RMB5,387,000 for the Year, as compared to RMB5,428,000 for the year 2011. The finance cost was mainly associated with bank interest expenses from a interest-bearing bank loan amounted RMB97,000,000 which was fully settled during the Year.

### INCOME TAX EXPENSE

Income tax expense of the Group amounted to RMB8,153,000 for the Year, as compared to RMB46,310,000 for the year 2011. The decrease in the tax expenses was as result of a substantial decrease in the sales and the loss of the Group.

### 減值及撇銷

於截至2012年12月31日止年度，多項資產的減值、貿易應收款項的減值，以及撇銷物業、廠房及設備分別為人民幣494,726,000元、人民幣18,000,000元及人民幣23,591,000元，而於截至2011年12月31日止年度，概無該等減值及撇銷。

多項資產的減值與以下事項有關：(i)就共同開發及擴大雲浮之石材加工產能，以及為石材產品開發全國性分銷網絡，向雲浮之戰略夥伴預付人民幣310,000,000元；(ii)就進口採礦設備向一名採購代理預付人民幣94,726,000元；(iii)就全國性分銷網絡，預付人民幣43,000,000元；及(iv)就建造張家壩礦山第3號至5號平台的採礦基建預付人民幣47,000,000元。由於該等對手方未有履約，本公司已嘗試各種方法收回款項，但未能與該等對手方建立直接聯絡。為審慎起見，已就未償還款項總額作出全數減值撥備。

貿易應收款項之減值與本年度之不可收回銷售款項有關。為審慎起見，已就未收回貿易應收款項作出全數減值撥備。

撇銷物業、廠房及設備主要與損失2011年收購的在建設備有關。為審慎起見，已就該筆金額作出全數減值撥備。

### 財務成本

本集團於本年度的財務成本為人民幣5,387,000元，而於2011年則為人民幣5,428,000元。財務成本是由於金額為人民幣97,000,000元的一筆計息銀行借款所產生的銀行利息開支所致，本集團已於年內悉數償還該筆貸款。

### 所得稅開支

本集團年內的所得稅開支為人民幣8,153,000元，而於2011年為人民幣46,310,000元。所得稅開支的減少是由於本集團銷售額大幅減少及虧損所致。

**LOSS FOR THE YEAR**

As a combined effect of the above, during the Year, the Group incurred a loss of RMB576,369,000, as compared to a profit of RMB53,247,000 for the year ended 31 December 2011. The Group also recorded a total consolidated comprehensive loss which amounted to RMB574,239,000 for the Year as compared to a consolidated comprehensive income which amounted to RMB48,904,000 for the year 2011.

**DIVIDEND**

No dividends were declared for the year ended 31 December 2012 (2011: Nil).

**CONSOLIDATED STATEMENT OF CASH FLOWS****年度虧損**

結合上述各項因素的影響下，本年度，本集團出現虧損人民幣576,369,000元，對比截至2011年12月31日止年度的利潤人民幣53,247,000元。本集團亦於本年度錄得綜合全面虧損總額達人民幣574,239,000元，而於2011年則為綜合全面收益人民幣48,904,000元。

**股息**

概無就截至2012年12月31日止年度宣派任何股息(2011年：無)。

**綜合現金流量表**

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Cash and cash equivalent at beginning of year	年初現金及現金等價物	127,285	80,082
Net cash flow used in operating activities	經營活動所用現金流量淨額	(139,930)	(59,606)
Net cash flow generated from/(used in) investing activities	投資活動所得/(所用)現金流量淨額	170,621	(799,805)
Net cash flow (used in)/generated from financing activities	融資活動(所用)/所得現金流量淨額	(131,431)	915,994
Net (decrease)/increase in cash and cash equivalent	現金及現金等價物(減少)/增加淨額	(100,740)	56,583
Net foreign exchange difference	外匯淨差額	1,614	(9,380)
Cash and cash equivalent at end of year	年終現金及現金等價物	28,159	127,285

### OPERATING ACTIVITIES

Net cash outflow from operating activities for the Year amounted to RMB139,930,000 mainly as a result of a loss before tax for the Year amounted to RMB568,216,000 and respective adjustments, including (i) a non-cash equity-settled share-based expense amounted RMB10,697,000, (ii) an interest income amounted to RMB30,152,000; (iii) an impairment of payment in advance, prepayments, deposits and other receivable amounted to RMB494,726,000, (iv) an increase of the trade receivable of RMB11,183,000, (v) an increase in prepayment, deposits and other receivables amounted to RMB65,990,000, and (vi) writing-off of property, plant and equipment amounted to RMB23,591,000.

### INVESTING ACTIVITIES

Net cash inflow for investing activities for the year ended 31 December 2012 amounted to RMB170,621,000. The cash inflow from investing activities during the Year mainly consisted of (i) interest received amounted to RMB43,097,000, (ii) amount received upon termination of pledged deposits amounted to RMB107,196,000, (iii) amount received upon maturity of entrustment loans amounted to RMB310,000,000, (iv) amount received upon maturity of structured deposits amounted to RMB170,247,000, and offset by (v) payments in advance of RMB451,726,000.

### FINANCING ACTIVITIES

Net cash outflow from financing activities for the year ended 31 December 2012 amounted to RMB131,431,000. The cash outflow from financing activities during the Year mainly consisted of repayment of bank loan which amounted to RMB97,000,000 and repurchase of the Company's shares.

### CASH AND CASH EQUIVALENT

Cash and cash equivalent of the Group decreased from RMB127,285,000 as at 31 December 2011 to RMB28,159,000 as at 31 December 2012, with the net foreign exchange gain amounted to RMB1,614,000, as compared to the net foreign exchange loss amounted to RMB9,380,000. Of the cash and cash equivalent of RMB28,159,000, the equivalent of RMB14,787,000 was held in Hong Kong Dollars and US Dollars and the remaining sum was held in RMB.

### 經營活動

於本年度，經營活動現金流出淨額為人民幣139,930,000元，主要乃由於本年度除稅前虧損人民幣568,216,000元，以及相關調整，包括(i)對非現金股權結算以股份為基礎開支人民幣10,697,000元；(ii)利息收入人民幣30,152,000元；(iii)墊款、預付款項、按金及其他應收款項減值人民幣494,726,000元；(iv)貿易應收款項增加人民幣11,183,000元；(v)預付款項、按金及其他應收款項增加人民幣65,990,000元；以及(vi)撇銷物業、廠房及設備之金額人民幣23,591,000元所致。

### 投資活動

截至2012年12月31日止年度，投資活動現金流入淨額為人民幣170,621,000元。於本年度投資活動的現金流入主要包括(i)已收利息人民幣43,097,000元；(ii)終止已質押存款後收取的款項人民幣107,196,000元；(iii)委託貸款到期後收取的款項人民幣310,000,000元；(iv)結構性存款到期後收取的款項人民幣170,247,000元；及由(v)預付款項人民幣451,726,000元抵銷。

### 融資活動

截至2012年12月31日止年度，融資活動現金流出淨額為人民幣131,431,000元。於本年度，融資活動的現金流出主要源自償還銀行貸款人民幣97,000,000元，以及購回本公司股份。

### 現金及現金等價物

本集團的現金及現金等價物由2011年12月31日的人民幣127,285,000元跌至2012年12月31日的人民幣28,159,000元，而外匯淨收益為人民幣1,614,000元，去年則錄得外匯淨虧損人民幣9,380,000元。在人民幣28,159,000元的現金及現金等價物中，人民幣14,787,000元的等值金額乃以港元及美元持有，餘額則以人民幣持有。



INTEREST-BEARING BANK LOANS

計息銀行貸款

		Group 本集團	
		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Repayable within one year Bank Loan – Secured	須於一年內償還銀行貸款 – 有抵押	–	97,000

OPERATING LEASE COMMITMENT

As at 31 December 2012, the Group had contracted obligations of operating leases which totalled approximately RMB13,620,000 with approximately RMB7,363,000 due within one year, approximately RMB5,670,000 due between two to five years and approximately RMB587,000 due over five years.

經營租約承擔

於2012年12月31日，本集團就經營租約擁有合約性責任，其合共約為人民幣13,620,000元，其中約人民幣7,363,000元乃於一年內到期、約人民幣5,670,000元乃於兩至五年內到期及約人民幣587,000元於超過五年後到期。

FINANCIAL INSTRUMENTS

The Group does not have any hedging contracts or financial derivatives outstanding for the year ended 31 December 2012.

金融工具

本集團於截至2012年12月31日止年度並無任何尚未清償的對沖合同或金融衍生工具。

CAPITAL EXPENDITURES

The Group invested approximately RMB13,839,000 in capital expenditures mainly for the construction and purchase of property, plant and equipment for the year ended 31 December 2012. The capital expenditure were fully financed by internal resources.

資本開支

截至2012年12月31日止年度，本集團投資資本開支約人民幣13,839,000元，主要用於興建及購置物業、廠房及設備。該等資本開支由內部資源悉數撥支。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2012, the Group has no borrowings (2011: RMB97,000,000). The Group's gearing ratio (calculated as borrowings divided by equity attributable to the owners of the Company as at 31 December 2012) was zero (2011: 8.68%). The decrease in gearing ratio was mainly attributable to repayment of all bank loan.

流動資金及財務資源

於2012年12月31日，本集團無任何借貸（2011：人民幣97,000,000元）。本集團的資產負債比率（按2012年12月31日之借貸除以本公司擁有人應佔權益計算）為零（2011：8.68%）。資產負債比率下跌主要由於已歸還所有借貸。

CONTINGENT LIABILITIES

As at 31 December 2012, the subsidiaries, Kingstone (Guangzhou) Store Industry Co., Ltd. ("Kingstone Guangzhou") and Sichuan Jiangyou Jinshida Stone Co., Ltd. ("Sichuan Jinshida"), were defendants in legal cases initiated by 邵偉權 (the "Plaintiff"). The Plaintiff granted two loans of RMB8,000,000 and RMB15,000,000 to a former owner of Sichuan Jinshida and the loans were secured by the former owner's 35% equity interest in Sichuan Jinshida. Kingstone Guangzhou acquired the 35% equity interest from the former owner subsequently. The Plaintiff sought for the reinstatement of its security against the 35% equity interest in Sichuan Jinshida and for the repayment of the loans.

或然負債

於2012年12月31日，附屬公司金石（廣州）石業有限公司（「廣州金石」）及四川江油金時達石業有限公司（「四川金時達」）為邵偉權（「原告人」）發起的法律案件的被告人。原告人向四川金時達的前擁有人授予兩項貸款，分別為人民幣8,000,000元及人民幣15,000,000元，並以前擁有人於四川金時達的35%權益抵押。金時廣州其後收購前擁有人35%權益。原告人尋求恢復四川金時達的35%權益抵押，並要求償還貸款。

As a result of the legal proceeding, Kingstone Guangzhou's 49% equity interest in an associate, Guangdong Jiapeng Construction together with Sichuan Jinshida's loan to Guangdong Jiapeng Construction Co., Ltd amounting to RMB25,000,000 were frozen by a court in the PRC.

#### FOREIGN CURRENCY RISKS

Details of the Group's foreign currency exposure are provided under note 7(A) to the consolidated financial statements.

#### SEGMENT INFORMATION

The Group's revenue and contribution to loss 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 and Guangdong Province, the PRC. Accordingly, no segment analysis is presented other than entity-wide disclosures.

#### EMPLOYEES AND EMOLUMENTS POLICY

As at 31 December 2012, there were a total of 59 (2011: 223) employees in the Group. The staff cost, including Directors' remuneration in form of salary, equity settled share option expense and allowance were approximately RMB30,430,000 (2011: RMB76,556,000).

#### FUTURE PROSPECT

The future prospect of the Group depends upon the successful turnaround of the business. Going forward, the Group will expand its sales team and its own renowned design team, which will realize its innovative design concepts in near future, and transform various types of stones into unique and invaluable gems.

Despite a slowdown in the development of the stone industry in 2012, the Group believes that the economy in China would still be on the track of stable growth in the future. With continuous urbanization and the Chinese government's determination to develop international cities, it could be expected that the development of various large projects, high-end real estate projects and the construction market in first-tier cities would be blooming, and the large consumption and demand on stones would create more opportunities for the Group. Meanwhile, the significant enhancement in terms of wealth and taste in China over the past few years also suggests a corresponding increase in the demand for new houses or renovated houses, and thus increasing the popularity of high-end marble products.

由於進行法律訴訟，金石廣州於聯營公司廣東嘉鵬建設的49%權益，連同四川金時達授予廣東嘉鵬建設有限公司的貸款，合共人民幣25,000,000元，被中國法院凍結。

#### 外幣風險

本集團之外幣風險詳情，載於綜合財務報表附註7(A)。

#### 分部資料

本集團的收入及對虧損的影響主要源自大理石及大理石相關產品的銷售，其以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的方式被視作單一可報告分部。此外，本集團使用的所有主要資產均位於中國四川省及廣東省。因此，除整個實體披露外，未有呈列分部分析。

#### 僱員及薪酬政策

於2012年12月31日，本集團的僱員人數共為59人(2011年：223人)。員工成本(包括薪金、以股權結算購股權費用及津貼形式的董事酬金)約為人民幣30,430,000元(2011年：人民幣76,556,000元)。

#### 未來展望

本集團之未來前景取決於能否成功扭轉業務情況。展望未來，集團將擴大銷售團隊及自身的知名設計師團隊，預計不久將可以開始實現創意設計的理念，把多樣化的石材品種轉化成獨一無二的珍貴品種。

縱使2012年石材行業發展放緩，集團相信，中國的經濟未來仍然處於一個穩步增長的趨勢，隨著城市化不斷地推進，中國政府打造國際級城市的決心，可以預見一級城市中各式各樣的大型工程、高端房地產項目以及建築市場正蓬勃的發展著，石材的巨大消費需求將為集團締造更多商機。同時，國民於過往數年來於財富及品味方面，都有著顯著的提升，對新房子或重修房子的需求相應提高，使高端的大理石產品更為普及。

# CORPORATE GOVERNANCE

## 企業管治

### CORPORATE GOVERNANCE CODE

The Company had adopted the code provisions contained in the code of corporate governance practices (the "Old CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") effective since its adoption by the Company on 24 January 2011 until 28 March 2012. For the purpose of complying with the new code of corporate governance practice as set out in the Appendix 14 of the Listing Rules, which took effect from 1 April 2012, the Company has adopted the revised code provisions contained in corporate governance code and corporate governance report (the "New CG Code") on 29 March 2012. Save for deviations from code provisions (i) A.2.1 of the Old CG Code and New CG Code, (ii) A.5.1 of the New CG Code, and (iii) F.1.1 and F.1.4 of the New CG Code as discussed below, the Company had complied with (i) the code provisions contained in the Old CG Code from 1 January 2012 to 28 March 2012; and (ii) the code provisions contained in the New CG Code from 29 March 2012 to 31 December 2012.

The Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability to the shareholders as a whole. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for shareholders. Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company during the year ended 31 December 2012.

### MODEL CODE FOR SECURITIES TRANSACTIONS

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 the required standard for securities transactions by Directors. Having made specific enquiries of all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions during the year ended 31 December 2012.

### 企業管治守則

本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「舊企業管治守則」)之守則條文，生效期由本公司採納日期2011年1月24日至2012年3月28日止。為符合於2012年4月1日生效及載於上市規則附錄十四之新企業管治常規，本公司已於2012年3月29日採納企業管治守則及企業管治報告(「新企業管治守則」)之守則條文。除下文所述偏離(i)舊企業管治守則及新企業管治守則之守則條文第A.2.1條；(ii)新企業管治守則之守則條文第A.5.1條；及(iii)新企業管治守則之守則條文第F.1.1條及F.1.4條之外，本公司已遵守(i)舊企業管治守則所載守則條文(2012年1月1日至2012年3月28日)；及(ii)新企業管治守則所載守則條文(2012年3月29日至2012年12月31日)。

董事認同，為達致向整體股東有效的問責性，在本公司管理架構及內部監控程序引進良好的企業管治元素非常重要。董事會將會繼續不時檢討及改善本集團的企業管治常規，以確保本集團乃獲得有效的董事會領導，以優化股東回報。下文載列有關本公司於截至2012年12月31日止年度內所採納及所遵守的企業管治常規的詳細討論。

### 證券交易之標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易的規定準則。經向全體董事作出具體查詢後，全體董事已確認，彼等於截至2012年12月31日止年度內一直遵守標準守則所載的規定標準及有關董事進行證券交易的操守準則。

## BOARD OF DIRECTORS

### (I) COMPOSITION OF THE BOARD

During the year ended 31 December 2012, the composition of the Board was as follows:

#### Executive Directors

Ms. Chen Tao	(retired with effect from 22 May 2012)
(Chairlady)	
Mr. Lin Yuhua	(retired with effect from 22 May 2012)
Mr. Liao Yuanshi	(retired with effect from 22 May 2012)
Mr. Xiong Wenjun	(removed with effect from 6 February 2013)

#### Non-executive Director

Mr. He Ji	(resigned with effect from 29 March 2012)
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#### Independent non-executive Directors

Mr. Chu Ho Hwa,	(retired with effect from 22 May 2012)
Howard	
Mr. Deng Huiqing	(resigned with effect from 4 July 2012)
Mr. Liu Yuquan	(removed with effect from 6 February 2013)
Ms. Leung Yee Shuen	(appointed with effect from 27 June 2012; resigned with effect from 31 August 2012)
Mr. Lei Zhaochun	(appointed with effect from 30 July 2012; removed with effect from 6 February 2013)
Ms. Deng Guiqing	(appointed with effect from 26 October 2012; removed with effect from 6 February 2013)

During the year ended 31 December 2012, to the best knowledge of the Company, there was no financial, business or family relationship among the members of the Board.

The composition of the Board as at the date of this annual report and their biographical details are set out in pages 52 and 47 to 49 of this annual report, respectively.

## 董事會

### (I) 董事會的組成

截至2012年12月31日止年度，董事會的組成如下：

#### 執行董事

陳濤女士	(於2012年5月22日退任)
(主席)	
林玉華先生	(於2012年5月22日退任)
廖原時先生	(於2012年5月22日退任)
熊文俊先生	(於2013年2月6日免職)

#### 非執行董事

何霽先生	(於2012年3月29日辭任)
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#### 獨立非執行董事

朱賀華先生	(於2012年5月22日退任)
鄧惠青先生	(於2012年7月4日辭任)
劉玉泉先生	(於2013年2月6日免職)
梁綺旋小姐	(於2012年6月27日獲委任，於2012年8月31日辭任)
雷兆春先生	(於2012年7月30日獲委任，於2013年2月6日免職)
鄧桂平女士	(於2012年10月26日獲委任，於2013年2月6日免職)

截至2012年12月31日止年度，就本公司深知，董事會成員之間概無財務、業務或家族關係。

於本年報日期，董事會的組成及彼等之履歷詳情分別載於本年報第52頁及第47頁至49頁。



**(II) FUNCTIONS OF THE BOARD**

The principal functions of the Board is to (i) convene general meetings and report the Board's work at general meetings; (ii) implement the resolutions passed by the shareholders in general meetings; (iii) consider and approve strategies, financial objectives, annual budget, investment proposals of the Group; (iv) formulate the proposals for profit distributions; (v) assume the responsibilities of corporate governance of the Group; and (vi) exercise other powers, functions and duties conferred by the shareholders in general meetings.

The chief executive officer of the Company, with the assistance from the other members of management, forms the core management team of the Company. The chief executive officer of the Company has the overall responsibility for formulating the business strategies and development plan of the Group. The senior management is delegated by the Board with the authority and responsibilities for the day-to-day management and operations of the Group. The senior management is also responsible for the supervision and execution of the plans of the Group.

**(III) BOARD MEETING AND ATTENDANCE RECORD**

The Directors can attend meetings in person or through other means of electronic communication in accordance with the articles of association of the Company (the "Articles of Association"). The company secretary of the Company (the "Company Secretary") will assist the chairperson of the Board and/or executive Director to prepare the agenda of the meeting and each Director may request to include any matters in the agenda for the regular Board meetings. The Company Secretary is responsible for distributing detailed documents to the Directors prior to the meetings of the Board, to ensure that the directors are able to make informed decisions regarding the matters to be discussed in the meetings so that they may receive accurate, timely and clear information. All Directors may seek the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters. All Directors will also be provided with sufficient resources to discharge their

**(II) 董事會的職能**

董事會的主要職能為(i)召開股東大會並於股東大會上匯報董事會工作；(ii)執行股東於股東大會上通過的決議案；(iii)考慮及批准本集團的策略、財務目標、年度預算、投資方案；(iv)制定溢利分派的方案；(v)履行本集團的企業管治責任；及(vi)行使股東於股東大會上賦予的其他權力、職能及職責。

本公司行政總裁在其他管理層成員的協助下，組成本公司的核心管理團隊。本公司行政總裁整體上負責制定本集團的業務策略及發展計劃。高級管理層獲董事會授予關於本集團日常管理及營運的權力及責任，並負責監察及落實本集團的計劃。

**(III) 董事會會議及出席記錄**

根據本公司組織章程細則（「組織章程細則」），董事可親自或通過其他電子通訊方式出席會議。本公司的公司秘書（「公司秘書」）將協助董事會主席及／或執行董事預備會議議程，而各董事均可要求將任何事宜加入董事會常務會議議程之內。公司秘書負責於董事會會議前向董事分發詳細文件，確保董事可對會上討論的事宜作出知情決定，以使彼等可收取準確、及時及明確的資料。全體董事將可尋求公司秘書提供建議及服務，而公司秘書會定期就管治及監管事宜向董事會更新資料。全體董事亦將可獲得充份的資源以履行其職責，而經合理要求，董事可在適當情況下尋求獨立專業意見，費用由本公司承擔。公司秘書亦負責確保各董事遵守董事會會議程序，並就遵守董事會會議程序的事宜向董

duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expense. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings. All minutes of Board meetings were recorded in sufficient detail, including matters considered and decisions reached by the Board and are open for inspection by Directors.

The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

During the year ended 31 December 2012, there were 25 Board meetings held at which the Directors approved, among other things, the annual results of the Group for the year ended 31 December 2012. Prior notice convening the Board meeting was despatched to the Directors setting out the matters to be discussed. At the meeting, the Directors were provided with the relevant documents to be discussed and approved. The Company Secretary is responsible for keeping minutes for the Board meetings.

事會提供意見。所有董事會會議的記錄均充分詳細地記錄董事會已考慮的事項及作出的決定，並可供董事查閱。

本公司的組織章程細則載有條文，規定董事於批准該等董事或任何彼等的聯繫人擁有重大權益的交易的會議上放棄表決及不得計入法定人數。

於截至2012年12月31日止年度內，董事會曾舉行了25次會議，董事於會上批准(其中包括)本集團截至2012年12月31日止年度的年度業績。載有將予討論事宜的董事會會議通告已事先向董事寄發。會上，董事獲取將予討論及批准的相關文件。公司秘書負責存置董事會會議記錄。

The following is the attendance record of the Board meetings and general meetings during the year ended 31 December 2012:

下表列載於截至2012年12月31日止年度內的董事會會議及股東大會出席記錄：

		Attendance/ Number of Board Meeting(s) 董事會會議出席/ 舉行次數	Attendance/ Number of General Meeting(s) 股東大會出席/ 舉行次數
<b>Executive Directors</b> 執行董事			
Ms. Chen Tao	陳濤女士	6/6	1/1
Mr. Lin Yuhua	林玉華先生	4/6	0/1
Mr. Liao Yuanshi	廖原時先生	4/6	0/1
Mr. Xiong Wenjun	熊文俊先生	25/25	2/2
<b>Non-executive Directors</b> 非執行董事			
Mr. He Ji	何霽先生	1/2	0/0
<b>Independent non-executive Directors</b> 獨立非執行董事			
Mr. Chu Ho Hwa, Howard	朱賀華先生	3/6	0/1
Mr. Deng Huiqing	鄧惠青先生	3/14	1/1
Mr. Liu Yuquan	劉玉泉先生	16/25	1/2
Ms. Leung Yee Shuen	梁綺旋小姐	7/7	0/0
Mr. Lei Zhaochun	雷兆春先生	7/7	1/1
Ms. Deng Guiping	鄧桂平女士	1/1	0/1

None of the meetings set out above was attended by any alternate Director.

概無上文所載會議由任何替任董事出席。

#### (IV) TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The non-executive Director, Mr. He Ji, had entered into a letter of appointment with the Company for an initial term of three years commencing on 18 March 2011. Mr. He Ji resigned as a non-executive Director with effect from 29 March 2012.

#### (IV) 委任非執行董事的任期

非執行董事何霽先生已與本公司訂立聘書，初步由2011年3月18日起為期三年。何霽先生已於2012年3月29日辭任非執行董事。

## APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years and each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years. The service contracts and letters of appointment will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other for the executive Directors and one month's notice in writing served by either party on the other for the non-executive Director and independent non-executive Directors.

In compliance with code provision A.4.2 of the Old CG Code and New CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 84(1) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

According to Rule 3.10(1) of the Listing Rules, the Board must comprise at least three independent non-executive Directors. During the periods from 22 May 2012 to 26 June 2012, from 4 July 2012 to 29 July 2012, and from 31 August 2012 to 25 October 2012, following the retirement of Mr. Chu Ho Hwa Howard and resignation of Mr. Deng Huiqing and Ms. Leung Yee Shuen as an independent non-executive Director, respectively, the Board comprised only two independent non-executive Directors. The Board has taken remedial steps to address the non-compliance and appointed Ms. Leung Yee Shuen, Mr. Lei Zhaochun, and Ms. Deng Guiping as independent non-executive Directors on 27 June 2012, 30 July 2012, and 26 October 2012, respectively. Saved as disclosed above, the Board comprised at least three independent non-executive Directors throughout the year ended 31 December 2012.

## 委任及重選董事

各執行董事已與本公司訂立服務合約，初步任期為期三年，而各非執行董事及獨立非執行董事已與本公司訂立委任函，初步任期為期三年，服務合約及委任函將於其後繼續，直至任何一方向另一方發出(就執行董事而言不少於三個月)事先書面通知或任何一方向另一方發出(就非執行董事及獨立非執行董事而言不少於一個月)事先書面通知而終止。

根據舊有企業管治守則及新訂企業管治守則的守則條文第A.4.2條，全體董事均須最少每三年輪席退任一次。此外，根據組織章程細則第84(1)條，在每屆股東週年大會上，當時在任的三分之一董事(或若其人數並非三(3)的倍數，則為最接近但不少於三分之一的人數)將輪席告退，惟每名董事須最少每三年於股東週年大會上退任一次。

## 獨立非執行董事

根據上市規則第3.10(1)條，董事會內須最少有三位獨立非執行董事。於2012年5月22日至2012年6月26日期間、2012年7月4日至2012年7月29日期間，及2012年8月31日至2012年10月25日期間，繼朱賀華先生退任以及鄧惠青先生和梁綺旋小姐辭任獨立非執行董事後，董事會分別僅有兩位獨立非執行董事。董事會已就上述違規採取補救措施，分別於2012年6月27日、2012年7月30日及2012年10月26日委任梁綺旋小姐、雷兆春先生及鄧桂平女士為獨立非執行董事。除上文披露者外，於截至2012年12月31日止年度，董事會內一直最少有三位獨立非執行董事。



According to Rule 3.10(2) of the Listing Rules, the Board must comprise at least one independent non-executive Director with appropriate professional qualifications (or accounting or related financial management expertise). During the periods from 22 May 2012 to 26 June 2012 and 31 August 2012 to 5 February 2013, following the retirement of Mr. Chu Ho Hwa Howard and resignation of Ms. Leung Yee Shuen as an independent non-executive Director, respectively, the Board did not comprise at least one independent non-executive Director with appropriate professional qualifications (or accounting or related financial management expertise). The Board has taken remedial steps to address the non-compliance and appointed Ms. Leung Yee Shuen and Mr. Lam Tin Faat, a person with appropriate professional qualifications (or accounting or related financial management expertise) as an independent non-executive Director on 27 June 2012 and 6 February 2013, respectively. Save as disclosed above, the Board comprised at least one independent non-executive Director with appropriate professional qualifications (or accounting or related financial management expertise) throughout the year ended 31 December 2012.

The Board considers that all independent non-executive Directors have appropriate and sufficient industry or finance experience and qualifications to carry out their duties so as to protect the interests of shareholders of the Company.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence. The Company has also received a written confirmation from each of the independent non-executive Directors in respect of their independence. The Board considers that all independent non-executive Directors are considered to be independent by reference to the factors stated in the Listing Rules.

遵照上市規則第3.10(2)條，董事會內最少一位獨立非執行董事須具備適當專業資格(或具備會計或相關財務管理專長)。於2012年5月22日至2012年6月26日期間及2012年8月31日至2013年2月5日期間，繼朱賀華先生退任以及梁綺旋小姐辭任獨立非執行董事後，董事會並無最少一位獨立非執行董事具備適當專業資格(或具備會計或相關財務管理專長)。董事會已就上述違規採取補救措施，分別於2012年6月27日及2013年2月6日委任梁綺旋小姐及林天發先生為獨立非執行董事，彼等均為具備適當專業資格(或具備會計或相關財務管理專長)的人士。除上文披露者外，於截至2012年12月31日止年度，董事會內一直最少有一位獨立非執行董事具備適當專業資格(或具備會計或相關財務管理專長)。

董事會認為全體獨立非執行董事均具有合適及充足的行業或財務經驗及資格，以履行彼等的職責，保障本公司股東的利益。

於彼等各自獲得委任前，各獨立非執行董事已向聯交所提交書面聲明確認彼等的獨立性，並已承諾在實際可行的情況下盡快知會聯交所於其後可能影響彼等獨立性的任何情況變動。本公司亦已收到各獨立非執行董事就其獨立性發出的確認書。經參考上市規則所述的因素，董事會認為全體獨立非執行董事均被視為獨立人士。

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the Old CG Code and the New CG Code, the roles of chairman and chief executive officer 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. From 1 January 2012 to 22 May 2012, Ms. Chen Tao served as the chairlady and chief executive officer of the Company. She was responsible for the business strategy, overall operation, financing and investment activities of the Group. The Board considered that vesting the roles of both chairman and chief executive officer in the same individual at that time was beneficial to the business prospects and management of the Group.

Ms. Chen Tao had ceased to be the executive Director and chairlady of the Company at the conclusion of the annual general meeting of the Company on 22 May 2012. Following the retirement of Ms. Chen Tao as executive Director and chairlady of the Company on 22 May 2012 and up to 7 February 2013, no new chairman had been appointed by the Company. During such period, Mr. Xiong Wenjun, an executive Director of the Company had assumed the functions of the chairman of the Company. On 8 February 2013, Mr. Wang Dong was appointed as chairman of the Board.

Ms. Chen Tao also resigned as the chief executive officer of the Company, due to health reasons, with effect from the close of business on 1 June 2012. Following the resignation of Ms. Chen Tao as chief executive officer on 1 June 2012 and up to 26 June 2012, no new chief executive officer had been appointed by the Company. During such period, the functions in relation to such position were mainly performed by the senior management team of the Company. On 27 June 2012, Mr. Cheung Hung was appointed as the chief executive officer of the Company for a term of three years. On 23 January 2013, Mr. Cheung Hung resigned as chief executive officer of the Company due to personal reasons and Mr. Chen Jianhong was appointed as the chief executive officer of the Company for a term of three years.

## 主席及行政總裁

舊企業管治守則及新企業管治守則之守則條文第A.2.1條規定，主席及行政總裁的角色應區分及不應由同一人擔任。主席及行政總裁的職責應清晰確立及以書面形式載列。自2012年1月1日至2012年5月22日，陳濤女士為本公司的主席及行政總裁。彼負責本集團的業務策略、整體營運、財務及投資活動。董事會認為，當時由同一人擔任主席及行政總裁，有利於本集團的業務前景及管理。

陳濤女士於2012年5月22日本公司股東週年大會結束後卸任本公司執行董事及主席。自陳濤女士於2012年5月22日退任本公司執行董事及主席起直至2013年2月7日，本公司並無委任新主席。於該期間，本公司執行董事熊文俊先生履行本公司主席的職務。於2013年2月8日，王棟先生獲委任為董事會主席。

陳濤女士亦因健康理由辭任本公司行政總裁一職，自2012年6月1日營業時間結束起生效。自陳濤女士於2012年6月1日辭任本公司行政總裁起直至2012年6月26日止，本公司並無委任新行政總裁。於該期間，有關該職位的職能主要由本公司高級管理團隊履行。於2012年6月27日，張鴻先生獲委任為本公司行政總裁，為期三年。於2013年1月23日，張鴻先生因個人原因辭任本公司行政總裁，而陳建紅先生已獲委任為本公司行政總裁，為期三年。

## COMPANY SECRETARY

Under code provision F.1.1 of the New CG Code, the Company Secretary should be an employee of the Company and have day-to-day knowledge of the Company's affairs. Further, under code provision F.1.4 of the New CG Code, all Directors should have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.

Following the resignation of Mr. Lou Sai Tong as the Company Secretary on 31 May 2012 and up to 5 June 2012, no new Company Secretary had been appointed by the Company. During such period, the senior management team of the Company had assumed the functions of the Company Secretary. On 6 June 2012, Mr. Law Wai Fai was appointed as the Company Secretary.

Mr. Lou Sai Tong and Mr. Law Wai Fai have been informed of the requirements under Rule 3.29 of the Listing Rules. Mr. Law Wai Fai has confirmed that, for the year ended 31 December 2012, he has taken no less than 15 hours of relevant professional training in compliance with the requirements of Rule 3.29 of the Listing Rules.

## BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established the following Board committees to oversee the particular aspects of the Group's affairs. Each of these committees comprises independent non-executive Directors who have been invited to join as members.

## AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 24 January 2011 with terms of reference in compliance with Rule 3.21 of the Listing Rules and the code provisions in paragraph C.3 of the Old CG Code. For the purpose of complying with the code provisions in the New CG Code adopted by the Company on 29 March 2012, the Board has adopted revised terms of reference for the Audit Committee on 29 March 2012. The terms of reference of the Audit Committee are posted on the Stock Exchange and the Company's website.

## 公司秘書

根據新企業管治守則的守則條文第F.1.1條，公司秘書應為本公司的僱員，並對本公司的日常事務有所認識。此外，根據新企業管治守則的守則條文第F.1.4條，全體董事應可獲公司秘書提供意見及服務，以確定董事會的程序以及適用的法例及規則得以遵守。

盧世東先生於2012年5月31日辭任公司秘書後，直至2012年6月5日為止，本公司概無委任新公司秘書。於該段期間內，本公司的高級管理層已承擔公司秘書的職能。於2012年6月6日，羅偉輝先生獲委任為公司秘書。

盧世東先生及羅偉輝先生均已獲知會上市規則第3.29條的規定。盧世東先生及羅偉輝先生均已確認，於截至2012年12月31日止年度，彼等各自遵照上市規則第3.29條的規定，接受不少於15小時的相關專業培訓。

## 董事委員會

作為良好企業管治常規的完整部分，董事會已成立下列董事委員會，以監管本集團事宜的特定範疇。各有關委員會均由獲邀成為成員的獨立非執行董事組成。

## 審計委員會

本公司審計委員會（「審計委員會」）於2011年1月24日成立，其職權範圍符合上市規則第3.21條及舊企業管治守則C.3段的守則條文。為符合本公司於2012年3月29日所採納新企業管治守則之守則條文，董事會已於2012年3月29日採納審計委員會的經修訂職權範圍。審計委員會的職權範圍已刊登在聯交所及本公司網站上。

During the year ended 31 December 2012, the composition of the Audit Committee was as follows:

### Independent non-executive Directors

Mr. Chu Ho Hwa, Howard (Chairman) (Note)	(ceased with effect from 22 May 2012)
Mr. Deng Huiqing	(ceased with effect from 4 July 2012)
Mr. Liu Yuquan	(ceased with effect from 6 February 2013)
Ms. Leung Yee Shuen (Chairlady) (Note)	(appointed with effect from 27 June 2012; ceased with effect from 31 August 2012)
Mr. Lei Zhaochun	(appointed with effect from 30 July 2012; ceased with effect from 6 February 2013)
Ms. Deng Guiping (Chairlady) (Note)	(appointed with effect from 26 October 2012; ceased with effect from 6 February 2013)

Note: Mr. Chu Ho Hwa Howard ceased to serve as the chairman of the Audit Committee effective from 22 May 2012. Ms. Leung Yee Shuen was appointed as chairlady of the Audit Committee effective from 27 June 2012, and ceased to serve as chairlady of the Audit Committee effective from 31 August 2012. Ms. Deng Guiping was appointed as the chairlady of the Audit Committee effective from 26 October 2012, and ceased to serve as chairlady of the Audit Committee effective from 6 February 2013.

As at the date of this annual report, the Audit Committee is chaired by Mr. Lam Tin Faat and comprises three independent non-executive Directors, namely Mr. Mak, Patrick Ka Wing, Mr. Chung Raymond Wai Man and Mr. Lam Tin Faat, all of whom were appointed as members of the Audit Committee on 8 February 2013.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor, the review of the financial statements and material advice in respect of financial reporting and the oversight of internal control procedures of the Group. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2012 including the accounting principles and practices adopted by the Group, selection and appointment of the external auditors.

於截至2012年12月31日止年度，審計委員會的組成如下：

### 獨立非執行董事

朱賀華先生 (主席)(附註)	(由2012年5月22日 起終止)
鄧惠青先生	(由2012年7月4日起終止)
劉玉泉先生	(由2013年2月6日起終止)
梁綺旋小姐 (主席)(附註)	(由2012年6月27日起 獲委任；由2012年 8月31日起終止)
雷兆春先生	(由2012年7月30日起 獲委任；由2013年 2月6日起終止)
鄧桂平女士 (主席)(附註)	(由2012年10月26日起 獲委任；由2013年 2月6日起終止)

附註：朱賀華先生自2012年5月22日起卸任審計委員會主席。梁綺旋小姐自2012年6月27日起獲委任為審計委員會主席，及自2012年8月31日起卸任審計委員會主席。鄧桂平女士自2012年10月26日起獲委任為審計委員會主席，及自2013年2月6日起卸任審計委員會主席。

截至本年報刊發之日，審計委員會由林天發先生出任主席，並包括三位獨立非執行董事，即麥家榮先生、鍾衛民先生及林天發先生，彼等均於2013年2月8日獲委任為審計委員會的成員。

審計委員會的主要職責為就外聘審計師的任免向董事會提供推薦建議、審閱財務報表及就財務申報向董事會提供重大建議，並監督本集團內部監控程序。審計委員會已審閱本集團截至2012年12月31日止年度的綜合財務報表，包括本集團所採納的會計政策及慣例、外聘核數師的選擇及委任。



During the year ended 31 December 2012, the Audit Committee has held 2 meetings, at which the members of the Audit Committee have reviewed and discussed with the external auditors of the Company the Group's consolidated financial statements for the year ended 31 December 2012 and the interim condensed financial information for the six months ended 30 June 2012. The Audit Committee is of the opinion that such financial statements have complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosure have been made.

According to Rule 3.21 of the Listing Rules, the Company must establish an audit committee, which must comprise a minimum of three members and be chaired by an independent non-executive Director. During the periods from 22 May 2012 to 26 June 2012, from 4 July 2012 to 29 July 2012, and from 31 August 2012 to 25 October 2012, following the retirement of Mr. Chu Ho Hwa Howard and resignation of Mr. Deng Huiqing and Ms. Leung Yee Shuen as independent non-executive Directors, respectively, the Audit Committee comprised two members. During the periods from 22 May 2012 to 26 June 2012 and from 31 August 2012 to 25 October 2012, after Mr. Chu Ho Hwa Howard and Ms. Leung Yee Shuen ceased to serve as the chairperson of the Audit Committee, the Audit Committee had no chairperson. The Board has taken remedial steps to address the non-compliance and appointed Mr. Lei Zhaochun as a member of the Audit Committee on 30 July 2012, as well as appointed each of Ms. Leung Yee Shuen and Ms. Deng Guiping as a chairperson of the Audit Committee on 27 June 2012 and 26 October 2012, respectively. Save as disclosed above, the Audit Committee comprised a minimum of three members and was chaired by an independent non-executive Director throughout the year ended 31 December 2012.

For the year ended 31 December 2012, the Board had no disagreement with the Audit Committee's view on the selection, appointment, resignation or dismissal of external auditors.

於截至2012年12月31日止年度內，審計委員會已舉行2次會議，審計委員會成員於會上審閱並與本公司外聘審計師討論本集團截至2012年12月31日止年度的綜合財務報表及截至2012年6月30日止六個月的中期簡明財務資料。審計委員會認為該等財務報表已按適用會計準則、上市規則及法定規定編製，且已作出充分披露。

按照上市規則第3.21條，本公司必須設立審計委員會，其最少須有三位成員，並由獨立非執行董事擔任主席。於2012年5月22日至2012年6月26日期間、2012年7月4日至2012年7月29日期間，及2012年8月31日至2012年10月25日期間，繼朱賀華先生退任以及鄧惠青先生和梁綺旋小姐辭任獨立非執行董事後，審計委員會只有兩位成員。於2012年5月22日至2012年6月26日期間及2012年8月31日至2012年10月25日期間，當朱賀華先生及梁綺旋小姐卸任審計委員會主席後，審計委員會主席出缺。董事會已就上述違規採取補救措施，於2012年7月30日委任雷兆春先生為審計委員會成員，並分別於2012年6月27日及2012年10月26日委任梁綺旋小姐和鄧桂平女士為審計委員會主席。除上文披露者外，於截至2012年12月31日止年度，審計委員會內一直最少有三位成員，並由獨立非執行董事擔任主席。

於截至2012年12月31日止年度，董事會與審計委員會在挑選、委任外聘核數師以及外聘核數師的辭任或罷免上，並無意見分歧。

The following is the attendance record of the Audit Committee meetings held during the year ended 31 December 2012:

下表列載於截至2012年12月31日止年度內舉行之審計委員會會議的出席記錄：

Attendance/Number of  
Audit Committee Meetings  
審計委員會會議出席／舉行次數

Mr. Chu Ho Hwa, Howard	朱賀華先生	1/1
Mr. Deng Huiqing	鄧惠青先生	1/1
Mr. Liu Yuquan	劉玉泉先生	2/2
Ms. Leung Yee Shuen	梁綺旋小姐	1/1
Mr. Lei Zhaochun	雷兆春先生	1/1
Ms. Deng Guiping	鄧桂平女士	0/0

None of the meetings set out above was attended by any alternate Director.

概無上文所載會議由任何替任董事出席。

### REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 24 January 2011 with terms of reference in compliance with the code provisions in paragraph B.1 of the Old CG Code. For the purpose of complying with the New CG Code adopted by the Company on 29 March 2012, the Board has adopted revised terms of reference for the Remuneration Committee on 29 March 2012. The terms of reference of the Remuneration Committee are posted on the Stock Exchange and the Company's website.

### 薪酬委員會

本公司薪酬委員會(「薪酬委員會」)於2011年1月24日成立，其職權範圍符合舊企業管治守則B.1段之守則條文。為符合本公司於2012年3月29日採納之新企業管治守則，董事會已於2012年3月29日採納薪酬委員會的經修訂職權範圍。薪酬委員會的職權範圍已刊登在聯交所及本公司網站上。

During the year ended 31 December 2012, the composition of the Remuneration Committee was as follows:

### Executive Directors

Ms. Chen Tao (*Chairlady*) (ceased with effect from 22 May 2012)  
(*Note*)

### Independent non-executive Directors

Mr. Deng Huiqing (ceased with effect from 4 July 2012)  
Mr. Liu Yuquan (ceased with effect from 6 February 2013)  
(*Chairman*) (*Note*)  
Ms. Leung Yee Shuen (appointed with effect from 27 June 2012; ceased with effect from 31 August 2012)  
Mr. Lei Zhaochun (appointed with effect from 30 July 2012; ceased with effect from 6 February 2013)  
Ms. Deng Guiping (appointed with effect from 26 October 2012; ceased with effect from 6 February 2013)

*Note:* On 29 March 2012, Ms. Chen Tao ceased to serve as the chairlady of the Remuneration Committee and Mr. Liu Yuquan was appointed as the chairman of the Remuneration Committee. Ms. Chen Tao remained as a member of the Remuneration Committee until 22 May 2012.

As at the date of this annual report, the Remuneration Committee is chaired by Mr. Mak Ka Wing Patrick and comprises three independent non-executive Directors, namely Mr. Mak, Patrick Ka Wing, Mr. Chung Raymond Wai Man and Mr. Lam Tin Faat, all of whom were appointed as members of the Nomination Committee on 8 February 2013.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and the senior management of the Group, review performance-based remuneration and ensure none of the Directors determine their own remuneration. Under the terms of reference adopted on 24 January 2011 and the revised terms of reference adopted on 29 March 2012, the Remuneration Committee has delegated responsibility to determine the remuneration packages on individual executive Directors and senior management, in compliance with code provisions B.1.3.(b) of the Old CG Code and B.1.2.(c).(i) of the New CG Code.

截至2012年12月31日止年度，薪酬委員會的成員如下：

### 執行董事

陳濤女士 (由2012年5月22日起終止)  
(*主席*)(*附註*)

### 獨立非執行董事

鄧惠青先生 (由2012年7月4日起終止)  
劉玉泉先生 (由2013年2月6日起終止)  
(*主席*)(*附註*)  
梁綺旋小姐 (由2012年6月27日起獲委任；由2012年8月31日起終止)  
雷兆春先生 (由2012年7月30日起獲委任；由2013年2月6日起終止)  
鄧桂平女士 (由2012年10月26日起獲委任；由2013年2月6日起終止)

*附註：*於2012年3月29日，陳濤女士卸任本公司薪酬委員會主席，而劉玉泉先生已獲委任為本公司薪酬委員會主席。陳濤女士留任薪酬委員會成員，直至2012年5月22日。

截至本年報刊發之日，薪酬委員會由麥家榮先生出任主席，並包括三位獨立非執行董事，即麥家榮先生、鍾衛民先生及林天發先生，彼等均於2013年2月8日獲委任為薪酬委員會成員。

薪酬委員會的主要職責為就本集團全體董事及高級管理層的整體薪酬政策及架構向董事會提供推薦建議、審閱績效掛鉤薪酬，並確保概無董事自行釐定其本身薪酬。根據於2011年1月24日採納的職權範圍及於2012年3月29日採納的經修訂職權範圍，薪酬委員會轉授責任，釐定個別執行董事及高級管理人員的薪酬待遇，此舉符合舊企業管治守則的守則條文第B.1.3.(b)條及新企業管治守則的守則條文第B.1.2.(c).(i)條。

During the year ended 31 December 2012, the Remuneration Committee has held 3 meeting, at which the members of the Remuneration Committee have discussed the remuneration package of the newly appointed Directors and chief executive officer.

於截至2012年12月31日止年度內，薪酬委員會已舉行3次會議，薪酬委員會成員於會上討論了新任董事及行政總裁的薪酬待遇。

The following is the attendance record of the Remuneration Committee meetings held during the year ended 31 December 2012:

下表列載於截至2012年12月31日止年度內舉行之薪酬委員會會議的出席記錄：

		Attendance/Number of Remuneration Committee Meeting(s) 薪酬委員會會議出席／舉行次數
Ms. Chen Tao	陳濤女士	0/0
Mr. Deng Huiqing	鄧惠青先生	1/1
Mr. Liu Yuquan	劉玉泉先生	3/3
Ms. Leung Yee Shuen	梁綺旋小姐	1/1
Mr. Lei Zhaochun	雷兆春先生	1/1
Ms. Deng Guiping	鄧桂平女士	0/0

None of the meetings set out above was attended by any alternate Director.

概無上文所載會議由任何替任董事出席。

### NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 24 January 2011 with terms of reference in compliance with code provision A.4.4 of the Old CG Code. For the purpose of complying with the New CG Code adopted by the Company on 29 March 2012, the Board has adopted revised terms of reference for the Nomination Committee on 29 March 2012. The terms of reference of the Nomination Committee are posted on the Stock Exchange and the Company's website.

### 提名委員會

本公司提名委員會(「提名委員會」)於2011年1月24日成立，其職權範圍符合舊企業管治守則之守則條文第A.4.4條。為符合本公司於2012年3月29日採納之新企業管治守則，董事會已於2012年3月29日採納提名委員會的經修訂職權範圍。提名委員會的職權範圍已刊登在聯交所及本公司網站上。



During the year ended 31 December 2012, the composition of the Nomination Committee was as follows:

### Executive Directors

Ms. Chen Tao (*Chairlady*) (ceased with effect from 22 May 2012)  
(*Note*)

### Independent non-executive Directors

Mr. Deng Huiqing (ceased with effect from 4 July 2012)  
Mr. Liu Yuquan (ceased with effect from 6 February 2013)

Ms. Leung Yee Shuen (appointed with effect from 27 June 2012; ceased with effect from 31 August 2012)

Mr. Lei Zhaochun (appointed with effect from 30 July 2012; ceased with effect from 6 February 2013)  
(*Chairman*) (*Note*)

Ms. Deng Guiping (appointed with effect from 26 October 2012; ceased with effect from 6 February 2013)

*Note:* On 22 May 2012, Ms. Chen Tao ceased to serve as the chairlady of the Nomination Committee. On 30 July 2012, Mr. Lei Zhaochun was appointed as the chairman of the Nomination Committee.

As at the date of this annual report, the Nomination Committee is chaired by Mr. Chung Raymond Wai Man and comprises three independent non-executive Directors, namely Mr. Mak, Patrick Ka Wing, Mr. Chung Raymond Wai Man and Mr. Lam Tin Faat, all of whom were appointed as members of the Nomination Committee on 8 February 2013.

During the year ended 31 December 2012, the Nomination Committee has held 3 meetings, at which the members of the Nomination Committee have reviewed and making recommendation to the Board on matters relating to the appointment and re-appointment of Directors.

截至2012年12月31日止年度，提名委員會的成員如下：

### 執行董事

陳濤女士 (由2012年5月22日起終  
(主席)(附註) 止)

### 獨立非執行董事

鄧惠青先生 (由2012年7月4日起終止)  
劉玉泉先生 (由2013年2月6日起終止)

梁綺旋小姐 (由2012年6月27日起  
獲委任；由2012年  
8月31日起終止)

雷兆春先生 (由2012年7月30日起  
(主席)(附註) 獲委任；由2013年  
2月6日起終止)

鄧桂平女士 (由2012年10月26日起  
獲委任；由2013年  
2月6日起終止)

附註：陳濤女士於2012年5月22日卸任本公司提名委員會主席。於2012年7月30日，雷兆春先生獲委任為提名委員會主席。

截至本年報刊發之日，提名委員會由鍾衛民先生出任主席，並包括三位獨立非執行董事，即麥家榮先生、鍾衛民先生及林天發先生，彼等均於2013年2月8日獲委任為提名委員會成員。

於截至2012年12月31日止年度內，提名委員會已舉行3次會議，提名委員會成員於會上檢討了董事的任命及重新委任，並向董事會提出建議。

## CORPORATE GOVERNANCE · 企業管治

The following is the attendance record of the Nomination Committee meetings held during the year ended 31 December 2012:

下表列載於截至2012年12月31日止年度內舉行之提名委員會會議的出席記錄：

		Attendance/Number of Nomination Committee Meeting(s) 提名委員會會議出席／舉行次數
Ms. Chen Tao	陳濤女士	0/0
Mr. Deng Huiqing	鄧惠青先生	1/1
Mr. Liu Yuquan	劉玉泉先生	3/3
Ms. Leung Yee Shuen	梁綺旋小姐	1/1
Mr. Lei Zhaochun	雷兆春先生	1/1
Ms. Deng Guiping	鄧桂平女士	0/0

None of the meetings set out above was attended by any alternate Director.

概無上文所載會議由任何替任董事出席。

Under code provision A.5.1 of the New CG Code, the Company should establish a nomination committee which is chaired by the chairman of the Board or an independent non-executive Director and comprises a majority of independent non-executive Directors.

根據新企業管治守則的守則條文第A.5.1條，本公司應成立一個提名委員會，由董事會主席或一名獨立非執行董事擔任主席，其成員應以獨立非執行董事佔多數。

Ms. Chen Tao ceased to be the chairlady of the Nomination Committee at the conclusion of the annual general meeting of the Company on 22 May 2012. Following such cessation on 22 May 2012 and up to 29 July 2012, the position of the chairman of the Nomination Committee was left vacated. On 30 July 2012, Mr. Lei Zhaochun was appointed as an independent non-executive Director of the Company and chairman of the Nomination Committee. Accordingly, the Company has been in non-compliance with code provision A.5.1 of the New CG Code for the period from 22 May 2012 to 29 July 2012.

陳濤女士於2012年5月22日本公司股東週年大會結束後卸任本公司提名委員會（「提名委員會」）主席。自2012年5月22日卸任之日起至2012年7月29日止，提名委員會主席一職一直懸空。於2012年7月30日，雷兆春先生獲委任為本公司獨立非執行董事及提名委員會主席。因此，本公司由2012年5月22日至2012年7月29日期間，並不符合新企業管治守則第A.5.1條之規定。

### INVESTIGATION COMMITTEE

The Board has established an investigation committee (the "Investigation Committee") on 28 March 2013, to lead an internal investigation (i) to ascertain the circumstances surrounding certain advance made to strategic partners and deposits paid for development of our sales network, which have been fully impaired in the consolidated financial statements for the year ended 31 December 2012, and (ii) to propose actions to be taken by the Company.

### 調查委員會

本公司於2013年3月28日成立調查委員會（「調查委員會」），就以下事項領導內部調查：(i)確定環繞預付戰略夥伴之若干款項及支付發展銷售網絡之按金（已於截至2012年12月31日止年度的綜合財務報表的悉數減值）之情況，及(ii)向本公司建議須採取的行動。

As at the date of this annual report, the Investigation Committee is chaired by Mr. Chung Raymond Wai Man and comprises three independent non-executive Directors, namely Mr. Mak, Patrick Ka Wing, Mr. Chung Raymond Wai Man and Mr. Lam Tin Faat, all of whom were appointed as members of the Investigation Committee on 28 March 2013.

### CORPORATE GOVERNANCE FUNCTION

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board on 29 March 2012 in compliance with code provision D.3.1 of the New CG Code, which include:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

### CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors have been informed of the requirement under code provision A.6.5 of the New CG Code regarding continuous professional development.

According to the records maintained by the Company, members of the Board have undertaken the following training activities during the year ended 31 December 2012:

截至本年報刊發之日，調查委員會由鍾偉民先生擔任主席，並由三位獨立非執行董事組成，即麥家榮先生、鍾衛民先生及林天發先生，彼等均於2013年3月28日獲委任為調查委員會成員。

### 企業管治職能

本公司的企業管治職能，乃由董事會根據董事會按照新企業管治守則的守則條文D.3.1條，於2012年3月29日採納的一套書面職權範圍進行，其包括：

- (a) 發展及檢討本公司的企業管治政策及常規，並對董事會作出建議；
- (b) 檢討及監督本集團董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監督本公司的政策及常規，以符合法律及監管規定；
- (d) 發展、檢討及監督適用於本集團僱員及董事的行為守則及合規手冊(如有)；及
- (e) 檢討本公司遵守企業管治守則的情況及於企業管治報告內作出披露。

### 持續專業發展

董事已獲知會新企業管治守則的守則條文第A.6.5條有關持續專業發展的規定。

據本公司置存的記錄顯示，董事會成員於截至2012年12月31日止年度內已參加以下培訓項目：

		Corporate Governance/ Updates on Laws, Rules and Regulations 企業管治／法律、規章及條例之更新		Accounting/Financial/ Management or Other Professional Skills 會計／財務／管理或其他專業技能	
		Read materials 閱讀材料	Attend Seminars/ Briefings 參加講座／ 簡介會	Read materials 閱讀材料	Attend Seminars/ Briefings 參加講座／ 簡介會
<b>Executive Directors 執行董事</b>					
Ms. Chen Tao	陳濤女士	✓	-	✓	-
Mr. Lin Yuhua	林玉華先生	✓	-	✓	-
Mr. Liu Yuanshi	廖原時先生	✓	-	✓	-
Mr. Xiong Wenjun	熊文俊先生	✓	✓	✓	-
<b>Non-executive Director 非執行董事</b>					
Mr. He Ji	何霽先生	✓	-	✓	-
<b>Independent Non-executive Directors 獨立非執行董事</b>					
Mr. Deng Huiqing	鄧惠青先生	✓	-	✓	-
Mr. Chu Ho Hwa, Howard	朱賀華先生	✓	-	✓	-
Mr. Liu Yuquan	劉玉泉先生	✓	✓	✓	-
Ms. Leung Yee Shuen	梁綺旋小姐	✓	-	✓	-
Mr. Lei Zhaochun	雷兆春先生	✓	✓	✓	-
Ms. Deng Guiping	鄧桂平女士	✓	-	✓	-



## AUDITORS' REMUNERATION

Ernst & Young, who had acted as the external auditors of the Company, was removed as the auditors of the Company on 20 February 2013 and Anda CPA Limited was appointed as auditors of the Company. The Company had paid Ernst & Young RMB677,000 for audit related services and RMB640,000 for agreed upon procedures for interim result announcement.

During the year ended 31 December 2012, the remuneration paid or payable to Anda CPA Limited, the Company's auditors for the year ended 31 December 2012, in respect of their audit and non-audit services was as follows:

Type of services 服務種類		RMB'000 人民幣千元
Audit Services	審計服務	634
Non-audit services (review on financial information)	非審計服務(審閱財務資料)	16
Total	總計	650

The Audit Committee is responsible for making recommendation to the Board as to the appointment, re-appointment and removal of the external auditors, which is subject to the approval by the Board and at the general meetings of the Company by its shareholders.

## DIRECTOR'S AND AUDITOR'S RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's financial statements for each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Company deploys appropriate and sufficient resources to prepare audited accounts. In preparing the financial statements for the year ended 31 December 2012, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## 審計師酬金

曾擔任本公司外聘核數師的安永會計師事務所，於2013年2月20日被免除本公司核數師職務，而安達會計師事務所有限公司獲委任為本公司核數師。本公司已就審計相關服務及中期業績公告之商定程序支付人民幣677,000元及人民幣640,000元予安永。

截至2012年12月31日止年度，向安達會計師事務所有限公司(本公司截至2012年12月31日止年度之審計師)就其審計及非審計服務已付或應付的酬金如下：

審計委員會負責就委任、續聘及罷免外聘審計師向董事會作出推薦建議，惟須經董事會及本公司股東於其股東大會上批准方可作實。

## 董事及審計師就財務報表的責任

董事會確認其就各財政期間編製本集團財務報表的責任，以真實公允地反映本集團的事務狀況及該期間的業績及現金流量。本公司調配恰當及充裕資源以編製經審計賬目。在編製截至2012年12月31日止年度的財務報表時，董事會已選擇合適的會計政策並貫徹一致地應用、作出審慎、公允合理的判斷及估計，並按持續經營基準編製財務報表。董事負責採取一切合理及必要步驟以保障本集團資產，以及避免和偵察欺詐或其他不合規的狀況。

### GOING CONCERN BASIS

Under code provision C.1.2 of the Old CG Code and code provision C.1.3 of the New CG Code, the Directors are responsible for preparing the accounts, and where the Directors are aware of material uncertainties relating to events or conditions that may cast significant doubt on a company's ability to continue as a going concern, this should be disclosed and discussed.

For the year ended 31 December 2012, the Group incurred a loss of RMB576,369,000 and the sales and production of the Group was substantially suspended. These conditions, along with other matters set forth in note 2 to the consolidated financial statements, indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The Directors have made an assessment and concluded that the Group has sufficient working capital to support its general daily operation and is able to continue as a going concern for at least twelve months, having regard that the Group has been expanding its sales team, building a strong customer base, implementing measures to resume production and formulating plans to resume sales.

Accordingly, the Directors are of the view that the Group is a going concern, and it is appropriate to prepare the consolidated financial statements on a going concern basis.

### INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and shareholders' interests, and review and monitor the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate.

### 持續經營

根據舊企業管治守則第C.1.2條及新企業管治守則第C.1.3條，董事負責編製賬目，而倘董事知悉有關可能對公司持續經營能力構成重大疑問的事件或情況之任何重大不明朗因素，應予披露及磋商。

於截至2012年12月31日止年度，本集團錄得虧損人民幣576,369,000元，而且本集團年內絕大部分銷售及生產已暫停。此等情況，加上綜合財務報表附註2所載的其他事項，顯示存在重大不確定性，令本集團能否持續經營成疑。

董事已就此作出評估，並認為本集團有充足營運資金，最少於未來十二個月可支持其一般日常營運，並能持續經營，這是計及本集團一直擴張其銷售團隊、建立雄厚的客戶基礎及實行多項措施，務求恢復生產及制訂恢復銷售之計劃。

據此，董事認為，本集團為一個持續經營實體，而按持續經營基準編製綜合財務報表，實屬恰當。

### 內部監控

董事會負責維持良好及有效的內部監控制度，以保障本集團的資產及股東的權益，並定期檢討及監督本公司內部控制以及風險管理制度的效能，以確保已訂有的內部監控及風險管理制度乃屬充分。

The Company also has a process for identifying, evaluating, and managing the significant risks to the achievement of its operational objective. This process is subject to continuous improvement and was in place throughout 2012 and up to the date of this annual report. The day-to-day operation is entrusted to each individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company reviews the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

The Board has conducted a review of the Group's internal control system for the year ended 31 December 2012 in accordance with code provisions C.2.1 and C.2.2 of the New CG Code. In particular, the Company has engaged an external internal control adviser, Zenith Risk Management Advisory Limited ("Zenith") on 8 August 2012, to conduct reviews of the Company's internal control system, to identify defects and to provide recommendations and measures for the Company's implementation. The Company had received the first draft of the report from Zenith on 13 November 2012. The management of the Company has been reviewing the preliminary draft and discussing with Zenith about the findings. It is expected that the report can be finalized in May 2013 and the Company expects to complete the rectification of the defects and the implementation of the recommendations and measures on or before June 2013.

## INVESTORS AND SHAREHOLDERS RELATIONS CONSTITUTIONAL DOCUMENTS

There has been no significant change in the Company's constitutional documents during the year ended 31 December 2012.

本公司亦有識別、評估及管理達成其營運目標的重大風險的程序。該項程序須予持續改善，並已於2012年內及直至本年報日期制定。日常營運乃委託予各個別部門，其負責自身的行為及表現，並須嚴格遵循董事會制定的政策。本公司會不時檢討內部監控制度的效能，以確保其能夠切合及處理活躍及瞬息萬變的業務環境。

截至2012年12月31日止年度，董事會已遵照新企業管治守則的守則條文第C.2.1條及C.2.2條，對本集團的內部監控系統進行檢討，尤其本公司已於2012年8月8日對外委聘一名內部監控顧問－誠豐風險管理有限公司（「誠豐」），對本公司的內部監控系統進行檢討，以查找不足之處並提供推薦建議及措施以供本公司實施。本公司已於2012年11月13日收到誠豐提交的報告初稿。本公司管理層正審閱該份初稿，並與誠豐商議調查結果。預期報告可於2013年5月最後定稿，而本公司預計於2013年6月或之前會將有關漏洞修補妥當及落實有關建議和措施。

## 投資者及股東關係

### 章程文件

截至2012年12月31日止年度，本公司章程文件概無任何重大變動。

### COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of maintaining clear, timely and effective communication with the shareholders and the investors. The Board also recognizes that effective communication with the investors is the key to establish investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure that the investors and the shareholders receive accurate, clear, comprehensive and timely information of the Group by the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all documents on the Company's website at [www.kingstonemining.com](http://www.kingstonemining.com). The Directors and the committee members are available to answer questions at annual general meetings of the Company. Separate resolutions would be proposed at general meetings of the Company on each substantially separate issue.

Voting at general meetings of the Company is conducted by way of poll in accordance with the Listing Rules. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

The forthcoming shareholders meeting will be the annual general meeting. The notice of annual general meeting will be sent to shareholders at least 20 clear business days before the annual general meeting.

### 與股東之溝通

董事會認同與股東及投資者保持清晰、及時而有效溝通的重要性。董事會亦認同與投資者進行有效溝通是建立投資者信心及吸引新投資者的關鍵所在。因此，本集團致力保持高透明度，確保投資者及股東通過刊發年報、中期報告、公告及通函得到準確、清晰、完整而及時的集團資料，而本公司亦在公司網站 [www.kingstonemining.com](http://www.kingstonemining.com) 刊發全部文件。董事及委員會成員應出席本公司的股東週年大會，並在會上解答問題。各實質上獨立的議題須以獨立決議案方式於本公司股東大會上提呈。

根據上市規則，本公司股東大會的表決乃以投票方式進行。投票結果將會於股東大會上公佈，並分別會於聯交所及本公司的網站上刊登。此外，本公司定期與機構投資者、財務分析員及財經媒體會面，並會即時發佈有關本公司任何重大進度的資料，藉以通過雙向及具效率的通訊促進本公司發展。

即將舉行之股東大會將為股東週年大會。股東週年大會通告將會於股東週年大會前最少足20個營業日寄發予股東。



## SHAREHOLDERS' RIGHT

### HOW SHAREHOLDERS CAN CONVENE AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

Pursuant to the Articles of Association, any one or more shareholder 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 by mail at Unit 6812-13, The Center, 99 Queen's Road Central, Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### PROCEDURES BY WHICH ENQUIRIES MAY BE PUT TO THE BOARD

Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary by mail at Unit 6812-13, The Center, 99 Queen's Road Central, Hong Kong or by email at [ir@kingstonemining.com](mailto:ir@kingstonemining.com). The Company Secretary will forward communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and customer complaints, to the chief executive officer of the Company.

## 股東權利

### 股東如何召開股東特別大會以及於股東大會上提呈議案

根據組織章程細則，任何於呈交要求當日持有不少於附帶於本公司股東大會上表決的權利的本公司繳足股本的十分之一的一名或多名股東應有權隨時郵寄書面要求至香港皇后大道中99號中環中心6812-13室予董事會或公司秘書，要求董事會召開股東特別大會，以處理有關要求所指明的任何事務，而有關大會須於呈交有關要求後兩個月內舉行。倘董事會於有關呈交起計21日內未能召開有關大會，則要求人可自行以相同方式如此行事，而要求人因董事會未能召開大會而產生的所有合理開支將會獲本公司彌償。

### 向董事會提出查詢的程序

股東可郵寄其查詢及關注事宜至香港皇后大道中99號中環中心6812-13室或電郵至 [ir@kingstonemining.com](mailto:ir@kingstonemining.com) 予公司秘書，藉以向董事會提出查詢及關注事宜。公司秘書會轉交有關屬於董事會直接責任的事宜的通訊予董事會，而有關一般事宜的通訊(如建議、查詢及客戶投訴)則會轉交予本公司行政總裁。

# CORPORATE AND SOCIAL RESPONSIBILITY

## 企業及社會責任

### ENVIRONMENTAL PROTECTION

Our operations are subject to a variety of environmental protection laws and regulations in the People's Republic of China ("PRC" or "China"), as well as local environmental protection regulations promulgated by local authorities on environmental protection. These laws and regulations govern a broad range of environmental protection matters, such as mining control, land rehabilitation, air emissions, noise control, discharge of wastewater and pollutants, waste disposal and radioactive element disposal control. The China government has taken an increasingly stringent stance on the adoption and enforcement of rigorous environmental protection laws and regulations. Our operations generate, among other things, dust and noise pollution. The Environmental Protection Bureau of Jiangyou City (江油市環境保護局), as the competent authority, issued two confirmation letters to confirm that we were in compliance with the relevant environmental protection laws and regulations with respect to our Zhangjiaba Mine as at 14 February 2011 and based on such confirmation letters, we have complied with all relevant laws and regulations in China in all material respects regarding environmental protection as at 14 February 2011. We were not subject to any environmental protection claims, lawsuits, penalties or administrative sanctions.

