



KINGSTONE
金石礦業

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

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

Stock Code 股份代號: 1380

2018
年度報告
ANNUAL REPORT



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Zhang Cuiwei
Mr. Zhang Jianzhong
Mr. Zhang Weijun
Mr. Zhang Mian

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Mr. Sheng Guoliang (*Chairman of Remuneration Committee*)
Mr. Yang Ruimin
Ms. Zhang Cuiwei

NOMINATION COMMITTEE

Mr. Yang Ruimin (*Chairman of Nomination Committee*)
Mr. Sheng Guoliang
Ms. Zhang Cuiwei

AUTHORISED REPRESENTATIVES

Ms. Zhang Cuiwei
Mr. Cheung Wai Kee

COMPANY SECRETARY

Mr. Cheung Wai Kee

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

董事會

執行董事

張翠薇女士
張建忠先生
張衛軍先生
張 勉先生

獨立非執行董事

王藝華女士
盛國良先生
楊銳敏先生

審計委員會

王藝華女士 (*審計委員會主席*)
楊銳敏先生
盛國良先生

薪酬委員會

盛國良先生 (*薪酬委員會主席*)
楊銳敏先生
張翠薇女士

提名委員會

楊銳敏先生 (*提名委員會主席*)
盛國良先生
張翠薇女士

授權代表

張翠薇女士
張蔚琦先生

公司秘書

張蔚琦先生

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

CORPORATE INFORMATION 公司資料

HEADQUARTERS OF BUSINESS IN THE PRC

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

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 HONG KONG

17/F
V Heun Building
138 Queen's Road Central
Hong Kong

香港主要營業地點

香港
皇后大道中138號
威享大廈
17樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

股份過戶登記總處

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

HONG KONG SHARE REGISTRAR

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

香港股份過戶登記處

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

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Bank of Communications Limited
Industrial and Commercial Bank of China

主要往來銀行

中國建設銀行(亞洲)股份有限公司
交通銀行股份有限公司
中國工商銀行

AUDITORS

Elite Partners CPA Limited

審計師

開元信德會計師事務所有限公司

STOCK CODE

1380

股份代號

1380

WEBSITE OF THE COMPANY

www.kingstonemining.com

公司網址

www.kingstonemining.com

CORPORATE PROFILE

企業簡歷

China Kingstone Mining Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands under the Company Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's domicile was changed to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda on 10 August 2016 (Bermuda time). The shares of the Company are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 March 2011.

The Company and its subsidiaries (the "Group") were principally engaged in the production and sales of marble and marble related products in China. The Group is a mining operator, focusing on beige marble blocks and processing of marble slabs, and owned the largest beige marble mine in China, namely Zhangjiaba Mine, which is located in Zhenjiang Village, Xiangshui County, Jiangyou City of Sichuan Province, China, in terms of marble reserves, according to the certification issued by China Stone Material Association (中國石材協會) in August 2010.

According to the competent person's report dated on 7 March 2011, the Zhangjiaba Mine contains 44.2 million cubic meter of measured and indicated marble resources. The block rate is expected to be 38% on the marble resources, which is equivalent to an estimated 16.8 million cubic meter of proved and probable marble reserves.

中國金石礦業控股有限公司(「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。於2016年8月10日(百慕達時間),透過撤銷在開曼群島的註冊將本公司的註冊地點變更為百慕達並根據百慕達法律作為獲豁免公司存續。本公司的股份於2011年3月18日起在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司及其附屬公司(「本集團」)主要在中國從事大理石及大理石相關產品的生產及銷售。本集團為專注於米黃色大理石荒料及加工成大理石板材的礦業營運商,擁有位於中國四川省江油市香水鄉鎮江村的張家壩礦山。根據中國石材協會於2010年8月發出的證明,張家壩礦山是全國米黃色大理石儲量最大的礦山。

根據日期為2011年3月7日的合資格人士報告,張家壩礦山含44,200,000立方米的探明及推定大理石資源。大理石資源的荒料率預期為38%,預計相當於16,800,000立方米的證實及概略大理石儲量。

CORPORATE PROFILE 企業簡歷

RESOURCES AND RESERVES

The resources and reserves estimates for marble stones of Zhangjiaba Mine in Sichuan Province as at 31 December 2018 under JORC Code (as defined in Chapter 18 of the Listing Rules) are set out in the following table:

資源及儲量

下表載列於2018年12月31日根據JORC準則(定義見上市規則第18章)的四川省張家壩礦山預計大理石資源及儲量:

JORC Resource and Reserve Class JORC 資源及儲量類別		2018 2018年 Cubic meter 立方米	2017 2017年 Cubic meter 立方米
Measured Resource 探明資源		15.06 million 百萬	15.21 million 百萬
Indicated Resource 推定資源		27.18 million 百萬	27.44 million 百萬
Total Resource 總資源		42.24 million 百萬	42.65 million 百萬
Proved Reserve 證實儲量		4.87 million 百萬	5.42 million 百萬
Probable Reserve 概略儲量		8.82 million 百萬	9.79 million 百萬
Total Reserve 總儲量		13.69 million 百萬	15.21 million 百萬

Note: The resources and reserves for marble stones of Zhangjiaba Mine were estimated based on the independent competent person's report dated on 7 March 2011 (as shown in the Company's Prospectus). The increases and decreases due to mining consumption and exploration during the year were confirmed by internal experts.

附註：張家壩礦山大理石的資源及儲量基於日期為2011年3月7日的獨立合資格人士報告(載於本公司的招股章程內)估算。年內因採礦消耗及勘探的增加及減少由內部專家確認。

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of directors (the "Board" or "Directors") of China Kingstone Mining Holdings Limited (the "Company") and its subsidiaries (the "Group"), I am pleased to present the annual results of the Group for the year ended 31 December 2018 ("FY2018").

FINAL RESULTS

For the year ended 31 December 2018, the Group recorded revenue of RMB67.7 million (FY2017: RMB31.4 million) and a gross profit of RMB4.5 million (FY2017: RMB1.1 million), representing an increase of approximately 115.6% and 309.1%, respectively compared to those for the year ended 31 December 2017 ("FY2017").

Net loss attributable to owners of the Company was RMB19.3 million for FY2018, as compared to net profit attributable to owners of the Company of RMB7.8 million for FY2017. Basic loss per share for FY2018 was RMB0.7 cents, as compared to basic earnings per share of RMB0.5 cents for FY2017.

BUSINESS REVIEWS AND PROSPECTS

With the increasing concerns over escalating US-China trade disputes that may possibly trigger slowing economy globally, the real estate market and the construction materials market in the PRC are facing tremendous challenges. In addition to the keen competition from the overseas marble stone importers, the Group has to take extra cautious of and closely monitor the pace of the expansion in marble stones business.

The Group has been developing the Zhangjiaba mine to lower benches for a higher quality large block production. It is still not easy for the Group to estimate when the large marble blocks could be produced. During the year, the Group continues to produce and sell the marble slags from the stripping of the mine to the calcium carbonate manufacturers. Apart from the sales of the marble slags, the Group also engaged in trading of the marble slabs that are sourced from other marble slab suppliers based on our customers' needs.

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」）及其附屬公司（「本集團」）董事會（「董事會」或「董事」），欣然提呈本集團截至2018年12月31日止年度（「2018財政年度」）的年度業績。

末期業績

截至2018年12月31日止年度，本集團錄得收入人民幣67,700,000元（2017財政年度：人民幣31,400,000元）及毛利人民幣4,500,000元（2017財政年度：人民幣1,100,000元），分別較截至2017年12月31日止年度（「2017財政年度」）增加約115.6%及309.1%。

於2018財政年度，本公司擁有人應佔虧損淨額為人民幣19,300,000元，而於2017財政年度，本公司擁有人應佔溢利淨額為人民幣7,800,000元。2018財政年度的每股基本虧損為人民幣0.7分，而2017財政年度的每股基本盈利為人民幣0.5分。

業務回顧及展望

隨著投資者對中美貿易爭端升級或會導致全球經濟增速放緩的憂慮不斷加深，中國房地產市場及建材市場正面臨嚴峻挑戰。除了應對來自海外大理石進口供應商的激烈競爭，本集團須採取更為審慎的措施推動並密切監控大理石業務的擴張步伐。

本集團持續開發張家壩礦山下層台階以實現更高質量的大型荒料生產。本集團仍未能預估大型大理石荒料的出產時間。年內，本集團持續生產大理石礦渣（為剝採礦山的產料）並將其銷售予碳酸鈣生產商。除銷售大理石礦渣外，本集團亦根據客戶需求從事買賣自其他大理石板材供應商採購的大理石板材。

CHAIRMAN'S STATEMENT 主席報告

The Group intends to extend the downstream business of ground calcium carbonate production by utilizing the Group's own marble resources from the Zhangjiaba mine which it could supplement its existing marble stone and marble related business and also expand the income stream of the Group. Ground calcium carbonate is widely used as raw materials in production of building and construction materials, paper, plastics, paints, coatings and even personal health and food production. In August 2018, an equity joint venture company (the "JV Company"), which is going to operate and develop the ground calcium carbonate production in Jiangyou City, Sichuan Province, was formed as to 51% by the Group and 49% by a joint venture partner (the "JV Partner"). In the view of the Group owns the enriched marble resources and the JV Partner possesses an extensive experience in the operation of the ground calcium carbonate production, such cooperation with the JV partner in the form of joint venture could be of great help in initiating and implementing the Group's business development plan of calcium carbonate business. The Group considers it would be a stable and sustainable business in a good prospect. Currently, the Group and JV partner were taking steps to initiate the new business and also re-negotiating the details of the cooperation arrangement following the settlement of the litigation involving the Zhangjiaba mine.

The Company will continue to consolidate the production and operations of marble stone and its related business as well as making good use of our marble resources. On the other hand, the Group will also continue to explore new business opportunities so arising in order to maximize shareholders' value in the future.

APPRECIATION

I would like to take this opportunity to express my heartfelt gratitude to all our shareholders, customers and other business partners for their attention and support to the Group in the difficult times. I would also like to thank our directors, management team and all staff of the Group for their dedication and hard work to the Group for the past year.

Zhang Cuiwei
Executive Director

Hong Kong, 25 March 2019

本集團擬透過利用本集團自有的張家壩礦山大理石資源以擴展重碳酸鈣生產下游業務，繼而補充其現有大理石及大理石相關業務並拓寬本集團收入來源。重碳酸鈣乃廣泛用作生產建築及建造材料、紙張、塑料、顏料及塗層乃至個人健康及食品生產的原材料。於2018年8月，本集團與一名合營夥伴（「合營夥伴」）透過分別出資51%及49%成立合營公司（「合營公司」），該公司將於四川省江油市經營及發展重碳酸鈣生產。鑒於本集團自有的大理石資源儲量豐富及合營夥伴在經營重碳酸鈣生產方面擁有豐富經驗，本集團與合營夥伴以合營方式合作或會極大助力本集團制定及實施碳酸鈣業務的業務發展計劃。本集團認為，該業務穩定並可持續發展，具有良好的前景。在了結涉及張家壩礦山的訴訟後，本集團正設法與合營夥伴開展該新業務，並重新磋商合作安排細節。

本公司將繼續鞏固大理石及其相關業務的生產及經營，並充分利用我們的大理石資源。此外，本集團亦將繼續探索未來出現的任何新業務機會，以最大股東價值。

鳴謝

本人藉此機會衷心感謝全體股東、客戶及其他業務夥伴，感謝彼等在本集團的艱困日子中鼎力支持、同舟共濟。本人亦感謝本集團的董事、管理層團隊及全體員工在過去一年的貢獻及努力。

執行董事
張翠薇

香港，2019年3月25日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Sales Volume and Selling Price Analysis

The sales volume and selling price analysis are set out below:-

		Year ended 31 December 截至12月31日止年度		Change 變動
		2018 2018年	2017 2017年	
Sales volume:	銷量:			
Marble slabs (square meter)	大理石板材 (平方米)	204,566	96,000	+113.1%
Marble slabs (tonnes)	大理石礦渣 (噸)	563,187	388,905	+44.8%
Average selling prices:	平均售價:			
Marble slabs (RMB per square meter)	大理石板材 (人民幣/平方米)	257	246	+4.5%
Marble slabs (RMB per tonnes)	大理石礦渣 (人民幣/噸)	26.9	19.8	+35.9%

Exploration, Development and Production Activities

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

The Zhangjiaba mine mainly divided into the eastern mining zone and the western mining zone. During the year ended 31 December 2018 ("FY2018") and 2017 ("FY2017"), the Group continues to carry out the stripping of the overburden materials at the surface for the both eastern and western zone. It is expected that the further development of the mine to lower benches will be required for large block production.

During the year, the aggregate expenditure of the mining operation of the Group was approximately RMB20.7 million (FY2017: RMB15.1 million), which mainly included depreciation on property, plant and equipment of RMB12.3 million (FY2017: RMB9.3 million), staff costs of approximately RMB0.5 million (FY2017: RMB0.6 million).

During FY2018, the Group has not entered into new contracts and did not have any material commitment relating to infrastructure projects, subcontracting arrangements and purchase of equipment for the Zhangjiaba mine.

業務回顧

銷量及售價分析

銷量及售價分析載列如下:-

		Year ended 31 December 截至12月31日止年度		Change 變動
		2018 2018年	2017 2017年	
Sales volume:	銷量:			
Marble slabs (square meter)	大理石板材 (平方米)	204,566	96,000	+113.1%
Marble slabs (tonnes)	大理石礦渣 (噸)	563,187	388,905	+44.8%
Average selling prices:	平均售價:			
Marble slabs (RMB per square meter)	大理石板材 (人民幣/平方米)	257	246	+4.5%
Marble slabs (RMB per tonnes)	大理石礦渣 (人民幣/噸)	26.9	19.8	+35.9%

勘探、開發及生產活動

本集團專注於在張家壩礦山的開發及開採。張家壩礦山位於中國四川省，根據獨立合資格人士於2011年3月7日的報告（如本公司招股章程所示），蘊藏44,200,000立方米探明及推定大理石資源，按荒料率38%計算，相當於16,800,000立方米的證實及概略大理石儲量。於年內並無在其他場地進行地質勘探活動。

張家壩礦山主要分為東部採礦區及西部採礦區。於截至2018年12月31日止年度（「2018財政年度」）及截至2017年12月31日止年度（「2017財政年度」），本集團繼續開展在東部及西部採礦區剝採表面廢料的工序。預期大型荒料生產將需要進一步開發礦山的下層台階。

於年內，本集團採礦業務的總開支約為人民幣20,700,000元（2017財政年度：人民幣15,100,000元），主要包括物業、廠房及設備折舊人民幣12,300,000元（2017財政年度：人民幣9,300,000元）及員工成本約人民幣500,000元（2017財政年度：人民幣600,000元）。

於2018財政年度內，本集團並無訂立新合約，亦無有關張家壩礦山的基建設施項目、分判安排及購買設備的重大承擔。

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue increased by approximately RMB36.3 million or 115.6% to approximately RMB67.7 million in FY2018 from approximately RMB31.4 million in FY2017. The increase was primarily due to an increase of RMB28.9 million in sales of marble slabs and an increase of RMB7.4 million in sales of marble slags.

Gross profit increased by approximately RMB3.4 million or 309.1% to approximately RMB4.5 million in FY2018 from approximately RMB1.1 million in FY2017. The increase was primarily due to an improvement in the margin of marble slags, resulting from an increase in their selling price during FY2018.

Selling and distribution expenses

Selling and distribution expenses increased from RMB0.4 million in FY2017 to RMB1.2 million in FY2018. The increase was primarily due to an increase in the transportation cost, resulting from an increase in sales volume of marble slags.

Administrative expenses

Administrative expenses decreased from RMB39.0 million in FY2017 to RMB29.4 million in FY2018. The decrease was primarily due to an implementation of cost cutting measures by the Group, including a reduction of staff cost, in order to improve the operational efficiency.

(Loss)/Profit for the year attributable to owners of the Company

The Group recorded a loss of RMB19.3 million in FY2018 as compared to a profit of RMB7.8 million in FY2017, as a result of a combined effect of (i) an increase of RMB3.5 million in gross profit of the Group for FY2018; (ii) a gain RMB82.4 million from reversal of provision for litigation regarding discontinuance of the litigation between the Company and Royal Moon International Company Limited during FY2017; (iii) a provision of RMB37.5 million for litigation in relation to a claim by Mr. Shao Weiquan ("Mr. Shao") against Sichuan Jiangyou Jinshida Stone Co., Ltd ("Sichuan Jinshida") for FY2017 while a reversal of RMB15.7 million of provision for litigation for the same case for FY2018 as result of the settlement agreement made between Mr. Shao and Sichuan Jinshida; and (iv) an increase of RMB4.9 million in impairment loss on trade receivables for FY2018.

財務回顧

收入及毛利

本集團收入由2017財政年度約人民幣31,400,000元增加約人民幣36,300,000元或115.6%至2018財政年度約人民幣67,700,000元。該增加乃主要由於大理石板材銷售增加人民幣28,900,000元及大理石礦渣銷售增加人民幣7,400,000元。

毛利由2017財政年度約人民幣1,100,000元增加約人民幣3,400,000元或309.1%至2018財政年度約人民幣4,500,000元。該增加乃主要由於二零一八財年大理石礦渣售價增加而導致其利潤有所增加。

銷售及分銷開支

銷售及分銷開支由2017財政年度的人民幣400,000元增加至2018財政年度的人民幣1,200,000元。該增加乃主要由於大理石礦渣銷售增加而導致運輸成本增加。

行政開支

行政開支由2017財政年度的人民幣39,000,000元減少至2018財政年度的人民幣29,400,000元。該減少乃主要由於本集團實施降低成本措施，包括減少員工成本以提高其營運效率。

本公司擁有人應佔年度（虧損）／溢利

本集團在2018財政年度錄得虧損人民幣19,300,000元，而2017財政年度則錄得溢利人民幣7,800,000元，乃受以下多項因素綜合影響：(i) 於二零一八財年本集團毛利增加人民幣3,500,000元；(ii) 因於二零一七財年本公司與皇月國際有限公司之訴訟結案而就撥回訴訟撥備錄得收益人民幣82,400,000元；(iii) 因於二零一七財年邵偉權先生（「邵先生」）針對四川江油金時達石業有限公司（「四川金時達」）提出索償而就訴訟計提撥備人民幣37,500,000元，並因邵先生與四川金時達達成和解協議而於二零一八財年就該項訴訟撥備撥回人民幣15,700,000元；及(iv) 於二零一八財年貿易應收款項減值虧損增加人民幣4,900,000元。

Liquidity and Capital Resources

As at 31 December 2018, the Group's total equity interests was approximately RMB401.2 million (31 December 2017: RMB409.9 million) representing a decrease by 2.1% as compared with that of FY2017.

As at 31 December 2018, the Group had cash and bank balances of approximately RMB65.1 million (31 December 2017: RMB168.6 million). Cash and bank balances were mainly denominated in Hong Kong dollars and Chinese Renminbi ("RMB"). The Group has adequate financial resources to meet the anticipated future liquidity requirement and capital expenditure commitment.

Capital Expenditure

The Group's capital expenditure was amounted to RMB2.8 million during FY2018, which was primarily related to the stripping cost capitalised for the mine platforms.

Exposure to Fluctuations in Exchange Rates

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

Environment Policies and Performance

Please refer to the "Environment, Social and Governance Report contained in this annual report for further information on the work down and efforts made by the Group on environment protection, legal compliance and other aspects for the sustainable growth and development of the businesses of the Group.

流動資金及資本資源

於2018年12月31日，本集團的總權益為約人民幣401,200,000元（2017年12月31日：人民幣409,900,000元），較二零一七財年減少2.1%。

於2018年12月31日，本集團擁有現金及銀行結餘約人民幣65,100,000元（2017年12月31日：人民幣168,600,000元）。現金及銀行結餘主要以港元及中國人民幣（「人民幣」）計值。本集團擁有足夠財務資源滿足預期未來流動資金需求及資本開支承擔。

資本開支

本集團於2018財政年度內的資本開支為人民幣2,800,000元，主要與資本化採礦平台剝採成本有關。

匯率波動風險

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

環境政策及表現

有關本集團於環保方面的工作及努力、法律合規情況及其他有關本集團可持續增長及業務發展方面的進一步資料，請參閱本年報所載「環境、社會及管治報告」。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Compliance with Applicable Laws and Regulations

During the Reporting year and up to the date of this report, the Board was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the business and operations of the Group.

Key Relationship with Employees, Customers and Suppliers

The Group recognizes employees as valuable assets of the Group. The Group provides competitive remuneration package to employees and reviews staff benefit regularly. The Group intends to use the best effort to attract and attain appropriate and suitable personnel to provide services to the Group.

The Group attaches importance to the relationships with its customers and suppliers. The Group believes that building a long-term beneficial relationship with each of them is of paramount importance to establish mutual trust, loyalty and business development and on which the Group's success and sustainability.

Customers

During the year ended 31 December 2018, the Group's five largest customers accounted for 90% (2017: 97%) of the total sales of the Group and the largest customers accounted for 46% (2017: 41%) of the total sales of the Group. The five largest customers, which are all medium-size enterprises, came from the sales of marble slabs and marble slags business. They commenced business with the Group since 2013 to 2017.

The Group will continue to maintain and strengthen its relationship with its customers through regular contacts with them. It is the industrial norm that the mine owner usually select a few major distributors and manufacturers close to the production site in order to save transportation, management cost and sales and marketing cost, it is also the reason that the major customers of the Group are mostly close to Zhangjiaba mine, thus the Directors consider that there is no significant risk associated with reliance on major customers due to its product nature. The Group is striving to broaden customer base by offering new packages to distributors to boarder the distribution network and integrating the downstream production of ground calcium carbonate business. The Group believes our reliance on the five major customers would be further reduced.

遵守適用法律及法規

於報告年度及截至本報告日期，董事會並不知悉任何違反相關法律及法規事宜而對本集團業務及營運造成重大影響。

與僱員、客戶及供應商的主要關係

本集團認為僱員為本集團之寶貴資產。本集團向僱員提供具競爭力的薪酬待遇並定期檢討員工福利。本集團擬盡最大努力吸引及挽留合適的人才為本集團提供服務。

本集團十分重視與其客戶及供應商的關係。本集團相信，與彼等建立長期的利益關係乃建立相互信任、忠誠及業務發展的重中之重，也是本公司成功及可持續發展的依賴。

客戶

截至2018年12月31日止年度，本集團五大客戶佔本集團總銷售的90%（2017年：97%），及最大客戶佔本集團總銷售的46%（2017年：41%）。五大客戶均來自銷售大理石板材及大理石礦渣業務，屬具中等規模的企業。彼等於二零一三年起至二零一七年與本集團有業務往來。

本集團定期與其客戶聯絡，持續維持及加強其與客戶之關係。礦山擁有人通常選擇鄰近生產場地之若干主要分銷商及製造商以節約運輸、管理成本及銷售及市場推廣成本，此乃行業慣例，亦闡釋了本集團主要客戶大多鄰近張家壩礦山之緣由，因此董事認為，概無因其產品性質而依賴主要客戶相關之重大風險。本集團致力於透過分銷商提供新產品組合擴大客戶群，繼而擴大分銷網絡，並整合下游重碳酸鈣生產業務。本集團認為將進一步減輕我們對五大客戶的依賴程度。

The Group's trading terms with its major customers are mainly on credit. The credit period granted to customers of sales of marble slabs business is generally 90 days from the delivered date of the products and sales of marble slabs business is 0 – 90 days from the delivered date of the products. Some major customers which have long relationship with the Group were granted for a longer payment term. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are regularly reviewed by senior management. As at the date of the annual report, the customers have made subsequent settlement of approximately RMB10.6 million for the invoices.

For the year ended 31 December 2018 and 2017, none of the Directors or any of their associates or any shareholders who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital had any interest in the five largest customers. To the best of knowledge of the Board, the Company is not aware of any relationship among the key customers.

Human Resources

As at 31 December 2018, the Group had a total of 23 (31 December 2017: 25) employees in the Group. The total staff cost, including directors' emoluments, share options benefit and pension scheme contribution, was approximately RMB6.8 million (FY2017: RMB9.1 million) in FY2018.

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

Use of proceeds from fund raising activities

Right Issue

On 3 March 2017 and 24 April 2017, the Company entered into an agreement and supplemental agreement with an underwriter, respectively, by issuing 2,360,068,975 rights shares to qualifying shareholders by way of the rights issue at subscription price of HK\$0.12 per rights share on the basis of five rights shares for every share in issue on the record date. The net proceeds from the rights issue were approximately HK\$276.54 million.