We are committed to following environmentally responsible practices and have adopted measures to minimize the impact and risk of our operations on the environment. We utilize water with drilling, cutting and sawing activities, water sprays at material transfer points, and water trucks to spray the roads during dry periods to reduce dust from mining operations. The mine site has also been designed to recycle used water for production activities and dust suppression. Production water and rain falling on the mine area are drained to a central sump where the water is settled and cleared of sediment before being recycled back into ongoing production activity. No toxic or hazardous substances are contained in the drainage water. We have a limited amount of tailings because our Zhangjiaba Mine is highly utilizable and, as a result, we do not incur additional handling costs. Methods of noise control include use of silencers, noise and vibration dampening and absorbing materials, isolation and enclosure of noisy equipment, and regular equipment maintenance. We also undertake regular noise, water and air quality monitoring as well as an ongoing reclamation and re-planting program for disturbed areas.

### 環境保護

本公司的營運須遵守多項中華人民共和國(「中國」)的環保法律和法規，以及地方政府就環保頒佈的地方環保法規。這些法律和法規規管廣泛的環保事宜，比如開採控制、土地復墾、氣體排放、噪音管制、污水及污染物排放、廢料處理及放射性物質處理控制。中國政府對於採納和執行嚴格的環保法律法規的立場日趨堅定。本公司的作業會產生(其中包括)粉塵及噪音污染。主管部門江油市環境保護局已於2011年2月14日發出兩份確認函，確認本公司就張家壩礦山一直遵守有關環保法律和法規，而根據有關確認函，本公司於2011年2月14日已在所有重大方面遵守中國所有與環保有關的法律及法規。本公司並無遭受任何環保索償、訴訟、罰款或行政制裁。

本公司致力奉行對環境負責的做法，並已採取措施盡量減低本公司業務對環境造成的影響和風險。本公司在鑽探、鋸切活動時用水、在重要轉運點灑水及安排灑水車在乾旱期間向道路灑水，以減少採礦作業過程中產生的粉塵量。礦場亦已設計成可將用過的水循環再用，以供生產活動和除塵使用。生產用水和降於礦區內的雨水會被抽至中央水池，水池中的水在沉澱並清除沉積物後，方會循環再用於持續生產活動。排放的水無毒或不含任何有害物質。本公司的尾礦數量很少，因為本公司張家壩礦山的可利用率極高，因此，本公司不會產生額外處理成本。噪音控制方法包括使用消音器、降噪與吸音材料以及隔離及消除噪音設備，並作定期設備維護。本公司亦對噪音、水及空氣質量進行定期監測，而受影響區域將會持續進行復墾和補植計劃。

## LAND REHABILITATION

Our mining operations may adversely affect surface and underground land and cause landslides and other types of environmental damage. To manage the adverse effects that the mining industry has on the environment, China has promulgated a series of laws and regulations. Through these laws and regulations, China has established national and local environmental protection legal frameworks applicable to land rehabilitation and reforestation. The rehabilitation of mining sites is a priority of the China government. Under the Land Administration Law of China, promulgated on 25 June 1986, as amended, and the Land Rehabilitation Regulations, issued by the State Council which became effective on 1 January 1989, we must undertake measures to restore a mining site to its original state within a prescribed time frame if our mining activities result in damage to arable land, grassland or forestry land. The rehabilitated land must meet rehabilitation standards, as required by law from time to time, and may only be subsequently used upon examination and approval by the land authorities. Any failure to comply with this requirement or failure to restore the mining site to its original state will result in the imposition of fines, rehabilitation fees and/or rejection of applications for land use rights by the local bureau of land and resources.

Land rehabilitation typically involves the removal of buildings, equipment, machinery and other physical remnants of mining, the restoration of land features in mined areas and dumping sites, and contouring, covering and revegetation of waste rock piles and other disturbed areas. In accordance with the relevant laws and regulations in China, we have developed an operational closure planning process for our Zhangjiaba Mine that is in line with China legislative requirements and incorporates recognized international industry practices.

## OCCUPATIONAL HEALTH AND SAFETY

We have implemented a corporate safety policy which incorporates national safety standards. We hold a valid safety permit for our Zhangjiaba Mine issued by the Sichuan Provincial Safety and Production Supervision Bureau (四川省安全生產監督管理局) with a validity period from 17 June 2009 to 16 June 2012. We conduct our operations in accordance with the relevant national laws and regulations in relation to occupational health and safety in mining, production, blasting and explosives handling, mineral processing, waste rock disposal, construction, fire protection and fire extinguishment, sanitary provision in material aspects. Mianyang City Health Bureau (綿陽市衛生局) may conduct random inspections pursuant to law.

## 土地復墾

本公司的採礦作業或會對地表和地下造成不利影響，釀成山崩和其他各種環境損害。為管理採礦業對環境造成的不利影響，中國已頒佈一系列法律和法規。通過這些法律和法規，中國已制定適用於土地復墾和再造林的國家和地方環保法律框架。採礦場復墾是中國政府的重點工作。根據於1986年6月25日頒佈的《中華人民共和國土地管理法》(經修訂)以及國務院頒佈並於1989年1月1日生效的《土地復墾規定》，耕地、草地或林地因採礦活動受到破壞的，本公司必須在規定時間內採取措施，將採礦場恢復原狀。復墾後的土地必須按照不時的法律所規定，達到復墾標準，並經土地部門驗收合格後，方可交付使用。對不遵守該規定或未能把採礦場恢復原狀的企業，處以罰款、復墾費用及/或在其提出新的土地使用權申請時，地方國土資源局可以不予受理。

土地復墾一般涉及拆除建築物、設備、機器及採礦遺留下來的其他有形零部件，修復採礦區和排土場的地貌，以及對廢石堆和其他受影響區域進行外形修整、覆蓋和植被恢復。本公司已根據中國相關法律和法規，為本公司張家壩礦山制訂一套停運規劃程序，該套程序符合中國法律規定，並納入了國際認可的行業慣例。

## 職業健康與安全

本公司已實施包含國家安全標準的企業安全政策。本公司持有四川省安全生產監督管理局就張家壩礦山發出的有效安全許可證，該許可證的有效期由2009年6月17日至2012年6月16日。本公司根據國家相關法律及法規經營業務，該等法律及法規涉及採礦、生產、爆破和爆炸物處理、礦物加工、廢石處理、施工、防火和滅火、衛生設備等重大方面的職業健康與安全。綿陽市衛生局可能會根據法律進行抽樣檢查。

With respect to matters relating to occupational health and safety, we are subject to, among other laws and regulations in China, the PRC Production Safety Law (中華人民共和國安全生產法), the PRC Labor Law, the PRC Labor Contract Law and the PRC Law on the Prevention and Treatment of Occupational Diseases (中華人民共和國職業病防治法). Under the PRC Production Safety Law, we are required to maintain safe working conditions as provided in the PRC Production Safety Law and other relevant laws, administrative regulations, national standards and industry standards. We are also required to provide production safety training to our employees. The design, manufacture, installation, use, inspection and maintenance of our equipment are required to conform to the applicable national or industry standards.

Under the PRC Labor Law and the PRC Labor Contract Law, we are required to establish a system for labor safety and sanitation, to abide by applicable rules and standards and to provide training to our employees on relevant rules and standards. We are also required to provide our employees with a work environment that complies with labor safety and sanitation standards set forth in relevant regulations and to provide regular health examinations for our employees engaged in hazardous activities.

Pursuant to the Law on the Prevention and Treatment of Occupational Disease in China, we are required to: (i) establish and perfect the responsibility system of occupational disease prevention and treatment, strengthen the administration and improve the level of occupational disease prevention and treatment, and bear responsibility for the harm of occupational diseases engendered therefrom; (ii) purchase social insurance for industrial injury; (iii) adopt effective protective facilities against occupational diseases, and provide protective articles to the laborers for personal use against occupational diseases; (iv) set up alarm equipment, allocate on-spot emergency treatment articles, washing equipment, emergency safety exits and safety zones for poisonous and harmful work places where acute occupational injuries are likely to take place; and (v) inform the employees, according to the facts, of the potential harm of occupational disease as well as the consequences thereof and the protective measures and treatment against occupational diseases when signing a labor contract with employees. We have developed and implemented a system to monitor and record employee occupation health and safety statistics.

在有關職業健康與安全的事宜方面，本公司須遵守的中國法律及法規有(其中包括)《中華人民共和國安全生產法》、《中華人民共和國勞動法》、《中華人民共和國勞動合同法》和《中華人民共和國職業病防治法》。根據《中華人民共和國安全生產法》，本公司必須維持《中華人民共和國安全生產法》、其他有關法律、行政法規、國家標準和行業標準所規定的安全作業條件。本公司亦須向僱員提供安全生產培訓。設備的設計、製造、安裝、使用、檢測和維修須符合適用國家或行業標準。

根據《中華人民共和國勞動法》和《中華人民共和國勞動合同法》，本公司必須設立勞動安全衛生制度、遵守適用規則和標準及向員工提供有關規則和標準的培訓。本公司亦必須為僱員提供符合相關法規所載的勞動安全及衛生標準的工作環境，並為從事有職業危害作業的僱員提供定期健康檢查。

根據《中華人民共和國職業病防治法》，本公司必須：(i)建立、健全職業病防治責任制，加強對職業病防治的管理，提高職業病防治水平，對本公司產生的職業病危害承擔責任；(ii)參加工傷社會保險；(iii)採用有效的職業病防護設施，並為勞動者提供個人使用的職業病防護用品；(iv)對可能發生急性職業損傷的有毒、有害工作場所，應當設置報警裝置、配置現場急救用品、沖洗設備、應急撤離通道和必要的泄險區；及(v)與僱員訂立勞動合同時，應當將工作過程中可能產生的職業病危害及其後果、職業病防護措施和待遇等如實告知僱員。本公司已制定和實施一項制度，用以監察和記錄僱員的職業健康與安全數據。



# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### PROFILE OF DIRECTORS

#### NON-EXECUTIVE DIRECTORS

##### Mr. Chan Chi Yin

Mr. Chan, aged 35, was appointed as an independent non-executive Director on 6 February 2013. Mr. Chan holds a MBA degree from University of Chicago Booth School of Business and a bachelor degree from the Chinese University of Hong Kong. Mr. Chan is currently a Vice President at BOCOM International. He previously worked at Partners Group and the Boston Consulting Group (BCG). Mr. Chan is a CFA charter holder.

##### Mr. Wang Dong

Mr. Wang, aged 34, was appointed as an independent non-executive Director on 6 February 2013. Mr. Wang holds a bachelor degree of laws and a master's degree of economics from China Zhongnan University of Economics and Law\* (中國中南財經政法大學). Mr. Wang is currently the office manager of BOCOM International Holdings Company Limited and supervisor of BOCOM International (Shanghai) Equity Investment Management Co., Ltd. He previously worked at the Shenzhen sub-branch of the People's Bank of China and the Shenzhen branch of China Zheshang Bank.

##### Mr. Lee, Warren Wa Lun

Mr. Lee, aged 49, was appointed as an independent non-executive Director on 6 February 2013. Mr. Lee is the Chairman of SHK Hong Kong Industries Limited (formerly known as Yu Ming Investments Limited), which is listed on the Main Board of the Stock Exchange, and a non-executive Director of First Natural Foods Holdings Limited, which is listed on the Main Board of the Stock Exchange, and a director and a responsible officer of Yu Ming Investment Management Limited, which is a licensed corporation regulated by the SFO to carry on activities of dealing in securities, advising on securities, advising on corporate finance and asset management. From December 2006 to May 2007, he was the chief executive officer of Nam Tai Electronics, Inc., an electronics manufacturing services provider listed on the New York Stock Exchange. From March 2004 to February 2006, Mr. Lee was an independent non-executive director of Nam Tai Electronic & Electrical Products Limited ("NTEEP"), and from February 2006 to April 2007, he was re-designated as a non-executive director. From January 2007 to April 2007, he was also a non-executive director of J.I.C. Technology Company Limited ("JIC"). Both of NTEEP and JIC were listed on the Main Board of the Stock Exchange. Mr. Lee is also a non-executive chairman of Rotol Singapore Limited since November 2007. Rotol Singapore Limited was listed on the Main Board of the Singapore Exchange Limited until August 2011. Mr. Lee graduated from University of East Anglia in England in 1986 and obtained a distinction in Master of Science degree from The City University Business School in London in 1988.

\* For identification purpose only

### 董事履歷

#### 非執行董事

##### 陳銑賢先生

陳先生，35歲，於2013年2月6日獲委任為獨立非執行董事。陳先生持有芝加哥大學布斯商學院工商管理碩士學位及香港中文大學學士學位。陳先生現為交銀國際副總裁。彼曾於Partners Group及波士頓諮詢公司(BCG)任職。陳先生為特許財務分析師。

##### 王棟先生

王先生，34歲，於2013年2月6日獲委任為獨立非執行董事。王先生持有中國中南財經政法大學法律學士及經濟學碩士學位。王先生現為交銀國際控股有限公司辦公室主管及交銀國際(上海)股權投資管理有限公司監事。彼曾於中國人民銀行深圳市中心支行及浙商銀行深圳分行任職。

##### 李華倫先生

李先生，49歲，於2013年2月6日獲委任為獨立非執行董事。李先生為新工投資有限公司(前稱禹銘投資有限公司，於聯交所主板上市)的主席、第一天然食品有限公司(於聯交所主板上市)的非執行董事，以及禹銘投資管理有限公司(為根據證券及期貨條例獲准從事證券交易、就證券提供意見、就機構融資提供意見及提供資產管理此等受規管活動的持牌法團)的董事及負責人員。於2006年12月至2007年5月，彼曾出任Nam Tai Electronics, Inc.(於紐約證券交易所上市的電子製造服務供應商)的行政總裁。於2004年3月至2006年2月，李先生曾出任Nam Tai Electronic & Electrical Products Limited(「NTEEP」)的獨立非執行董事，並於2006年2月至2007年4月轉任非執行董事。於2007年1月至2007年4月，彼亦曾出任J.I.C. Technology Company Limited(「JIC」)的非執行董事。NTEEP及JIC均曾於聯交所主板上市。自2007年11月起，李先生亦為Rotol Singapore Limited的非執行主席。Rotol Singapore Limited曾於新加坡證券交易所有限公司主板上市，直至2011年8月為止。李先生於1986年畢業於英國University of East Anglia，以及於1988年以優異成績取得倫敦The City University Business School的理學碩士學位。

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### **Mr. Mak, Patrick Ka Wing**

Mr. Mak, aged 48, was appointed as an independent non-executive Director on 6 February 2013. Mr. Mak is a Registered Solicitor of the High Court of Hong Kong and a Managing Partner of Patrick Mak & Tse. Mr. Mak has extensive legal experience as a practising solicitor.

He was awarded the Hong Kong Common Professional Examination Certificate in Laws by The University of Hong Kong in 1995 and was awarded his Postgraduate Certificate in Laws (P.C.LL) by The University of Hong Kong in 1998.

His major areas of practice include civil litigation, SFC investigations and proceedings, insolvency and bankruptcy and corporate finance. He had advised on a broad range of corporate projects involving corporate finance, merger and acquisition, project finance, initial public offerings on the Main Board and the Growth Enterprise Market of the Stock Exchange and AIM board listing in the London Stock Exchange as well as on their corporate structures and due diligence process. Mr. Mak is being an independent non-executive director of Karce International Holdings Company Limited (stock code: 1159) and U-Right International Holdings Limited (Provisional Liquidators Appointed) (stock code: 0627) and a director of Asia Green Agriculture Corporation (OTCBB:AGAC) which incorporated under the laws of the State of Nevada, USA.

### **Mr. Chung, Raymond Wai Man**

Mr. Chung, aged 54, was appointed as an independent non-executive Director on 6 February 2013. Mr. Chung holds a Diploma in Business Management and a Certificate of Bank of China Banking Course. He started working in The Kwangtung Provincial Bank in 1976, and his last position before leaving the bank in 1996 was a manager in charge of the Tai Po branch. After leaving The Kwangtung Provincial Bank, Mr. Chung established "Raymond Chung Company", a finance and business consulting firm for corporations in Hong Kong and China. In 2004, he set up another consulting firm, Excel Linker Capital (Asia) Limited, which focuses on providing financial services to corporations in China.

Mr. Chung is currently an independent non-executive director of FUJI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed) (stock code: 1175) and U-Right International Holdings Limited (Provisional Liquidators Appointed) (stock code: 0627). He was an independent non-executive Director of United Gene High-Tech Group Limited (stock code: 0399) (formerly known as Far East Pharmaceutical Technology Company Limited) from 23 March 2007 to 13 May 2009.

### **獨立非執行董事**

#### **麥家榮先生**

麥先生，48歲，於2013年2月6日獲委任為獨立非執行董事。麥先生為香港高等法院註冊律師及麥家榮律師行的主管合夥人。麥先生擁有作為執業律師的豐富法律經驗。

彼於1995年獲香港大學授予香港法律專業共同試證書，並於1998年獲香港大學授予法學專業證書(P.C.LL)。

彼的主要執業領域包括民事訴訟、證監會調查及法律行動、無力償債及破產以及企業融資。彼曾就涉及企業融資、併購、項目融資、於聯交所主板及創業板首次公开发售及在倫敦證券交易所另類投資市場上市以及該等公司的企業架構及盡職審查過程等眾多類型的企業項目提供意見。麥先生現任泰盛實業集團有限公司(股份代號：1159)及佑威國際控股有限公司(已委任臨時清盤人)(股份代號：0627)的獨立非執行董事及根據美國內華達州法律註冊成立的Asia Green Agriculture Corporation(場外交易議價板：AGAC)的董事。

#### **鍾衛民先生**

鍾先生，54歲，於2013年2月6日獲委任為獨立非執行董事。鍾先生持有企業管理文憑及中銀集團銀行課程文憑。彼自1976年起於廣東省銀行開展事業，並於1996年辭任，離開該銀行前的最後職務為大埔分行經理。辭任廣東省銀行後，鍾先生成立「衛民顧問公司」，一家為香港及中國企業提供財務及業務顧問服務的公司。於2004年，鍾先生成立另一家顧問公司卓聯融資(亞洲)有限公司，專注為國內企業提供金融服務。

鍾先生現擔任福記食品服務控股有限公司(已委任臨時清盤人)(股份代號：1175)及佑威國際控股有限公司(已委任臨時清盤人)(股份代號：0627)的獨立非執行董事。彼由2007年3月23日至2009年5月13日期間擔任聯合基因科技集團有限公司(股份代號：0399)(前稱遠東生物制藥科技有限公司)的獨立非執行董事。

**Mr. Lam Tin Faat**

Mr. Lam, aged 37, was appointed as an independent non-executive Director on 6 February 2013. Mr. Lam holds a bachelor degree of business administration from The Chinese University of Hong Kong. He has more than 10 years of experience in financial audit, accounting and financial management. He is a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom and a member of the Institute of Chartered Accountants in England and Wales.

Mr. Lam is currently the independent non-executive director of Excel Technology International Holdings Limited (stock code: 8048), the issued shares of which is listed on the Stock Exchange, and the sole proprietor of TF Lam & Company, a CPA practice in Hong Kong, and a director of Top Team Secretary Limited. Mr. Lam has been an executive director of Hongwei Technologies Limited since 23 February 2008, the issued shares of which are listed on the Singapore Exchange Limited (stock code: H80).

**PROFILE OF SENIOR MANAGEMENT**

**CHIEF EXECUTIVE OFFICER**

**Mr. Chen Jianhong**

Mr. Chen, aged 49, was appointed as chief executive officer of the Company on 23 January 2013. Mr. Chen has over 28 years of experience in sales and management. Prior to joining the Company, from January 1994 to December 2012, Mr. Chen has been the chairman of Zhuhai City Jianxiang Motor Trading Limited\* (珠海市建祥汽車貿易有限公司) primarily responsible for financing matters, team-building and networking. From August 1984 to July 1993, Mr. Chen worked as the sales manager at Jiangling Motor Sales Corporation\* (江鈴汽車銷售總公司) primarily responsible for market expansion and building up sales network.

**林天發先生**

林先生，37歲，於2013年2月6日獲委任為獨立非執行董事。林先生持有香港中文大學工商管理學學士學位。彼於財務核數、會計及財務管理方面積逾10年經驗。彼為香港會計師公會及英國特許公認會計師公會的資深會員，同時亦為英格蘭及威爾斯特許會計師公會會員。

林先生現為志鴻科技國際控股有限公司(股份代號：8048)的獨立非執行董事，該公司的已發行股份於聯交所上市。彼並為香港執業會計師林天發會計師行的獨資經營者及濶誠秘書有限公司的董事。自2008年2月23日起，林先生一直擔任Hongwei Technologies Limited(其已發行股份於新加坡證券交易所有限公司上市(股份代號：H80))的執行董事。

**高級管理層履歷**

**行政總裁**

**陳建紅先生**

陳先生，49歲，於2013年1月23日獲委任為本公司行政總裁。陳先生於銷售及管理方面擁有逾28年經驗。於加入本公司前，由1994年1月至2012年12月，陳先生一直擔任珠海市建祥汽車貿易有限公司董事長，主要負責融資事宜、團隊構建及網絡建立。由1984年8月至1993年7月，陳先生擔任江鈴汽車銷售總公司銷售經理，主要負責市場擴充及建立銷售網絡。

\* The English is for identification only

\* 英文名稱僅供識別

# DIRECTORS' REPORT

## 董事會報告

The Board hereby presents its report and the audited consolidated financial statements of the Group for the year ended 31 December 2012.

### CORPORATE REORGANIZATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2007 Revision) Chapter 22 of the Cayman Islands on 29 March 2010. Through a series of the Group reorganization procedures, the Company became the holding company of the Group on 26 July 2010. The Company's shares were listed on the Main Board of the Stock Exchange on 18 March 2011 (the "Listing Date").

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Particulars of the principal activities of its principal subsidiaries are set out in note 21 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2012.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated statement of comprehensive income on page 74 of this annual report.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2012 (For the year ended 31 December 2011: Nil).

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year ended 31 December 2012 in the Group's property, plant and equipment are set out in note 17 to the consolidated financial statements.

### SHARE CAPITAL

Details of the movements during the year ended 31 December 2012 in the issued share capital of the Company are set out in note 35 to the consolidated financial statements.

董事會謹此提呈本集團截至2012年12月31日止年度年報以及經審計綜合財務報表。

### 企業重組

本公司於2010年3月29日根據開曼群島法例第22章公司法(2007年修訂本)在開曼群島註冊成立為獲豁免有限公司。通過一連串集團重組程序，本公司於2010年7月26日成為本集團的控股公司。本公司的股份於2011年3月18日(「上市日期」)在聯交所主板上市。

### 主要業務

本公司為投資控股公司。其主要附屬公司的主要業務詳情載於綜合財務報表附註21。本集團主要業務的性質於截至2012年12月31日止年度內並無重大變動。

### 業績及分派

本集團截至2012年12月31日止年度的業績載於本年報第74頁的綜合全面收入表。

董事不建議派付截至2012年12月31日止年度的股息(截至2011年12月31日止年度：零)。

### 物業、廠房及設備

本集團於截至2012年12月31日止年度內的物業、廠房及設備變動詳情載於綜合財務報表附註17。

### 股本

本公司於截至2012年12月31日止年度內的已發行股本變動詳情載於綜合財務報表附註35。



### DISTRIBUTABLE RESERVES OF THE COMPANY

Details of the movements during the year ended 31 December 2012 in the reserves of the Group are set out in the consolidated statements of changes in equity on page 77 of this annual report.

As at 31 December 2012, the Company's reserves available for distribution to shareholders in accordance with the Articles of Association is RMB361.70 million (As at 31 December 2011: RMB792.6 million).

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the year ended 31 December 2012 are set out on page 147 to page 148 of this annual report.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2012, sales to the Group's five largest customers in aggregate represented 100% (2011: 84.6%) of the Group's total sales and sales to the single largest customer amounted to approximately 49.9% (2011: 21.7%) of the Group's total sales.

For the years ended 31 December 2012 and 2011, our purchases of auxiliary materials from our five largest suppliers accounted for approximately 100% and 69% respectively of the Group total purchases. For the year ended 31 December 2012 and 2011, purchases from the single largest supplier accounted to approximately 82% and 48.9% of our total purchases respectively.

For the year ended 31 December 2012, none of the Directors or any of their associates or any shareholders who, to the knowledge of our Directors, owns more than 5% of the Company's issued capital, had any interest in our five largest suppliers or customers.

### 本公司可供分派儲備

本集團於截至2012年12月31日止年度內的儲備變動詳情載於本年報第77頁的綜合權益變動表。

於2012年12月31日，根據組織章程細則，本公司可供分派予股東的儲備為人民幣361.70百萬元(於2011年12月31日：人民幣792.6百萬元)。

### 財務概要

本集團截至2012年12月31日止年度的業績以及資產及負債概要載於本年報第147至148頁。

### 主要客戶及供應商

截至2012年12月31日止年度，本集團五大客戶的銷售合計相當於本集團總銷售的100%(2011年：84.6%)，而向單一最大客戶的銷售則約佔本集團總銷售的49.9%(2011年：21.7%)。

截至2012年及2011年12月31日止年度，本公司向五大供應商採購的輔助材料分別佔本集團總採購額約100%及69%。截至2012年及2011年12月31日止年度，向單一最大供應商的採購佔本集團總採購額約82%及48.9%。

截至2012年12月31日止年度，就董事所知，概無董事或彼等之任何聯繫人或任何擁有本公司已發行股本超過5%的股東於我們的五大供應商或客戶中擁有任何權益關係。

## DIRECTORS

The Directors during the year ended 31 December 2012 and up to the date of this annual report were:

### EXECUTIVE DIRECTORS

Ms. Chen Tao <sup>1</sup>	(retired with effect from 22 May 2012)
Mr. Lin Yuhua <sup>1</sup>	(retired with effect from 22 May 2012)
Mr. Liao Yuanshi <sup>1</sup>	(retired with effect from 22 May 2012)
Mr. Xiong Wenjun <sup>2</sup>	(removed with effect from 6 February 2013)

### NON-EXECUTIVE DIRECTORS

Mr. He Ji	(resigned with effect from 29 March 2012)
Mr. Chan Chi Yin <sup>2</sup>	(appointed with effect from 6 February 2013)
Mr. Wang Dong <sup>2</sup>	(appointed with effect from 6 February 2013)
Mr. Lee, Warren Wa Lun <sup>2</sup>	(appointed with effect from 6 February 2013)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Deng Huiqing	(resigned with effect from 4 July 2012)
Mr. Chu Ho Hwa, Howard <sup>1</sup>	(retired with effect from 22 May 2012)
Ms. Leung Yee Shuen	(appointed with effect from 27 June 2012; resigned with effect from 31 August 2012)
Mr. Lei Zhaochun <sup>2</sup>	(appointed with effect from 30 July 2012; removed with effect from 6 February 2013)
Ms. Deng Guiping <sup>2</sup>	(appointed with effect from 26 October 2012; removed with effect from 6 February 2013)
Mr. Liu Yuquan <sup>2</sup>	(removed with effect from 6 February 2013)
Mr. Mak, Patrick Ka Wing <sup>2</sup>	(appointed with effect from 6 February 2013)
Mr. Lam Tin Faat <sup>2</sup>	(appointed with effect from 6 February 2013)
Mr. Chung, Raymond Wai Man <sup>2</sup>	(appointed with effect from 6 February 2013)

## 董事

於截至2012年12月31日止年度內及截至本年報日期的董事為：

### 執行董事

陳濤女士 <sup>1</sup>	(於2012年5月22日退任)
林玉華先生 <sup>1</sup>	(於2012年5月22日退任)
廖原時先生 <sup>1</sup>	(於2012年5月22日退任)
熊文俊先生 <sup>2</sup>	(於2013年2月6日罷免)

### 非執行董事

何霽先生	(於2012年3月29日辭任)
陳鈺賢先生 <sup>2</sup>	(於2013年2月6日獲委任)
王棟先生 <sup>2</sup>	(於2013年2月6日獲委任)
李華倫先生 <sup>2</sup>	(於2013年2月6日獲委任)

### 獨立非執行董事

鄧惠青先生	(於2012年7月4日辭任)
朱賀華先生 <sup>1</sup>	(於2012年5月22日退任)
梁綺旋小姐	(於2012年6月27日獲委任；於2012年8月31日辭任)
雷兆春先生 <sup>2</sup>	(於2012年7月30日獲委任；於2013年2月6日罷免)
鄧桂平女士 <sup>2</sup>	(於2012年10月26日獲委任；於2013年2月6日罷免)
劉玉泉先生 <sup>2</sup>	(於2013年2月6日罷免)
麥家榮先生 <sup>2</sup>	(於2013年2月6日獲委任)
林天發先生 <sup>2</sup>	(於2013年2月6日獲委任)
鍾衛民先生 <sup>2</sup>	(於2013年2月6日獲委任)

## Notes:

1. At the annual general meeting held on 22 May 2012, each of Ms. Chen Tao, Mr. Lin Yuhua and Mr. Liao Yuanshi was not re-elected as an executive Director, and each of them retired as a Director at the conclusion of the said meeting. Mr. Chu Ho Hwa, Howard did not offer himself for re-election as an independent non-executive Director at the annual general meeting held on 22 May 2012, and retired as a Director at the conclusion of the said meeting.
2. At the extraordinary general meeting held on 6 February 2013 on the requisition of a controlling shareholder of the Company, Wongs Investment Development Holdings Group Limited (Provisional Liquidators Appointed), Mr. Xiong Wenjun was removed as an executive Director and each of Mr. Liu Yuquan and Ms. Deng Guiping was removed as an independent non-executive Director. Each of Mr. Chan Chi Yin, Mr. Wang Dong and Mr. Lee, Warren Wa Lun was appointed as a non-executive Director and each of Mr. Mak, Patrick Ka Wing, Mr. Chung, Raymond Wai Man and Mr. Lam Tin Faat was appointed as an independent non-executive Director.

In accordance with article 84(1) of the Articles of Association, one-third of the Directors for the time being will retire from office of Directors at the forthcoming annual general meeting. At the forthcoming annual general meeting, ordinary resolutions will be proposed to re-elect any retiring Director eligible and willing to offer themselves for re-election.

## DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of our existing non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for an initial fixed term of three years commencing on 6 February 2013 which can be terminated by either party serving at least one month's notice prior to the expiry of the term.

None of the Directors (including any Director who may be proposed for re-election at the forthcoming annual general meeting) has entered into any service agreement with the Company which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## 附註:

1. 於2012年5月22日舉行的股東週年大會上，陳濤女士、林玉華先生及廖原時先生未獲重選為執行董事，而彼等各自於上述大會結束時退任董事職務。朱賀華先生並無於2012年5月22日舉行的股東週年大會上，膺選連任獨立非執行董事，並於上述大會結束時退任董事職務。
2. 本公司應控股股東 Wongs Investment Development Holdings Group Limited (已委任臨時清盤人) 提出的要求，於2013年2月6日舉行股東特別大會，會上熊文俊先生被罷免執行董事職務，劉玉泉先生及鄧桂平女士被罷免獨立非執行董事職務。陳鈺賢先生、王棟先生及李華倫先生各自獲委任為非執行董事，而麥家榮先生、鍾衛民先生及林天發先生則各自獲委任為獨立非執行董事。

根據組織章程細則第84(1)條，其時三分之一之董事須於應屆股東週年大會上退任董事職務。於應屆股東週年大會上，本公司將提呈普通決議案，重選任何符合資格及願意膺選連任之退任董事。

## 董事服務合約及委任函

各現任非執行董事及已獨立非執行董事已與本公司訂立委任函，由2013年2月6日起計初步固定期限為三年，可由任何一方於任期屆滿前發出不少於一個月的通知終止。

概無董事(包括可能建議於應屆股東週年大會上重選連任的董事)與本公司訂立本集團如於一年內終止而毋須支付賠償的任何服務協議(法定賠償除外)。

## REMUNERATION OF THE DIRECTORS

The remuneration of each Director is approved at general meeting. Other emoluments will be determined by the members of the Remuneration Committee with reference to the duties, responsibilities, performance of the Directors and the results of the Group. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

Details of the remuneration of the Directors are set out in note 12 to the consolidated financial statements of this annual report.

## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Company are set out on pages 47 to 49 of this annual report.

## EMOLUMENTS POLICY

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 China, 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. The Group has adopted a share option scheme for its employees.

## RETIREMENT BENEFIT SCHEMES

The Group participates in a state-managed defined contribution retirement scheme organised by the relevant local government authority in China. Certain employees of the Group eligible to participate in the retirement scheme are entitled to retirement benefits from the scheme. The local government authority is responsible for the pension liabilities to these retired employees. The Group is required to make monthly contributions to the retirement scheme up to the time of retirement of the eligible employees, at 20% of the local standard basic salaries.