本集團主要以信貸方式與主要客戶訂立貿易條款。銷售大理石板材業務之客戶獲授之信貸期通常為自交付產品日期起計90天，而銷售大理石礦渣業務之客戶獲授之信貸期通常為自交付產品日期起計0至90天。與本集團維持長期關係之若干主要客戶獲授更長的付款期限。本集團尋求方法維持其對未償還應收款項之嚴格控制，以盡量降低信貸風險。逾期結餘由高級管理層定期檢討。於本年報日期，客戶其後結算發票約人民幣10,600,000元。

截至2018年及2017年12月31日止年度，概無董事或彼等任何聯繫人或任何股東（就董事所知，擁有本公司已發行股本5%以上）於五大客戶中擁有任何權益。就董事會所深知，本公司並不知悉任何主要客戶間的關係。

人力資源

於2018年12月31日，本集團共有23名（2017年12月31日：25名）員工。於2018財政年度，員工成本總額（包括董事酬金、購股權福利及退休金計劃供款）約為人民幣6,800,000元（2017財政年度：人民幣9,100,000元）。

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

集資活動的所得款項用途

供股

於2017年3月3日及2017年4月24日，本公司與包銷商分別訂立協議及補充協議，按認購價每股供股股份0.12港元及按於記錄日期每持有一股已發行股份可獲發五股供股股份之基準以供股形式向合資格股東發行2,360,068,975股供股股份，供股所得款項淨額約為276,540,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

As at 29 September 2017, the Company resolved to change the use of the unutilized net proceeds of HK\$50.94 million for the settlement of the potential damages arising from the litigation to use the unutilized proceeds of (i) approximately HK\$15 million for purchasing of machineries for replacement of well-worn mining equipment; (ii) approximately HK\$20 million for marble slabs business, and (iii) HK\$15.94 million for general working capital. For details, please refer to the announcement of the Company dated 29 September 2017.

As at 31 December 2018, the net proceeds had been utilised as follows:

於2017年9月29日，本公司決議將未動用所得款項淨額50,940,000港元的用途從用於結算訴訟產生之潛在損害賠償變更為(i)將未動用所得款項約15,000,000港元用於購置機械以替代陳舊的採礦設備；(ii)將未動用所得款項約20,000,000港元用於大理石板材業務；及(iii)將未動用所得款項15,940,000港元用作一般營運資金。詳情請參閱本公司日期為2017年9月29日之公告。

於2018年12月31日，所得款項淨額已動用如下：

		Intended use of proceeds 所得款項之計劃用途 HK\$'000 千港元	Actual use of proceeds 所得款項之實際用途 HK\$'000 千港元
The contribution of funding for the calcium carbonate business	注資以發展碳酸鈣業務		
- The set-up of manufacturing building (including the property, plant and equipment)	- 建設生產樓宇(包括物業、廠房及設備)	149,150	60,000
- General working capital of the calcium carbonate business	- 碳酸鈣業務的一般營運資金	42,610	-
General working capital of the Group	本集團的一般營運資金		
- Purchasing of machineries for replacement of well-worn mining equipment	- 購置機械以替代陳舊的採礦設備	15,000	15,000
- Marble slabs business	- 大理石板材業務	20,000	49,720
- Settlement of litigation involving Sichuan Jinshida (Note 1)	- 結算涉及四川金時達的訴訟(附註1)	-	24,976
- Other general working capital	- 其他一般營運資金	49,780	55,198
		276,540	204,894

Note 1:

For the details, please refer to the announcement of the Company dated 2 November 2017, 17 April 2018, 23 April 2018, 18 May 2018, 23 May 2018, 13 June 2018, 20 June 2018, 26 June 2018 and 5 July 2018.

附註1：

有關詳情，請參閱本公司日期為2017年11月2日、2018年4月17日、2018年4月23日、2018年5月18日、2018年5月23日、2018年6月13日、2018年6月20日、2018年6月26日及2018年7月5日之公告。

Calcium carbonate business

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

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

During the year, the JV partner has obtained the land use approval for part of the planned production site from the Land and Resources Department of Jiangyou City and also obtained the Construction Permit on site from the relevant authority in China. In the wake of the settlement of the litigation involving the auction of the Zhangjiaba mine in July 2018, the Group and JV Partner was eagerly undergoing the re-negotiation for the details of the cooperation arrangement. In August 2018, an equity joint venture company (the "JV Company") was formed as to 51% by the Group and 49% by the JV Partner in accordance with the JV Agreement. In virtue of certain fund needs for the calcium carbonate business development plan that should have been made by the Group under the MOU have already been contributed by JV Partner, it was such that the details of cooperation arrangement need to be negotiated anew. Therefore, the timeline of the cash deployment for the calcium carbonate production has not been determined as of the date of this annual report. During the year, the Group made the deposit payment of approximately RMB51.6 million for acquisition of property, plant and equipment in respect of the calcium carbonate production.

碳酸鈣業務

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

於2018年6月，本集團與合營夥伴（「合營夥伴」，為重碳酸鈣生產商的股東）訂立合營協議（「合營協議」），內容有關成立一間合營公司（「合營公司」）以在中國四川省江油市經營碳酸鈣生產業務。該合營公司的初始註冊資本為人民幣10,000,000元，並由本集團及合營夥伴分別出資人民幣5,100,000元及人民幣4,900,000元。

年內，合營夥伴已向江油市國土資源局取得部分計劃生產場地的土地使用權審批，並自中國相關部門取得場地建造許可。於2018年7月了結涉及張家壩礦山拍賣的訴訟後，本集團與合營夥伴正積極重新磋商合作安排細節。於2018年8月，本集團與合營夥伴根據合營協議透過分別出資51%及49%成立合營公司（「合營公司」）。鑒於原應由本集團根據諒解備忘錄就推動碳酸鈣業務發展計劃而提供的若干資金已由合營夥伴代為出資，故雙方將就合作安排細節重新進行磋商。因此，截至本年報日期，向碳酸鈣生產調撥現金的時間計劃尚未定案。年內，本集團就收購有關碳酸鈣生產的物業、廠房及設備而作出按金付款約人民幣51,600,000元。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

EXECUTIVE DIRECTOR

Zhang Cuiwei

Ms. Zhang Cuiwei (張翠薇) ("Ms. Zhang"), aged 49, is an executive director of the Company. Ms. Zhang graduated in Foreign Languages and Literature from Jilin University of the PRC. Ms. Zhang is primarily responsible for corporate operational management and administration of the Group. Ms. Zhang has about 20 years of experience in corporate management, personnel and administration affairs.

Zhang Jianzhong

Mr. Zhang Jianzhong (張建忠), aged 60, is an executive director of the Company. Mr. Zhang Jianzhong is an associate professor, conferred by Ministry of Geology and Mineral Resources of the People's Republic of China, and holds a bachelor degree in Engineering and Law. Since 1991, Mr. Zhang Jianzhong has been involved in management work relating to stone mining, processing and marketing. From 1991 to May 2002, he worked in Wuhan Lingda Stone Materials Co., Ltd.* (武漢翎達石材有限公司), which is a company founded by the China University of Geosciences* (中國地質大學) and other parties in 1990, where he had taken up posts such as deputy factory director, office head and factory director. Prior to joining the Company, Mr. Zhang Jianzhong served as deputy general manager of Wuhan Zhongdida Assets Management Co., Ltd. (武漢中地大資產經營有限公司). Mr. Zhang Jianzhong has extensive expertise in geology, and sophisticated experience in stone mine exploration and development.

Zhang Weijun

Mr. Zhang Weijun (張衛軍), aged 59, is an executive director of the Company. Mr. Zhang Weijun is primarily responsible for the business development of the Group. Mr. Zhang Weijun has around 10 years of experience in mining industry and is currently a vice president of a mining company in the PRC.

執行董事

張翠薇

張翠薇女士(「張女士」), 49歲, 為本公司執行董事。張女士畢業於中國吉林大學外國語言文學系。張女士主要負責本集團的企業運營管理及行政。張女士在企業管理、人事及行政領域擁有約20年經驗。

張建忠

張建忠先生, 60歲, 為本公司執行董事。張建忠先生為副教授, 職稱由中華人民共和國地質礦產部授予, 持有工學及法學學士學位。張建忠先生自1991年起從事與石材開採、加工及營銷相關的管理工作。於1991年至2002年5月間, 彼於武漢翎達石材有限公司(一間由中國地質大學及其他各方於1990年成立的公司)任職, 曾歷任副廠長、辦公室主任及廠長等多個職務。加入本公司前, 張建忠先生擔任武漢中地大資產經營有限公司副總經理。張建忠先生具備豐富的地質專業知識, 並且在石材礦山的勘查及開發方面積累了豐富的經驗。

張衛軍

張衛軍先生, 59歲, 為本公司執行董事。張衛軍先生主要負責本集團的業務發展。張衛軍先生於採礦業擁有約10年經驗, 目前為中國一間採礦公司的副總裁。

Zhang Mian

Mr. Zhang Mian (張勉), aged 61, is an executive director of the Company. Mr. Zhang Mian graduated from South China Normal University in China and has many years of experience in journalism and communication and media management. He has worked in one of the most influential mainstream newspaper group in South China. He has also accumulated rich experience in business management in the fields of construction, decoration engineering, packaging and printing, new material development and application.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Wang Yi Hua

Ms. Wang Yi Hua (王藝華) ("Ms. Wang"), aged 47, is an independent non-executive director of the Company. Ms. Wang holds a Bachelor Degree in Management from the Party School of the Central Committee of the Communist Party of China (Hubei Branch) and obtained the Qualification Certificate of Speciality and Technology approved and issued by Ministry of Personnel, PRC with speciality in intermediate level of accountancy conferred by the Ministry of Finance, PRC. Ms. Wang has over 20 years of experience in finance, accounting and relevant management gained from an investment company in the PRC.

Sheng Guoliang

Mr. Sheng Guoliang (盛國良) ("Mr. Sheng"), aged 50, is an independent non-executive director of the Company. Mr. Sheng has completed a three years' course in Public Affairs Management at Huzhou University. Mr. Sheng has around 5 years of experience in mining industry and hotel management business, respectively.

Yang Ruimin

Mr. Yang Ruimin (楊銳敏) ("Mr. Yang"), aged 36, is an independent non-executive director of the Company. Mr. Yang holds a bachelor degree in Economic and Administrative Management from PLA Nanjing Political College (中國人民解放軍南京政治學院). Mr. Yang has over 10 years of experience in human resource management in different industries.

張勉

張勉先生，61歲，為本公司之執行董事。張勉先生畢業於中國華南師範大學，擁有多年的新聞傳播及媒體管理經驗。彼曾任職於華南地區其中一個最具影響力的主流報業集團。彼亦於建築、裝飾工程、包裝及印刷、新材料發展及應用領域積累了豐富的業務管理經驗。

獨立非執行董事

王藝華

王藝華女士（「王女士」），47歲，為本公司獨立非執行董事。王女士持有中共中央黨校函授學院湖北分院管理學士學位及獲得中國人事部批准及頒發的專業技術資格證書及中國財政部授予的中級會計專業資格。王女士於中國一間投資公司獲得逾20年財務、會計及相關管理經驗。

盛國良

盛國良先生（「盛先生」），50歲，為本公司獨立非執行董事。盛先生已修畢湖州師範學院公共事業管理三年制課程。盛先生於採礦業及酒店管理方面分別有約5年經驗。

楊銳敏

楊銳敏先生（「楊先生」），36歲，為本公司獨立非執行董事。楊先生持有中國人民解放軍南京政治學院經濟及行政管理學士學位。楊先生於不同行業的人力資源管理擁有逾10年經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain high standards of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to safeguard the interests of shareholders and other stakeholders and enhance the shareholders' value.

The Company has complied with the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December 2018 ("FY2018") except for a deviation from code provisions A.2.1, A.1.8, E.1.2 and A.5.1 of CG Code.

Deviation from A.2.1 of CG Code

Under code provision A.2.1 of CG Code, the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. During FY2018, there is no officer carrying the title of CEO. The duties of the CEO are undertaken by executive directors of the Company. Although the responsibility of chairman and a part of responsibility of CEO are vested in Mr. Wang Minliang during FY2018 until his resignation on 12 September 2018, in which all major decisions are made in consultation with the other Board members and the senior management of the Company. Following the resignation of Mr. Wang Minliang due to his health reason, the position of chairman is vacant up to the date of this annual report. During the period of the absence of the chairman, the independent board members will temporarily take the role of chairman to ensure that the board is effective in its task of setting and implementing the company's direction and strategy. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

企業管治常規

本公司致力達致及維持高水平的企業管治，使之與其業務需要及需求一致，並符合其所有利益相關人士的最佳利益。董事會相信，高水平的企業管治為本集團提供框架及穩固的基礎，以保障股東及其他利益相關人士的權益及提升股東價值。

本公司於截至2018年12月31日止年度（「2018財政年度」）一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則及企業管治報告（「企業管治守則」），惟與企業管治守則的守則條文第A.2.1、A.1.8、E.1.2及A.5.1條有所偏離。

偏離企業管治守則第A.2.1條

根據企業管治守則的守則條文第A.2.1條規定，主席及行政總裁（「行政總裁」）的角色應予區分及不應由同一人擔任。主席及行政總裁之間的職責分工應清晰確立及以書面形式載列。於2018財政年度，並無高級人員出任行政總裁一職。行政總裁的職責由本公司執行董事承擔。儘管於2018財政年度主席的職責及行政總裁的部分職責歸集於王民良先生，直至其於2018年9月12日辭任，但所有重大決策均經過諮詢本公司其他董事會成員及高級管理層後作出。於王民良先生因其健康原因辭任後，直至本年報日期主席一職懸空。於主席懸空期間，獨立董事會成員將暫時承擔主席一職，以確保董事會可有效制定及執行本公司方針及策略。董事會認為已有足夠的權力均衡及目前的安排可維持本公司管理層的強勢地位。

Deviation from A.1.8 of CG Code

Under code provision of A.1.8 of CG Code, the Company should arrange appropriate insurance cover in respect of legal action against the Directors. Currently, the Company does not have insurance cover in this respect as the Board believes that, with the current internal control system and the close supervision of the management, the Director's risk of being sued or getting involved in litigation in their capacity as a director of the Company is relatively low. Nevertheless, the Board will review the need for insurance cover from time to time.

Deviation from E.1.2 of CG Code

Under the code provision of E.1.2 of CG Code, Mr. Wang Minliang, the then chairman of the Board, was unable to attend the annual general meeting of the Company held on 30 June 2018 due to business reasons. Ms. Zhang Cuiwei, the executive director of the Company, was authorized by the Chairman to present to chair the meeting.

Deviation from A.5.1 of CG Code

Under the code provision of A.5.1 of 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. Mr. Ma Ho Yin resigned as an independent non-executive Director and a chairman of nomination committee of the Company on 12 March 2018 and Mr. Yang Ruimin was appointed as an independent non-executive Director and a chairman of the nomination committee of the Company on 11 June 2018. During the period between such personnel changes, the Company did not comply with the code provision of A.5.1 of CG Code.

DIRECTORS' 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 its own code of conduct regarding directors' securities transactions by the Directors. Having made specific enquiries with all directors of the Company (the "Board" or "Directors"), all Directors confirmed that they have complied with the required standards set out in the Model Code and its own code of conduct regarding directors' securities transaction throughout the year ended 31 December 2018.

偏離企業管治守則第A.1.8條

根據企業管治守則的守則條文第A.1.8條規定，本公司應就針對董事的法律訴訟安排適當保險。由於董事會相信在現有內部監控制度及管理層密切監管的情況下，各董事以本公司董事身份被控告或牽涉於訴訟之風險偏低，故本公司現時並無就此作投保安排。儘管如此，董事會將不時檢討投保需要。

偏離企業管治守則第E.1.2條

根據企業管治守則的守則條文第E.1.2條規定，當時董事會主席王民良先生出於業務原因未能出席本公司於2018年6月30日舉行的股東週年大會。本公司執行董事張翠薇女士獲主席授權擔任大會主席。

偏離企業管治守則第A.5.1條

根據企業管治守則的守則條文第A.5.1條規定，本公司應設立提名委員會。提名委員會由董事會主席或獨立非執行董事擔任主席，成員須以獨立非執行董事佔大多數。於2018年3月12日，馬浩賢先生辭任本公司獨立非執行董事及提名委員會主席職務，而於2018年6月11日，楊銳敏先生獲委任為本公司獨立非執行董事及提名委員會主席。於有關人事變動期間，本公司並無遵守企業管治守則第A.5.1條。

董事的證券交易

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」）作為其本身有關董事進行證券交易的操守準則。經向本公司全體董事（「董事會」或「董事」）作出具體查詢後，全體董事已確認，彼等於截至2018年12月31日止整個年度內一直遵守標準守則所載的規定標準及其本身有關董事進行證券交易的操守準則。

BOARD OF DIRECTORS

(I) Composition of the Board

The Board has maintained a balance of skills and experience appropriate for the business requirements and objectives of the Group and for the exercise of independent judgment. The Board currently comprises four executive Directors and three independent non-executive Directors. Each Director of the Company has been appointed on the strength of his/her caliber, experience, professional qualification and potential to contribute to the proper guidance of the Group and its businesses.

The composition of the Board was set out below:

Executive Directors

Mr. Wang Minliang (*Chairman*)
(resigned on 12 September 2018)
Ms. Zhang Cuiwei
Mr. Zhang Jianzhong
Mr. Zhang Weijun
Mr. Zhang Mian
(appointed on 4 February 2019)

Independent Non-executive Directors

Mr. Ma Ho Yin (resigned on 12 March 2018)
Ms. Wang Yihua
Mr. Sheng Guoliang
Mr. Yang Ruimin (appointed on 11 June 2018)

During FY2018, to the best knowledge of the Company, there was no financial, business or family relationship among the members of the Board.

Pursuant to the Bye-laws of the Company (the "Bye-laws"), any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third but not less than one-third) shall retire from office by rotation. Each director shall retire at least once every three years.

董事會

(I) 董事會的組成

董事會一直在本集團業務需要及目標與行使獨立判斷所適用的技巧與經驗之間維持必要的平衡。目前，董事會包括四名執行董事及三名獨立非執行董事。本公司每名董事均按其才幹、經驗、專業資格，以及其可能對本集團及其業務的適當指引所作出的貢獻而獲委任。

董事會的組成載列如下：

執行董事

王民良先生 (*主席*)
(於2018年9月12日辭任)
張翠薇女士
張建忠先生
張衛軍先生
張勉先生
(於2019年2月4日獲委任)

獨立非執行董事

馬浩賢先生 (於2018年3月12日辭任)
王藝華女士
盛國良先生
楊銳敏先生
(於2018年6月11日獲委任)

於2018財政年度內，就本公司深知，董事會成員之間概無財務、業務或家族關係。

根據本公司之公司細則（「公司細則」），任何獲董事會委任以填補臨時空缺的董事任期將直至其獲委任後首屆股東大會為止，並可於該大會上膺選連任，而任何獲董事會委任加入現有董事會作新增成員的董事任期僅至本公司下屆股東週年大會為止，屆時將合資格膺選連任。於每屆股東週年大會上，當時三分之一的董事（或倘董事的數目並非3或3的倍數，則為最接近但不少於三分之一的數目）須輪值告退，惟各董事須每三年至少退任一次。

The biographies of the Directors are set out in “Profile of Directors and Senior Management” on pages 15 to 16 of this annual report.

(II) Independent non-executive Directors

Each of independent non-executive Directors (the “INEDs”) was appointed for a term of three years, subject to re-election by rotation at least once every three years. The re-election of each of these INEDs who has served on the Board for more than nine years is subject to a separate resolution to be approved by shareholders.

The Company received from each of its independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed the independent non-executive Directors and considered that all of them are independent with the definition of the Listing Rules.

On 12 March 2018, Mr. Ma Ho Yin resigned as an independent non-executive Director. Following the resignation of Mr. Ma Ho Yan, the Company has only 2 independent non-executive Directors, which fell below the minimum number required under Rule 3.10(1) of the Listing Rules during the period between 12 March 2018 and 11 June 2018. On 11 June 2018, Mr. Yang Ruimin was appointed as an independent non-executive Director. The Company has 3 independent non-executive Directors thereafter, which satisfies the requirement under Rule 3.10(1) of the Listing Rules.

Saves as disclosed above, the Company complied with requirements under Rule 13.10(1), Rule 3.10(2) and Rule 3.10A of the Listing Rules throughout FY2018.

董事履歷載於本年報第15至16頁「董事及高級管理層履歷」。

(II) 獨立非執行董事

各獨立非執行董事（「獨立非執行董事」）委任年期為三年，惟彼等須最少每三年輪選一次。已任職董事會超過九年的每名獨立非執行董事須經由股東通過獨立決議案批准後方可接受重選。

本公司已收到其各獨立非執行董事根據上市規則第3.13條呈交的年度獨立性確認書。董事會已評估獨立非執行董事，並認為彼等均為符合上市規則定義的獨立人士。

於2018年3月12日，馬浩賢先生辭任獨立非執行董事職務。馬浩賢先生辭任後，本公司只有兩名獨立非執行董事，於2018年3月12日至2018年6月11日期間，人數低於上市規則第3.10(1)條規定的最低人數。於2018年6月11日，楊銳敏先生獲委任為獨立非執行董事。此後，本公司擁有三名獨立非執行董事，符合上市規則第3.10(1)條規定。

除上文所披露者外，本公司於2018財年已遵守上市規則第13.10(1)條、第3.10(2)條及第3.10A條規定。

(III) Attendance of Directors at the board meeting and general meeting

The Directors can attend meeting in person or by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously in accordance with the Bye-laws. The company secretary of the Company (the "Company Secretary") will assist the chairman 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. 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 duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expense. 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 Bye-laws 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.

There were 8 board meetings and 1 general meetings held during FY2018. The attendance of each Director at the board meetings and general meeting is set out below:

Director 董事	Attendance/Number of Meetings 出席/舉行會議次數		
	Board meeting 董事會會議	General meeting 股東大會	
Mr. Wang Minliang (resigned on 12 September 2018)	王民良先生 (於2018年 9月12日辭任)	4/6	0/1
Ms. Zhang Cuiwei	張翠薇女士	8/8	1/1
Mr. Zhang Jianzhong	張建忠先生	3/8	0/1
Mr. Zhang Weijun	張衛軍先生	5/8	0/1
Mr. Ma Ho Yin (resigned on 12 March 2018)	馬浩賢先生 (於2018年 3月12日辭任)	0/1	0/0
Ms. Wang Yinhua	王藝華女士	4/8	0/1
Mr. Sheng Guoliang	盛國良先生	6/8	0/1
Mr. Yang Ruimin (appointed on 11 June 2018)	楊銳敏先生 (於2018年 6月11日獲委任)	1/5	0/0

(III) 董事於董事會會議及股東大會出席率

根據公司細則，董事可親自或通過容許所有參與大會之人士彼此互相同步及即時溝通之形式（如電話、電子或其他通訊設備）出席會議。本公司公司秘書（「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。全體董事均可尋求公司秘書的建議及服務，而公司秘書會定期就管治及監管事宜向董事會提供最新資料。全體董事亦將獲得充分資源以履行彼等的職責，而經過合理要求，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。所有董事會會議的記錄均充分詳細地記錄，包括董事會已考慮的事項及達致的決定，並公開予董事查閱。

公司細則載有條文，規定董事或彼等的任何聯繫人於交易中擁有重大權益時，有關董事須於批准交易的會議上放棄表決及不得計入法定人數。

於2018財政年度內，本公司已舉行8次董事會會議及1次股東大會。各董事出席董事會會議及股東大會的次數載列如下：

(IV) The Board and Management

The Board is responsible for the overall management of the Group, which includes leadership and control of the Company and oversees the Group's businesses, strategic decisions, internal control, risk management and performances. The principal functions of the Board is to (1) convene general meetings and report the Board's work at general meetings; (2) implement the resolutions passed by the shareholders in general meetings; (3) consider and approve strategies, financial objectives, annual budget, investment proposals of the Group; (4) formulate the proposals for profit distributions; (5) assume the responsibilities of corporate governance of the Group; and (6) exercise other powers, functions and duties conferred by the shareholders in general meeting. It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

The management team is delegated with the authority and responsible by the Board for the day-to-day management of the Group and is accountable to the Board. The management team has overall responsibility for formulating the business strategies and development plan of the Group and is also responsible for the supervision and execution of the plans of the Group. The delegated functions and work tasks are periodically reviewed.

(V) Board Diversity Policy

The Board has a board diversity policy (the "Policy") which sets out the approach to achieve diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board to enhance its operating results and quality of its performance.

(IV) 董事會及管理層

董事會負責本集團整體管理，包括領導及監控本公司以及監督本集團的業務、策略決定、內部監控、風險管理及表現。董事會的主要職能為(1)召開股東大會並於股東大會上匯報董事會工作；(2)執行股東於股東大會上通過的決議案；(3)考慮及批准本集團的策略、財務目標、年度預算、投資方案；(4)制定溢利分派的方案；(5)承擔本集團的企業管治責任；及(6)行使股東於股東大會上賦予的其他權力、職能及職責。董事會的責任為釐定適用於本公司情況的恰當企業管治常規，並確保已制定程序及手續以實踐本公司的企業管治目標。

管理層團隊獲董事會授予關於本集團日常管理的權限及責任，並對董事會負責。管理層團隊整體上負責制定本集團的業務策略及發展計劃，並負責監督及執行本集團的計劃。本公司會對授權職能及工作任務定期進行檢討。

(V) 董事會成員多元化政策

董事會設有董事會成員多元化政策（「該政策」），當中載列實現董事會成員多元化的方法。本公司明白並深信董事會成員多元化對提升本公司的營運業績及表現素質裨益良多。

With a view to achieving a sustainable and balanced development, the Company sees diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, gender and other qualities of the Directors. These differences will be considered in determining the optimum composition of the Board. All appointments of the Directors are made on meritocracy, and will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

As at the date of this annual report, the Board comprises seven Directors, amongst them, three are Independent Non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterized by significant diversity, whether considered in terms of gender, age, professional experience, skills and knowledge.