## 董事酬金

各董事的酬金乃於股東大會上批准。其他薪酬將會由薪酬委員會成員根據董事的職務、責任及表現以及本集團的業績釐定。全體董事的酬金須由薪酬委員會定期監督，以確保彼等的酬金及薪酬水平適合。

董事酬金詳情載於本年報綜合財務報表附註12。

## 董事及高級管理層履歷

本公司董事及高級管理層履歷詳情載於本年報第47至49頁。

## 薪酬政策

本集團的薪酬政策按個別僱員的表現及根據香港及中國的薪金趨勢制定，並會定期予以檢討。視乎本集團的盈利能力，本集團亦會向其僱員派發酌情花紅作為其對本集團所作出貢獻的獎勵。本集團已為其僱員採納購股權計劃。

## 退休福利計劃

本集團參加了一項由中國有關地方政府機構組織並由國家管理的定額供款退休計劃。本集團合資格參與該退休計劃的若干僱員有權享有該計劃提供的退休福利。地方政府機構負責向該等退休僱員支付退休金。本集團則須按當地標準基本薪金的20%每月向該退休計劃供款，直至合資格僱員退休時為止。



## INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent in accordance with Rule 3.13.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2012, none of the Directors and chief executive of the Company or any of their spouses or children under the age of eighteen were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any of its holding company, subsidiaries or other associated corporation (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required pursuant to the Model Code to be notified to the Company and the Stock Exchange. At no time had the Company or any of its holding company or subsidiaries been participated in any arrangements to enable the Directors or chief executive (including their spouses or children under the age of eighteen) of the Company 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).

## 獨立非執行董事的獨立性

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之獨立身份確認書。根據第3.13條，本公司認為全體獨立非執行董事均為獨立人士。

## 董事及主要行政人員於本公司或其相聯 法團的股份、相關股份或債權證的權益 及淡倉

於2012年12月31日，概無本公司董事及主要行政人員或任何彼等的配偶或未年滿十八歲的子女於本公司或其任何控股公司、附屬公司或其他相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有或被視作擁有須根據證券及期貨條例第352條列入該條所述的登記冊中的好倉及淡倉的權益；或須根據標準守則知會本公司及聯交所的好倉及淡倉的權益。於任何時候，本公司或其任何控股公司或附屬公司概無參與任何安排，以使本公司的董事或主要行政人員(包括彼等的配偶或未年滿十八歲的子女)可購入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權證的任何權益及淡倉。

**SUBSTANTIAL SHAREHOLDERS' INTERESTS  
AND SHORT POSITIONS IN THE SHARES AND  
UNDERLYING SHARES**

The register of substantial shareholders required to be kept by our Company under Section 336 of Part XV of the SFO shows that as at 31 December 2012, our Company was notified of the following substantial shareholders' interests and short positions in the shares and underlying shares, being interests of 5% or more.

**主要股東於股份及相關股份的權益及  
淡倉**

按照本公司根據證券及期貨條例第XV部第336條規定須存置的主要股東登記冊所示，於2012年12月31日，本公司獲悉以下主要股東於股份及相關股份的權益及淡倉（即擁有5%或以上權益）。

Name	Capacity	Number of underlying shares	Percentage of the issued share capital of the Company
姓名／名稱	身份	相關股份數目	佔本公司已發行股本百分比
Mr. Huang Xianyou 黃賢優先生	Interest in controlled corporation (note 1) 於受控法團的權益(附註1)	1,226,926,277	62.99%
Wongs Investment Development Holdings Group Limited (Provisional Liquidators Appointed) Wongs Investment Development Holdings Group Limited (已委任臨時清盤人)	Beneficial Owner (note 1, 2) 實益擁有人(附註1、2)	1,226,926,277	62.99%

Notes:

- (1) The entire share capital of Wongs Investment Development Holdings Group Limited (Provisional Liquidators Appointed), a company incorporated in the British Virgin Islands with limited liability, was held by Mr. Huang Xianyou.
- (2) On 16 October 2012, the High Court of Hong Kong appointed Messrs Lai Kar Yan (Derek) and Darach E. Haughey, both of Deloitte Touche Tohmatsu, as the joint and several liquidators of Wongs Investments Development Holdings Group Limited (Provisional Liquidators Appointed).

Save as disclosed above, none of the existing Director is aware that any person (not being a Director 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 required to be kept by the Company under Section 336 of Part XV of SFO, as at 31 December 2012.

附註：

- (1) 黃賢優先生持有 Wongs Investment Development Holdings Group Limited(已委任臨時清盤人)(一家於英屬處女群島註冊成立的有限公司)的全部股本。
- (2) 於2012年10月16日，香港高等法院頒令委任德勤•關黃陳方會計師行的黎嘉恩先生及何熹達先生為Wongs Investment Development Holdings Group Limited(已委任臨時清盤人)的共同及各別臨時清盤人。

除上文所披露者外，現有董事概不知悉任何人士（並非本公司董事或主要行政人員者）於2012年12月31日於本公司須根據證券及期貨條例第XV部第336條存置的登記冊中登記的股份及相關股份中擁有任何權益或淡倉。

## SHARE OPTIONS

### PRE-IPO SHARE OPTION SCHEME

The Company has adopted a pre-IPO share option scheme on 24 January 2011 (the "Pre-IPO Share Option Scheme").

The purpose of the Pre-IPO Share Option Scheme is to give our employees, 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 to our Company 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 principal terms of the Pre-IPO Share Option Scheme, approved by our shareholder pursuant to the written resolutions of our shareholder dated 24 January 2011, are substantially the same as the terms of the Share Option Scheme except that:

- (a) the subscription price per Share under the Pre-IPO Share Option Scheme shall be HK\$0.6; and
- (b) all options granted under the Pre-IPO Share Option Scheme can only be exercised in the following manner and, in any event, cannot be exercised for a period of twelve months after the listing:

Exercise period  
行使期

Any time after the first anniversary of the Listing Date  
於上市日期的首個週年後任何時間

The option period shall commence on the first anniversary of the Listing Date and expire on the fifth anniversary of the Listing Date.

The total number of shares which may be issued upon the exercise of all options granted under the Pre-IPO Share Option Scheme is 40,000,000 shares, representing approximately 2.05% of the share capital of the Company as at the date of this annual report. Save for the options which were granted as at 24 January 2011, no further options were granted under the Pre-IPO Share Option Scheme.

## 購股權

### 首次公開發售前購股權計劃

本公司已於2011年1月24日採納首次公開發售前購股權計劃(「首次公開發售前購股權計劃」)。

設立首次公開發售前購股權計劃的目的是向本公司僱員、顧問、諮詢人及業務夥伴提供於本公司擁有個人股權的機會，並有助於激勵彼等於日後為本公司做出最佳表現及效率，及／或就彼等過去的貢獻給予獎勵，以吸引及挽留或以其他方式與該等對本公司的表現、發展或成功乃屬重要及／或其貢獻有利於或將有利於本公司的表現、發展或成功的該等僱員、顧問、諮詢人及業務夥伴維持持續的合作關係。首次公開發售前購股權計劃的主要條款已由股東根據股東於2011年1月24日通過的書面決議案批准，除下列各項外，其與購股權計劃的條款大致相同：

- (a) 首次公開發售前購股權計劃項下的每股認購價將為0.6港元；及
- (b) 根據首次公開發售前購股權計劃授出的所有購股權僅可以下列方式行使，且在任何情況下，不能在上市後十二個月期間行使：

Maximum percentage of options exercisable  
佔可行使購股權的最高百分比

100% of the total number of options granted  
佔已授出購股權總數的100%

購股權期間將於上市日期的首個週年開始及於上市日期的第五個週年到期。

因根據首次公開發售前購股權計劃授出的所有購股權獲行使後而可能發行的股份總數為40,000,000股股份，約佔本公司於本年報日期股本的2.05%。除於2011年1月24日已授出的購股權外，概無根據首次公開發售前購股權計劃進一步授出購股權。

## DIRECTORS' REPORT · 董事會報告

Details of the share options outstanding and movement under the Pre-IPO Share Option Scheme during the year ended 31 December 2012 are as follows:

於截至2012年12月31日止年度，首次公開發售前購股權計劃下未行使的購股權及其變動的詳情如下：

Name of grantee	Date of grant	Exercise price HK\$	Outstanding share options under the Pre-IPO Share Option Scheme as at 1 January 2012 於2012年1月1日首次公開發售前購股權計劃下未行使之購股權	Number of share options 購股權數目				Outstanding share options under the Pre-IPO Share Option Scheme as at 31 December 2012 於2012年12月31日首次公開發售前購股權計劃下未行使之購股權
				Granted during the year ended 31 December 2012 於截至2012年12月31日止年度授出	Exercised during the year ended 31 December 2012 於截至2012年12月31日止年度行使	Lapsed during the year ended 31 December 2012 於截至2012年12月31日止年度失效	Cancelled during the year ended 31 December 2012 於截至2012年12月31日止年度註銷	
承授人姓名	授出日期	(港元)						

### Directors of the Company

#### 本公司董事

Chen Tao (note) 陳濤(附註)	24 January 2011 2011年1月24日	0.60	30,000,000	-	-	-	-	30,000,000
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#### Others

##### 其他

Chen Dongdong 陳東東	24 January 2011 2011年1月24日	0.60	10,000,00	-	-	-	-	10,000,00
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Note: Ms. Chen Tao ceased to be a Director at the conclusion of the annual general meeting held on 22 May 2012.

附註：於2012年5月22日舉行的股東週年大會結束後，陳濤女士不再擔任董事。

Save as disclosed above, there was no options outstanding, granted, exercised, lapsed or cancelled under the Pre-IPO Share Option Scheme during the year ended 31 December 2012.

除上文所披露者外，於截至2012年12月31日止年度，首次公開發售前購股權計劃下概無未行使、已授出、已行使、失效或註銷的購股權。



### SHARE OPTION SCHEME

The Company also adopted a share option scheme on 24 January 2011 (the "Share Option Scheme").

Details of the share options outstanding and movement under the Share Option Scheme during the year ended 31 December 2012 are as follows:

### 購股權計劃

本公司亦於2011年1月24日採納一項購股權計劃(「購股權計劃」)。

於截至2012年12月31日止年度內購股權計劃下尚未行使購股權及變動的詳情如下：

Name of grantee	Date of grant	Exercise price HK\$	Outstanding share options under the Share Option Scheme as at 1 January 2012 於2012年1月1日 購股權計劃下未行使之購股權	Number of share options 購股權數目				Outstanding share options under the Share Option Scheme as at 31 December 2012 於2012年12月31日 購股權計劃下未行使之購股權
				Granted during the year ended 31 December 2012 於截至2012年12月31日止年度授出	Exercised during the year ended 31 December 2012 於截至2012年12月31日止年度行使	Lapsed during the year ended 31 December 2012 於截至2012年12月31日止年度失效	Cancelled during the year ended 31 December 2012 於截至2012年12月31日止年度註銷	
承授人姓名	授出日期	行使價(港元)						

#### Directors of the Company

##### 本公司董事

Chen Tao (note) 陳濤(附註)	4 November 2011 2011年11月4日	1.38	4,500,000	-	-	-	-	4,500,000
Lin Yuhua (note) 林玉華(附註)	4 November 2011 2011年11月4日	1.38	3,300,000	-	-	3,300,000	-	-
Liao Yuanshi (note) 廖原時(附註)	4 November 2011 2011年11月4日	1.38	3,300,000	-	-	3,300,000	-	-

##### Others

##### 其他

Lou Sai Tong 盧世東	4 November 2011 2011年11月4日	1.38	2,300,000	-	-	2,300,000	-	-
Chen Dongdong 陳東東	4 November 2011 2011年11月4日	1.38	3,300,000	-	-	-	-	3,300,000
Zhan Ping 詹萍	4 November 2011 2011年11月4日	1.38	3,300,000	-	-	3,300,000	-	-

Note: Each of Ms. Chen Tao, Mr. Lin Yuhua and Mr. Liao Yuanshi ceased to be a Director at the conclusion of the annual general meeting held on 22 May 2012.

附註：陳濤女士、林玉華先生及廖原時各人均於2012年5月22日舉行的股東週年大會結束後不再擔任董事。

Save as disclosed above, there are no options outstanding, granted, exercised, lapsed or cancelled under the Share Option Scheme during the year ended 31 December 2012.

The options have an effective period of 10 years, from 4 November 2011 to 3 November 2021.

The options are vested in three tranches in the proportion of 50%, 25% and 25% at 4 November 2011, 4 November 2012 and 4 November 2013.

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by a written resolution passed by the sole shareholder on 24 January 2011.

**(A) PURPOSE**

The purpose of the Share Option Scheme is to give the eligible persons (as mentioned in the following paragraph) an opportunity to have a personal stake in the Company and help motivate them to optimize their future performance and efficiency to our Company 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 our Company, and additionally in the case of Executive (as defined below), to enable our Company to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

**(B) WHO MAY JOIN**

The Board may, at its absolute discretion, offer options ("Options") to subscribe for such number of shares in accordance with the terms set out in the Share Option Scheme to:

- (i) any executive Director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Company ("Executive"), any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of our Company ("Employee");
- (ii) a director or proposed director (including an independent non-executive director) of any member of our Company;

除上文所披露者外，於截至2012年12月31日止年度，購股權計劃下概無未行使、已授出、已行使、失效或註銷的購股權。

購股權有效期為10年，由2011年11月4日起至2021年11月3日止。

購股權將分三批，以50%、25%及25%的比例分別於2011年11月4日、2012年11月4日及2013年11月4日歸屬。

以下為經唯一股東於2011年1月24日通過的書面決議案有條件批准及採納的購股權計劃主要條款的概要。

**(A) 目的**

設立購股權計劃的目的是向合資格人士(如下段所述)提供於本公司擁有個人股權的機會，並有助於激勵彼等於日後為本公司做出最佳表現及效率，及／或就彼等過去的貢獻給予獎勵，以吸引及挽留或以其他方式與該等對本公司的表現、發展或成功乃屬重要及／或其貢獻有利於或將有利於本公司的表現、發展或成功的合資格人士維持持續的合作關係，另外就行政人員(定義見下文)而言，讓本公司可吸引及挽留經驗豐富且具才能的人士及／或就其過往貢獻給予獎勵。

**(B) 可參與人士**

董事會擁有絕對酌情權可根據購股權計劃所載條款向下列人士提呈可認購有關數目股份的購股權(「購股權」)：

- (i) 本公司任何成員公司的任何執行董事、經理，或擔當行政、管理、監督或類似職位的其他僱員(「行政人員」)、任何全職或兼職僱員、或被調往本公司任何成員公司擔當全職或兼職工作的人士(「僱員」)；
- (ii) 本公司任何成員公司的董事或獲提名董事(包括獨立非執行董事)；

- (iii) a direct or indirect shareholder of any member of our Company;
- (iv) a supplier of goods or services to any member of our Company;
- (v) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Company;
- (vi) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of our Company; and
- (vii) an associate of any of the persons referred to in paragraphs (i) to (v) above. (the persons referred above are the "Eligible Persons").

- (iii) 本公司任何成員公司的直接或間接股東；
- (iv) 向本公司任何成員公司供貨或提供服務的供應商；
- (v) 本公司任何成員公司的客戶、諮詢人、商業或合營夥伴、特許經營商、承包商、代理或代表；
- (vi) 為本公司任何成員公司提供設計、研究、開發或其他支持或任何顧問、諮詢、專業或其他服務的個人或實體；及
- (vii) 上文(i)至(v)段所述的任何人士的聯繫人。(上述人士為「合資格人士」)。

**(C) MAXIMUM NUMBER OF SHARES**

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company shall not in aggregate exceed a maximum of 200,000,000 shares (the "Scheme Mandate Limit"), representing approximately 10.3% of the issued share capital of the Company as at the date of this annual report, provided that:

- (i) The Company may at any time as the Board may think fit seek approval from our shareholder to refresh the Scheme Mandate Limit, save that the maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not exceed 10% of the shares in issue as at the date of approval by shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Share Option Scheme and any other schemes of the Company (including those outstanding, canceled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The Company shall send to our shareholders a circular containing the details and information required under the Listing Rules.

**(C) 股份數目上限**

因行使根據本公司購股權計劃及任何其他計劃將予授出的所有購股權而可能發行的最高股份數目，合計不得超過200,000,000股（「計劃授權上限」），相當於於本年報日期本公司已發行股份的約10.3%，前提條件是：

- (i) 本公司可於董事會認為合適時隨時尋求股東批准更新計劃授權上限，惟因行使根據本公司購股權計劃及任何其他計劃將予授出的所有購股權而可能發行的最高股份數目，不得超過於股東大會上獲股東批准更新計劃授權上限當日已發行股份的10%。就計算經更新該計劃授權上限而言，過往根據本公司購股權計劃及任何其他計劃授出的購股權（包括根據本公司購股權計劃或任何其他計劃的條款而屬尚未行使、已註銷、已失效或已行使的購股權）不應計算在內。本公司須向本公司股東寄發一份載有上市規則規定的詳情及資料的通函。

- (ii) The Company may seek separate approval from our shareholders in general meeting for granting options beyond the Scheme Mandate Limit, provided that the options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specified by the Company before such approval is obtained. The Company shall issue a circular to our shareholders containing the details and information required under the Listing Rules.
- (iii) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of our Company shall not exceed 30% of the Company's issued share capital from time to time. No options may be granted under the Share Option Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.

**(D) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT**

No option may be granted to any one person such that the total number of shares issued and to be issued upon exercise of options granted and to be granted to that person in any 12-month period exceeds 1% of the Company's issued share capital from time to time. Where any further grant of options to such an Eligible Persons would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Persons (including exercised, canceled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the shareholder of the Company in general meeting with such Eligible Persons and his associates abstaining from voting. The Company shall send a circular to our shareholders disclosing the identity of the Eligible Persons, the number and terms of the options to be granted (and options previously granted) to such Eligible Persons, and containing the details and information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted to such Eligible Persons must be fixed before the approval of the Company's shareholders and the date of the Board meeting proposing such grant shall be taken as the offer date for the purpose of calculating the subscription price of those options.

- (ii) 本公司可於股東大會上尋求本公司股東另行批准授出超出計劃授權上限的購股權，惟超出計劃授權上限的購股權僅授予本公司於取得有關批准前指定的合資格人士。本公司須向本公司股東寄發一份載有上市規則規定的詳情及資料的通函。
- (iii) 因悉數行使根據本公司購股權計劃及任何其他計劃已授出但尚未行使的購股權而可能發行的最高股份數目不得超過本公司不時已發行股本的30%。倘根據本公司購股權計劃及任何其他購股權計劃授出的購股權而發行的股份數目將超出有關上限，則不會根據上述各項計劃授出任何購股權。

**(D) 各參與人士享有配額上限**

本公司概不得向任何一名人士授出購股權，致使在任何12個月期間內向該名人士授出及將授出的購股權獲行使而已發行及將予發行的股份總數超過本公司不時已發行股本的1%。倘向有關合資格人士進一步授出任何購股權可能導致截至進一步授出購股權之日(包括該日)止12個月期間因行使已授予及將授予該合資格人士的所有購股權(包括已行使、已註銷及尚未行使購股權)而已發行及將予發行的股份合計逾已發行股份的1%，則進一步授出購股權須在股東大會上獲本公司股東另行批准，而該合資格人士及其聯繫人須放棄投票。本公司須向本公司股東寄發一份通函，披露合資格人士的身份、將向該合資格人士授出的購股權(及先前已授出的購股權)的數目及條款，並載列上市規則所規定的詳情及資料。將向該合資格人士授出購股權的數目及條款(包括認購價)必須在本公司股東批准之前釐定，而為了計算該等購股權的認購價，建議有關授出的董事會會議日期須被視作要約日期。



**(E) MINIMUM HOLDING PERIOD, VESTING AND PERFORMANCE TARGET**

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the option in respect of all or any of the shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the option can be exercised.

**(F) SUBSCRIPTION PRICE**

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the subscription price shall not be less than whichever is the highest of:

- (i) the nominal value of the shares;
- (ii) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- (iii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days (as defined in the Listing Rules) immediately preceding the offer date.

**(E) 最短持有期限、歸屬及表現目標**

根據上市規則條文，當董事會認為恰當時，董事會可按其絕對酌情權於授予購股權時在購股權計劃中所載以外施加有關購股權的任何條件、約束或限制(載列於列有授出購股權要約函件中)，包括(在不影響於前述一般性的情況下)證明及/或維持有關本公司及/或承授人實現表現、經營或財務目標的合資格標準、條件、約束或限制；承授人在履行或維持若干條件或責任方面令人滿意或行使所有或任何有關股份的購股權權利歸屬前的時間或期間，惟該等條款或條件不得與購股權計劃的任何其他條款或條件並不一致。為避免生疑，除前述董事會可釐定的有關條款及條件(包括有關購股權的歸屬、行使或其他事項的條款及條件)另有規定外，於購股權可獲行使前並無購股權必須被持有的最短期限，於購股權可獲行使前承授人亦毋須達到任何表現目標。

**(F) 認購價**

任何特定購股權的認購價須由董事會在授出有關購股權時全權酌情決定(及應列於授出購股權要約函件中)，惟該認購價不得低於下列三者中的最高者：

- (i) 股份面值；
- (ii) 於要約日期聯交所每日報價表所列的股份收市價；及
- (iii) 緊接要約日期前5個營業日(定義見上市規則)股份於聯交所每日報價表所列的平均收市價。

**(G) RANKING OF SHARES**

The shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank pari passu in all respects with the then existing fully paid shares in issue on the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the allotment date. Share issued upon the exercise of an option shall not carry rights until the registration of the grantee (or any other person) as the holder thereof.

**(H) LIFE OF SHARE OPTION SCHEME**

Subject to the terms of this scheme, the Share Option Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

**RIGHTS TO PURCHASES SHARES OR DEBENTURES OF DIRECTORS AND CHIEF EXECUTIVES**

Other than the option holdings disclosed above, at no time during the year ended 31 December 2012 had the Company or any of its subsidiaries, holding companies or any fellow subsidiaries entered into any arrangement which enables the existing Directors or chief executives and their respective spouse or children under eighteen years old to have the right to acquire benefits by means of acquisition of shares or debentures in the Company or any other legal entities.

**(G) 股份地位**

於購股權行使時將予配發的股份，須受不時頒佈的組織章程細則及開曼群島法例的所有條文所規限，並將在各方面與於配發日當時存在的已發行繳足股份享有同等權益，或倘配發日恰好是暫停辦理本公司股份過戶登記之日，則為重新接受辦理股份過戶登記的首日，因而將賦予持有人權利享有於配發日或之後支付或作出的所有股息或其他分派，或倘配發日恰好是暫停辦理本公司股份過戶登記之日，則為重新接受辦理股份過戶登記的首日，惟倘記錄日期為配發日之前，則持有人無權享有先前宣派或建議或議決將會支付或作出的任何股息或其他分派。購股權行使時予以發行的股份在承授人(或任何其他人士)登記為股份持有人之前不附帶權利。

**(H) 購股權計劃的期限**

在此計劃條款的規限下，購股權計劃將由購股權計劃成為無條件之日起計10年期間內有效及生效，於該期間後，將不再授出或提呈其他購股權，但購股權計劃的條文將繼續具有十足效力及作用，惟於10年期限到期前授出的任何仍然有效的購股權仍可行使，或可遵照購股權計劃條文行使。

**董事及主要行政人員購買股份或債權證的權利**

除上文所披露持有的購股權外，本公司或其任何附屬公司、控股公司或任何同系附屬公司於截至2012年12月31日止年度內概無訂立任何安排，致使現任董事或主要行政人員及彼等各自的配偶或未成年滿十八歲的子女有權通過收購本公司或任何其他法定實體的股份或債權證取得利益。

### MANAGEMENT CONTRACTS

Other than the service contracts with executive Directors and chief executive officer and letters of appointment with non-executive Directors and independent non-executive Directors, no contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered or existed during the year ended 31 December 2012.

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the business of the Group, to which the Company, its holding companies, its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2012.

No contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of year or at any time during the year ended 31 December 2012.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2012 and up to and including the date of this annual report.

### CONNECTED AND RELATED PARTY TRANSACTIONS

Details of the material related party transactions are provided under note 40 to the consolidated financial statements. None of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under the Listing Rules that is required to be disclosed.

### DEED OF NON-COMPETITION

Each of the controlling shareholders of the Company has confirmed to the Company of his/its compliance with the non-competition undertakings provided to the Company under the Deed of Non-Competition. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the controlling shareholders of the Company.

### 管理合約

除執行董事及行政總裁之服務合約，以及非執行董事及獨立非執行董事之委任函外，於截至2012年12月31日止年度內，並無訂立或存有關於本公司整體或大部份業務的管理及行政合約。

### 董事於重大合約的權益

於截至2012年12月31日止年度末或年度內任何時間，並無有關本集團業務的重大合約存續，而有關合約由本公司、其控股公司、其附屬公司或其同系附屬公司參與訂立，且董事直接或間接擁有當中重大權益。

於截至2012年12月31日止年度末或年度內任何時間，並無本公司或其任何附屬公司控股股東訂立之重大合約存續，藉此可向本公司或其任何附屬公司提供服務。

### 董事於競爭性業務的權益

於截至2012年12月31日止年度及直至本年報日期(包括該日)內任何時間，除本集團的業務外，董事概無於任何直接或間接與本集團的業務進行競爭或曾經進行競爭或現時或過往可能進行競爭的業務中擁有或曾經擁有任何權益。

### 關連及關聯交易

重大關聯交易的詳情載於綜合財務報表附註40。概無該等關聯交易構成上市規則所界定須予披露的關連交易或持續關聯交易。

### 不競爭契據

本公司各控股股東已向本公司確認彼已遵守根據不競爭契據向本公司提供的不競爭承諾。獨立非執行董事已審閱合規狀況並確認所有不競爭契據項下的承諾已獲本公司控股股東遵守。

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Law of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new shares to existing shareholders on a pro-rata basis.

### MODEL CODE FOR SECURITIES TRANSACTIONS

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") as its own code of conduct for dealing in securities of the Company by the directors. Having made specific enquiry to all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2012.

### CODE OF CORPORATE GOVERNANCE PRACTICE

The Company had adopted the code provisions contained in the code of corporate governance practices (the "Old CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") effective since its adoption by the Company on 24 January 2011 until 28 March 2012. For the purpose of complying with the new code of corporate governance practice as set out in the Appendix 14 of the Listing Rules, which took effect from 1 April 2012, the Company has adopted the revised code provisions contained in corporate governance code and corporate governance report (the "New CG Code") on 29 March 2012. Save for deviations disclosed in the Corporate Governance Report on pages 21 to 43 of this annual report, the Company had complied with (i) the code provisions contained in the Old CG Code from 1 January 2012 to 28 March 2012; and (ii) the code provisions contained in the New CG Code from 29 March 2012 to 31 December 2012.

For details of the Corporate Governance Report, please refer to pages 21 to 43 of this annual report.

### 優先購買權

組織章程細則或本公司註冊成立所在的開曼群島的公司法並無優先購買權條文，而將令本公司須按比例向現有股東提呈發售新股份。

### 證券交易的標準守則

本公司已採納香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十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」)，作為其本身董事買賣本公司證券之操守準則。經向全體董事作出特定查詢後，全體董事確認彼等於截至2012年12月31日止年度全年已遵守標準守則所載之規定買賣標準。

### 企業管治常規守則

本公司已採納香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「舊企業管治守則」)的守則條文，自本公司於2011年1月24日採納至2012年3月28日生效。為遵守已於2012年4月1日起生效之上市規則附錄14所載之新企業管治常規守則，本公司於2012年3月29日採納企業管治守則及企業管治報告(「新企業管治守則」)內的經修訂守則條文。除本年報第21至43頁的企業管治報告所披露之偏離者外，本公司已(i)於2012年1月1日至2012年3月28日遵守舊企業管治守則內的守則條文；及(ii)於2012年3月29日至2012年12月31日遵守新企業管治守則內的守則條文。

有關企業管治報告的詳情，請參閱本年報第21至43頁。



## PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2012, the Company repurchased 48,959,000 ordinary shares of the Company on the Stock Exchange at an aggregate consideration of HK\$35,425,150 to increase the net asset value per share. Each of the 48,959,000 ordinary shares has been cancelled as at 31 December 2012. The issued share capital of the Company was reduced by the nominal value of these redeemed ordinary shares. The premium paid on the repurchase of ordinary shares was approximately RMB25,064,000 which was debited to the share premium account. Details of the repurchases of ordinary shares are summarized as follows:

## 購買、出售或贖回本公司上市證券

於截至2012年12月31日止年度，本公司以總代價35,425,150港元於聯交所購回48,959,000股本公司普通股，以提高每股資產淨值。上述48,959,000股普通股均已於2012年12月31日註銷。本公司已發行股本已減去該等已贖回普通股的面值。就購回普通股支付的溢價約人民幣約25,064,000元已自股份溢價賬扣除。購回普通股的詳情概述如下：

Month of the repurchases 購回月份	Total number of ordinary Shares repurchased 已購回普通股總數	Price per share 每股價格		Aggregate Consideration paid 已付總代價 HK\$ 港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2012 2012年1月	27,257,000	1.14	0.99	29,151,780
May 2012 2012年5月	21,702,000	0.33	0.265	6,273,370
	48,959,000			35,425,150

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2012.

除上文所披露者外，本公司或其任何附屬公司於截至2012年12月31日止年度內概無購買、出售或贖回本公司任何上市股份。

## PROCEEDS FROM THE COMPANY'S IPO

The Company was listed on the Main Board of the Stock Exchange on 18 March 2011. The net proceeds from the Company's issue of new shares (after deducting expenses relating specifically to the issue of new shares in the IPO and expenses relating generally to the listing of all the shares of the Company) amounted to approximately HK\$1,069,733,000 (equivalent to

## 本公司首次公開發售所得款項淨額

本公司於2011年3月18日在聯交所主板上上市。本公司發行新股份的所得款項淨額(經扣除特別有關首次公開發售發行新股的開支以及一般有關本公司所有股份上市的開支後)約達1,069,733,000港元(相當於約人民幣900,437,000元)。截至本年報日期，本集團

approximately RMB900,437,000). Up to the date of this annual report, the IPO proceeds of approximately RMB900 million has been utilized by the Group in the following manner. The Group had applied approximately RMB100 million as to construction of production facilities of Zhangjiaba Mine and procurement of mining equipment, approximately RMB48 million as to acquisition of mining rights, approximately RMB518 million as to payment in advance in relation to establishment of stone processing base and national sales network, approximately RMB80 million as to loan to an associate for building of sales network and the remaining approximately RMB154 million as to operating expenses. All of the aforesaid payment of RMB518 million was impaired during the Year. In view of the non-performance of relevant counter parties, the Company has tried various means to recover the amount but fail to establish direct contact with those parties. For prudence, provisions for impairment were made in full for the amount outstanding. During the year ended 31 December 2011, the Group had temporarily changed the intended use of IPO proceeds by advancing at entrustment loans and investing in structured deposits which amounted to RMB310 million and HK\$210 million respectively. These entrustment loans and structured deposits were fully settled upon their respective maturity dates.

### SUFFICIENCY OF PUBLIC FLOAT

The shares of the Company were listed on 18 March 2011 on the Main Board of the Stock Exchange. Based on publicly available information and to the best of the Directors' knowledge, information and belief and as at the date of this annual report, the Company has maintained sufficient public float since the listing of the shares of the Company on the Main Board of the Stock Exchange on 18 March 2011.

### EVENTS AFTER THE REPORTING PERIOD

The details of events after the reporting period are set out in note 42 to the consolidated financial statements.

### AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 24 January 2011 with terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Old CG code. For the purpose of complying with the New CG Code adopted by the Company on 1 April 2012, the Board has adopted revised terms of reference for the Audit Committee on 29 March 2012. As at the date of this annual report, the Audit Committee consists of three members, all of the members are independent non-executive Directors, namely Mr. Lam Tin Faat, Mr. Mak, Patrick Ka Wing and Mr. Chung, Raymond Wai Man. Mr. Lam Tin Faat currently is the chairman of the Audit Committee.

按下列方式動用首次公開發售所得款項約人民幣900,000,000元。本集團動用約人民幣100,000,000元興建張家壩礦山之生產設施，以及採購採礦設備；動用約人民幣48,000,000元收購採礦權；動用約人民幣518,000,000元作為預付款項，用以建立石材加工基地及全國銷售網絡；動用約人民幣80,000,000元作為貸款，以供一間聯營公司建立銷售網絡；以及動用餘下約人民幣154,000,000元應付營運開支。以上款項人民幣518,000,000元於年內已全數減值，源於相關對手方未能履行協議。本公司曾嘗試從多種途徑收回有關款項，惟無法直接聯絡該等訂約方。為審慎起見，本公司就未收回款項作出全數減值撥備。於截至2011年12月31日止年度，本集團暫時改變首次公開發售所得款項的擬定用途，墊付委託貸款及投資於結構性存款人民幣310,000,000元及210,000,000港元，該等委託貸款及結構性存款已於各自的到期日悉數結付。

### 充足公眾持股量

本公司股份於2011年3月18日在聯交所主板上市。於本年報日期，根據可供公眾查閱的資料及就董事所知、所悉及所信，自本公司股份於2011年3月18日在聯交所主板上市以來，本公司一直維持充足的公眾持股量。

### 報告期後事項

報告期後事項詳情載於綜合財務報表附註42。

### 審計委員會

本公司審計委員會（「審計委員會」）於2011年1月24日成立，其職權範圍符合上市規則第3.21條及舊企業管治守則C3段。就遵守本公司於2012年4月1日採納的新企業管治守則而言，董事會已於2012年3月29日就審計委員會採納經修訂職權範圍。審計委員會於本年報日期由三名成員組成，全體成員均為獨立非執行董事，即林天發先生、麥家榮先生及鍾衛民先生，林天發先生目前為審計委員會的主席。

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor, the review of the financial statements and material advice in respect of financial reporting and the oversight of internal control procedures of the Group. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2012 including the accounting principles and practices adopted by the Group, selection and appointment of the external auditors.