Having reviewed the Policy and the Board's composition, the nomination committee of the Company (the "Nomination Committee") considered that the requirements of the Policy had been met.

(VI) Continuous professional development of Directors

The Directors, on an ongoing basis, will receive amendments to or updates on relevant laws, rules and regulations. In addition, the Company encourages the Directors to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, Hong Kong Companies Ordinance and corporate governance practices so that they can continuously improve their relevant knowledge and skills. The Company will, if necessary, provide timely and regular trainings to the Directors to ensure that they are kept abreast with the latest requirements under the Listing Rules and corporate governance practices.

為達致可持續及均衡的發展，本公司視董事會層面日益多元化為維持競爭優勢的關鍵元素。一個真正多元化的董事會應包括並善用董事於技能、地區及行業經驗、背景、性別及其他素質等方面的分別。公司在制定董事會成員的最佳組合時將考慮上述的分別。所有董事的委任均任人唯賢，並將充分考慮董事會成員多元化的裨益後按客觀標準衡量。

於本年報日期，董事會由七名董事組成，其中三名為獨立非執行董事，這有助嚴格檢討及監控管理程序。不論以性別、年齡、專業經驗、技能及知識等因素而言，董事會成員亦十分多元化。

經檢討該政策及董事會的組成後，本公司提名委員會（「提名委員會」）認為已符合該政策的規定。

(VI) 董事持續專業發展

董事將持續接收有關相關法律、規則及法規的修訂或更新。此外，本公司鼓勵董事報讀與上市規則、香港公司條例及企業管治常規有關的不同類型的專業發展課程及研討會，以便彼等可持續提升其相關知識及技能。本公司將按需要為董事提供適時及定期培訓，以確保彼等緊跟上市規則及企業管治常規的最新規定。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the chief executive officer (the "CEO") are clearly defined and segregated to ensure independence and proper checks and balances. The Chairman focuses on the business strategy and direction of the Company and has executive responsibility, provides leadership for the Board and ensures proper and effective functioning of the Board in discharging of its responsibilities. The CEO is accountable to the Board for the overall implementation of the Company's strategies and the co-ordination of overall business operations.

During FY2018, there is no officer carrying the title of CEO. The duties of the CEO are undertaken by executive directors of the Company. Although the responsibility of chairman and a part of responsibility of CEO are vested in Mr. Wang Minliang during FY2018 until his resignation on 12 September 2018, in which all major decisions are made in consultation with the other Board members and the senior management of the Company. Following the resignation of Mr. Wang Minliang due to his health reason, the position of chairman is vacant up to the date of this annual report. During the period of the absence of the chairman, the independent board members will temporarily take the role of chairman to ensure that the board is effective in its task of setting and implementing the company's direction and strategy. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

BOARD COMMITTEES

(I) Audit Committee

The audit committee (the "Audit Committee") of the Company has been established by the Board with specific written terms of reference and all members of the Audit Committee are independent non-executive Directors (the "INEDs").

Pursuant to the terms of reference of the Audit Committee, the primary duties of the audit committee of the Company are mainly to make recommendations to the Board on the appointment, re-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.

主席及行政總裁

主席及行政總裁（「行政總裁」）的角色已清晰界定及區分，以確保獨立性且能適當地互相制衡。主席負責制訂本公司的業務策略及方針，並具有執行責任、領導董事會及確保董事會在履行其職責時能正確及有效地運作。行政總裁須在全面執行本公司策略及協調整體業務營運方面向董事會負責。

於2018財政年度，概無高級人員出任行政總裁一職。行政總裁的職責由本公司執行董事承擔。儘管於2018財政年度主席的職責及行政總裁的部分職責歸集於王民良先生，直至其於2018年9月12日辭任，但所有重大決策均經過諮詢本公司其他董事會成員及高級管理層後作出。於王民良先生因其健康原因辭任後，直至本報告日期主席一職懸空。於主席懸空期間，獨立董事會成員將暫時承擔主席一職，以確保董事會可有效制定及執行本公司方針及策略。董事會認為已有足夠的權力均衡及目前的安排可維持本公司管理層的強勢地位。

董事委員會

(I) 審計委員會

董事會已成立本公司審計委員會（「審計委員會」），設有特定書面職權範圍。審計委員會的全體成員均為獨立非執行董事（「獨立非執行董事」）。

根據審計委員會的職權範圍，本公司審計委員會的主要職責為就委任、重新委任及罷免外聘審計師向董事會作出建議、審閱財務報表、就財務報告事宜提供重大意見以及監督本集團的內部監控程序。

CORPORATE GOVERNANCE REPORT 企業管治報告

As at the date of this report, the Audit Committee comprises three INEDs, namely Ms. Wang Yihua, Mr. Sheng Guoliang and Mr. Yang Ruimin. Ms. Wang Yihua is the chairman of the Audit Committee.

During FY2018, the Audit Committee held 2 meetings to, including but not limited to, 1) review the annual results for the year ended 31 December 2017, 2) review the interim results for the six months ended 30 June 2018 before their submission to the Board and monitored the integrity of such financial statements, 3) review and assess the auditor's independence or objective in relation to the provision of non-audit services; 4) review the Company's financial positions, internal control and risk management systems and give suggestions to the Board and 5) meet with independent auditor to discuss the nature and scope of the audit and the area of concerns.

The composition of the Audit Committee and attendance of the members of the Audit Committee at the audit committee meeting are set out below:

於本報告日期，審計委員會由三名獨立非執行董事組成，即王藝華女士、盛國良先生及楊銳敏先生。王藝華女士為審計委員會主席。

於2018財政年度內，審計委員會曾舉行2次會議以（包括但不限於）1) 審閱截至2017年12月31日止年度的年度業績，2) 於向董事會遞交截至2018年6月30日止六個月的中期業績前進行審閱並監察該等財務報表的完整性，3) 檢討及評估審計師在提供非審計服務方面的獨立性或客觀性，4) 檢討本公司的財務狀況、內部監控及風險管理系統，並向董事會提供建議及5) 與獨立審計師會晤以討論審計的性質及範圍以及關注領域。

審計委員會的組成及審計委員會成員出席審計委員會會議的次數載列如下：

Members of Audit Committee 審計委員會成員		Attendance/ Number of meeting 出席／舉行會議次數
Ms. Wang Yihua (<i>Chairman</i>)	王藝華女士 (主席)	2/2
Mr. Ma Ho Yin (resigned on 12 March 2018)	馬浩賢先生 (於2018年3月12日辭任)	0/0
Mr. Sheng Guoliang	盛國良先生	2/2
Mr. Yang Ruimin (appointed on 11 June 2018)	楊銳敏先生 (於2018年6月11日獲委任)	0/1

(II) Remuneration Committee

The remuneration committee (the "Remuneration Committee") of the Company has been established by the Board with specific written terms of reference and all members of the Remuneration Committee are INEDs.

Pursuant to the terms of reference of the Remuneration Committee, the primary duties of the Remuneration Committee are mainly 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.

As at the date of this report, the Remuneration Committee comprises two INEDs, namely Mr. Sheng Guoliang and Mr. Yang Ruimin, and one Executive Director, namely Ms. Zhang Cuiwei. Mr. Sheng Guoliang is the chairman of the Remuneration Committee.

During FY2018, the Remuneration Committee held 1 meeting to review the remuneration packages of the Directors and the management of the Company.

The Remuneration Committee has delegated responsibility to determine the remuneration packages on individual executive Directors and senior management, in compliance with B.1.2 (c)(i) of CG Code.

The composition of the Remuneration Committee and attendance of the members of the Remuneration Committee at the remuneration committee meeting are set out below:

Members of Remuneration Committee 薪酬委員會成員		Attendance/ Number of meeting 出席／舉行會議次數
Mr. Sheng Guoliang (<i>Chairman</i>)	盛國良先生 (主席)	1/1
Mr. Ma Ho Yin (resigned on 12 March 2018)	馬浩賢先生 (於2018年3月12日辭任)	0/0
Mr. Wang Minliang (resigned on 12 September 2018)	王民良先生 (於2018年9月12日辭任)	1/1
Mr. Yang Ruimin (appointed on 11 June 2018)	楊銳敏先生 (於2018年6月11日獲委任)	0/0
Ms. Zhang Cuiwei (appointed on 12 September 2018)	張翠薇女士 (於2018年9月12日獲委任)	0/0

(II) 薪酬委員會

董事會已成立本公司薪酬委員會（「薪酬委員會」），設有特定書面職權範圍。薪酬委員會的全體成員均為獨立非執行董事。

根據薪酬委員會的職權範圍，薪酬委員會的主要職責乃就本集團全體董事及高級管理層人員的整體薪酬政策及架構向董事會作出推薦建議、審閱以表現釐訂的薪酬，以及確保董事概無釐訂其本身的薪酬。

於本報告日期，薪酬委員會由兩名獨立非執行董事（即盛國良先生及楊銳敏先生）以及一名執行董事（即張翠薇女士）組成。盛國良先生為薪酬委員會主席。

於2018財政年度內，薪酬委員會曾舉行1次會議以檢討本公司董事及管理層的薪酬待遇。

薪酬委員會獲授權負責釐定個別執行董事及高級管理層人員的薪酬待遇，以符合企業管治守則第B.1.2(c)(i)條。

薪酬委員會的組成及薪酬委員會成員出席薪酬委員會會議的次數載列如下：

(III) Nomination Committee

The nomination committee (the "Nomination Committee") of the Company has been established by the Board with specific written terms of reference.

Pursuant to the terms of reference of the Nomination Committee, the primary duties of the Nomination Committee are mainly to make recommendations to the Board on identifying individuals suitably qualified to become the Board members, considering the reappointment of the Directors and succession planning for the Directors. Details of the authority and responsibilities of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

As at the date of this report, the Nomination Committee comprises two INED, namely Mr. Yang Ruimin and Mr. Sheng Guoliang, and one Executive Director, namely Ms. Zhang Cuiwei. Mr. Yang Ruimin is the chairman of the Nomination Committee.

During FY2018, the Nomination Committee held 2 meetings to review the structure, size and composition of the Board and concluded that members of the Board have possessed the expertise and independence to carry out the Board's functions and responsibilities.

(III) 提名委員會

董事會已成立本公司提名委員會（「提名委員會」），設有特定書面職權範圍。

根據提名委員會的職權範圍，提名委員會的主要職責為就物色具備合適資格可擔任董事會成員的人士、考慮董事重新委任及董事繼任計劃向董事會作出推薦建議。提名委員會的權限及責任的詳情可於本公司及聯交所的網站查閱。

於本報告日期，提名委員會由兩名獨立非執行董事（即楊銳敏先生及盛國良先生）及一名執行董事（即張翠薇女士）組成。楊銳敏先生為提名委員會主席。

於2018財政年度內，提名委員會曾舉行2次會議以檢討董事會的架構、規模及組成，並認為董事會成員具備專業知識及獨立身份以履行董事會的職能及責任。

Members of Nomination Committee 提名委員會成員

Attendance/
Number of meeting
出席／舉行會議次數

Mr. Ma Ho Yin (<i>Chairman</i>) (resigned on 12 March 2018)	馬浩賢先生 (主席) (於2018年3月12日辭任)	0/0
Mr. Sheng Guoliang	盛國良先生	2/2
Mr. Wang Minliang	王民良先生	1/1
Mr. Yang Ruimin (<i>Chairman</i>) (appointed on 11 June 2018)	楊銳敏先生 (主席) (於2018年6月11日獲委任)	0/1
Ms. Zhang Cuiwei	張翠薇女士	1/1

NOMINATION POLICY

The Group adopted a nomination policy ("Nomination Policy") on 1 January 2019. A summary of this policy is disclosed as follows:

1. Objective

- 1.1 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as directors of the Company at general meetings or appoint him/her to fill casual vacancies.
- 1.2 The Nomination Policy helps the Nomination Committee and the Board to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business development.

2. Selection Criteria

- 2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.
 - Qualifications and experience in the relevant industries in which the Company's business is involved or is going to be involved;
 - Commitment in respect of available time and relevant interest;
 - Character and integrity; and
 - Diversity in all its aspects, including but not limited to gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

3. Nomination Procedures

- 3.1 The Nomination Committee and/or the Board may select candidates from various channels, including but not limited to nominating from Board members and management, a referral by business partners, internal promotion and re-designation and external recruitment agencies;

提名政策

本集團於2019年1月1日採納一項提名政策（「提名政策」）。該政策的概要披露如下：

1. 目的

- 1.1 提名委員會應向董事會提名合適的候選人以供考慮，並於股東大會選舉有關人士擔任董事或委任有關人士以填補臨時空缺向股東提供推薦建議。
- 1.2 提名政策有助提名委員會及董事會確保董事會在技能、經驗及視角多元化方面達致適當平衡，以應對本集團業務發展的要求。

2. 甄選標準

- 2.1 在評估建議候選人的合適性時，提名委員會將參考下文所列因素。
 - 本公司業務所涉及或將涉及的相關行業的資質及經驗；
 - 投入時間及相關事務關注的承諾；
 - 品格及誠信；及
 - 董事會各方面的多元化，包括但不限於性別、文化及教育背景、種族、專業經驗、技能、知識和服務年期。

上述因素僅供參考，並非盡列所有因素，亦不具決定性作用。提名委員會可酌情提名其認為適當任何人士。

3. 提名程序

- 3.1 提名委員會及／或董事會可自多種渠道甄選候選人，包括但不限於提名自董事會成員及管理層、業務夥伴推介、內部晉升及調任及外部招聘機構；

- 3.2 Proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a director of the Company. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary;
- 3.3 The Nomination Committee shall evaluate the proposed candidate's suitability with reference to the selection criteria stated above and make recommendation(s) to the Board's consideration and approval;
- 3.4 In the case of the re-election of a director at the general meeting, the Nomination Committee shall review the overall contribution of the directors to the Company and their services, their participation and performance within the Board, and whether such director still meets the needs to complement the Company's corporate strategy.

4. Review of the Nomination Policy

- 4.1 The Board will review the Nomination Policy from time to time.

ACCOUNTABILITY AND AUDIT

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 2018, 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.

The Group endeavours to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. The interim and annual results of the Company are announced in a timely manner within the limit of two months and three months, respectively, after the end of the relevant periods in accordance with the Listing Rules.

3.2 建議候選人須提交必要的個人資料，連同彼等獲委任為本公司董事的書面同意。提名委員會可在其認為必要的情況下要求候選人提交其他資料及文件；

3.3 提名委員會須參考上述甄選標準評估建議候選人的合適性，並向董事會作出推薦建議以供審批；

3.4 倘於股東大會上重選董事，提名委員會應審閱董事向本公司作出的整體貢獻及服務、其於董事會的參與程度及表現，及該董事是否仍滿足執行本公司企業策略的需求。

4. 檢討提名政策

- 4.1 董事會將不時檢討提名政策。

問責性及審計

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2018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、公允及合理的判斷及估計，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，以及避免和查察欺詐及其他不合規狀況。

本集團力求平衡、清晰及全面評估本集團表現、狀況及前景。本公司的中期及年度業績已按上市規則的規定，分別在有關期間結束後兩個月及三個月的限期內及時公告。

AUDITOR'S REMUNERATION

The remuneration paid or payable for the services provided for FY2018 to Elite Partners CPA Limited ("Elite Partners") is set out below:

Services rendered
提供的服務

Fee paid/payable
已付／應付費用
RMB'000
人民幣千元

Audit of financial statements	審計財務報表	470
Agreed-upon procedures of interim review	約定中期審閱程序	-
Financial and tax due diligence	財務和稅務盡職調查	-
Other non-audit services	其他非審計服務	52
		522

審計師薪酬

就2018財政年度已提供的服務而已付或應付開元信德會計師事務所有限公司(「開元信德」)的薪酬載列如下：

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle the all significant risks associate with the business of the Group. The Board would perform annual review on any significant change of the business environment and establish procedures to response the risks result from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

風險管理及內部監控

董事會全面負責評估及決定在達成本集團策略目標過程中所願意承擔的風險性質及程度，並確保本集團建立及維持恰當有效的風險管理及內部監控系統。

審計委員會持續檢討對本集團持續經營尤為重要的風險管理及內部監控。審計委員會將考慮本集團會計、內部審計及財務申報職能部門的資源、員工資質、經驗及培訓以及外部顧問的充足性。

本集團管理層負責設計、維持、執行及監督風險管理及內部監控系統，以確保有充足的監控措施保障本集團資產及利益相關人士的利益。

本集團已建立風險管理程序以應對及處理與本集團業務有關的一切重要風險。董事會將對業務環境的任何重大變化進行年度審計，並建立程序應對業務環境之重大變化帶來的風險。風險管理及內部監控系統乃為降低業務之潛在損失而設計。

The management would identify the risks associate with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of risks has been assessed and prioritized based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follows:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
 - Risk avoidance: change business process or objective so as to avoid the risk;
 - Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market;
 - Risk transfer: transfer ownership and liability to a third party.
- 風險自留及降低風險：接受風險的影響或本集團採取措施降低風險的影響；
 - 規避風險：改變業務流程或目標以規避風險；
 - 分擔及分散風險：分散有關風險的影響或將其分攤至不同地區、產品或市場；
 - 轉移風險：將所有權及責任轉移至第三方。

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimize the adverse impact results from the risks. The risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

For FY2018, the Group has engaged an external advisory firm to perform the review on the risk management policy and procedures and carry out the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system that may affect the financial, operational and compliance controls and risk management functions has been identified by the external advisory firm for FY2018.

The Board reached the conclusion that the risk management and internal control system and procedures of the Group were reasonably in place and effective.

管理層將考慮包括政治、經濟、科技、環境、社會及員工在內的內部及外部因素以及事件，以識別與本集團業務有關的風險。我們將根據各項風險的影響及其發生機率評估有關風險並決定優先應對次序。有關風險管理策略將根據評估結果應用至每種類型風險，風險管理策略可分為以下類型：

內部監控系統之設計及實施目的乃為降低本集團承擔的業務相關風險，以及儘可能降低有關風險帶來的不利影響。風險管理及內部監控系統的設計乃為管理而非消除無法達成業務目標的風險，且僅可提供合理而非絕對保證不會出現嚴重誤報或損失。

於2018財政年度，本集團已委聘外部顧問機構對風險管理政策及程序進行審閱，並承擔內部審計職能，以確保本集團風險管理及內部監控系統的有效性及效率。於2018財政年度，外聘顧問機構並無發現內部監控系統存在重大缺陷或不足，可影響財務、營運及合規監控及風險管理職能。

董事會認為，本集團的風險管理以及內部監控系統及程序已屬合理有效及充分。

COMPANY SECRETARY

Mr. Cheung Wai Kee ("Mr. Cheung") is the company secretary of the Company. He is the employee of the Company and has adequate knowledge on the Company to discharge his duty as the company secretary of the Company. Mr. Cheung confirmed that he has taken no less than 15 hours of relevant professional training for FY2018.

SHAREHOLDERS' RIGHTS

(I) Shareholders convene an special general meeting

Pursuant to the Bye-laws and the Companies Act 1981 of Bermuda, any one or more registered shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the voting right at general meetings of the Company (the "Requisitionists") shall, at all times, have the right, by written requisition that must be signed by the Requisitionists to the Board deposited at the registered office of the Company to require a special 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 three months after the deposit of such requisition. If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, the Requisitionists themselves may do so in the same manner. Any reasonable expenses incurred by the Requisitionists by reason of the failure of the Board duly to convene a meeting shall be repaid to the Requisitionists by the Company.

(II) Shareholders put enquiries to the Board

Shareholders should send their enquiries about their shareholdings to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Shareholders may also make enquiries with the Board at the general meeting of the Company.

(III) Shareholders put forward proposals at shareholders' meetings

There are no provisions under the Company's Bye-laws or the Companies Act 1981 of Bermuda regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene a special general meeting for any business specified in such written requisition.

公司秘書

張蔚琦先生(「張先生」)為本公司的公司秘書。彼為本公司的僱員並對本公司有充分了解，以履行其作為公司秘書的職責。張先生確認其已於2018財政年度接受不少於15小時的相關專業培訓。

股東權利

(I) 股東召開股東特別大會

根據公司細則及百慕達1981年公司法，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權利的本公司繳足股本的十分之一的一名或多名註冊股東(「要求人」)應有權隨時遞交須經要求人簽署的書面要求至本公司的註冊辦事處予董事會，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三個月內舉行。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，本公司將向要求人償付因董事會未能召開大會而產生的任何合理費用。

(II) 股東向董事會提出查詢

股東應將其對股權的疑問送交本公司的股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

股東亦可於本公司的股東大會上向董事會作出查詢。

(III) 股東於股東大會上提呈議案

本公司之公司細則或百慕達1981年公司法概無條文涉及股東在股東大會提呈議案的程序(提名候選董事的建議除外)。股東可根據上述程序召開股東特別大會以處理書面請求提出的任何事宜。

INVESTOR RELATIONS

(I) Constitutional documents

The Company confirmed that there has been no significant change in the Company's memorandum of associations and the Bye-laws during FY2018.

(II) 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's 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 report, interim reports, announcements and circulars. The Company also publishes all such documents on the Company's website at www.kingstonemining.com. The Directors and the Board committee members are available to answer questions at annual general meeting of the Company.

(III) Dividend policy

The Company adopted a dividend policy on payment of dividends on 1 January 2019. It aims at enhancing transparency of the Company and facilitating its shareholders and the potential investors of the Company to make informed investment decision relating to the Company. The Board will review the dividend policy from time to time.

While the Company intends to declare and pay dividends in the future, the payment and the amount of any dividends will depend on a number of factors, including but not limited to:

- (a) the Group's actual and expected financial performance;
- (b) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (c) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (d) the Group's liquidity position;

投資者關係

(I) 章程文件

於2018財政年度內，本公司確認，本公司的組織章程大綱及本公司之公司細則概無任何重大變動。

(II) 與股東的溝通

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、完整而及時的本集團資料。本公司亦在本公司網站 www.kingstonemining.com 刊發全部該等文件。董事及董事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。

(III) 股息政策

本公司於2019年1月1日就派付股息採納一項股息政策。該股息政策旨在提升本公司的透明度，以便本公司股東及有意投資者就本公司作出知情的投資決定。董事會將不時檢討股息政策。

儘管本公司有意於未來宣派及派付股息，惟任何股息之派付及金額將視乎多項因素而定，包括但不限於：

- (a) 本集團之實際及預期財務表現；
- (b) 本集團之預期營運資金需要、資本開支需要及未來擴張計劃；
- (c) 本公司及本集團各成員公司之保留盈利及可供分派儲備；
- (d) 本集團之流動資金狀況；

- (e) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (f) any other factors that the board of directors of the Company deems relevant.

Shareholders will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the shares. The declaration, payment, and amount of dividends will be subject to the Board's discretion.

Dividends may be paid only out of distributable profits as permitted under the relevant laws. There can be no assurance that the Company will be able to declare or distribute any dividend in the amount set out in any of the plans or at all. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

- (e) 整體經濟環境及可能對本集團之業務或財務表現及狀況構成影響之其他內在或外在因素；及
- (f) 本公司董事會視為相關之任何其他因素。

股東將有權按股份之繳足或入賬列作繳足金額比例收取有關股息。股息之宣派、派付及金額將由董事會酌情決定。

股息僅可於相關法例許可下從可供分派溢利中派付。本公司概不保證將能按任何計劃所載金額宣派或分派任何股息或根本無法宣派或分派任何股息。本公司過往股息分派記錄不可用作釐定本公司日後可能宣派或派付之股息水平之參考或基準。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL

The mining operation in Zhangjiaba Mine ("the Mine") located at Zhenjiang Village, Xiangshui County, Jianguo City of Sichuan Province, China, is subject to various PRC environmental protection laws and regulations relating to a broad range of environmental protection matters, such as land rehabilitation, water and soil preservation, noise control and discharge of wastewater and pollutants. It is the Group's policy to comply with all relevant laws and regulations.

Emissions

Air emissions

The mining of beige marble blocks and processing of marble slabs is the major active excavation operation of the Group. The Mine is an open-pit mine and excavator machines, which are powered by diesel, are used for mining activities, would emit CO₂, CO and HC.

The Group adheres to the principle of active participation and environmental responsibilities. The Group not only fulfils its market mandate but also greatly support green activities and actively implement effective policies aimed at emission reduction. The Group will consider acquiring more environmental friendly machinery when the existing machinery is no longer in use.

During the year ended 31 December 2018, air emissions including Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x) and respiratory suspended particles ("RSP", also known as Particulate Matter ("PM")) were mainly produced from the company vehicles and mining machinery which weigh over 5 tonnes. The combustion of 5,726 litres of unleaded petrol and 403,202 litres of diesels emitted 2,756 kg, 6.6 kg and 128.9 kg of NO_x, SO_x and PM respectively.

Greenhouse gas (GHG) emissions

The Group has constantly updated with the local legislation and standards for environmental protection and assessed whether these legislations and standards are related to the business of the Group and the Group's compliance status. During the year ended 31 December 2018, the Group has complied with environmental laws and regulations applicable to the Group's business. The Group will continue looking for ways to reduce CO₂ emissions and land contamination.