### AUDITORS

At the annual general meeting held on 22 May 2012, the Company has appointed Ernst & Young as auditors of the Company for the year ended 31 December 2012.

At the extraordinary general meeting held on 20 February 2013, a special resolution was passed for the removal of Ernst & Young as auditors of the Company. The reason for the proposed removal of Ernst & Young as auditors of the Company was due to a disagreement between the Board and Ernst & Young on the increase in the audit fees for the financial year ended 31 December 2012.

At the extraordinary general meeting held on 15 March 2013, an ordinary resolution was passed for the appointment of Anda CPA Limited as auditors of the Company. A resolution will be proposed for approval by shareholders at the forthcoming annual general meeting to re-appoint Anda CPA Limited as auditors of the Company.

On behalf of the Board  
**Wang Dong**  
 Chairman

28 March 2013

審計委員會的主要職責為就外聘審計師的任免向董事會提供推薦建議、審閱財務報表及就財務申報向董事會提供重大建議，並監督本集團內部監控程序。審計委員會已審閱本集團截至2012年12月31日止年度的綜合財務報表，包括本集團所採納的會計原則及常規、外聘審計師的選擇及委任。

### 審計師

於2012年5月22日舉行的股東週年大會上，本公司已委任安永會計師事務所為本公司截至2012年12月31日止年度的審計師。

於2013年2月20日舉行的股東特別大會上，有關罷免安永會計師事務所為本公司審計師的特別決議案已獲通過。建議罷免安永會計師事務所為本公司審計師的原因是董事會與安永會計師事務所增加截至2012年12月31日止財政年度的審計費用方面出現分歧。

於2013年3月15日舉行的股東特別大會上，有關委任安達會計師事務所有限公司為本公司審計師的普通決議案已獲通過。董事會將於應屆股東週年大會上提呈一項決議案，以取得股東批准續聘安達會計師事務所有限公司為本公司審計師。

代表董事會  
 主席  
 王棟

2013年3月28日

# INDEPENDENT AUDITOR'S REPORT

## 獨立審計師報告



### TO THE SHAREHOLDERS OF CHINA KINGSTONE MINING HOLDINGS LIMITED

中國金石礦業控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

We were engaged to audit the consolidated financial statements of China Kingstone Mining Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 74 to 146, which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Because of the matters as described in the basis for disclaimer of opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

致中國金石礦業控股有限公司

*(於開曼群島註冊成立之有限公司)*

列位股東

我們獲委聘審計載於第74至146頁中國金石礦業控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於2012年12月31日之綜合財務狀況表、截至該日止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表，以及重要會計政策概要及其他資料解釋。

### 董事就綜合財務報表之責任

貴公司董事須負責遵照國際會計準則理事會頒佈之國際財務報告準則及按照香港公司條例之披露規定編製此等綜合財務報表，以作真實公允的反映，以及落實董事認為必需之內部控制，以編製不存在由於欺詐或錯誤而導致重大錯誤陳述之綜合財務報表。

### 審計師之責任

我們之責任是根據我們之審計對該等綜合財務報表發表意見，並僅向全體股東報告我們之意見，除此之外別無其他用途。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。除未能獲取充足適當之審計憑證(見下文闡釋)外，我們已根據香港會計師公會頒佈之香港審計準則進行審計。該等準則要求我們遵守道德規範，並策劃及執行審計工作，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。然而，由於「不表示意見的基礎」各段所述之事項，我們未能獲取充足適當之審計憑證，為我們之審計意見提供基礎。



**BASIS FOR DISCLAIMER OF OPINION****1. OPENING BALANCES AND CORRESPONDING FIGURES**

The consolidated financial statements of the Group for the year ended 31 December 2011 which form the basis for the corresponding figures presented in the current year's consolidated financial statements were not audited by us. There were no satisfactory audit procedures to ascertain the existence, accuracy, presentation and completeness of opening balances and corresponding figures shown in the current year's consolidated financial statements.

**2. PAYMENT IN ADVANCE, DEPOSITS FOR DEVELOPMENT OF SALES NETWORKS AND SALES**

As explained in the notes 20 and 27 to the consolidated financial statements, the Group had made payment in advance of RMB451,726,000 and deposits for development of sales networks of RMB43,000,000 during the year and those payments were fully impaired as at 31 December 2012. Also the Group had recorded certain sales of RMB15,385,000 and the related trade receivables were fully impaired as at 31 December 2012. Due to the constraints as explained in note 2 to the consolidated financial statements, up to the date of this report we have not yet obtained sufficient evidence in respect of the accounting treatments of these items in the consolidated financial statements.

**3. TRADE RECEIVABLES, LOANS TO AN ASSOCIATE AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

Up to the date of this report, we have not yet obtained sufficient appropriate audit evidence to satisfy ourselves as to the recoverability of the trade receivables, loans to an associate and prepayments, deposits and other receivables of approximately RMB100,841,000, RMB80,000,000 and RMB63,744,000 respectively as at 31 December 2012. There are no other satisfactory audit procedures that we could adopt to determine whether any allowance for non-recovery of the amounts should be made in the financial statements.

**不表示意見的基礎****1. 期初結餘及比較數字**

貴集團截至2011年12月31日止年度的綜合財務報表—為本年度綜合財務報表內所列比較數字的基礎—並非由本審計師審核。我們並無看到有可信納的審核程序，確定本年度綜合財務報表所示的期初結餘及比較數字的實存性、準確性、呈列及完整性。

**2. 預付款項、供發展銷售網絡的保證金及銷售額**

誠如綜合財務報表附註20及27所解釋，貴集團於本年度內作出預付款項人民幣451,726,000元及供發展銷售網絡的按金人民幣43,000,000元，有關款項於2012年12月31日已全數減值。貴集團亦錄得若干銷售額達人民幣15,385,000元，而相關的貿易應收款項於2012年12月31日亦已全數減值。由於綜合財務報表附註2所闡述之限制，我們截至本報告日期仍未能就上述項目於綜合財務報表內的會計處理，獲得充足憑證。

**3. 貿易應收款項、向聯營公司貸款，以及預付款項、按金及其他應收款項**

截至本報告日期，我們尚未能取得充份合適的審核憑證，使我們信納貿易應收款項、向聯營公司貸款，以及預付款項、按金及其他應收款項(於2012年12月31日分別約人民幣100,841,000元、人民幣80,000,000元及人民幣63,744,000元)的收回能力。並無其他可予採納的滿意審核程序，能以確定是否需要在財務報表就無法收回有關數額而作出任何撥備。

**4. INVESTMENT IN AN ASSOCIATE**

Up to the date of this report, we have not yet obtained sufficient appropriate audit evidence to satisfy ourselves as to the investment in an associate of approximately RMB16,242,000 as at 31 December 2012. There are no other satisfactory audit procedures that we could adopt to determine whether the investment in an associate is fairly stated in the financial statements.

**5. IMPAIRMENT TEST ON PROPERTY, PLANT AND EQUIPMENT, MINING RIGHTS AND GOODWILL**

Up to the date of this report, we have not yet obtained sufficient appropriate audit evidence to satisfy ourselves as to the impairment test of the Sichuan Jinshida cash-generating unit and thus the recoverability of the related property, plant and equipment, mining rights and goodwill of approximately RMB174,039,000, RMB61,480,000 and RMB2,966,000 respectively as at 31 December 2012. There are no other satisfactory audit procedures that we could adopt to determine whether any impairment on the amounts should be made in the financial statements.

**6. INVENTORIES**

We were appointed as auditor of the Company subsequent to the Company's end of the reporting period of 31 December 2012. In consequence, we were unable to attend the Group's physical count of inventories as at that date. The Group has not maintained sufficient stock records for us to verify the carrying amount of inventories of RMB7,201,000 as at that date. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence, quantities and conditions of these inventories as at that date.

Any adjustments to the matters as described from points 1 to 6 above might have a significant consequential effect on the Group's results for the two years ended 31 December 2011 and 2012, the Group's cash flows for the two years ended 31 December 2011 and 2012 and the financial positions of the Group as at 31 December 2011 and 2012, and the related disclosures thereof in the consolidated financial statements.

**4. 於聯營公司的投資**

截至本報告日期，我們尚未能取得充份合適的審核憑證，使我們信納截至2012年12月31日於聯營公司的投資數額約人民幣16,242,000元。我們並無其他可予採納的滿意審核程序，能以確定財務報表中，於聯營公司的投資是否公允地列出。

**5. 物業、廠房及設備、採礦權及商譽的減值測試**

截至本報告日期，我們未能取得充份合適的審核憑證，使我們信納對四川金時達現金產生單位的減值測試，及因此信納有關之物業、廠房及設備、採礦權及商譽（於2012年12月31日分別約人民幣174,039,000元、人民幣61,480,000元及人民幣2,966,000元）的收回能力。我們並無其他可予採納的滿意審核程序，能以確定是否需要於財務報表就該等數額作任何減值。

**6. 存貨**

我們是在 貴公司的報告期末即2012年12月31日後，方被委任為 貴公司審計師，因此，我們未能參與 貴集團截至該日存貨的實物盤點。 貴集團並無存置充份的存貨記錄，讓我們核實截至該日的存貨賬面值人民幣7,201,000元。我們未能取得充份合適的審核憑證，使我們信納截至該日有關存貨的實存性、數量及狀況。

以上第1至第6項所述數字如有任何調整，均可能導致對 貴集團截至2011年及2012年12月31日止兩年度的業績與 貴集團截至2011年及2012年12月31日止兩年度的現金流量，以及 貴集團於2011年及2012年12月31日的財務狀況和綜合財務報表內的相關披露資料，有重大影響。

### DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs as described above, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2012 and of the Group's results and cash flows for the year then ended in accordance with International Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### EMPHASIS OF MATTER – GOING CONCERN BASIS

Without further qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicates the Group incurred a loss of RMB576,369,000 for the year ended 31 December 2012 and the sales and production of the Group was substantially suspended. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern

### 不表示意見

由於上述「不表示意見的基礎」項下各段所述事宜的重要性，我們對綜合財務報表是否按照國際財務報告準則真實公允地反映 貴集團於2012年12月31日的事務狀況及 貴集團截至該日止年度的業績及現金流量不表示意見。在所有其他方面，我們認為綜合財務報表已按照香港公司條例的披露規定妥為編製。

### 須注意事項－持續經營基準

我們沒有發出保留意見，惟謹請注意綜合財務報表附註2，當中列載 貴集團於截至2012年12月31日止年度錄得虧損人民幣576,369,000元，而 貴集團之銷售及生產均長期停頓。該等情況反映存在重大不確定因素，可能對 貴集團之持續經營能力構成重大疑問。

ANDA CPA Limited  
Certified Public Accountants  
**Sze Lin Tang**  
Practising Certificate Number P03614  
Hong Kong,  
28 March 2013

安達會計師事務所有限公司  
執業會計師  
**施連燈**  
執業牌照號碼P03614  
香港  
2013年3月28日

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收入表

For the year ended 31 December 2012 • 截至2012年12月31日止年度

		Notes 附註	2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
<b>REVENUE</b>	收入	8	16,062	289,424
Cost of sales	銷售成本		(5,286)	(115,364)
<b>Gross profit</b>	毛利		10,776	174,060
Other income and gains	其他收入及收益	9	30,570	44,292
Selling and distribution costs	銷售及分銷成本		(741)	(1,820)
Administrative expenses	行政開支		(67,117)	(112,789)
Impairments of various assets	多項資產減值		(494,726)	–
Impairment of trade receivables	貿易應收款項減值		(18,000)	–
Written-off of property, plant and equipment	撇銷物業、廠房及設備		(23,591)	–
Finance costs	財務成本	10	(5,387)	(5,428)
Share of profit of an associate	分佔聯營公司利潤		–	1,242
<b>(LOSS)/PROFIT BEFORE TAX</b>	除稅前(虧損)/利潤	11	(568,216)	99,557
Income tax expense	所得稅開支	13	(8,153)	(46,310)
<b>(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	本公司擁有人應佔年度(虧損)/利潤		(576,369)	53,247
<b>Other comprehensive income/(loss):</b>	其他全面收益/(虧損):			
Exchange differences on translation of non-PRC operations	因換算非中國業務產生的匯兌差異		2,130	(4,343)
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	本公司擁有人應佔年度全面(虧損)/收益總額	14	(574,239)	48,904
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RMB cents):</b>	本公司擁有人應佔每股(虧損)/盈利(人民幣分):	15		
–Basic	–基本		(29.35)	2.58
–Diluted	–攤薄		N/A 不適用	2.56



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表 As at 31 December 2012 • 於2012年12月31日

		Notes 附註	2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	180,145	200,990
Intangible assets	無形資產	18	69,953	69,970
Prepaid land lease payments	預付土地租賃款項	19	2,395	2,363
Payments in advance	預付款項	20	–	–
Goodwill	商譽	22	2,966	2,966
Investment in an associate	於聯營公司的投資	23	16,242	16,242
Trade receivables	貿易應收款項	25	–	80,138
Deferred tax assets	遞延稅項資產	34	–	114
			271,701	372,783
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	24	9,389	9,284
Trade receivables	貿易應收款項	25	100,841	27,520
Entrustment loans	委託貸款	26	–	310,000
Structured deposits	結構性存款	26	–	170,247
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	27	67,817	57,233
Loans to an associate	向聯營公司貸款	23	80,000	80,000
Pledged deposits	已抵押存款	28	–	107,196
Cash and cash equivalents	現金及現金等價物	29	28,159	127,285
			286,206	888,765
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	30	1,695	1,018
Other payables and accruals	其他應付款項及應計費用	31	27,170	28,210
Amount due to an associate	應付聯營公司款項	23	3,217	–
Interest-bearing bank loans	計息銀行貸款	32	–	97,000
Tax payable	應付稅項		–	17,522
			32,082	143,750
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>		254,124	745,015
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		525,825	1,117,798

CONSOLIDATED STATEMENT OF FINANCIAL POSITION · 綜合財務狀況表

		Notes 附註	2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Deferred income	遞延收入	33	194	194
Deferred tax liabilities	遞延稅項負債	34	613	-
			807	194
<b>NET ASSETS</b>	<b>資產淨值</b>		525,018	1,117,604
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Issued capital	已發行股本	35	164,106	168,086
Reserves	儲備	36	360,912	949,518
<b>Total equity</b>	<b>總權益</b>		525,018	1,117,604

The consolidated financial statements on pages 74 to 146 were approved and authorised for issue by the board of directors on 28 March 2013 and are signed on its behalf by:

第74至146頁的綜合財務報表已於2013年3月28日獲董事會批准及授權刊發，並由下列董事代表簽署：

Approved by:

由以下董事批准：

**Wang Dong**

王棟

Director

董事

**Mak Ka Wing Patrick**

麥家榮

Director

董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2012 • 截至2012年12月31日止年度

		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 profits/(accumulated losses)* 保留利潤/(累計虧損)* RMB'000 人民幣千元	Total equity 總權益 RMB'000 人民幣千元
At 1 January 2011	於2011年1月1日	-	-	143,358	14,480	-	(2,568)	(28,176)	127,094
Issue of shares	發行股份	42,087	904,871	-	-	-	-	-	946,958
Capitalisation of capital reserve	資本化資本儲備	126,261	17,097	(143,358)	-	-	-	-	-
Share issue expenses	股份發行開支	-	(51,985)	-	-	-	-	-	(51,985)
Redemption of shares	贖回股份	(262)	(2,948)	-	-	-	-	-	(3,210)
Equity-settled share option arrangements	權益結算購股權安排	-	-	-	-	49,843	-	-	49,843
Total comprehensive income/(loss) for the year	年度全面收入/(虧損)總額	-	-	-	-	-	(4,343)	53,247	48,904
At 31 December 2011	於2011年12月31日	168,086	867,035	-	14,480	49,843	(6,911)	25,071	1,117,604
At 1 January 2012	於2012年1月1日	168,086	867,035	-	14,480	49,843	(6,911)	25,071	1,117,604
Redemption of shares	贖回股份	(3,980)	(25,064)	-	-	-	-	-	(29,044)
Forfeiture of share options	沒收購股權	-	-	-	-	(356)	-	-	(356)
Equity-settled share option arrangements	權益結算購股權安排	-	-	-	-	11,053	-	-	11,053
Total comprehensive income/(loss) for the year	年度全面收入/(虧損)總額	-	-	-	-	-	2,130	(576,369)	(574,239)
At 31 December 2012	於2012年12月31日	164,106	841,971	-	14,480	60,540	(4,781)	(551,298)	525,018

\* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.

\* 此等儲備賬目包括綜合財務狀況表中的合併儲備。

# CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表 For the year ended 31 December 2012 • 截至2012年12月31日止年度

	Notes 附註	2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動所得現金流量</b>		
(Loss)/profit before tax	除稅前(虧損)/利潤	(568,216)	99,557
Adjustments for:	對以下各項作出調整:		
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	17 10,676	6,996
Less: Depreciation capitalized	減: 已資本化折舊	17 (3,412)	(5,638)
		7,264	1,358
Amortisation of intangible assets	無形資產攤銷	18 17	1,257
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	19 28	26
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	11 74	-
Written-off of property, plant and equipment	撤銷物業、廠房及設備		-
		23,591	-
Impairments of prepayments, deposits and other receivables	預付款項、按金及其他應收款項減值	27 43,000	-
Impairments of payment in advance	預付款減值	20 451,726	-
Impairment of trade receivables	貿易應收款項減值	25 18,000	-
Stock loss	存貨虧損		-
		933	-
Interest on bank loans	銀行貸款利息	10 5,387	4,406
Foreign exchange loss	匯兌虧損	11 507	5,037
Equity-settled share option expenses	權益結算購股權開支	37 10,697	49,843
Interest income	利息收入	(30,152)	(43,913)
Gain on bargain purchase	議價購買收益	-	(35)
Share of profit of an associate	分佔聯營公司利潤	-	(1,242)
Deferred income released	已撥回遞延收入	-	(13)
		(37,144)	116,281
Change in prepayments, deposits and other receivables	預付款項、按金及其他應收款項變動	(65,990)	(39,274)
Change in inventories	存貨變動	(1,038)	(7,445)
Change in trade receivables	貿易應收款項變動	(11,183)	(101,983)
Change in amount due to an associate	應付聯營公司款項變動	1,000	-
Change in trade payables	貿易應付款項變動	412	20
Change in other payables and accruals	其他應付款項及應計費用變動	(1,040)	3,586
Cash used in operations	經營活動所用現金	(114,983)	(28,815)
Income tax paid	已付所得稅	(24,947)	(30,791)



CONSOLIDATED STATEMENT OF CASH FLOWS · 綜合現金流量表

		Notes 附註	2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
<b>Net cash flows used in operating activities</b>	<b>經營活動所用現金流量淨額</b>		(139,930)	(59,606)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動所得現金流量</b>			
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目		(8,484)	(108,790)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項		351	–
Purchase of mining rights	購買採礦權		–	(39,109)
Payment for prepaid land lease payments	支付預付土地租賃款項		(60)	–
Proceeds from maturity of pledged deposits	已抵押存款到期的所得款項		–	3,308
Termination of/(placement of) pledged deposits	終止/(存入)已抵押存款		107,196	(107,196)
Refund from/(placement of) entrustment loans	退回/(存入)委託貸款		310,000	(310,000)
Refund from/(placement of) structured deposits	退回/(存入)結構性存款		170,247	(170,247)
Payments in advance	預付款		(451,726)	–
Loans to an associate	向聯營公司貸款		–	(80,000)
Acquisition of a subsidiary	收購附屬公司	38	–	(5,264)
Acquisition of an associate	收購聯營公司	23	–	(13,500)
Interest received	已收利息		43,097	30,993
<b>Net cash flows generated from/ (used in) investing activities</b>	<b>投資活動所得/(所用)現金流量淨額</b>		170,621	(799,805)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動所得現金流量</b>			
Proceeds from interest-bearing bank loans	計息銀行貸款所得款項		–	483,000
Net proceeds from issue of shares	發行股份所得款項淨額		–	946,958
Repayment of interest-bearing bank loans	償還計息銀行貸款		(97,000)	(459,308)
Redemption of shares	贖回股份		(29,044)	(3,210)
Share issue expenses	股份發行開支		–	(46,521)
Interest on bank loans	銀行貸款利息		(5,387)	(4,925)

CONSOLIDATED STATEMENT OF CASH FLOWS · 綜合現金流量表

		Notes 附註	2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
<b>Net cash flows (used in)/ generated from financing activities</b>	融資活動(所用)／ 所得現金流量淨額		(131,431)	915,994
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	現金及現金等價物 (減少)／增加淨額		(100,740)	56,583
Cash and cash equivalents at beginning of year	年初現金及現金等價物		127,285	80,082
Net foreign exchange difference	匯兌差異淨額		1,614	(9,380)
<b>Cash and cash equivalents at end of year</b>	年終現金及現金等價物		28,159	127,285
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	現金及現金等價物結餘 分析			
Cash and bank balances	現金及銀行結餘	29	28,159	127,285

# NOTES TO FINANCIAL STATEMENTS

財務報表附註 For the year ended 31 December 2012 • 截至2012年12月31日止年度

## 1. GENERAL INFORMATION

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. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. 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.

During the year ended 31 December 2012, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the production and sale of marble and marble related products. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors, the holding company of the Company is Wongs Investment Development Holdings Group Limited ("Wongs Investment"), which is incorporated in the British Virgin Islands (the "BVI"), and the ultimate controlling shareholder of the Company is Mr. Huang Xianyou.

On 16 October 2012, the High Court of Hong Kong made an order appointing Messrs Lai Kar Yan (Derek) and Darach E. Haughey, both of Deloitte Touche Tohmatsu as the joint and several provisional liquidators of Wongs Investment. The details were disclosed in the Company's various announcements since 11 October 2012.

## 2. BASIS OF PREPARATION

The Group incurred a loss of RMB576,369,000 for the year ended 31 December 2012 and the sales and production of the Group was substantially suspended during the year. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern in the long-run. Should this be the case, the Group may be unable to realise its assets and discharge its liabilities, if any in the normal course of business.

## 1. 一般資料

本公司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)，於開曼群島註冊成立為獲豁免有限公司，公司名稱為中國金石礦業控股有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司的香港主要營業地址位於香港中環皇后大道中99號中環中心6812至6813室。

於截至2012年12月31日止年度內，本公司及其附屬公司(統稱「本集團」)主要從事大理石石材及大理石相關產品的生產及銷售。本集團於年內的主要業務性質概無重大變動。

董事認為本公司的控股公司為Wongs Investment Development Holdings Group Limited(「Wongs Investment」)，該公司於英屬處女群島(「英屬處女群島」)註冊成立，而本公司的最終控股股東為黃賢優先生。

於2012年10月16日，香港高等法院頒令委任德勤•關黃陳方會計師行的黎嘉恩先生及何熹達先生為Wongs Investment的共同及各別臨時清盤人。詳情於本公司自2012年10月11日起之多項公佈中披露。

## 2. 編製基準

於截至2012年12月31日止年度，本集團虧損人民幣576,369,000元，本集團年內絕大部分之銷售及生產暫停。此等情況顯示存在重大不確定性，令本集團能否長遠持續經營成疑。若出現此情況，本集團可能無法於正常業務過程中變現其資產及清償其負債(如有)。

## 2. BASIS OF PREPARATION

These financial statements have been prepared on a going concern basis, the validity of which depends upon the successful turnaround of the business. The Group has been implementing measures to resume sales and production and the fact that the Group has sufficient working capital to support its daily operation for the forthcoming twelve months. The Directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

As mentioned in the Company's announcement on 28 December 2012, there have been significant changes in the composition of the board of directors and senior management of the Company during the year. The Directors who were appointed after 28 December 2012 is yet to obtain certain financial information which would have significant impacts on the Group's financial statements.

## 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1 January 2012. IFRSs comprise International Financial Reporting Standards; International Accounting Standards and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

## 2. 編製基準

此等財務報表乃按持續經營基準編製，其是否成立取決於業務能否成功扭轉形勢。本集團已推行措施以恢復銷售及生產，加上本集團實際上擁有足夠營運資金，可以支持其於未來十二個月之日常營運。因此董事認為以持續經營基準編製財務報表屬恰當。倘本集團無法持續經營，或需調整財務報表，以調整本集團資產之價值至其可收回金額，為任何可能出現的進一步負債作撥備，並將非流動資產及負債分別重新分類為流動資產及負債。

如本公司2012年12月28日之公佈所述，年內本公司之董事會及高級管理層之組成出現重大變動。於2012年12月28日後獲委任之董事尚未取得可能會對本集團財務報表構成重大影響之若干財務資料。

## 3. 採納新訂及經修訂國際財務報告準則

本年度，本集團已採納所有新訂及經修訂國際財務報告準則（「國際財務報告準則」），該等準則與其經營有關，並於2012年1月1日開始之會計年度生效。國際財務報告準則包括國際財務報告準則、國際會計準則及詮釋。採納該等新訂及經修訂國際財務報告準則並無對本集團的會計政策、本集團財務報表之呈列及本年度及過往年度呈報的金額造成重大變動。

本集團並無應用已頒佈但尚未生效的新訂及經修訂國際財務報告準則。本集團已開始評估該等新訂及經修訂國際財務報告準則的影響，惟尚未能說明該等新訂及經修訂國際財務報告準則將會對其經營業績及財務狀況構成重大影響。



#### 4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRSs and applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements are disclosed in note 5 to these financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

#### CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary. On the disposal of foreign operation, the cumulative amount of exchange differences relating to that foreign operation shall be reclassified from equity to profit or loss.

#### 4. 重大會計政策

此等財務報表乃根據國際財務報告準則及香港聯合交易所有限公司(「聯交所」)證券上市規則及香港公司條例適用之披露規定編製。

此等財務報表已按歷史成本基準編製，並以人民幣(「人民幣」)呈列，除非另有指明，所有數值均湊整至最接近的千位。

符合國際財務報告準則財務報表的編製要求，需採用若干主要假設及估計，同時要求董事於應用會計政策的過程中運用其判斷力。涉及重大判斷的範疇及對本財務報表屬重要假設和估計的範圍在財務報表附註5中披露。

編製本財務報表所採用之主要會計政策載列如下。

#### 綜合賬目

綜合財務報表包括本公司及其附屬公司截至12月31日止之財務報表。附屬公司是指本集團對其擁有控制權的實體。控制乃指有權支配一間實體之財務及經營政策，以從其業務中獲取利益。於評估本集團是否擁有控制權時，會考慮現時可行使或可轉換之潛在投票權之存在及影響。

附屬公司在控制權轉移至本集團之日綜合入賬，而在控制權終止之日起停止綜合入賬。

出售附屬公司之收益及虧損而導致失去控制權之虧損為出售代價之公允值加任何保留於該附屬公司之投資之公允值之差額。於出售海外經營業務時，有關海外經營業務的累計匯兌差額須由權益重新分類為損益。

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**  
**CONSOLIDATION (Continued)**

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

**BUSINESS COMBINATION AND GOODWILL**

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

**4. 重大會計政策 (續)**

**綜合賬目 (續)**

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。倘有需要，附屬公司之會計政策會作出調整，以確保符合本集團採納之政策。

非控股權益指並非由本公司直接或間接佔有之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內列賬。於綜合全面收益表內，非控股權益呈列為本年度溢利或虧損及全面收益總額在本公司非控股股東與擁有人之間的分配。

溢利或虧損及其他全面收益項目歸屬本公司擁有人及非控股股東，即使導致非控股權益結餘出現虧絀。

本公司並無導致失去附屬公司控制權之擁有人權益變動按權益交易入賬，即與以擁有人身分進行之擁有人交易。控股及非控股權益的賬面款額經調整以反映其於附屬公司相關權益之變動。非控股權益數額的調整額與已付或已收代價公允值間差額，直接於權益確認，歸本公司擁有人。

**業務合併及商譽**

於業務合併中收購附屬公司乃按收購會計法處理。收購成本按於收購當日所交付資產、所發行股本工具、所產生負債及或然代價之公允值計算。與收購有關之成本於產生成本及獲得服務之期間確認為開支。所收購附屬公司之可識別資產及負債按收購當日之公允值計算。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued) BUSINESS COMBINATION AND GOODWILL (Continued)

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

#### 4. 重大會計政策(續)

##### 業務合併及商譽(續)

收購成本超出本公司攤分附屬公司可識別資產及負債之公平淨值之差額將以商譽列賬。本公司攤分可識別資產及負債之公平淨值高於收購成本之差額將於綜合溢利或虧損內確認屬本公司之議價收購收益。

分階段進行業務合併時，過往持有之附屬公司股本權益按收購當日之公允值重新計算，據此產生之盈虧則於綜合溢利或虧損內確認。公允值將計入收購成本，以計算商譽。

倘過往持有之附屬公司股本權益價值變動於其他全面收益(如可供銷售之投資)確認，則於其他全面收益確認之款項按過往持有之股本權益猶如已售出之情況下所規定相同基準確認。

商譽於每年進行減值測試，或倘出現可能減值之事宜或情況出現變動，則會作更頻密測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計算方法與下文會計政策所述其他資產所用者相同。商譽之減值虧損於綜合溢利或虧損內確認且不會於其後撥回。就減值測試而言，商譽會被分配至受惠於收購之協同效益之現金產生單位。

於附屬公司之非控股權益初步按非控股股東於收購當日攤分附屬公司之可識別資產及負債公平淨值之比例計算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)  
ASSOCIATES

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve.

4. 重大會計政策(續)

聯營公司

聯營公司為本集團擁有重大影響力之實體。重大影響力即參與一家實體之財務及經營政策之權利，惟非控制或共同控制該等政策。現時可予行使或可予兌換的潛在表決權的存在及影響，已於評估本集團存在重大影響力時考慮到。

於一家聯營公司之投資採用權益法於綜合財務報表入賬，並初步按成本確認。收購聯營公司時之可識別資產及負債乃按其於收購日之公允值計量。收購成本超出本集團應佔聯營公司可識別資產及負債之公平淨值之數額列為商譽。商譽計入投資賬面值，並於各報告期間結束時有客觀證據顯示投資被減值時連同投資作減值測試。本集團應佔可識別資產及負債公平淨值超出收購成本之任何數額於綜合溢利或虧損確認。

本集團應佔一家聯營公司之收購後溢利或虧損於綜合溢利或虧損確認，其應佔收購後儲備變動於綜合儲備賬內確認。累計收購後變動於投資賬面值中調整。當本集團應佔一家聯營公司虧損等同或超逾其於該聯營公司之權益(包括任何其他無抵押應收款項)，除非其代表該聯營公司產生責任或作出付款，否則本集團不會確認進一步虧損。倘聯營公司其後報告溢利，本集團僅於其應佔溢利等同於未確認分佔虧損後確認該等溢利。

出售一間聯營公司而導致失去重大影響力之盈虧指(i)銷售代價公允值加保留於該聯營公司之任何投資公允值與(ii)本集團應佔該聯營公司資產淨值加有關該聯營公司之任何餘下商譽及任何相關累計匯兌儲備之差額。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)  
ASSOCIATES (Continued)

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

FOREIGN CURRENCY TRANSLATION

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi, which is the Company's presentation currency and the functional currency of the principal operating subsidiaries of the Group.

(b) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 重大會計政策 (續)

聯營公司(續)

本集團與其聯營公司進行交易之未變現溢利按本集團於聯營公司之權益之程度上予以對銷。除非該交易有證據證明所轉讓資產出現減值，否則未變現虧損亦予以對銷。聯營公司之會計政策已作出必要調整，以確保與本集團所採納政策一致。

外幣匯兌

(a) *功能及呈報貨幣*

本集團旗下各實體之財務報表所包括之項目，均以該實體主要營運經濟環境之貨幣(「功能貨幣」)計算。本綜合財務報表乃以人民幣呈報，人民幣為本公司之呈報貨幣，以及本集團附屬公司主要業務的功能貨幣。

(b) *各實體財務報表之交易及結餘外幣*

交易均按交易當日之匯率初步確認折算為功能貨幣。外幣資產和負債按各報告期間結束時之匯率換算，由此換算政策產生的匯兌盈虧均於溢利或虧損內入賬。

按外幣公允值計量之非貨幣項目乃按釐定公允值之日期之匯率換算。

倘非貨幣項目之盈虧於其他全面收益內確認，該盈虧之任何外匯部分乃於其他全面收益內確認。倘非貨幣項目之盈虧於溢利或虧損內確認，該盈虧之任何外匯部分乃於溢利或虧損內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCY TRANSLATION (Continued)

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4. 重大會計政策(續)

外幣匯兌(續)

(c) 綜合賬目換算

本集團旗下所有實體的功能貨幣與本公司呈報貨幣不一致，其業績和財務狀況均按以下方法換算為本公司呈報貨幣：

- (i) 每項財務狀況表的資產及負債，均按照該財務狀況表結算日的結算匯率折算；
- (ii) 每項全面收益表的收入及開支，均按照平均匯率折算(但若此平均匯率未能合理反映各交易日之匯率所帶來的累計影響，則按照交易日之匯率換算此等收入及開支)；及
- (iii) 所有匯兌差異，均於匯兌儲備內確認。

在編製綜合賬目時，折算海外實體投資淨額和借貸而產生的匯兌差異，均於匯兌儲備內確認。當出售海外業務時，此等匯兌差異將於綜合溢利或虧損內確認為出售盈虧的一部分。

因收購海外實體而產生之商譽及公允價值調整，均視為該海外實體之資產及負債處理，並按結算匯率折算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than mining infrastructure, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method. The estimated useful lives of property, plant and equipment are as follows:

Buildings	10–20 years
Plant and machinery	5–15 years
Office equipment	5 years
Leasehold improvement	Over the lease term
Motor vehicles	4–10 years

Depreciation of mining infrastructure is calculated using the Units of Production (“UOP”) method to write off the cost of the assets proportionately to the extraction of the proved and probable mineral reserves.