環境

位於中國四川省江油市香水鄉鎮江村的張家壩礦山(「礦山」)的採礦業務受中國各項相關環保事宜(例如土地復墾、水土保持、噪音控制及廢水及污染物排放)的環境保護法例及規例監管。本集團的政策是遵守所有相關法例及規例。

排放

大氣排放

米黃色大理石開採及大理石板材加工是本集團主要的活躍開採業務。礦山為露天礦山，需使用柴油挖掘機進行開採活動，主要排放物為二氧化碳、一氧化碳及碳氫化合物。

本集團堅持積極參與及對環境負責的原則。本集團不只履行其市場職責，同時亦大力支持綠色活動，並積極執行旨在減少排放的有效政策。本集團將於現有機器無法使用的情況下考慮購買更多環保型機器。

截至2018年12月31日止年度，氮氧化物(NO_x)、硫氧化物(SO_x)及可吸入懸浮粒子(或稱懸浮微粒(「懸浮微粒」))等大氣排放主要來自公司車輛及重達5噸以上的採礦機械。燃燒5,726升無鉛汽油及403,202升的柴油排放NO_x、SO_x及懸浮微粒分別為2,756千克、6.6千克及128.9千克。

溫室氣體排放

本集團不斷更新本地環保法例及標準，並評估該等法例及標準是否與本集團之業務有關以及本集團合規情況。截至2018年12月31日止年度，本集團已遵守適用於本集團業務之環境法例及規例。本集團將繼續尋求減少二氧化碳排放及土地污染之方法。

Greenhouse gas (GHG) emissions 溫室氣體排放		2018 (tons) 2018年(噸)	2017 (tons) 2017年(噸)
Scope 1 – emission from the mobile combustion sources	範疇一—來自移動燃燒源的排放	1,089	880
Scope 2 – acquired electricity emissions	範疇二—獲得的電力排放	1,117	867
Scope 3 – indirect emissions from paper waste disposed at landfills and business travel by air flight or train	範疇三—填埋場處理的廢紙及乘坐飛機或火車進行商務旅行的間接排放	4	2
Total GHG emissions	溫室氣體排放總量	2,210	1,749
Intensity of GHG emissions per ton of production	每噸產量溫室氣體排放密度	4.0	4.5

Waste productions

Waste production was mainly attributed to the domestic wastes of office and no hazardous waste produced at the mine. Throughout the Group, the following actions have been taken to reduce waste productions:

- communicate through e-mails to reduce the use of papers;
- double-sided printings; and
- reuse single-sided printed papers.

Waste micro dust management

The Group blasts, stacks, loads and unloads ore during the production process and produces microscopic dust. Therefore, the Group uses a wet-drilling method, ventilation machines and rock-surface cleaning regularly to control the micro dust emissions and avoid negative effects to the environment.

Waste water management

The site extract water from nearby wells, mostly used for daily consumption and dust reduction. To reduce dust particles in air, the Group has in place water-spraying facilities to spray water on the marble to reduce dust. The Group had installed proper ducts and canals install to prevent any contaminated waste from leaking into surrounding waters and recycle some of the water. The proper collection, treatment and recycling and reuse of wastewater at the Group help protect natural receiving water bodies in the surrounding areas and the ecological environment.

廢物產生

廢物產生主要來自辦公室廢物及礦山產生的無害廢物。本集團已採取以下行動減少廢物產生：

- 透過電子郵件進行溝通可減少紙張的使用；
- 雙面打印；及
- 重複使用單面列印的紙張。

微塵廢物管理

本集團在生產過程中會爆破、堆放、裝載及卸載礦石並產生微塵。因此，本集團定期採用濕式鑽孔法、通風機及石面清理等措施，控制微塵排放，避免對環境造成不利影響。

廢水管理

礦山從附近的井中取水，主要用於日常消耗及減少粉塵。為減少空氣中的塵粒，本集團已安裝噴水設施以將水噴灑在大理石上以減少灰塵。本集團已安裝適當的管道及渠道以防止任何受污染的廢物滲入周圍水域並回收部分廢水。本集團對廢水進行適當的收集、處理及回收利用，有助於保護周邊地區的自然接收水體及生態環境。

Waste mining rock management

The mine has been in continuous production for many years. The mining rock produced from the site was used for road paving and underground filling of mines after being crushed. The remaining waste was stockpiled in special waste rock treatment plants.

Noise management

To management to noise emission during production the Group had installed noise-abatement equipment and other vibration reduction methods. The Group considered noise pollution issues when choosing the mining area, thus the Group chose the mining area furthest away from residential areas. Lastly, the Group strictly follows emission standards regarding noise levels. 《工業企業廠界噪聲標準》. The location of the site complies with applicable standards for buffer distances to sensitive receptors, such as residences and villages, thus minimizing the negative impact.

Use of resources

The Group utilizes resources effectively and responsibly to achieve sustainable development. The Group encourages staff to adopt environmentally responsible habits in their day to day activities, and the Group constantly measure waste production, and seek to promote use of recyclable materials.

The Group has tried its very best to reduce the consumption of energy and emission. The total production volume is approximately 563,187 tons (2017: 388,905 tons). Total electricity consumption for 2018 was 1,244,966 kWh with an average consumption of 2.21 kWh per ton of production. Total paper usage for 2018 was 212 kg with an average consumption of 9.2 kg tons per staff.

The Group did not have problems in seeking appropriate water resources. The existing supply of water resources could satisfy the Groups needs in the aspects of volume, quality of water and the guarantee of water supply facilities. In 2018, the Group carried out measures of reduction in water consumption, recycling and utilization of industrial waste water.

採礦廢石管理

礦場持續生產多年。礦山生產的採礦廢石經破碎後用於鋪設道路及礦山井下充填。剩餘廢棄物堆存在專設的廢石處理廠。

噪聲管理

為管理生產過程中的噪音排放，本集團已安裝消聲設備及其他減振措施。本集團在選擇礦區時已考慮噪音污染問題，因此本集團選擇離居民區最遠的礦區。最後，本集團嚴格遵守《工業企業廠界噪聲標準》有關噪音水準的排放標準。礦山選址符合住宅及村莊等敏感受體緩衝距離的適用標準，從而最大限度地減少負面影響。

資源利用

本集團有效利用資源，主動承擔實現可持續發展的責任。本集團鼓勵員工於日常活動中養成環保習慣，且本集團計量廢物產量，並致力推動可循環材料的使用。

本集團竭力減少能源消耗及排放。總產量約 563,187 噸 (2017 年：388,905 噸)。2018 年的總耗電量為 1,244,966 千瓦時，每噸產量平均消耗 2.21 千瓦時。2018 年紙張使用總量為 212 千克，員工人均消耗 9.2 千克。

本集團在獲取合適水源方面並無問題。現有水源供應在水量、水質及供水設施保證方面均可滿足本集團的需求。於 2018 年，本集團已貫徹落實節水降耗、工業廢水循環利用等措施。

Environment and natural resources

As mining operators, the Group is in the business of extracting natural resources at the Zhangjiaba Mine. The Management of the Group believes every practicable effort had been made to ensure their collateral impact to the surrounding environment is kept to a minimum. Right at the planning stage of the excavation the location is set to be outside the urban planning area, and does not involve designated areas such as nature reserves, scenic spots and cultural relics (under preservation protection). Further, there are no farmlands are located near the mining sites.

It is the firm beliefs of the Management that both the effective and efficient use of energy and due care to the environment are vital for sustainable development of the Group. Hence the Group closely monitors and reviews the relevant data from time to time, minimizing the negative effect to the environment and maximizing its business development and operation at the same time.

SOCIAL

The Group has a comprehensive personnel management system which is prepared (subject to geographical locations) in accordance with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other applicable laws, as well as industry practices. The system covers recruitment, rank management, remuneration, training, confidentiality and other areas. The Group ensures employees are clear about their own rights and responsibilities as they will comply with the system and carry out their work legally, in order to safeguard the interest of both parties.

Employment

Although the Group has faced challenges from a downtrend economic environment, the staff is willing to work with the Group to tackle these unfavourable, adverse conditions. The Group has established a policy to ensure that the rights of each staff member are protected no matter the circumstances. The employment contract of the Group specifies the terms including compensation and dismissal, working hours, rest periods and other benefits and welfare for our staff. Every staff member of the Group has signed the employment contract with the Group.

The promotion policies of the Group are based on the performance of the relevant staff in their position on annual basis.

環境及自然資源

作為礦業營運商，本集團正在從張家壩礦山開採自然資源。本集團管理層認為其已作出每項實際努力以確保將對周圍環境的附帶影響控制在最低限度。在挖掘的規劃階段，選址便已設置在城市規劃區外，不涉及自然保護區、風景名勝區及文化遺產（受保護）等指定區域。此外，礦場附近並無任何農田。

管理層堅信，能源的有效及高效使用以及對環境的應有關注對於本集團的可持續發展至關重要，因此本集團不時密切監察及審閱相關資料，將對環境的負面影響減至最低，同時最大限度地進行其業務發展及營運。

社會

本集團擁有一套全面的人事管理制度，相關制度（因應所在地區）在香港法例第57章《僱傭條例》及中國《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他適用法律，以及行業慣例的基礎上編製。該人事管理制度涵蓋人事招聘、職級管理、薪酬制度、培訓、保密守則等。本集團確保僱員清晰瞭解其權利及責任的同時，根據此制度合規合法地工作，保障雙方權益。

僱傭

雖然本集團面臨經濟環境下行所帶來的挑戰，但員工願與本集團共同面對不利條件。本集團已設立政策以確保各員工之權利於任何情況下得到保障。本集團僱傭合約已列明有關員工報酬及解僱、工作時間、休息期間以及其他利益及福利等條款。本集團各員工已與本集團簽訂僱傭合約。

本集團的晉升政策乃基於相關員工每年於其職位之表現。

Working hours, rest periods and leave paid

Five-day work arrangement is adopted to facilitate work-life balance. In addition to all rest days and statutory holidays as specified in local laws and regulations, employees are entitled to paid annual leaves, maternity leaves, paternity leaves, marriage leaves and compassionate leaves. Over-time work compensation is given to staff for doing overtime work.

工作時間、休息期間以及帶薪假期

本集團採取五天工作制，以促進工作與生活的平衡。除地方法例及規例訂明的休息日及法定假期外，僱員可享受帶薪年假、產假、陪產假、婚假及恩恤假。僱員加班可獲得加班補償。

Anti-discrimination and equal opportunity

The Group actively promotes a diverse workplace where people from diverse backgrounds are valued and respected. The Group adopts equal employment opportunity policies and treats all the employees equally. Employment, remuneration and promotion are not under the influence of social identities, such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status.

反歧視及公平機會

本集團積極推進多元化的工作場所，不同背景的人在此均享重視及尊重。本集團採納平等僱傭機會政策，對全體僱員一視同仁。僱傭、薪酬及晉升不受種族、民族出身、國籍、性別、宗教信仰、年齡、性取向、政治派別及婚姻狀況等社會地位影響。

During the year ended 31 December 2018, Management of the Group did not aware of any non-compliance with the relevant employment law and regulation in both Hong Kong and PRC.

截至2018年12月31日止年度，本集團管理層並無知悉任何違反香港及中國相關僱傭法例及規例的情況。

		Workforce distribution 人力分配	Percentage 百分比
Total number of staff	員工總人數	23	100
<i>Gender</i>	<i>性別</i>		
Male	男性	15	65.2
Female	女性	8	34.8
<i>Geographical region</i>	<i>地理區域</i>		
PRC	中國	15	65.2
Hong Kong	香港	8	34.8

Health and Safety

The health and safety of employees have always been the group's priority of productions. To manage the chances for workplace incidents and to highlight the importance of heal care of their employees, the Group had established various guidelines and policies. These had been included in their Staff Handbook, which is distributed to employees and enforced by their line management and human resource department. Majority of their mining workers are employed through third party agency, the Group had stipulated these agencies to ensure that they place the similar, if not higher, emphasis on the safety and health care of their employees.

健康與安全

僱員的健康及安全一直是本集團生產的首要任務。為管控發生工作場所事故的可能性並強調僱員健康之重要性，本集團已制定多種指引及政策。該等指引及政策已被納入其員工手冊，該手冊分發予僱員並由其各級管理層及人力資源部門執行。其大部分採礦工人乃透過第三方代理僱用，本集團已對該等代理作出規定以確保其對僱員安全及健康的重視程度與本集團類似（如不會更高）。

Every worker is required to follow safety instructions and to train for using the equipment and/or machinery properly. A safety monitoring mechanism has been established and staff in each of production stage has been assigned to monitor the compliance of safety rules.

每位工人須遵守安全指示，並接受有關正確使用設備及／或機器之培訓。本集團已設立安全監督機制並於各生產階段指派員工監督安全規則的遵守情況。

Occupational health and safety statistics 職業健康及安全統計數據

2018 Annual
2018年

2017 Annual
2017年

Number of lost days due to work injury

因工傷而損失的工作日數

Nil

零

Nil

零

Number of work-related fatalities due to work

因工作關係的死亡人數

Nil

零

Nil

零

Number of work injuries due to work

因工作關係的工傷數目

Nil

零

Nil

零

The Management believes the Group has fully complied with law and regulations regarding the health and safety requirements of the business activities of the Group for the year ended 31 December 2018.