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 重大會計政策(續)

物業、廠房及設備

除在建工程外，物業、廠房及設備按成本值減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及將資產達致運作狀況及地點以作擬定用途的任何直接應佔成本。

其後成本僅於與項目有關之未來經濟利益有可能將流入本集團，而項目之成本能可靠地計量時，列入資產賬面值或獨立確認為資產(倘適用)。所有其他維修及保養費用，於產生期間於溢利或虧損確認。

除開採基礎設施外，物業、廠房及設備會以估計使用年期及對估計剩於價值的考慮，使用直線折舊法進行折舊。物業、廠房及設備的估計使用年期如下：

樓宇	10至20年
廠房及機器	5至15年
辦公室設備	5年
租賃物業裝修	按租賃期
汽車	4至10年

採礦基礎設施的折舊乃按生產單位(「生產單位」)法按比例撇銷其資產成本至開採證實及概略礦物儲量計算。

本集團於各報告期間結束時檢討及調整(倘適用)剩餘價值、可使用年期及折舊方法。

因出售物業、廠房及設備而產生之盈虧，按出售所得款項淨額與相關資產賬面值之差額，於溢利或虧損確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT (Continued)

Construction in progress represents items of property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

STRIPPING COSTS

Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a UOP basis.

Stripping costs incurred subsequently during the production phase of its operation are deferred for those operations where this is the most appropriate basis for matching the cost against the related economic benefits and the effect is material. This is generally the case where there are fluctuations in stripping costs over the life of the mine. The amount of stripping costs deferred is based on the strip ratio obtained by dividing the tonnage of waste mined by the quantity of minerals contained in the ore. Stripping costs incurred in the period are deferred to the extent that the current period ratio exceeds the life of the mine strip ratio. Such deferred costs are then charged to profit or loss to the extent that, in subsequent periods, the current period ratio falls short of the life of mine ratio. The life of mine ratio is based on economically recoverable reserves of the mine. Changes are accounted for prospectively, from the date of the change.

Deferred stripping costs are included as part of "Mining infrastructure". These form part of the total investment in the relevant cash generating units, which are reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

4. 重大會計政策(續)

物業、廠房及設備(續)

在建工程乃指在建物業、廠房及設備項目，其按成本減任何減值虧損列賬而不予折舊。成本包括直接建築成本及已於建築期間內就借入資金已資本化的借款成本。在建工程於完成並準備投入使用時重新分類為適當類別的物業、廠房及設備。

剝採成本

於開始生產前在開發礦山時所產生的剝採成本乃作為建設礦山成本的一部分予以資本化，並於其後在礦山開採年限內按生產單位基準攤銷。

倘遞延是就將成本與相關經濟利益進行匹配的最適當基準且遞延的影響屬重大，則其後於礦山營運的生產階段內所產生的剝採成本會就該等營運進行遞延。於一般情況下，剝採成本於礦山開採年限內會出現波動。已遞延的剝採成本的金額乃根據剝採比計算得出，剝採比乃通過將已開採出來的廢石除以礦石中所含礦物的數量取得。倘當前期間的剝採比超過礦山開採年限內的剝採比，則該期間內所產生的剝採成本會予以遞延。於其後期間，倘當前期間的剝採比低於礦山開採年限內的剝採比，則該等遞延成本其後會於損益賬扣除。礦山開採年限內的剝採比乃根據礦山的經濟可開採儲量計算得出。有關變動會自變動產生之日起提早入賬。

遞延剝採成本乃作為「開採基建」的一部分包括在內，其組成相關現金產生單位的總投資的一部分，而該等單位乃在事件或情況變動顯示賬面值未必可收回時檢討減值。



## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## MINING RIGHTS

Mining rights are stated at cost less accumulated amortization and any impairment losses. Mining rights include the cost of acquiring mining licenses, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the UOP method. Mining rights are written off to profit or loss if the mining property is abandoned.

## LEASES

*The Group as lessee*

## Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

## INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. 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.

## 4. 重大會計政策(續)

## 採礦權

採礦權按成本減累計攤銷及任何減值虧損列賬。採礦權包括收購採礦許可證的成本，於釐定勘探財產具備商業生產能力時轉撥自採礦權及資產的勘探及評估成本，以及收購現有礦業財產的採礦儲量權益的成本。採礦權以生產單位法根據各有關實體的生產計劃及礦山的證實及概略儲量，於礦山的估計可使用年期予以攤銷。倘礦業財產開採完畢，則採礦權在損益賬內撇銷。

## 租賃

## 本集團作為承租人

## 經營租賃

並無向本集團作出資產擁有權之全部風險及回報之重大轉讓之租賃獲入賬為經營租賃。租金(扣除出租人提供的任何優惠)於租賃期內以直線法確認為開支。

## 存貨

存貨以成本值與可變現淨值兩者中之較低者列賬。成本值以加權平均基準釐定。製成品及在製品之成本包括原材料、直接工資、適量比例之日常生產費用以及分判費用(倘適用)。可變現淨值乃根據日常業務運作中之估計售價減估計完成成本及估計出售所需成本計算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)  
RECOGNITION AND DERECOGNITION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. 重大會計政策(續)

金融工具之確認及終止確認

金融資產及金融負債於本集團成為工具合約條文之訂約方時，在財務狀況表內確認。

倘有關收取資產現金流量之合約權利屆滿；或本集團將資產所有權絕大部分風險及回報轉讓；或本集團既無轉讓亦無保留資產所有權絕大部分風險及回報，但無保留資產控制權，則金融資產將終止確認。於終止確認金融資產時，有關資產之賬面值與所收取代價及於其他全面收益確認之累計盈虧之總和間差額將於溢利或虧損確認。

金融負債於相關合約項下責任獲解除、取消或屆滿時終止確認。終止確認金融負債之賬面值與所付代價之差額，於溢利或虧損確認。

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****TRADE AND OTHER RECEIVABLES**

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the carrying amount of the receivables and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the recoverable amount of the receivables can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

**CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which 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.

**FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

**4. 重大會計政策(續)****貿易及其他應收款項**

貿易及其他應收款項指附有固定或待定款額惟並無於活躍市場報價之非衍生金融資產，初步以公允值確認，隨後使用實際利率法按攤銷成本扣除減值撥備計算。貿易及其他應收款項之減值撥備在客觀證據證明本集團無法根據原有條款收回所有應收款項時予以確認。提取金額為應收款項賬面值與初次確認時之實際利率貼現之預計未來現金流現值之差異。該撥備金額於溢利或虧損確認。

倘應收款項之可收回數額增加客觀上與於確認減值後發生之事件有關時，則減值虧損會於隨後期間撥回並在溢利或虧損確認，惟該應收款項於減值獲撥回當日之賬面值，以不超過假設未有確認減值時原應有攤銷成本為限。

**現金及現金等價物**

就現金流量表而言，現金及現金等價物指銀行及手頭現金、銀行及其他財務機構的活期存款以及短期而流動性極高的投資，而此等投資可以隨時換算為已知金額的現金且沒有涉及重大價值轉變的風險。現金及現金等價物也包括須按要求償還及構成本集團現金管理部分的銀行透支。

**金融負債及股本工具**

金融負債及股本工具乃根據所訂立合約安排之實質內容及根據香港財務報告準則金融負債和股本工具之定義分類。股本工具乃證明本集團於經扣除所有負債後之資產中擁有剩餘權益之任何合約。下文為就特定金融負債及股本工具採納之會計政策。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**BORROWINGS**

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**TRADE AND OTHER PAYABLES**

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

**EQUITY INSTRUMENTS**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**GOVERNMENT GRANTS**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual installments.

**REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- (a) Revenues from the sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.
- (b) Interest income is recognised on a time-proportion basis using the effective interest method.

4. 重大會計政策(續)

**借貸**

借貸初步按公允值扣除所產生之交易成本確認，其後使用實際利率法按攤銷成本計量。

借貸乃劃分為流動負債，除非本集團有權無條件將結算負債之期限延遲至報告期間後最少12個月。

**貿易及其他應付款項**

貿易及其他應付款項初步按公允值確認，其後則利用實際利率法按攤銷成本計量；如貼現影響並不重大，則會按成本列賬。

**股本工具**

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)入賬。

**政府補貼**

政府補貼在合理確定將會收取補貼及將會符合一切所附條件時，按其公允值確認。如補貼與開支項目有關，則於有關期間內確認為收入，以按系統基準將補貼與擬補償的相關成本抵銷。倘補貼與資產有關，則公允值計入遞延收入賬，並按相關資產的預計可使用年期按年以等額分期轉撥至損益賬。

**收入確認**

收入按已收或應收代價之公允值計量，並於經濟利益將流入本集團且能夠可靠計算收入時予以確認。

- (a) 銷售商品於重大風險及回報轉移時確認，一般與貨物交付並將擁有權轉移予客戶時同步進行。
- (b) 利息收入按時間比例使用實際利率法確認入賬。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## EMPLOYEE BENEFITS

(a) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) *Pension obligations*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme in Hong Kong. Contributions are made based on 5% of the employees' relevant income, subject to a ceiling of monthly relevant income of HK\$20,000 (increased to HK\$25,000 starting from 1 June 2012) and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also participates in a defined contribution retirement scheme organised by the government in the People's Republic of China (the "PRC"). The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

## 4. 重大會計政策 (續)

## 僱員福利

(a) *僱員應享假期*

僱員年假及長期服務假期之權利，在僱員應享有時確認。截至報告期間結束時止因僱員已就提供之服務而產生之年假及長期服務假期之估計負債已計提撥備。

僱員享有病假及產假之權利不作確認，直至員工正式休假為止。

(b) *退休金承擔*

本集團根據香港強制性公積金計劃條例為合資格參與香港強積金計劃之僱員營辦定額供款強積金退休福利計劃（「強積金計劃」）。供款乃按僱員相關收入之5%計算，每月相關收入上限為20,000港元（自2012年六月一日起增至25,000港元），並根據強積金計劃之規則在應付時自損益表中扣除。強積金計劃之資產獨立持有，與本集團其他資金分開管理。本集團之僱主供款於向強積金計劃供款時即全數撥歸僱員所有。

本集團亦於中華人民共和國（「中國」）參與一項由政府安排之定額供款退休計劃。本集團須按其僱員工資某一百分比向退休計劃作出供款。供款於根據退休計劃之規則應付時自損益表中扣除。僱主不得將沒收供款撥作調減現行應付供款。



#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### EMPLOYEE BENEFITS (Continued)

###### (c) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

##### SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

##### BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

#### 4. 重大會計政策(續)

##### 僱員福利(續)

###### (c) 離職福利

離職福利只會在本集團有正式的具體辭退計劃且沒有撤回該計劃的實質可能性，並且明確表示會終止僱用或於自願遣散而提供福利時確認。

##### 股份為基礎付款

本集團向若干僱員發行以權益結算之股份為基礎付款。以權益結算之股份為基礎付款乃按股本工具授出日期之公允值(非市場歸屬條件之影響除外)計算。以權益結算之股份為基礎付款於授出日期之公允值乃於歸屬期間以直線法，根據本集團估計最終將予歸屬之股份，並就非市場歸屬條件之影響作出調整支銷。

##### 借貸成本

收購、建造或生產合資格資產(需長時間方能作擬定用途或出售)直接應佔之借貸成本，會資本化作為該等資產之成本部分，直至資產已大致可作其擬定用途或銷售時為止。以等待用於合資格資產之特定借貸作出之臨時投資賺取之投資收入，會從可合資格資本化之借貸成本中扣除。

就於一般情況下借入之資金而用作取得合資格資產而言，合資格資本化之借貸成本乃就用於該資產之開支以資本化比率計量。資本化比率為適用本集團於該期間內尚未償還借貸(不包括就取得合資格資產而借入之特定借貸)之加權平均借貸成本。

所有其他借貸成本於產生期間在溢利或虧損中確認。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## TAXATION

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## 4. 重大會計政策 (續)

## 稅項

所得稅指本期應付稅項及遞延稅項之總和。

本期應付稅項乃按本年度之應課稅溢利計算。應課稅溢利與溢利或虧損所確認溢利不同，是因為前者不包括在其他年度應課稅或可扣稅的收入或開支，且不包括從未課稅或扣稅之項目。本集團當期稅項之負債乃按報告期間結束前已實行或大致上已實行之稅率計算。

財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之差異確認為遞延稅項。所有應課稅暫時差異一般確認為遞延稅項負債，而可能出現可用作抵扣可扣稅暫時差異、未動用稅項虧損及未動用稅務抵免之應課稅溢利時，則可確認遞延稅項資產。因商譽或業務合併以外交易中既不影響應課稅溢利亦不影響會計溢利之其他資產及負債之初步確認而引致的暫時差異，則不會確認該等資產及負債。

遞延稅項負債按投資於附屬公司及聯營公司產生之應課稅暫時差異確認，惟若本集團可控制暫時差異之撥回及暫時差異可能於可見將來不會撥回之情況則除外。

遞延稅項資產之賬面值會於各報告期間結束時作檢討，並在不再可能有足夠應課稅溢利收回全部或部分資產時作調減。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

TAXATION (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

RELATED PARTIES

A related party is a person or entity that is related to the Group.

- (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 Company or of a parent of the Company.

4. 重大會計政策 (續)

稅項(續)

遞延稅項乃以於報告期間結束前已制定或大致上已制定之稅率為基準，按預期於負債清償或資產變現期間內之適用稅率計算。遞延稅項會於溢利或虧損確認，惟倘與其他全面收益有關之項目或直接於權益中確認，則該遞延稅項亦會於其他全面收益內確認或直接於權益確認。

遞延稅項資產與遞延稅項負債僅可在即期稅項資產與負債有合法權利互相抵銷及遞延所得稅涉及同一稅務機關及本集團擬以淨額結算即期稅項資產及債務之情況下，方可互相抵銷。

關連人士

關連人士為與本集團有關連的個人或實體。

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本公司或本公司母公司的主要管理層成員。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

RELATED PARTIES (Continued)

- (b) An entity is related to the Group (reporting entity) if any of the following conditions applies:
- (i) The entity and the Company 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. If the Group is itself such a plan, the sponsoring employers are also 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).

4. 重大會計政策 (續)

關連人士 (續)

- (b) 倘符合下列任何條件，即實體與本集團(報告實體)有關連：
- (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
  - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
  - (iii) 兩間實體均為同一第三方的合營企業。
  - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
  - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連。
  - (vi) 實體受(a)所識別人士控制或受共同控制。
  - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 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 most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business in different 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.

##### IMPAIRMENT OF ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, deferred tax assets, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 4. 重大會計政策 (續)

##### 分部報告

經營分部及於各分部項目內呈報的財務資料的金額自定期提供予本集團最高行政管理人員就資源分配及評估本集團的業務及按地理位置的表現的財務資料中識別出來。

就財務呈報而言，除非分部具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務的方法及監管環境的性質方面相似，否則各個重大經營分部不會合併計算。個別非重大的經營分部，如果符合上述大部分標準，則可合併計算。

##### 資產減值

本集團於各報告期間結束時檢討其有形及其他無形資產(不包括商譽遞延稅項資產、存貨及應收款項)之賬面值，以確定該等資產有否出現任何減值虧損跡象。倘出現上述跡象，即估計該等資產之可收回金額，藉以確認減值虧損金額。倘不能估計個別資產的可收回金額，本集團則估計資產所屬的現金產生單位的可收回金額。

可收回金額乃根據公允值減銷售成本與使用價值的較高者而計算。在釐定使用價值時，估計未來現金流量以反映當前市場評估金錢時間價值及資產具體風險的除稅前貼現率貼現至現值計算。

倘估計資產(或現金產生單位)的可收回金額低於賬面值，則將該項資產(或現金產生單位)的賬面值減至其可收回金額。減值虧損即時於溢利或虧損確認，除非倘有關資產按重估值入賬，則減值虧損將視作重估減少。



**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****IMPAIRMENT OF ASSETS (Continued)**

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**PROVISIONS AND CONTINGENT LIABILITIES**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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 expenditures 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 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 is remote.

**EVENTS AFTER THE REPORTING PERIOD**

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

**4. 重大會計政策 (續)****資產減值 (續)**

倘於其後撥回減值虧損，則該項資產(或現金產生單位)的賬面值會增加至經修訂的估計可收回金額，但隨之增加後的賬面值不得超逾該項資產或現金產生單位假設於過往年度並無確認減值虧損所計算的賬面值(減攤銷或折舊)。減值虧損撥回即時於溢利或虧損確認，除非有關資產按重估值入賬，則減值虧損撥回將視作重估增加。

**撥備及或然負債**

倘若本集團須就過往事件承擔法律或推定責任，而履行該責任預期導致含有經濟效益之資源外流，在可作出可靠估計時，便會就該未有確定時間或金額之負債計提撥備。如果貨幣時間價值重大，則按預計履行責任所需資源之現值計提撥備。

倘若含有經濟效益之資源外流之可能性較低，或是無法對有關數額作出可靠之估計，便會將該責任披露為或然負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或然負債；惟這類資源外流之可能性極低則除外。

**報告期間後事項**

於報告期間後事項可提供有關本集團於報告結束時之狀況之額外資料或顯示持續經營假設並不適宜之報告期間後事項乃調整事項，於財務報表中反映。非屬調整事項之報告期間後事項如為重要者，在財務報表附註中披露。

## 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4 to the consolidated financial statements, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

### CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

#### (a) *Going concern basis*

These financial statements have been prepared on a going concern basis, the validity of which depends upon the successful turnaround of the business. Details are explained in note 2 to financial statements.

## 5. 重大會計判斷及估計不確定性的主要來源

於應用於綜合財務報表附註4所述 貴集團的會計政策時，董事須就從其他來源不顯而易見的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及認為屬有關的其他因素。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘若會計估計修訂只影響修訂估計期間，則有關修訂會在該期間確認。倘若有關修訂既影響當期亦影響未來期間，則有關修訂會在修訂期間及未來期間確認。

### 應用會計政策時的重大判斷

除涉及估計者外，管理層在應用本集團之會計政策過程中作出以下判斷，該等判斷對財務報表確認之款額造成之影響最為重大。

#### (a) *持續經營基準*

該等財務報表乃按持續經營基準編製，波幅乃因應業務能否成功周轉。有關詳情乃於財務報表附註2內闡釋。

## 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

### KEY SOURCES OF ESTIMATION UNCERTAINTY

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (a) *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2012 and 2011 was RMB2,966,000. The carrying amount of investment in an associate at 31 December 2012 and 2011 included goodwill on acquisition of RMB5,539,000.

#### (b) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

## 5. 重大會計判斷及估計不確定性的主要來源(續)

### 估計不確定性主要來源

以下為涉及日後的主要假設及於報告期末估計的不確定性的其他主要來源(均擁有導致下個財政年度資產及負債的賬面值出現大幅調整的重大風險)：

#### (a) *商譽減值*

本集團最少每年一次釐定商譽有否減值。此要求估計商譽獲分配的現金產生單位的使用價值。估計使用價值要求本集團估計來自現金產生單位的預期未來現金流量，並選擇適當的折現率以計算該等現金流量的現值。商譽於2012年及2011年12月31日的賬面值為人民幣2,966,000元。於聯營公司的投資於2012及2011年12月31日的賬面值包括收購的商譽人民幣5,539,000元。

#### (b) *物業、廠房及設備及折舊*

本集團釐定其物業、廠房及設備的估計可使用年期、剩餘價值及相關折舊開支。此估計乃根據具有類似性質及功能的物業、廠房及設備的實際可使用年期及剩餘價值的過往經驗得出。倘可使用年期及剩餘價值與過往估計不同，本集團將會調整折舊開支，或其將會撇銷或折餘已棄置或出售的技術過期資產或非策略性資產。

5. CRITICAL ACCOUNTING JUDGMENT AND  
KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY  
(Continued)

(c) *Impairment of non-financial assets (other than goodwill)*

The Group assesses each cash-generating unit annually to determine whether any indication of impairment exists. When an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The carrying amount of the property, plant and equipment, including mining infrastructure, and mining rights, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. Estimating the value in use requires the Group to estimate future cash flows from the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment as at 31 December 2012 and 2011 were RMB180,145,000 and RMB200,990,000 respectively. The carrying amounts of mining rights as at 31 December 2012 and 2011 were RMB69,953,000 and RMB69,970,000 respectively.

5. 重大會計判斷及估計不確定性的主  
要來源(續)

估計不確定性主要來源(續)

(c) *非金融資產(商譽除外)減值*

本集團每年評估各現金產生單位，以釐定是否有任何減值存在的跡象。倘存在減值跡象，則會作出可收回金額的正式估計，即被視為公允值減銷售成本與使用價值的較高者。物業、廠房及設備(包括採礦基建)及採礦權的賬面值會於有事件或情況變動顯示賬面值可能不能根據本節有關部分所披露的會計政策予以收回時檢查減值。估計使用價值要求本集團估計來自現金產生單位的現金流量以及選擇適當的折現率以計算該等現金流量的現值。於2012年及2011年12月31日，物業、廠房及設備的賬面值分別為人民幣180,145,000元及人民幣200,990,000元。於2012年及2011年12月31日，採礦權的賬面值分別為人民幣69,953,000元及人民幣69,970,000元。

## 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

### KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### (d) Mine reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the significant judgments involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proved" and "probable". Proved and probable mine reserve estimates are updated at regular intervals taking into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of proved and probable mine reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in both depreciation and amortization rates calculated on a UOP basis and the time period for discounting the rehabilitation provision. Changes in the estimate of mine reserves are also taken into account in impairment assessments of non-current assets.

#### (e) Impairment of receivables, deposits and prepayments

Impairment of receivables, deposits and prepayments is made based on an assessment of the recoverability of receivables, deposits and prepayments. The assessment of impairment of receivables, deposits and prepayments involves the use of estimates and judgments. An estimate for doubtful debts is made when collection of the full amount is no longer probable, as supported by objective evidence using available contemporary and historical information to evaluate the exposure. Bad debts are written off as incurred. Where the actual outcome or expectation in the future is different from the original estimates, such differences will affect the carrying amount of receivables, deposits and prepayments and thus the impairment loss in the period in which such estimate is changed.

## 5. 重大會計判斷及估計不確定性的主要來源(續)

### 估計不確定性主要來源(續)

#### (d) 礦山儲量

由於對本集團礦山儲量的工程估計涉及重大程度的判斷，因此估計數額本質上並不精確，並僅代表概約數額。於估計礦山儲量可被指定為「證實」及「概略」前，須符合有關工程標準的權威指引。證實及概略礦山儲量估計乃在考慮各礦山的近期生產及技術資料後作出定期更新。此外，由於價格及成本水平逐年變動，證實及概略礦山儲量估計亦有所變動。此變動被視為就會計目的而言的估計變動，並按預期基準反映於就折現復墾撥備按生產單位基準和時限計算的折舊及攤銷率。礦山儲量估計的變動亦考慮非流動資產的減值評估。

#### (e) 應收款項、存款及預付款項減值

應收款項、存款及預付款項減值乃按對應收款項、存款及預付款項可收回性的評估作出。應收款項、存款及預付款項減值的評估涉及使用估計及判斷。當不再可能收取全數金額(由使用可供用以評估該風險的現時及過往資料的客觀證據支持)時，則會就呆賬作出估計。壞賬乃於產生時撇銷。倘未來的實際結果或預期有別於原先估計，則有關差異將會影響有關估計已獲變動的期間內應收款項、存款及預付款項以及因而減值虧損的賬面值。



5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(f) *Impairment loss recognised in respect of interests in an associate*

Interests in an associate are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Value-in-use calculations are used for assessing the recoverable amount of these interests. These calculations require use of judgments and estimates.

Management judgment is required for assessing impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related carrying value of interests may not be recoverable; and (ii) whether the carrying value of the interests can be supported by the recoverable amount. Changing the estimations used by management in assessing impairment could materially affect the recoverable amount used in the impairment test and as a result affect the Group's consolidated financial position and results of operations. At the end of the reporting period, the carrying value of interests in associates was RMB16,242,000 (2011: RMB16,242,000).

(g) *Possible outcome of outstanding litigations*

Certain subsidiaries of the Company are or have been involved in litigations in respect of claims against these subsidiaries. The Directors determine the provision for litigations based on their best estimates and legal advices. However, with the litigations still ongoing up to the approval date of these financial statements, it is not possible to ascertain with any degree of reasonable certainty the outcome of those litigations and the existence or otherwise of any compensation payable should the related defense become unsuccessful, and the completeness of any other lawsuits and claims arose. There is a material uncertainty as to whether the above actions can be successfully defended and accordingly, there may be a potential significant impact on the financial performance and position of the Group.

5. 重大會計判斷及估計不確定性的主要來源(續)

估計不確定性主要來源(續)

(f) *確認有關聯營公司權益之減值虧損*

當有事件或情況變化顯示於聯營公司之權益之賬面值可能無法收回時，應對於聯營公司之權益進行減值評估。使用價值計算用於評估該等權益之可收回數額。該等計算須使用判斷及估計。

於評估減值時需要管理層作出判斷，尤其是評估(i)是否已發生事件而可能顯示權益相關賬面值可能無法收回；及(ii)權益賬面值是否可透過可收回數額予以支持。更改管理層於評估減值時所用之估計可對減值測試所用之可回收數額產生重大影響，因而影響本集團綜合財務狀況及經營業績。於報告期末，於聯營公司之權益之賬面值約為人民幣16,242,000元(2011年：人民幣16,242,000元)。

(g) *待決訴訟可能產生之結果*

本公司若干附屬公司就與該等附屬公司現時或曾經牽涉訴訟。董事按照彼等之最佳估計及法律意見計提訴訟撥備。然而，就直至此等財務報表批准日期止仍在進行之訴訟而言，並不可能以任何合理肯定程度確定該等訴訟之結果，以及會否出現相關抗辯敗訴及因此可能應付之任何賠償，或任何其他訴訟完結及提出申索之情況。鑑於存在有關上述訴訟能否成功抗辯之重大不明朗因素，故或可能對本集團財務表現及狀況構成重大影響。

## 6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

During the reporting period, the capital structure of the Group consist of debt which includes interest-bearing bank loans and equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the associated risks, and take appropriate actions to adjust the Group's capital structure. The Group's overall strategy remains unchanged from prior periods.

## 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial assets of the Group mainly include cash and bank balances, pledged deposits, loans to an associate, trade receivables, entrustments loans, structured deposits and other receivables. Financial liabilities of the Group mainly include advances from customers, trade payables, other payables and interest-bearing bank loans.

Risk management is carried out by the finance department which is led by the Group's executive directors. The Group's finance department identifies and evaluates financial risks in close co-operation with the Group's operating units. The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, credit risk and foreign currency risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The board regularly reviews these risks and they are summarised below.

## 6. 資本風險管理

本集團管理其資本，以確保本集團之實體將可以持續基準經營，並透過優化債務及權益間之平衡，為股東帶來最大回報。

於報告期間，本集團之資本結構由債務計息銀行貸款及本公司擁有人應佔權益(其包括已發行股本及儲備)而組成。董事定期審閱資本結構。作為此審閱之一部分，董事考慮資本成本及相關風險，並會採取適當行動以調節本集團之資本架構。與過往期間相比，本集團之整體策略仍然維持不變。

## 7. 財務風險管理目標及政策

本集團的金融資產主要包括現金及銀行結餘、已抵押存款、借予聯營公司貸款、貿易應收款項、信託貸款、結構性存款及其他應收款項。本集團的金融負債主要包括來自客戶墊款、貿易應付款項、其他應付款項及計息銀行貸款。

本集團財務部在執行董事的領導下進行風險管理。本集團財務部與本集團營運部門緊密合作，負責識別及評估財務風險。本集團金融工具所產生的主要風險包括流動性風險、利率風險、信貸風險及外幣風險。

本集團的財務風險管理政策旨在確保有足夠資源管理上述風險，並為股東創造價值。董事會定期檢討該等風險並概述如下。

**7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**(A) FOREIGN CURRENCY RISK**

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities or United States dollars for Hong Kong dollars functional currency Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

**(B) INTEREST RATE RISK**

The Group's exposure to interest rate risk relates primarily to the Group's pledged deposits, entrustment loans, and interest-bearing bank loans. The interest rates and terms of repayment of interest-bearing bank loans are disclosed in note 32 to the financial statements. The Group manages its interest rate exposure from all of its interest-bearing borrowings through the use of fixed rates.

In addition, the Group does not consider that it has any significant exposure to the risk of changes in market interest rates from its bank deposits as a reasonably possible change of 25 basis points in the interest rates would have no material impact on the Group's consolidated profit or loss for the years ended 31 December 2012 and 2011.

**7. 財務風險管理目標及政策(續)**

**(A) 外匯風險**

本集團面對的外幣風險較小，此乃由於其大部分業務交易、資產及負債主要以本集團實體的功能貨幣計值或以港元為功能貨幣之集團實體以美元計值。本集團現時並無就外幣交易、資產及負債制訂外幣對沖政策。本集團將密切留意外幣風險，並將於有需要時考慮對沖重大外幣風險。

**(B) 利率風險**

本集團面臨的利率風險主要與本集團的已抵押存款、委託貸款及計息銀行貸款有關。計息銀行貸款的利率及還款期已於財務報表附註32披露。本集團透過使用固定利率，管理來自所有計息借款的利率風險。

此外，本集團並不認為其面臨來自銀行存款的任何重大的市場利率變動風險，原因是利率可能合理變動25個基點並不會對本集團於截至2012年及2011年12月31日止年度的損益造成重大影響。

## 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (C) CREDIT RISK

Substantial amounts of the Group's cash and cash equivalents are held in major reputable financial institutions located in the PRC and Hong Kong, which management believes are of high credit quality. The credit risk of the Group's other financial assets, which comprise trade receivables, other receivables and amounts due from an associate, structured deposit and entrustment loans arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group has no other financial assets which carry significant exposure to credit risk.

The Group sells most of the products to a small number of customers in the property development industry, and marble distributors. As a result, it faces a high level of concentration of credit risk. The Group manages this risk by offering standardised credit terms to its customers of marble products for an approved credit term of 30 days except for certain customers who are granted credit terms of 18 months. The Group maintains strict control over its outstanding receivables and senior management regularly reviews the overdue balances, and requires major customers who are granted a long credit term to pledge their properties to secure their receivables to the Group. In addition, the Group's exposure to credit risk is also influenced by the individual characteristics of each customer and default risk of the industry in which customers operate.

### (D) LIQUIDITY RISK

The Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans and its own funding sources.

## 7. 財務風險管理目標及政策(續)

### (C) 信貸風險

本集團的大部分現金及現金等價物由位於中國及香港的主要知名金融機構持有，而管理層相信該等機構具有良好信貸質素。本集團其他金融資產(包括貿易應收款項、其他應收款項及應收聯營公司款項、結構性存款及委託貸款)的信貸風險由於交易對手方拖欠款項而產生，而所面臨的最高風險相等於該等工具的賬面值。本集團並無其他面臨重大信貸風險的金融資產。

本集團出售大部分產品予房地產開發行業的少數客戶及大理石分銷商。因此，其面臨高度集中信貸風險。本集團通過向其大理石產品的客戶提供標準信貸期(經批准信貸期達30日)管理該項風險，惟若干獲授18個月信貸期的主要客戶除外。本集團對其尚未收回應收款項維持嚴格控制，且高級管理層會定期審閱逾期結餘，並要求獲授長期信貸期的主要客戶質押其財產以抵押本集團應收彼等的款項。此外，本集團所面臨的信貸風險亦受到每名客戶的個別特性及客戶經營業務所在行業的違約風險所影響。

### (D) 流動資金風險

本集團透過考慮其金融負債及金融資產的期限和預期經營所得現金流量，監察其須承受的資金短缺風險。

本集團的目標為透過使用計息銀行貸款及其自身的資金來源，維持資金持續性與靈活性間的平衡。

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(F) FAIR VALUE

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

8. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue represents the net invoiced value of goods sold, net of trade discounts and returns and various types of government surcharges, where applicable.

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 and Guangdong Province, the PRC. Accordingly, no segment analysis is presented other than entity wide disclosures.

7. 財務風險管理目標及政策(續)

(E) 公允值

公允值估計乃於特定時間作出，並根據相關市場資料及金融工具的資料得出。該等估計屬主觀性質，並涉及不明朗因素及須作重大判斷的事項，故無法準確釐定。假設的變動可能會重大影響該等估計。

於綜合財務狀況表所反映本集團之金融資產及金融負債之賬面值與彼等各自之公允值相若。

8. 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以及多種政府附加費(倘適用)。

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，其以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的方式被視作單一可報告分部。此外，本集團使用的所有主要資產均位於中國四川省及廣東省。因此，除整個實體披露外，未有呈列分部分析。



8. REVENUE AND OPERATING SEGMENT

INFORMATION (Continued)

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 year:

		2012 2012年		2011 2011年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Marble slabs	大理石板材	397	2.5%	121,392	41.9%
Marble blocks	大理石荒料	15,665	97.5%	61,700	21.3%
Other marble products	其他大理石產品	–	–	65,079	22.5%
Granite	花崗岩	–	–	41,253	14.3%
		16,062	100%	289,424	100%

*Information about major customers*

Revenue from major customers, each of whom accounted for 10% or more of the total revenue is set out below:

		2012 2012年	2011 2011年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Customer A	客戶A	–	62,807
Customer B	客戶B	–	53,202
Customer C	客戶C	–	53,132
Customer D	客戶D	–	44,872
Customer E	客戶E	–	30,965
Customer F	客戶F	8,012	*
Customer G	客戶G	7,692	*

\* Less than 10% of total revenue of the Group

8. 收入及經營分部資料(續)

整個實體披露

有關產品的資料

下表載列年內按產品劃分來自外部客戶的總收入及按產品劃分佔總收入的百分比：

有關主要客戶的資料

來自主要客戶(彼等各自均佔總收益的10%或以上)的收益載列如下：

\* 佔本集團的總收入少於10%

9. OTHER INCOME AND GAINS

9. 其他收入及收益

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Interest income	利息收入	30,152	43,913
Gain on bargain purchase	議價購買收益	-	35
Miscellaneous	雜項	418	344
		30,570	44,292

10. FINANCE COSTS

10. 財務成本

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Interest expenses on borrowings wholly repayable within five years:	須於五年內悉數償還的 借款的利息開支		
- Interest-bearing bank loans	- 計息銀行貸款	5,387	4,406
- Other bank charges	- 其他銀行手續費	-	1,022
		5,387	5,428

11. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

11. 除稅前(虧損)/利潤

本集團的除稅前(虧損)/利潤已扣除/(計入)以下各項：

	Notes 附註	2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Cost of inventories sold	銷售存貨成本	5,286	115,364
Staff costs (including directors' remuneration):	員工成本 (包括董事薪酬)		
Wages and salaries	工資及薪金	17,989	20,187
Equity-settled share option expense	權益結算購股權開支	10,697	49,843
Pension scheme contributions	退休計劃供款		
– Defined contribution scheme	– 定額供款計劃	782	5,072
Other staff benefits	其他員工福利	962	1,454
		30,430	76,556
Less: Staff costs capitalised	減：已資本化員工成本	(2,896)	(12,027)
		27,534	64,529
Auditors' remuneration	審計師酬金	634	3,055
Remuneration to ex-auditors for audit related services	就審計相關服務支付予前審計師之薪酬	677	–
Amortisation of intangible assets	無形資產攤銷	17	1,257
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	28	26
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	10,676	6,996
Less: depreciation capitalised	減：已資本化折舊	(3,412)	(5,638)
		7,264	1,358
Foreign exchange loss	匯兌虧損	507	5,037
Global offering costs	全球發售成本	–	24,916
Operating lease rentals for office	辦公室經營租金	9,189	3,072
Provision for litigation claims	訴訟撥備	–	3,130
Loss of inventories	存貨虧損	933	–
Loss on disposal of property, plant and equipment	出售物業、廠房及設備項目虧損	74	–
Impairment of trade receivables	貿易應收款項減值	18,000	–
Written-off of property, plant and equipment	物業、廠房及設備項目撇銷	23,591	–
Impairment of various assets:	多項資產減值		
– Payment in advance	– 預付款項	451,726	–
– Prepayments, deposits and other receivables	– 預付款項、按金及其他應收款項	43,000	–
		494,726	–

12. DIRECTORS' AND FIVE HIGHEST PAID  
INDIVIDUAL EMOLUMENTS

(A) DIRECTORS' AND SENIOR MANAGEMENT'S  
EMOLUMENTS

12. 董事薪酬及五名最高薪僱員  
個人酬金

(A) 董事及最高管理層酬金

		For the year ended 31 December 2012 截至2012年12月31日止年度				
	Notes 附註	Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and other benefits 薪金、 津貼及 其他利益 RMB'000 人民幣千元	Retirement benefits scheme 退休福利 計劃 RMB'000 人民幣千元	Equity settled share option expense 權益結算 購股權 開支 RMB'000 人民幣千元	Total emoluments 酬金總額 RMB'000 人民幣千元
Executive directors: 執行董事						
Ms. Chen Tao 陳濤女士	(i) & (x)	-	1,897	-	8,063	9,960
Mr. Lin Yuhua 林玉華先生	(i)	-	581	-	-	581
Mr. Liao Yuanshi 廖原時先生	(i)	-	507	-	-	507
Mr. Xiong Wenjun 熊文俊先生	(ii)	-	453	-	-	453
Non-executive directors: 非執行董事						
Mr. He Ji 何霽先生	(iii)	-	-	-	-	-
Mr. Chan Chi Yin 陳鈺賢先生	(iv)	-	-	-	-	-
Mr. Wang Dong 王棟先生	(iv)	-	-	-	-	-
Mr. Lee, Warren Wa Lun 李華倫先生	(iv)	-	-	-	-	-
Independent non-executive directors: 獨立非執行董事						
Mr. Deng Huiqing 鄧惠青先生	(v)	-	51	-	-	51
Mr. Chu Ho Hwa, Howard 朱賀華先生	(vi)	-	145	-	-	145
Mr. Liu Yuquan 劉玉泉先生	(ii)	-	101	-	-	101
Ms. Leung Yee Shuen 梁綺旋小姐	(vii)	-	200	4	-	204
Mr. Lei Zhaochun 雷兆春先生	(viii)	-	43	-	-	43
Ms. Deng Guiping 鄧桂平女士	(ix)	-	19	-	-	19
Mr. Mak, Patrick Ka Wing 麥家榮先生	(iv)	-	-	-	-	-
Mr. Chung, Raymond Wai Man 鍾衛民先生	(iv)	-	-	-	-	-
Mr. Lam Tin Faat 林天發先生	(iv)	-	-	-	-	-
Senior management 高級管理人員						
Mr. Cheung Hung 張鴻先生	(xi)	-	755	-	-	755
		-	4,752	4	8,063	12,819

12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)  
(A) DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

12. 董事薪酬及五名最高薪僱員個人酬金(續)  
(A) 董事及最高管理層酬金(續)

		For the year ended 31 December 2011 截至2011年12月31日止年度					
		Notes	Fees	Salaries, allowances and other benefits	Retirement benefits scheme	Equity settled share option expense	Total emoluments
		附註	袍金 RMB'000 人民幣千元	薪金、津貼及其他利益 RMB'000 人民幣千元	退休福利計劃 RMB'000 人民幣千元	權益結算購股權開支 RMB'000 人民幣千元	酬金總額 RMB'000 人民幣千元
Executive directors:	執行董事						
Ms. Chen Tao	陳濤女士	(i) & (x)	-	3,000	-	34,484	37,484
Mr. Lin Yuhua	林玉華先生	(i)	-	910	-	911	1,821
Mr. Liao Yuanshi	廖原時先生	(i)	-	478	-	911	1,389
Mr. Xiong Wenjun	熊文俊先生	(ii)	-	354	-	-	354
Non-executive director:	非執行董事						
Mr. He Ji	何霽先生	(iii)	-	-	-	-	-
Independent non-executive directors:	獨立非執行董事						
Mr. Deng Huiqing	鄧惠青先生	(v)	79	-	-	-	79
Mr. Chu Ho Hwa, Howard	朱賀華先生	(vi)	132	-	-	-	132
Mr. Liu Yuquan	劉玉泉先生	(ii)	79	-	-	-	79
			290	4,742	-	36,306	41,338

Notes:

- (i) Retired on 22 May 2012
- (ii) Removed as a director on 6 February 2013
- (iii) Resigned on 29 March 2012
- (iv) Appointed on 6 February 2013
- (v) Resigned on 4 July 2012
- (vi) Retired on 22 May 2012
- (vii) Appointed as a director on 27 June 2012 and resigned on 31 August 2012
- (viii) Appointed as a director on 30 July 2012 and removed on 6 February 2013
- (ix) Appointed as a director on 26 October 2012 and removed on 6 February 2013
- (x) Ms. Chen Tao was also the chairlady and chief executive officer of the Company up to 22 May 2012 and 1 June 2012 respectively. Her emoluments disclosed above included those for services rendered by her as the chairlady and chief executive officer.
- (xi) Mr. Cheung Hung was appointed as the chief executive officer of the Company on 27 June 2012.

附註:

- (i) 於2012年5月22日辭任
- (ii) 於2013年2月6日罷免董事職務
- (iii) 於2012年3月29日辭任
- (iv) 於2013年2月6日獲委任
- (v) 於2012年7月4日辭任
- (vi) 於2012年5月22日退休
- (vii) 於2012年6月27日獲委任為董事及於2012年8月31日辭任
- (viii) 於2012年7月30日獲委任為董事及於2013年2月6日遭罷免
- (ix) 於2012年10月26日獲委任為董事及於2013年2月6日遭罷免
- (x) 陳濤女士亦為本公司主席兼行政總裁，分別直至2012年5月22日及2012年6月1日為止。以上披露陳濤女士的酬金包括彼出任主席兼行政總裁所提供服務之酬金。
- (xi) 張鴻先生於2012年6月27日獲委任為本公司行政總裁。



12. DIRECTORS' AND FIVE HIGHEST PAID

INDIVIDUAL EMOLUMENTS (Continued)

(B) FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

One (2011: two) of the five highest paid individuals of the Group was the director whose emolument is set out in the above. For the year ended 31 December 2012, the remaining four (2011: three) employees' emoluments of the Company were as follows:

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Salaries, allowances and other benefits in kind	薪金、津貼及其他利益	4,217	4,647
Equity-settled share option expense	權益結算購股權開支	2,990	13,537
Retirement benefits scheme contributions	退休福利計劃供款	22	-
		7,229	18,184

Their emoluments fell within the following bands:

彼等之薪酬範圍如下：

		Number of employees 僱員數目	
		2012 2012年	2011 2011年
Emolument band:	薪酬範圍：		
Nil – HK\$1,000,000	0至1,000,000港元	1	-
HK\$1,000,001 – HK\$2,000,000	1,000,001港元至2,000,000港元	2	1
HK\$2,000,001 – HK\$4,000,000	2,000,001港元至4,000,000港元	1	1
HK\$4,000,001 – HK\$16,500,000	4,000,001港元至16,500,000港元	-	1
		4	3

(C) No emoluments have been paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the two years ended 31 December 2012 and 2011.

(C) 於截至2012年及2011年12月31日止兩個年度，本集團並無向本公司任何任職董事的人士或五名最高薪人士支付酬金，作為吸引彼等加入本集團或於加入本集團時的獎勵，或作為離任的補償。

## 13. INCOME TAX EXPENSE

## 13. 所得稅開支

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Current – the PRC	即期－中國		
– Charge for the year	– 年度所得稅	3,704	47,851
– Under-provision in prior years	– 過往年度撥備不足	3,722	–
Deferred tax (note 34):	遞延稅項(附註34)	727	(1,541)
		8,153	46,310

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 both years.

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兩個年度之稅率皆為25%。

The reconciliation between the income tax for the year and the (loss)/profit before tax multiplied by the tax rate in the PRC is as follows:

年內所得稅及按中國稅率倍乘之除稅前(虧損)/利潤對賬如下：

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
(Loss)/profit before tax	除稅前(虧損)/利潤	(568,216)	99,557
Tax at the applicable tax rate of companies within the Group	按本集團旗下公司適用稅率計算所得的稅項	(142,054)	24,889
Profits attributable to an associate	聯營公司應佔利潤	–	(311)
Expenses not deductible for tax	不可扣稅開支	148,874	21,732
Tax loss not recognised	未確認稅項虧損	1,333	–
Tax at the Group’s effective tax rate	按本集團實際稅率計算的稅項開支	8,153	46,310

At 31 December 2012, the Group has unused tax losses of approximately RMB5,333,000 (2011: nil) available for offset against future profits. No deferred tax asset (2011: nil) has been recognised in respect of such tax losses, due to the unpredictability of future profit streams.

於2012年12月31日，本集團有未動用稅項虧損約人民幣5,333,000元(2011年：無)，可供以抵銷未來利潤。概無就該等稅項虧損確認遞延稅資產(2011年：無)，因為未來利潤流難以預測。

**14. TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY**

The consolidated total comprehensive (loss)/income attributable to owners of the Company for the year ended 31 December 2012 includes a loss of approximately RMB419,240,000 (2011: RMB63,700,000), which has been dealt with in the financial statements of the Company (note 36).

**15. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY**

**(A) BASIC (LOSS)/EARNINGS PER SHARE**

The calculation of basic loss (2011: earnings) per share attributable to equity holders of the Company is based on the loss for the year attributable to equity holders of the Company of approximately RMB574,239,000 (2011: profit of approximately RMB48,904,000) and the weighted average number of 1,956,296,000 (2011: 1,894,596,000) ordinary shares in issue during the year.

**(B) DILUTED (LOSS)/EARNINGS PER SHARE**

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2012.

The calculation of diluted earnings per share for the year ended 31 December 2011 attributable to equity holders of the Company is based on the profit for the year attributable to equity holders of the Company of approximately RMB48,904,000 and the weighted average number of 1,910,879,000 ordinary shares, being the weighted average number of 1,894,596,000 ordinary shares in issue during the year used in the basic earnings per share calculation plus the weighted average number of 16,283,000 ordinary shares assumed to have been issued at no consideration on the deemed exercise of the share options outstanding at the balance sheet date.

**16. DIVIDEND**

The Directors do not recommend the payment of any dividend for each of the years ended 31 December 2012 and 2011.

**14. 本公司擁有人應佔本年度全面(虧損)/收益總額**

截至2012年12月31日止年度本公司擁有人應佔綜合全面(虧損)/收益總額包括虧損約人民幣419,240,000元(2011年: 人民幣63,700,000元), 其乃於本公司的財務報表內處理(附註36)。

**15. 本公司擁有人應佔每股(虧損)/盈利**

**(A) 每股基本(虧損)/盈利**

本公司權益持有人應佔每股基本虧損(2011年: 盈利)乃根據本公司權益持有人應佔年度虧損約人民幣574,239,000元(2011年: 利潤約人民幣48,904,000元)及年內已發行普通股加權平均數1,956,296,000股(2011年: 1,894,596,000股)計算得出。

**(B) 每股攤薄(虧損)/盈利**

截至2012年12月31日止年度, 所有潛在普通股均具有反攤薄影響。

截至2011年12月31日止年度, 本公司權益持有人應佔每股攤薄盈利乃根據本公司權益持有人應佔年度利潤約人民幣48,904,000元及普通股加權平均數1,910,879,000股(即計算每股基本盈利所用的年內已發行普通股加權平均數1,894,596,000股, 加上普通股加權平均數16,283,000股(假設於結算日, 未行使購股權被視作行使而已無償發行))計算得出。

**16. 股息**

董事並不建議於截至2012年及2011年12月31日止年度各年派付任何股息。

## 17. PROPERTY, PLANT AND EQUIPMENT

## 17. 物業、廠房及設備

		Buildings	Plant and machinery	Leasehold improvement and Office equipment 租賃 裝修及	Motor vehicles	Mining infrastructure	Construction in progress	Total
		樓宇 RMB'000 人民幣千元	廠房及機器 RMB'000 人民幣千元	辦公處設備 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	採礦基建 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
<b>31 December 2012</b>	<b>2012年12月31日</b>							
<b>COST:</b>	<b>成本：</b>							
At 1 January 2012	於2012年1月1日	8,199	35,243	945	8,700	45,780	111,492	210,359
Exchange realignment	匯兌調整	-	-	1	-	-	7	8
Additions	添置	264	-	3,865	539	-	9,171	13,839
Transfers	轉撥	732	-	3,018	-	8,054	(11,804)	-
Disposal	出售	-	-	-	(622)	-	-	(622)
Write-off	撇銷	-	-	(28)	-	-	(23,569)	(23,597)
At 31 December 2012	於2012年12月31日	9,195	35,243	7,801	8,617	53,834	85,297	199,987
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENTS:</b>	<b>累計折舊及減值：</b>							
At 1 January 2012	於2012年1月1日	399	3,668	563	3,503	1,236	-	9,369
Provided during the year	年內撥備	404	3,781	4,224	2,225	42	-	10,676
Disposal	出售	-	-	-	(197)	-	-	(197)
Write-off	撇銷	-	-	(6)	-	-	-	(6)
At 31 December 2012	於2012年12月31日	803	7,449	4,781	5,531	1,278	-	19,842
<b>CARRYING AMOUNTS:</b>	<b>賬面值：</b>							
At 31 December 2012	於2012年12月31日	8,392	27,794	3,020	3,086	52,556	85,297	180,145

17. PROPERTY, PLANT AND EQUIPMENT (Continued) 17. 物業、廠房及設備(續)

		Buildings	Plant and machinery	Leasehold improvement and Office equipment	Motor vehicles	Mining infrastructure	Construction in progress	Total
		樓宇	廠房及機器	租賃裝修及辦公處設備	汽車	採礦基建	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>31 December 2011</b>	<b>於2011年12月31日</b>							
<b>COST:</b>	<b>成本:</b>							
At 1 January 2011	於2011年1月1日	3,879	28,863	378	6,366	27,302	23,448	90,236
Additions	添置	-	1,376	567	2,334	-	115,846	120,123
Transfers	轉撥	4,320	5,004	-	-	18,478	(27,802)	-
At 31 December 2011	於2011年12月31日	8,199	35,243	945	8,700	45,780	111,492	210,359
<b>ACCUMULATED DEPRECIATION:</b>	<b>累計折舊:</b>							
At 1 January 2011	於2011年1月1日	132	1,846	98	251	46	-	2,373
Provided during the year	年內撥備	267	1,822	465	3,252	1,190	-	6,996
At 31 December 2011	於2011年12月31日	399	3,668	563	3,503	1,236	-	9,369
<b>CARRYING AMOUNTS:</b>	<b>賬面值:</b>							
At 31 December 2011	於2011年12月31日	7,800	31,575	382	5,197	44,544	111,492	200,990

The amount of depreciation capitalized during the year ended 31 December 2012 was RMB3,412,000 (2011: RMB5,638,000).

於截至2012年12月31日止年度內已資本化折舊款項為人民幣3,412,000元(2011年：人民幣5,638,000元)。



## 18. INTANGIBLE ASSETS

## 18. 無形資產

		Mining rights 採礦權 RMB'000 人民幣千元
<b>COST:</b>	<b>成本：</b>	
At 1 January 2011	於2011年1月1日	23,677
Additions	添置	39,109
Acquisition of a subsidiary	收購附屬公司	8,473
At 31 December 2011 and 1 January 2012 and 31 December 2012	於2011年12月31日、2012年1月1日及 2012年12月31日	71,259
<b>ACCUMULATED AMORTISATION:</b>	<b>累計攤銷：</b>	
At 1 January 2011	於2011年1月1日	32
Provided for the year	一年內撥備	1,257
At 31 December 2011 and 1 January 2012	於2011年12月31日及2012年1月1日	1,289
Provided for the year	年內撥備	17
At 31 December 2012	於2012年12月31日	1,306
<b>CARRYING AMOUNTS:</b>	<b>賬面淨值：</b>	
At 31 December 2012	於2012年12月31日	69,953
At 31 December 2011	於2011年12月31日	69,970

The mining rights represent rights for the mining of marble reserves in the Zhangjiaba Mine and the Tujisi Mine which are located in Jiangyou County and Beichuan County, respectively, Sichuan Province, the PRC. These Mines are operated by the Company's indirectly wholly-owned subsidiary, Sichuan Jiangyou Jinshida Stone Co., Ltd. ("Sichuan Jinshida") and Beichuan Lida Mining Co., Ltd. ("Beichuan Lida"). The local government granted mining permits to Sichuan Jinshida for a term of 10 years ending 1 February 2021 and Beichuan Lida for a term of 10 years ending 1 June 2017.

採礦權指開採張家壩礦山及土基寺礦山內的大理石儲量的權利。該等礦山分別位於中國四川省江油縣及北川縣，由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」）及北川力達礦業有限公司（「北川力達」）經營。地方政府分別授予四川金時達及北川力達為期10年及10年的採礦許可證，分別至2021年2月1日及2017年6月1日到期。

19. PREPAID LAND LEASE PAYMENTS

19. 預付土地租賃款項

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	2,363	2,389
Additions	添置	60	-
Amortisation for the year	年內攤銷	(28)	(26)
Carrying amount at 31 December	於12月31日的賬面值	2,395	2,363

Prepaid land lease payments represent the acquisition cost of state-owned land use rights in the PRC, which is held under a medium term lease.

預付土地租賃款項指於中國收購國有土地使用權的成本，有關土地乃根據中期租約持有。

20. PAYMENTS IN ADVANCE

20. 預付款項

Group	本集團	2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Payments to strategic partners in Yunfu, Guangdong Province, PRC	對中國廣東省雲浮戰略夥伴的付款	310,000	-
Payments for mining-related property, plant and equipment	就採礦相關物業、廠房及設備的付款	141,726	-
Less: impairments	減：減值	(451,726)	-
		-	-

**20. PAYMENTS IN ADVANCE (Continued)**

During the reporting period, the Group entered into a series of strategic cooperation agreements with four independent stone business entities, namely Yunfu Kailong Stone Material Co., Ltd\*. (雲浮市凱隆石材有限公司), Yunfu Zhijing Stone Co., Ltd\*. (雲浮市致景石材有限公司), Yunfu Huihua Stones Co., Ltd\*. (雲浮市輝華石材有限公司) and Yunfu Chengjiu Stone Co., Ltd\*. (雲浮市成就石材有限公司) (collectively referred to as the "Strategic Partners") to jointly develop and expand stone material processing capacity in Yunfu, Guangdong Province and to develop national distribution network for stone products. Pursuant to these agreements, the Group had made payments in advance aggregating to RMB310,000,000 to the strategic partners through Guangzhou Junqi Investment Management Co., Ltd\*. (廣州駿啟投資管理有限公司), an independent third party. These amounts were fully impaired as at 31 December 2012.

During the year, the Group engaged Guangzhou Zhongling Dredging Co., Ltd\*. (廣州中凌疏浚有限公司, "Zhongling Dredging") as an agent to import mining equipment and made a payment of RMB94,726,238 to Zhongling Dredging through Shenzhen Yuyoufa Trading Co., Ltd\*. (深圳市裕友發貿易有限公司), an independent third party. The amount was fully impaired as at 31 December 2012.

During the year, the Group engaged Yunfu Hengji Earthwork Engineering Co., Ltd\*. 雲浮市恒基土石方工程有限公司 ("Hengji Earthwork") for the construction of mining infrastructure of platform No. 3 to No. 5 at Zhangjiaba Mine. As at 31 December 2012, the revised contract sum of construction contract was approximately RMB47,320,000. The Group made a payment in advance of RMB47,000,000 to Hengji Earthwork during the Period through Helaichun Construction and Design Co., Ltd\*. (鶴來春建築設計有限公司), an independent third party. The amount was fully impaired as at 31 December 2012.

\* The English names are for identification only.

**20. 預付款項(續)**

本集團於報告期內與四間獨立石材業務實體，即雲浮市凱隆石材有限公司、雲浮市致景石材有限公司、雲浮市輝華石材有限公司及雲浮市成就石材有限公司(統稱為「戰略夥伴」)訂立一系列戰略合作協議，以共同開發及擴大廣東省雲浮之石材加工能力及發展全國性石材產品分銷網絡。根據該等協議，本集團已透過廣州駿啟投資管理有限公司(一名獨立第三方)向戰略夥伴支付預付款項合計為人民幣310,000,000元。該款項已於2012年12月31日悉數減值。

本集團於年內聘請廣州中凌疏浚有限公司(「中凌疏浚」)為入口採礦設備之代理，並透過深圳市裕友發貿易有限公司(一名獨立第三方)支付人民幣94,726,238元予中凌疏浚。該款項已於2012年12月31日悉數減值。

本集團於年內聘請雲浮市恒基土石方工程有限公司(「恒基土石方」)於張家壩礦山3號至5號平台建設開採基建設施。於2012年12月31日，經修訂的建築合約的合約總額約為人民幣47,320,000元。本集團於期內經鶴來春建築設計有限公司(一名獨立第三方)支付人民幣47,000,000元之預付款項予恒基土石方。該款項已於2012年12月31日悉數減值。

\* 英文名稱僅供識別。

21. SUBSIDIARIES

Particulars of the Company's major subsidiaries are set out below:

21. 附屬公司

本公司的主要附屬公司詳情載列如下：

Company name 公司名稱	Place of incorporation/ registration 註冊成立／註冊地點	Nominal value of issued and paid-up share/ registered paid-up capital 已發行及繳足股份之面值／ 註冊繳足股本	Percentage of equity interests attributable to the Company 本公司應佔權益百分比	Principal activities 主要業務
<u>Directly held:</u> 直接持有：				
Kingstone Industrial Investment Limited 金石實業投資有限公司	the BVI 英屬處女群島	US\$1 1美元	100%	Investment holding 投資控股
<u>Indirectly held:</u> 間接持有：				
Kingstone (HK) Group Limited 金石(香港)集團有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100%	Investment holding 投資控股
Kingstone (Guangzhou) Stone Industry Co., Ltd. ("Kingstone Guangzhou") 金石(廣州)石業有限公司 (「廣州金石」)	the PRC 中國	US\$40,134,739 40,134,739美元	100%	Processing and trading of construction materials 加工及買賣建築材料
Sichuan Jinshida 四川金時達	the PRC 中國	RMB10,000,000 人民幣 10,000,000元	100%	Mining, processing and trading of construction materials 開採、加工及買賣建築材料
Beichuan Lida 北川力達	the PRC 中國	RMB10,000,000 人民幣 10,000,000元	100%	Mining, processing and trading of construction materials 開採、加工及買賣建築材料
Jiangyou Jinshi Xinlong Marble Stone Company Limited 江油金石興隆大理石有限公司	the PRC 中國	US\$1,250,000 1,250,000美元	100%	Inactive 暫無業務

## 22. GOODWILL

## 22. 商譽

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
At cost:	按成本：		
At beginning and end of year	於年初及年終	2,966	2,966

Goodwill arose on the acquisition of Sichuan Jinshida which represented the excess of the cost of the business combination over the Group's interest in the net fair value of Sichuan Jinshida's identifiable assets and liabilities as at the date of the acquisition. Goodwill has been allocated to the Sichuan Jinshida cash-generating unit.

**IMPAIRMENT TESTING OF GOODWILL**

Goodwill acquired through a business combination has been allocated to the Sichuan Jinshida cash-generating unit for impairment testing.

The recoverable amount of the Sichuan Jinshida cash-generating unit has been determined based on value-in-use calculation using cash flow projections based on financial budgets covering a period to the expiry of the existing mining rights, i.e., 1 February 2021, approved by senior management. The discount rate applied to the cash flow projections is 13.36%.

Key assumptions were used in the value-in-use calculation of the Sichuan Jinshida cash-generating unit for 31 December 2012 and 31 December 2011. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Estimated prices – the basis used to determine the value assigned to the estimated prices is based on market research and sales contracts signed with potential customers subsequent to 31 December 2012.

Estimated production volume and cost – the basis used to determine the value assigned to the estimated production volume and cost are based on the current mining and processing development plan.

商譽於收購四川金時達時產生，指業務合併的成本超出本集團應佔四川金時達於收購日期的可識別資產及負債公允淨值的權益的數額。商譽已被分配至四川金時達的現金產生單位。

**商譽減值測試**

透過業務合併收購的商譽已分配至四川金時達的現金產生單位作減值測試。

四川金時達的現金產生單位的可收回金額已按使用價值計算法釐定，採用根據經高級管理層批准涵蓋至現有採礦權到期（即2021年2月1日）的財政預算作出的現金流量預測釐定。現金流量預測適用的折現率為13.36%。

在計算2012年12月31日及2011年12月31日四川金時達的現金產生單位的使用價值時，採用了主要假設。下文論述管理層為進行商譽減值測試而作出現金流量預測所依據的各主要假設：

估計價格一用以確定已分配至估計價格的價值的基準，有關基準乃基於市場調查及2012年12月31日後與潛在客戶所簽訂的銷售合約得出。

估計產量及成本一用以確定已分配至估計產量及成本的價值的基準，有關基準乃基於當前開採及加工生產計劃得出。



22. GOODWILL (Continued)

IMPAIRMENT TESTING OF GOODWILL (Continued)

Estimated gross margins – the basis used to determine the value assigned to the estimated gross margins is based on estimated prices less production costs determined as explained above.

Discount rates – the discount rate used is post-tax and reflects specific risks relating to the relevant unit.

22. 商譽(續)

商譽減值測試(續)

估計毛利率—用以確定已分配至估計毛利率的價值的基準，有關基準乃基於如上文所闡述估計價格減已確定的生產成本得出。

折現率—除稅後使用的折現率，反映有關相關單位的特定風險。

23. INVESTMENT IN AN ASSOCIATE

23. 於聯營公司的投資

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Share of net assets	分佔資產淨值	10,703	10,703
Goodwill on acquisition	收購時的商譽	5,539	5,539
		16,242	16,242
Due to the associate	應付聯營公司款項	3,217	–

On 29 July 2011, Guangzhou Kingstone, the Company's indirect wholly-owned subsidiary, and two independent third parties entered into a share purchase agreement whereby the Group acquired 49% equity interests in Guangdong Jiapeng Construction Co., Ltd. ("Guangdong Jiapeng Construction") at a cash consideration of RMB15,000,000, of which RMB13,500,000 has been paid up to 31 December 2012.

As at 31 December 2012, loans to the associate included in the Group's current assets of RMB80,000,000 (2011: RMB80,000,000) are secured by the trade receivables of Guangdong Jiapeng Construction, and bear interest at the rate of 7.216% per annum.

Guangdong Jiapeng Construction had defaulted the repayment terms of the loans. The Group is taking legal actions to recover these loans.

於2011年7月29日，本公司間接全資附屬公司廣州金石與兩名獨立第三方訂立購股協議，據此，本集團收購廣東嘉鵬建設有限公司(「廣東嘉鵬建設」)的49%股權，現金代價為人民幣15,000,000元，其中人民幣13,500,000元已於2012年12月31日繳付。

於2012年12月31日，本集團流動資產內所包括的向聯營公司貸款人民幣80,000,000元(2011年：人民幣80,000,000元)乃由廣東嘉鵬建設的貿易應收款項抵押，按年利率7.216厘計息。

廣東嘉鵬建設違反貸款的償還條款。本集團正採取法律行動，以收回有關貸款。

23. INVESTMENT IN AN ASSOCIATE (Continued)

Due to the claims by a third party, the 49% equity interest in the associate, together with loan to the associate amounting to RMB25,000,000 were frozen by a Chinese court (note 41).

The amount due to the associate is unsecured, interest-free and has no fixed repayment terms.

Particulars of the associate are as follows:

Company name 公司名稱	Place of incorporation/ registration 註冊成立/註冊 地點	Nominal value of issued and paid-up share/ registered paid-up capital 已發行及繳足股份之 面值/註冊繳足股本	Percentage of equity interests attributable to the Group 本集團應佔 權益百分比	Principal activities 主要業務
Guangdong Jiapeng Construction 廣東嘉鵬建設	the PRC 中國	RMB10,000,000 人民幣 10,000,000元	49%	Design and construction of architecture decoration and curtain wall, wholesale and retail of construction materials, and construction machine rental services 建築裝飾及幕牆 的設計及施工、 批發及零售建築 材料以及建築機 器租賃服務

The following table illustrates the summarised financial information of the Group's associate:

23. 於聯營公司的投資(續)

由於一名第三方提出申索，故聯營公司的49%權益，連同借予聯營公司的貸款，為數人民幣25,000,000元已被中國法院凍結(附註41)。

應付聯營公司款項為無抵押、免息及並無固定還款期。

聯營公司的詳情如下：

下表說明本集團的聯營公司的概要財務資料：

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Assets 資產		145,138	178,523
Liabilities 負債		126,977	161,865
Revenue 收入		83,864	133,364
Profit after tax 除稅後利潤		920	6,272

24. INVENTORIES

24. 存貨

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Marble blocks and slabs	大理石荒料及板材	8,007	7,719
Materials and supplies	材料及物料	1,382	1,565
		9,389	9,284

25. TRADE RECEIVABLES

25. 貿易應收款項

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Trade receivables	貿易應收款項		
Current portion	— 即期部分	118,841	27,520
Non-current portion	— 非即期部分	—	80,138
Less: impairments (note 11)	減：減值（附註11）	(18,000)	—
		100,841	107,658

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：

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Within 30 days	30日內	—	2,650
31–90 days	31 – 90日	—	105,008
Over 1 year	1年以上	100,841	—
		100,841	107,658

## 25. TRADE RECEIVABLES (Continued)

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month. Except for certain customers developed by the Group at the beginning of its commercial operation were granted for a credit period of 18 months. 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. The trade receivables of RMB100,841,000 was secured by certain properties.

As at 31 December 2012, trade receivables of RMB100,841,000 were past due but not impaired. The Group is taking legal actions to recover these trade receivables.

## 26. ENTRUSTMENT LOANS AND STRUCTURED DEPOSITS

The entrustment loans, structured deposits together with the relevant interest were fully collected in March 2012.

## 27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Details of the prepayments, deposits and other receivables are as follows: –

## 25. 貿易應收款項(續)

本集團與其客戶的貿易條款主要為信貸形式。除本集團於其開始商業營運時已發展的若干客戶獲授予18個月信貸期外，信貸期一般為一個月。由於本集團向若干主要客戶出售其大部分產品，故信貸風險集中水平甚高。本集團設法對其尚未償還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。貿易應收款項人民幣100,841,000元已由若干物業作擔保。

於2012年12月31日，人民幣100,841,000元之貿易應收款項均已逾期，惟尚未減值。本集團現正採取法律行動，以收回該等貿易應收款項。

## 26. 委託貸款及結構性存款

委託貸款、結構性存款連同相關利息已於2012年3月全數收回。

## 27. 預付款項、按金及其他應收款項

預付款項、按金及其他應收款項的詳情如下：

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Prepayments for the purchase of raw materials	購買原材料的預付款項	63,744	37,054
Deposits	按金	2,313	2,451
Deductible VAT	可抵扣增值稅	–	3,908
Interest receivable	應收利息	–	12,920
Deposits paid for development of sales networks (note)	就發展銷售網絡支付的按金(附註)	43,000	–
Others	其他	1,760	900
Less: impairments (note)	減：減值(附註)	(43,000)	–
		67,817	57,233

27. PREPAYMENTS, DEPOSITS AND OTHER

RECEIVABLES (Continued)

Note: During the year ended 31 December 2012, the refundable deposit was paid to Guangzhou Jianyue Decoration Co., Ltd\* (廣州市建粵裝飾有限公司) for the development of sales network for the Group through Helaichun Construction and Design Co., Ltd\* (鶴來春建築設計有限公司), an independent third party. The amount was fully impaired as at 31 December 2012.

\* The English names are for identification only.

27. 預付款項、按金及其他應收款項(續)

附註：截至2012年12月31日止年度，本集團已向廣州市建粵裝飾有限公司支付可退還按金，藉以透過獨立第三方鶴來春建築設計有限公司開發銷售網絡。該款項已於2012年12月31日悉數減值。

\* 英文名稱僅供識別。

28. PLEDGED DEPOSITS

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Pledged bank deposits as security for short-term bank loans	就擔保短期銀行借貸抵押銀行存款	-	107,196

As at 31 December 2011, deposits of US\$16,800,000 (equivalent to approximately RMB107,196,000) were pledged as security for short-term bank loans of RMB97,000,000 (note 32). The pledged bank deposits has been released after the Group repaid the bank loans in August 2012.

於2011年12月31日，已抵押16,800,000美元(相等於約人民幣107,196,000元)存款作為短期銀行貸款人民幣97,000,000元的擔保(附註32)。已抵押銀行存款於本集團於2012年8月償還銀行借貸後已獲解除。

29. CASH AND CASH EQUIVALENTS

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	28,159	127,285

29. 現金及現金等價物

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	28,159	127,285



29. CASH AND CASH EQUIVALENTS (Continued)

The Group's cash and bank balances are all denominated in RMB at end of each reporting period, except for the following:

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Cash and bank balances:	現金及銀行結餘：		
HK\$	港元	1,995	2,904
US\$	美元	12,792	-

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

29. 現金及現金等價物(續)

本集團於各報告期末的現金及銀行結餘均以人民幣計值，惟以下所列除外：

人民幣不可自由兌換成其他貨幣，惟根據《中華人民共和國外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯業務的銀行，將人民幣兌換為其他貨幣。

30. TRADE PAYABLES

Trade payables are non-interest-bearing and are normally settled in 180 days. An aged analysis of trade payables, based on the invoice date, is as follows:

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Outstanding balances with ages:	具有以下賬齡的未償還結餘：		
Within 180 days	180日內	415	1,018
Over 180 days	180日以上	1,280	-
		1,695	1,018

30. 貿易應付款項

貿易應付款項為免息，一般於180日內清付。根據發票日期，貿易應付款項的賬齡分析如下：

31. OTHER PAYABLES AND ACCRUALS

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Advances from customers	客戶預付款	10	47
Payable relating to:	與下列各項有關的應付款項：		
Property, plant and equipment	物業、廠房及設備	–	12,618
Construction contracts	建造合約	9,799	–
Taxes other than income tax	稅項(所得稅除外)	3,769	1,927
Payroll and welfare	工資及福利	5,131	4,835
Rental	租金	1,333	1,699
Acquisition of an associate	收購聯營公司	1,500	1,500
Deposits received	已收按金	100	135
Payable for rehabilitation	復墾應付款項	920	900
Provision for litigation	訴訟撥備	3,130	3,130
Others	其他	1,478	1,419
		27,170	28,210

31. 其他應付款項及應計費用

32. INTEREST-BEARING BANK LOANS

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Secured – within one year	有抵押 – 一年內	–	97,000

32. 計息銀行貸款

As at 31 December 2011, the secured bank loan of RMB97,000,000 bears interest at a fixed rate of 6.1% per annum and was secured by the pledge of the Group's time deposit amounting to US\$16,800,000 (equivalent to approximately RMB107,196,000). The bank loans have been repaid by the Group in August 2012.

於2011年12月31日，有抵押銀行貸款人民幣97,000,000元按固定年利率6.1厘計息，並由抵押本集團16,800,000美元(相等於約人民幣107,196,000元)的定期存款作擔保。本集團已於2012年8月償還銀行貸款。

33. DEFERRED INCOME

The deferred income balance represents government grants in relation to certain machinery with a useful life of 10 years.

33. 遞延收入

遞延收入結餘為與若干可使用年期為十年的機器有關的政府資助。

34. DEFERRED TAX

The movements in deferred tax assets are as follows:

		Losses available for offsetting against future taxable profits 可用於抵銷 未來應課稅 利潤的虧損 RMB'000 人民幣千元	Unrealised profit from inter-group transactions 集團間交易的 未變現利潤 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2011	於2011年1月1日	5,261	264	-	5,525
Charged to consolidated profit or loss	自綜合損益扣除	(5,261)	6,794	179	1,712
At 31 December 2011	於2011年12月31日	-	7,058	179	7,237
Charged to consolidated profit or loss	自綜合損益扣除	-	(727)	-	(727)
At 31 December 2012	於2012年12月31日	-	6,331	179	6,510

34. 遞延稅項

遞延稅項資產的變動如下：

The movements in deferred tax liabilities are as follows:

遞延稅項負債的變動如下：

		Fair value adjustments arising from acquisition of a subsidiary 因收購附屬公司 所產生的公允價值 調整 RMB'000 人民幣千元
At 1 January 2011	於2011年1月1日	5,141
Acquisition of a subsidiary (note 38)	收購一家附屬公司(附註38)	1,811
Charged to consolidated profit or loss	自綜合損益扣除	171
At 31 December 2011	於2011年12月31日	7,123
Charged to consolidated profit or loss	自綜合損益扣除	-
At 31 December 2012	於2012年12月31日	7,123

34. DEFERRED TAX (Continued)

Deferred tax assets and liabilities related to the PRC subsidiaries have been provided at an enacted corporate income tax rate of 25%.

For presentation purposes, deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	6,510	7,237
Deferred tax liabilities	遞延稅項負債	(7,123)	(7,123)
		(613)	114

34. 遞延稅項(續)

有關中國附屬公司的遞延稅項資產及負債已按已頒佈的企業所得稅稅率25%計提撥備。

就呈列目的而言，遞延稅項資產及負債已在綜合財務狀況表中抵銷。以下為就財務報告目的對本集團的遞延稅項結餘作出的分析：

35. SHARE CAPITAL

Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股	Number of shares '000 股份數目 千股	RMB'000 人民幣千元
Authorised:	法定：		
At 31 December 2012 and 2011	於2012年及2011年12月31日	5,000,000	420,875
Issued and fully paid:	已發行及繳足：		
At 31 December 2011	於2011年12月31日	1,996,771	168,086
At 31 December 2012	於2012年12月31日	1,947,812	164,106

35. 股本

## 35. SHARE CAPITAL (Continued)

During the year, the movements in the Company's share capital were as follows:

## 35. 股本(續)

於年內，本公司股本的變動如下：

		Number of shares in issue 已發行股份數目	Issued capital RMB'000 人民幣千元	Share premium account RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2011	於2011年1月1日	1	-	-	-
Issue of shares	發行股份	500,000,000	42,087	904,871	946,958
Capitalisation of capital reserve	資本化資本儲備	1,499,999,999	126,261	17,097	143,358
Redemption of shares	贖回股份	(3,229,000)	(262)	(2,948)	(3,210)
		1,996,771,000	168,086	919,020	1,087,106
Share issue expenses	股份發行開支	-	-	(51,985)	(51,985)
At 31 December 2011	於2011年12月31日	1,996,771,000	168,086	867,035	1,035,121
Redemption of shares	贖回股份	(48,959,000)	(3,980)	(25,064)	(29,044)
At 31 December 2012	於2012年12月31日	1,947,812,000	164,106	841,971	1,006,077

On 18 March 2011, pursuant to the written resolution of the Company's shareholders, an aggregate of 1,499,999,999 shares of HK\$0.10 each of the Company were allotted and issued, credited as fully paid at par to the Company's shareholder at the date.

In connection with the global offering, 500,000,000 shares of HK\$0.10 each were issued at a price of HK\$2.25 per share for a total cash consideration, before offering costs, of HK\$1,125,000,000.

In 2011, the Company redeemed 3,229,000 of its own shares on Stock Exchange at a price range of HK\$1.18 to HK\$1.31 per share. These redeemed shares were cancelled accordingly. The issued share capital of the Company was reduced by the nominal value of these redeemed shares. The premium paid on the redemption of shares of RMB2,948,000 was debited to the share premium account.

於2011年3月18日，根據本公司股東的書面決議案，本公司合共1,499,999,999股每股面值0.10港元的股份按面值以入賬列為繳足方式於該日獲配發及發行予本公司股東。

就全球發售而言，500,000,000股每股面值0.10港元的股份按每股2.25港元的價格發行，以換取總現金代價（扣除發售成本前）1,125,000,000港元。

於2011年，本公司按介乎每股1.18港元至1.31港元的價格於聯交所贖回其自身的3,229,000股股份。該等已贖回股份已被註銷，故本公司的已發行股本已按該等已贖回股份的面值削減。就贖回股份所支付的溢價人民幣2,948,000元已於股份溢價賬扣除。



### 35. SHARE CAPITAL (Continued)

During the year, the Company redeemed 48,959,000 of its own ordinary shares on Stock Exchange. Those redeemed shares were cancelled and accordingly, the issued share capital of the Company was reduced by the nominal value of these redeemed shares. The premium paid on the redemption of shares of RMB25,064,000 (including share redemption costs of RMB254,000) was debited to the share premium account.

### 36. RESERVES

#### (A) CAPITAL RESERVE

For the year ended 31 December 2010, the holding company has made additional capital injections aggregating to US\$21 million. However, the Company has not issued new ordinary shares to the holding company and temporarily recorded the capital injection in the capital reserve. Pursuant to a written resolution of the sole shareholder on 24 January 2011, the directors of the Company are authorized to allot and issue a total of 1,499,999,999 shares credited as fully paid at par to the holders of shares on the register of members of the Company at the close of business on 24 January 2011 (or as they may direct) in proportion to their respective shareholdings (save that no shareholder shall be entitled to be allotted or issued any fraction of a share) by way of capitalization of the sum of HK\$149,999,999.90 standing to the credit of the share premium account of the Company and the shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued shares.

#### (B) CONTRIBUTED RESERVE

It represents the aggregate amount of the consideration of RMB24,480,000 paid to the former owners of Sichuan Jinshida by the ultimate controlling shareholder to obtain the control over Sichuan Jinshida by 14 March 2008 after netting off the investment cost of RMB10,000,000 paid by the Group on the acquisition of the entire equity interest in Sichuan Jinshida from the ultimate controlling shareholder pursuant to the reorganisation, as if the acquisition had been completed from the beginning of the year ended 31 December 2010. The corresponding liability of the investment cost of RMB10,000,000 payable to the ultimate controlling shareholder arising from the acquisition pursuant to the reorganization was classified as a current liability as at 31 December 2009 and the balance was settled in November 2010.

### 35. 股本(續)

於本年度內，本公司於聯交所贖回48,959,000股自身之普通股。該等已贖回股份被註銷，因此，按相等於該等已贖回股份之面值之金額削減本公司已發行股本。贖回股份所支付之溢價人民幣25,064,000元(包括股份贖回成本人民幣254,000元)已計入股份溢價賬。

### 36. 儲備

#### (A) 資本儲備

於截至2010年12月31日止年度，控股公司已作出額外注資合共21百萬美元。然而，本公司並無向控股公司發行新普通股，並暫時將注資於資本儲備中入賬。根據唯一股東於2011年1月24日的書面決議案，本公司董事獲授權通過將本公司股份溢價賬項下進賬為數149,999,999.90港元資本化，藉以向於2011年1月24日營業時間結束時(或按彼等所指示)名列本公司股東名冊的股份持有人按彼等各自的持股比例，按面值配發及發行合共1,499,999,999股入賬列為繳足股份(惟概無股東有權獲配發或發行任何零碎股份)，而根據此決議案將予配發及發行的股份將在各方面與現有已發行股份享有同等權益。

#### (B) 繳入儲備

繳入儲備指最終控股股東為取得對四川金時達的控制權而於2008年3月14日前向四川金時達的前擁有人支付的總代價人民幣24,480,000元，經扣除本集團就根據重組向最終控股股東收購四川金時達全部股權而支付的投資成本人民幣10,000,000元，猶如收購事項已於截至2010年12月31日止年度開始時完成。因根據重組進行收購事項所產生的應付最終控股股東投資成本人民幣10,000,000元的相應負債已於2009年12月31日分類為流動負債，而該結餘已於2010年11月清還。

36. RESERVES (Continued)

COMPANY

The amounts of the Company's reserves and the movements therein for the year ended 31 December 2012 are as follows:

36. 儲備(續)

本公司

本公司截至2012年12月31日止年度的儲備金額及當中的變動如下：

		Share premium	Accumulated losses	Capital reserve	Share option reserve	Foreign currency translation reserve	Total
		股份溢價	累計虧損	資本儲備	購股權儲備	外幣換算儲備	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2011	於2011年1月1日	-	(17,619)	143,358	-	(4,233)	121,506
Issue of shares	發行股份	904,871	-	-	-	-	904,871
Share issue expenses	股份發行開支	(51,985)	-	-	-	-	(51,985)
Redemption of shares	贖回股份	(2,948)	-	-	-	-	(2,948)
Capitalisation of capital reserve	資本化資本儲備	17,097	-	(143,358)	-	-	(126,261)
Equity-settled share option arrangements	權益結算購股權安排	-	-	-	49,843	-	49,843
Total comprehensive loss for the year	年度全面虧損總額	-	(63,700)	-	-	(38,742)	(102,442)
At 31 December 2011	於2011年12月31日	867,035	(81,319)	-	49,843	(42,975)	792,584
Redemption of shares	贖回股份	(25,064)	-	-	-	-	(25,064)
Forfeiture of share options	沒收購股權	-	-	-	(356)	-	(356)
Equity-settled share option arrangements	權益結算購股權安排	-	-	-	11,053	-	11,053
Total comprehensive loss for the year	年度全面虧損總額	-	(419,240)	-	-	2,756	(416,484)
At 31 December 2012	於2012年12月31日	841,971	(500,559)	-	60,540	(40,219)	361,733

### 37. SHARE OPTION SCHEME

#### PRE-IPO SHARE OPTION SCHEME

The Company has adopted the Pre-IPO share 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. Under the Pre-IPO share option scheme, 40,000,000 share options were granted to two senior executives of the Company on 24 January 2011. The exercise price per share under the Pre-IPO share option scheme is HK\$0.6, being a discount of 73.33% to the global offering price. Those share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. No further options have been granted under the Pre-IPO share option scheme after the date of listing on Main Board of the Hong Kong Stock Exchange (the "Listing Dates").

The exercise price and exercise period of those share options under the Pre-IPO share option scheme outstanding as at 31 December 2012 and 31 December 2011 are as follows:

Number of options 購股權數目 '000 千份	Exercise price per share 每股行使價 HK\$ 港元
40,000	0.6

### 37. 購股權計劃

#### 首次公開發售前購股權計劃

本公司於2011年1月24日採納首次公開發售前購股權計劃，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。本公司已於2011年1月24日根據首次公開發售前購股權計劃授出40,000,000份購股權予兩名高級行政人員。首次公開發售前購股權計劃下的行使價為每股0.6港元，較全球發售價折讓73.33%。該等購股權並不賦予持有人獲派股息或於股東大會投票的權利。於香港聯交所主板上市日期（「上市日期」）之後不會根據首次公開發售前購股權計劃授出其他購股權。

於2012年及2011年12月31日，該等於首次公開發售前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：

Exercise period 行使期
From 18 March 2012 to 18 March 2016 自2012年3月18日至2016年3月18日

### 37. SHARE OPTION SCHEME (Continued)

#### PRE-IPO SHARE OPTION SCHEME (Continued)

The fair value of those share options under the Pre-IPO share option scheme granted during the year ended 31 December 2011 was HK\$64,400,000 (equivalent to approximately RMB54,460,504) or HK\$1.61 each (equivalent to approximately RMB1.36 each) of which the Group recognized a share option expense of HK\$52,411,000 and HK\$11,989,000 (equivalent to approximately RMB44,330,000 and RMB9,475,000 respectively) during the years ended 31 December 2011 and 31 December 2012 respectively.

The fair value of equity-settled share options granted on 24 January 2011 was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	–
Expected volatility (%)	55.94
Risk-free interest rate (%)	1.784

No other feature of the options granted under the Pre-IPO Share Option Scheme was incorporated into the measurement of fair value.

#### SHARE OPTION SCHEME

The Company has also adopted a share option scheme on 24 January 2011 for the purpose of giving its employees, directors, advisers, consultants and business partner an opportunity to have a personal stake in the Company and help motivate them to optimise their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain ongoing 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.

### 37. 購股權計劃(續)

#### 首次公開發售前購股權計劃(續)

於截至2011年12月31日止年度內根據首次公開發售前購股權計劃授出的該等購股權的公允值為64,400,000港元(相等於約人民幣54,460,504元)或每份1.61港元(相等於約每份人民幣1.36元)。其中，本集團已於截至2011年12月31日及2012年12月31日止年度內確認52,411,000港元(分別相等於約人民幣44,330,000元及人民幣9,475,000元)的購股權開支。

於2011年1月24日授出的權益結算購股權公允值利用二項模型和經考慮授出購股權的條款和條件後於授出日期估計。下表列出所使用模型的輸入資料：

股息率(%)	–
預期波幅(%)	55.94
無風險利率(%)	1.784

於計算公允值時並未考慮根據首次公開發售前購股權計劃授出的購股權的其他特性。

#### 購股權計劃

本公司亦於2011年1月24日採納一項購股權計劃，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，而就行政人員而言，則可令本集團吸引和挽留具備適當經驗和能力的人士及／或為彼等過去的貢獻作出獎勵。

37. SHARE OPTION SCHEME (Continued)

SHARE OPTION SCHEME (Continued)

The maximum number of shares which may be issued upon exercise of all options to be granted under the share option scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue as at the Listing Date (i.e. a maximum of 200,000,000 shares). No option may be granted to any one person such that the total number of shares issued and to be issued upon exercise of options granted and to be granted to that person in any twelve month period exceeds 1% of the Company's issued share capital from time to time.

The exercise price and exercise period of those share options under the share option scheme outstanding as at 31 December 2012 and 31 December 2011 are as follows:

		Number of options 購股權數目 '000 千份	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期
At 1.1.2012	於 2012 年 1 月 1 日	20,000	1.38	From 4 November 2011 to 3 November 2021 自 2011 年 11 月 4 日至 2021 年 11 月 3 日
Lapsed during the year	於年內失效	(12,200)		
At 31.12.2012	於 2012 年 12 月 31 日	7,800		

The fair value the share options granted during the year ended 31 December 2011 under Share option scheme was HK\$12,224,000 (equivalent to approximately RMB9,957,000) of which the Group recognized a share option expense of HK\$6,777,000 and HK\$1,171,000 (equivalent to approximately RMB5,513,000 and RMB952,000 respectively) during the years ended 31 December 2011 and 31 December 2012 respectively.

37. 購股權計劃(續)

購股權計劃(續)

可能因行使根據購股權計劃及本集團任何其他計劃將予授出的所有購股權而發行的最高股份數目，合共不得超過於上市日期已發行股份數目的10%（即最多200,000,000股股份）。倘任何人士因行使任何12個月期間內已獲授及將獲授購股權，而導致已發行及將予發行的股份總數超過本公司不時已發行股本的1%，則不得向該名人士授出任何購股權。

於2012年12月31日及2011年12月31日，該等於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：

於2011年12月31日，根據購股權計劃授出的該等購股權的公允值為12,224,000港元（相等於約人民幣9,957,000元），其中，本集團已於截至2011年12月31日及2012年12月31日止年度內確認分別6,777,000港元及1,171,000港元（相等於約人民幣5,513,000元及人民幣952,000元）的購股權開支。



### 37. SHARE OPTION SCHEME (Continued)

#### SHARE OPTION SCHEME (Continued)

The fair value of equity-settled share options granted under share option scheme during the year was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	–
Expected volatility (%)	49.96
Risk-free interest rate (%)	1.36

No other features of the options granted under the share option scheme were incorporated into the measurement of fair value.

As at 31 December 2012, the Company had 47,800,000 share options outstanding under the share option scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 47,800,000 additional ordinary shares of the Company.

At the date of approval of these financial statements, the Company had 47,800,000 share options outstanding under share option scheme, which represented approximately 2% of the Company's shares in issue as at that date.

### 38. BUSINESS COMBINATION

On 29 August 2011, the Group acquired entire equity interest of Beichuan Lida from independent third parties. Beichuan Lida is engaged in the mining development, and mineral processing and the trading of construction materials. The acquisition was made as part of the Group's strategy to expand its mineral reserves. The purchase consideration for the acquisition was fully paid in the form of cash before 31 December 2011.

### 37. 購股權計劃(續)

#### 購股權計劃(續)

年內根據購股權計劃授出的權益結算購股權公允值利用二項模型和經考慮授出購股權的條款和條件後於授出日期估計。下表列出所使用模型的輸入資料：

股息率(%)	–
預期波幅(%)	49.96
無風險利率(%)	1.36

於計算公允值時並未考慮根據購股權計劃授出的購股權的其他特性。

於2012年12月31日，本公司根據購股權計劃擁有47,800,000份尚未行使購股權。根據本公司目前的股本架構，全面行使尚未行使購股權將導致發行47,800,000股本公司的額外普通股。

於批准該等財務報表之日，本公司根據購股權計劃擁有47,800,000份尚未行使購股權，佔該日本公司已發行股份約2%。

### 38. 業務合併

於2011年8月29日，本集團自獨立第三方收購北川力達的全部股權。北川力達從事礦業開發、礦物加工及買賣建築材料。收購乃作為本集團擴充其礦物儲量的策略的一部分作出。收購的購買代價已於2011年12月31日前以現金形式全數支付。

38. BUSINESS COMBINATION (Continued)

The fair value of the identifiable assets and liabilities of Beichuan Lida as at the date of acquisition were as follows:

		RMB'000 人民幣千元
Intangible asset – mining right	無形資產—採礦權	8,473
Cash and cash equivalents	現金及現金等價物	736
Other receivables	其他應收款項	260
Deferred tax liabilities	遞延稅項負債	(1,811)
Other payable and accruals	其他應付款項及應計費用	(1,623)
Total identifiable net assets at fair value	按公允值計算得出的可識別淨資產值總額	6,035
Gain on bargain purchase recognized as other income and gains	作為其他收入及收益確認的議價購買收益	(35)
Satisfied by cash	以現金償付	6,000

Analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

有關收購附屬公司的現金流量分析如下：

Net cash outflow arising on disposal of subsidiaries:

出售附屬公司產生之現金流出淨額

		RMB'000 人民幣千元
Cash consideration	現金代價	6,000
Cash and bank balances acquired	已收購現金及銀行結餘	(736)
Net outflow of cash and cash equivalents included in the cash flows from investing activities	計入投資活動所得現金流量的現金及現金等價物流出淨額	5,264

As Beichuan Lida is still in its mining development stage, since the acquisition, it did not contribute any revenue to the Group's revenue and it incurred a loss of RMB422,000 for the year ended 31 December 2011.

由於北川力達自收購以來仍處於其礦業開發階段，其於截至2011年12月31日止年度並無為本集團貢獻任何收入且其產生虧損人民幣422,000元。

Had the combination taken place at the beginning of the year ended 31 December 2011, the profit after tax of the Group for the year would have been RMB53,236,000.

倘合併於截至2011年12月31日止年度初發生，本集團的年度除稅後溢利將為人民幣53,236,000元。

### 39. COMMITMENTS

#### (A) COMMITMENTS UNDER OPERATING LEASES

##### *As lessee*

The Group leases certain land premises and buildings under operating lease arrangements, with leases negotiated for terms ranging from 2 to 15 years with an option for renewal after that date, at which time all terms will be renegotiated.

At each end of reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Within one year	一年內	7,363	7,566
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	5,670	13,020
Over five years	五年後	587	447
		13,620	21,033

#### (B) CAPITAL COMMITMENTS

As at 31 December 2012 and 31 December 2011, the Group had the following capital commitments principally for the construction and purchase of property, plant and equipment.

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
Contracted, but not provided for	已訂約但未撥備	—	1,204

### 39. 承擔

#### (A) 經營租約

##### *作為承租人*

本集團按經營租約安排租用若干土地及樓宇，經磋商租期介乎2至15年，並可選擇於到期日後續期，屆時所有條款將會重新磋商。

於各報告期末，本集團擁有根據不可撤銷經營租約應付的未來最低租金總額的到期日如下：

#### (B) 資本承擔

於2012年12月31日及2011年12月31日，本集團主要就建造及購置物業、廠房及設備而擁有下列資本承擔。

#### 40. RELATED PARTY TRANSACTIONS

During the years ended 31 December 2012 and 2011, the Group had the following material transactions with related parties:

- (i) Mr. Huang Xianyou is the ultimate controlling shareholder of the Company. Pursuant to a financial support agreement entered into between Mr. Huang and Sichuan Jinshida on 14 March 2008, Mr. Huang agreed to provide interest-free funding with a cap amount of RMB100 million to Sichuan Jinshida for its mining development for five years from 14 March 2008. The directors consider that the interest-free financial support provided by the ultimate controlling shareholder was conducted based on terms more favorable than terms available from an independent third party. The above financial support agreement was terminated on 3 March 2011.
- (ii) As detailed in note 23, as at 31 December 2012, the loans to an associate included in the Group's current assets totaling RMB80,000,000 (2011: RMB80,000,000) are secured by the trade receivables of Guangdong Jiapeng Construction, bear interest at the rate of 7.216% per annum and were repayable within one year. The Group received interest income of RMB3,480,000 from the loans during the year ended 31 December 2012 (2011: RMB807,000).
- (iii) During the year ended 31 December 2012, Guangdong Jiapeng Construction provided office renovation services of RMB2,217,000 (2011: nil) to the Group and such leasehold improvements were included in the properties, plant and equipment of the Group. As at 31 December 2012, such payables in respect of leasehold improvement were recorded as the amount due to an associate.

#### KEY MANAGEMENT COMPENSATION

The key management personnel of the Group comprise all the Directors. Details of the compensation to Directors are included in note 12 to the consolidated financial statements.

#### 40. 關連方交易

於截至2012年及2011年12月31日止年度，本集團與關連方的重要交易如下：

- (i) 黃賢優先生為本公司最終控股股東。根據黃先生與四川金時達於2008年3月14日訂立的財務支持協議，黃先生同意於自2008年3月14日起計的五年期間內，就四川金時達的礦山開發向其提供上限金額為人民幣100百萬元的免息資金。董事認為，最終控股股東是按較獨立第三方所提供的條款更有利的條款提供免息財務支持。以上財務支持協議已於2011年3月3日終止。
- (ii) 誠如附註23所詳述，於2012年12月31日，本集團的流動資產內所包括的向聯營公司貸款合共達人民幣80,000,000元（2011年：人民幣80,000,000元）乃由廣東嘉鵬建設的貿易應收款項抵押，按年利率7.216厘計息，並須於一年內償還。本集團於截至2012年12月31日止年度就貸款收到利息收入人民幣3,480,000元（2011年：人民幣807,000元）
- (iii) 於截至2012年12月31日止年度，廣東嘉鵬建設向本集團提供辦公室翻新服務，金額為人民幣2,217,000元（2011年：無），而有關租賃裝修計入本集團物業、廠房及設備。於2012年12月31日，有關租賃裝修之應付款項入賬列作應付聯營公司款項。

#### 主要管理層酬金

本集團主要管理層人員包括全體董事。董事酬金之詳情載於綜合財務報表附註12。

**41. LITIGATIONS**

As at 31 December 2012, the subsidiaries, Kingstone Guangzhou and Sichuan Jinshida, were defendants in legal cases initiated by 邵偉權 (the "Plaintiff"). The Plaintiff granted two loans of RMB8,000,000 and RMB15,000,000 to a former owner of Sichuan Jinshida and the loans were secured by the former owner's 35% equity interest in Sichuan Jinshida. Kingstone Guangzhou acquired the 35% equity interest from the former owner subsequently. The Plaintiff sought for the reinstatement of its security against the 35% equity interest in Sichuan Jinshida and for the repayment of the loans.

As a result of the legal proceeding, Kingstone Guangzhou's 49% equity interest in an associate, Guangdong Jiapeng Construction together with Sichuan Jinshida's loan to Guangdong Jiapeng Construction amounting to RMB25,000,000 were frozen by a court in the PRC.

**42. EVENTS AFTER THE END OF THE REPORTING PERIOD**

Subsequent to the end of the reporting period, on 23 January 2013, the Group's 100% equity interests in the subsidiary, Beichuan Lida, was disposed of to a third party for a consideration of RMB10,615,000, which would result in a gain of disposal of approximately RMB2,565,000. Further details of the disposal of Beichuan Lida are also set out in the announcement of the Company dated 25 March 2013.

**41. 訴訟**

於2012年12月31日，附屬公司金石廣州及四川金時達為邵偉權(為「原告人」)發起的法律案件的被告人。原告人向四川金時達的前擁有人授予兩項貸款，分別為人民幣8,000,000元及人民幣15,000,000元，並以前擁有人於四川金時達的35%權益抵押。金時廣州其後收購前擁有人35%權益。原告人尋求恢復四川金時達的35%權益抵押，以償還貸款。

由於進行法律訴訟，金石廣州於聯營公司廣東嘉鵬建設的49%權益，連同四川金時達授予廣東嘉鵬建設的貸款，合共人民幣25,000,000元，被中國法院凍結。

**42. 報告期末後事項**

於報告期末後，於2013年1月23日，本集團於附屬公司北川力達的100%權益已出售予第三方，代價為人民幣10,615,000元，產生出售收益約人民幣2,565,000元。出售北川力達的進一步詳情載於本公司2013年3月25日的公佈。



43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 DECEMBER 43. 本公司於12月31日之財務狀況表

		2012 2012年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	–	–
Due from subsidiaries	應收附屬公司款項	526,066	687,802
		526,066	687,802
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Structured deposits	結構性存款	–	170,247
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	12,192	10,929
Pledged deposit	已抵押存款	–	107,196
Cash and cash equivalents	現金及現金等價物	6,499	4,463
		18,691	292,835
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款項及應計費用	910	183
Due to subsidiaries	應付附屬公司款項	18,008	19,784
		18,918	19,967
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<b>流動(負債)/資產淨額</b>	(227)	272,868
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	525,839	960,670
<b>NET ASSETS</b>	<b>資產淨值</b>	525,839	960,670
<b>EQUITY</b>	<b>權益</b>		
Issued capital	已發行股本	164,106	168,086
Reserves	儲備	361,733	792,584
<b>Total equity</b>	<b>總權益</b>	525,839	960,670

44. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 28 March 2013.

44. 批准財務報表

於2013年3月28日，該等財務報表已獲批准及獲董事會授權發行。

# FINANCIAL SUMMARY

## 財務概要

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收入表

		Period from 14 March 2008 to 31 December 2008 2008年3月 14日至2008年 12月31日期間 RMB'000 人民幣千元	Year ended 31 December 2009 截至2009年 12月31日 止年度 RMB'000 人民幣千元	Year ended 31 December 2010 截至2010年 12月31日 止年度 RMB'000 人民幣千元	Year ended 31 December 2011 截至2011年 12月31日 止年度 RMB'000 人民幣千元	Year ended 31 December 2012 截至2012年 12月31日 止年度 RMB'000 人民幣千元
<b>Revenue</b>	收入	—	—	6,615	289,424	16,062
(Loss)/profit before tax	除稅前(虧損)/利潤	(2,005)	(5,610)	(25,260)	99,557	(568,216)
Income tax benefit/(expenses)	所得稅利益/(開支)	253	241	4,205	(46,310)	(8,153)
(Loss)/profit for the period/year	期間/年度 (虧損)/利潤	(1,752)	(5,369)	(21,055)	53,247	(576,369)
Other comprehensive loss: Exchange differences on translation of non-PRC operations	其他全面虧損： 因換算非中國業務產生的匯兌差異	—	—	(2,568)	(4,343)	2,130
<b>Total consolidated comprehensive (loss)/income for the year attributable to owners of the Company</b>	本公司擁有人應佔年度綜合全面(虧損)/收入總額	(1,752)	(5,369)	(23,623)	48,904	(574,239)
Earnings/(loss) per share attributable to ordinary equity holders of the Company (RMB cents):	本公司普通股權益持有人應佔每股盈利/(虧損)(人民幣分)：					
– Basic	– 基本	N/A 不適用	N/A 不適用	N/A 不適用	2.58	(29.35)
– Diluted	– 攤薄	N/A 不適用	N/A 不適用	N/A 不適用	2.56	N/A 不適用

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December

於12月31日

		2008 2008年 RMB'000 人民幣千元	2009 2009年 RMB'000 人民幣千元	2010 2010年 RMB'000 人民幣千元	2011 2011年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元
Non-current assets	非流動資產	40,389	50,455	117,247	372,783	271,701
Current assets	流動資產	1,071	6,092	101,147	888,765	286,206
Current liabilities	流動負債	24,208	44,675	91,093	143,750	32,082
Net current assets/ (liabilities)	流動資產/(負債) 淨額	(23,137)	(38,583)	10,054	745,015	254,124
Total assets less current liabilities	總資產減流動負債	17,252	11,872	127,301	1,117,798	525,825
Non-current liabilities	非流動負債	4,524	4,513	207	194	807
Net assets	淨資產	12,728	7,359	127,094	1,117,604	525,018
Total equity	總權益	12,728	7,359	127,094	1,117,604	525,018



**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 with limited liability)  
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1380