管理層認為，截至2018年12月31日止年度，本集團已全面遵守有關本集團業務活動健康及安全要求之法例及規例。

Development and Training

Management believes that keeping their employees up to date with emerging trends and standards plays a fundamental role in business growth. Therefore, the Group encourages employees to continuously develop and improve their skill through training. The Group understands that training could facilitate sustainable long-term development, which is beneficial for both the Group and the employees. The Group provides training for directors regarding the Group's development and essential skills. The Group evaluates these training programmes from time to time and reviews its effectiveness.

發展及培訓

管理層認為，讓僱員及時瞭解新興趨勢及標準在業務增長中發揮著重要作用。因此，本集團鼓勵僱員通過培訓不斷發展及提高技能。本集團認為培訓可促進可持續長期發展，對本集團及僱員均有利。本集團為董事提供有關本集團發展及基本技能的培訓。本集團不時評估該等培訓計劃，並檢討其有效性。

The Group encourages communication between management and employees, the Group respects and cares about employees' opinions and suggestions.

本集團鼓勵管理層與僱員進行溝通，並尊重及重視僱員的意見及建議。

Labour Standards

The Group is committed to uphold the labour rights of staff and has established a compliant mechanism for staff to report any labour violations. The Management believes that the Group has complied with relevant labour standards for the year ended 31 December 2018. It is always the group's policy to prohibit employment of staff members under the legal working age of 18. During the year ended 31 December 2018, no labour disputes between the company and its staff has been recorded.

勞工準則

本集團致力於保障員工的勞動權利，並建立員工申訴機制以報告任何違反勞動權利之情形。管理層認為，截至2018年12月31日止年度，本集團已遵守相關勞工準則。嚴禁僱用未達法定工作年齡18歲之員工是本集團一直以來的政策。截至2018年12月31日止年度，本公司與其員工之間概無任何勞動糾紛。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

The Group adhere to the laws and regulations prohibiting child labour and forced labour, which mainly include the following:

- Employment Ordinance of HKSAR
- Labor Law of the PRC 《中華人民共和國勞動法》
- Labor Contract Law of the PRC 《中華人民共和國勞動合同法》
- Law of the PRC on Protection of Minors 《中華人民共和國未成年人保護法》
- Regulations on Prohibiting Use of Child Labor (State Council Order No.364)

Supply chain management

The purchasing department will target suppliers with reputation in industry, and then select through quotation comparison and negotiation. The Group will also check the suppliers and their purchasing price, examine and approve according to effective procedures in order to prevent fraud. The Group will also consider acquiring more environmental-friendly machinery when the existing machinery is no longer in use.

In selecting our contractors and equipment suppliers, we will take into account various factors, such as (i) quality of services; (ii) contracting costs; (iii) safety management; and (iv) relevant qualifications (if applicable). The Group requires contractors to maintain a high standard of quality for the services provided, and to comply with and have in place adequate occupational health and safety and environmental protection procedures in accordance with the applicable laws and regulations and safety requirements imposed by the relevant PRC government authorities.

All explosive activities are carried out by a reputable local supplier which comply with government regulation during the year ended 31 December 2018. The Group does not foresee its source of supplies to be a potential threat to the group operation.

本集團遵守禁止童工及強制勞工的法例及規例，主要包括以下各項：

- 香港特別行政區僱傭條例
- 《中華人民共和國勞動法》
- 《中華人民共和國勞動合同法》
- 《中華人民共和國未成年人保護法》
- 《禁止使用童工規定》（國務院令第364號）

供應鏈管理

採購部門將面向行業內具有聲譽的供應商，然後通過報價比較及磋商進行甄選。本集團亦會核查供應商及其採購價格，並按照有效程式審批以防止欺詐行為。現有機器不再使用時，本集團亦會考慮購置更多環保型機器。

在挑選承包商及設備供應商時，我們會考慮各項因素，例如(i)服務質素；(ii)合約成本；(iii)安全管理；及(iv)相關資質（如適用）。本集團要求承包商對所提供服務維持高質量標準，並遵守適用法例及規例以及中國相關政府部門施加的安全規定及設立充分的職業健康安全及環境保護程序。

截至2018年12月31日止年度，所有爆破活動均由擁有良好聲譽的地方供應商遵照政府規例進行。本集團預期其供應商資源不會對集團營運構成潛在威脅。

Product Responsibility

The quality of products depends on the quality of the mine as the Group has not further processed the beige marble blocks. The Group facilitate customer on-site inspection and testing to ensure the quality of the marble blocks are in line with their expectations. The director believes that the Group has complied with relevant laws and regulations related to the products of the Group.

During the reporting period of 2018, the Company did not receive any complaints from customers about our products or services.

Anti-Corruption

With regards to compliance with relevant laws and regulations in different regions, the group maintains a code of business integrity. A system with good moral integrity and the anti-corruption mechanism is the cornerstone for the sustainable and healthy development of the group. The Group also prohibits staff from receiving gifts of excessive amount from customers and suppliers. The Group takes a zero tolerance approach to corruption and bribery and is committed to acting professionally, fairly and with integrity in all our business dealings. Any suspicious transactions would be notified and reported to the relevant governing body by the responsible officer.

During the year ended 2018, no fraudulent practices has brought to the Group's attention during the year.

Community Involvement

Contributing to society is a part of the Group's sustainable development strategy. The Group is committed to providing career opportunities to locals and promoting the development of the community's economy. The Group fully understands and appreciates the importance of and the need for community investment. One remarkable aspect fully appreciated by the local community is that most employees of the mine come from nearby villages. The Group is committed to developing more community investment opportunities in its development plans. Through day-to-day contact with community officials and leaders, the Group explores and examines how the Group can engage the community.

產品責任

由於本集團並無進一步加工米黃色大理石，故產品質量取決於礦山質量。本集團協助客戶進行現場檢查及測試，以確保大理石的質素符合彼等之預期。董事認為，本集團已遵守有關本集團產品之相關法例及規例。

於2018年報告期間，本公司並無收到客戶有關我們產品或服務的任何投訴。

反貪污

本集團根據不同地區之相關法例及規例維持業務誠信守則。建立具有良好道德誠信及反貪污機制的系統乃本集團可持續健康發展之基石。本集團亦禁止員工自客戶及供應商收取數額過大之禮品。本集團對貪污及賄賂採取零容忍態度，致力以專業、公平及誠實的方式進行其所有的業務交易。專責人員將通知任何可疑交易並向相關監管機構報告。

截至2018年12月31日止年度，本集團未注意到年內有任何欺詐行為。

社區參與

向社會作出貢獻乃本集團可持續發展戰略之一部分。本集團致力於為當地居民提供就業機會，並促進社區經濟的發展。本集團深知並重視社區投資的重要性及需要。當地社區中非常值得讚賞的事情是礦區的大多數僱員都是來自鄰近的村莊。本集團致力於在其發展規劃中開發更多的社區投資機會。透過與社區官員及領導者的日常聯繫，本集團探索及審查本集團參與社區的方式。

REPORT OF THE DIRECTORS

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 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are the mining, processing and trading of the marble stones and marble-related products. During the year, there were no significant changes in the nature of the Group's principal activities.

The principal activities of the Company's major subsidiaries are set out in note 20 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the Chairman Statement on pages 6 and 7 and Management Discussion and Analysis on pages 8 to 14 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 63 of this annual report.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2018 (2017: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2018 are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in issued share capital of the Company during the year ended 31 December 2018 are set out in note 32 to the consolidated financial statements.

董事會謹此提呈本集團截至2018年12月31日止年度報告及經審計綜合財務報表。

主要業務

本公司為投資控股公司。本集團的主要業務為開採、加工及買賣大理石及大理石相關產品。於年內，本集團主要業務的性質並無重大變動。

本公司主要附屬公司的主要業務載於綜合財務報表附註20。

業務回顧

本集團於年內之業務回顧及本集團之未來業務發展討論載於本年報第6頁至7頁之主席報告及第8頁至14頁之管理層討論及分析。

業績及分派

本集團截至2018年12月31日止年度的業績載於本年報第63頁的綜合損益及其他全面收益表。

董事不建議派付截至2018年12月31日止年度的股息(2017年:零)。

物業、廠房及設備

本集團截至2018年12月31日止年度的物業、廠房及設備變動詳情載於綜合財務報表附註17。

股本

本公司截至2018年12月31日止年度的已發行股本變動詳情載於綜合財務報表附註32。

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES OF THE COMPANY

Details of the movements in reserves of the Company during the year ended 31 December 2018 are set out note 38 to the consolidated financial statements.

As at 31 December 2018, the Company's reserves available for distribution to shareholders in accordance with the Company's Bye-laws are RMB38.7 million (31 December 2017: RMB138.0 million).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years are set out on page 148 of this annual report.

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Wang Minliang (*Chairman*) (resigned on 12 September 2018)
Ms. Zhang Cuiwei
Mr. Zhang Jianzhong
Mr. Zhang Wenjun
Mr. Zhang Mian (appointed on 4 February 2019)

Independent Non-executive Directors

Mr. Ma Ho Yin (resigned on 12 March 2018)
Ms. Wang Yihua
Mr. Sheng Guoliang
Mr. Yang Ruimin (appointed on 11 June 2018)

優先購買權

本公司之公司細則或百慕達法例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。

本公司可供分派儲備

本公司截至2018年12月31日止年度的儲備變動詳情載於綜合財務報表附註38。

於2018年12月31日，根據本公司之公司細則，本公司可供分派予股東的儲備為人民幣38,700,000元（2017年12月31日：人民幣138,000,000元）。

五年財務摘要

本集團於過往五個財政年度之業績及資產與負債之摘要載於本年報第148頁。

董事

於年內及截至本報告日期的董事為：

執行董事

王民良先生（主席）（於2018年9月12日辭任）
張翠薇女士
張建忠先生
張衛軍先生
張勉先生（於2019年2月4日獲委任）

獨立非執行董事

馬浩賢先生（於2018年3月12日辭任）
王藝華女士
盛國良先生
楊銳敏先生（於2018年6月11日獲委任）

REPORT OF THE DIRECTORS 董事會報告

RETIREMENT

In accordance with clause of the Company's Bye-laws, one-third of the Directors for the time being 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. A circular containing the biographical details of the director candidates eligible for re-election and the notice of annual general meeting will be sent to the shareholders of the Company.

CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the independent non-executive Directors, a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a term of three years from the date of his/her appointment. Such service contract can be determined 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).

告退

根據本公司之公司細則條款，其時三分之一的董事應輪值退任，惟每名董事應最少每三年一次於股東週年大會上退任。一份載有合資格膺選連任的候任董事之履歷詳情及股東週年大會通告的通函將寄發予本公司股東。

確認獨立身份

本公司已接獲獨立非執行董事各自按照上市規則第3.13條發出的獨立身份確認。本公司認為，所有獨立非執行董事均為獨立人士。

董事服務合約

各董事已與本公司訂立服務合約，由彼等獲委任日期起計，為期三年。有關服務合約可由任何一方於任期屆滿前發出至少一個月的通知終止。

概無董事（包括可能於應屆股東週年大會提呈重選的任何董事）與本公司訂立本集團不可於一年內終止而免付賠償（法定賠償除外）的任何服務協議。

REMUNERATION OF THE DIRECTORS

The remuneration of each Director is approved at general meeting. Other emoluments will be determined by the Remuneration Committee and the Board 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 review and 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.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

The biographical details of the Directors and senior management are set out on pages 15 to 16 of this annual report.

EMOLUMENT 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 profitability of the Group, 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 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. The Group also participates in a defined contribution retirement scheme (the "Retirement Scheme") organized by the relevant local government authority in the PRC, under which the Group is required to contribute a specific percentage of the payroll of its employees to the Retirement Scheme. Save as disclosed above, the Group has not operated any other retirement benefits schemes for the Group's employees.

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及董事會參考董事的職務、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檢討及監督，以確保彼等的酬金及薪酬水平適合。

董事酬金詳情載於綜合財務報表附註12。

董事及高級管理層履歷

董事及高級管理層履歷詳情載於本年報第15至16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

根據香港強制性公積金計劃條例，本集團設有界定供款強制性公積金退休福利計劃（「強積金計劃」），目標為符合資格參與強積金計劃的香港僱員。本集團亦參與中國有關當地政府部門籌辦的界定供款退休計劃（「退休計劃」），據此，本集團須按照僱員薪金的特定百分比向退休計劃作出供款。除上文所披露者外，本集團並無為本集團僱員設立任何其他退休福利計劃。

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2018, save as disclosed in the heading "Share Option Scheme" in this report, none of the Directors had any interests and short positions of the Directors in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to provisions of Division 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors have taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2018 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

董事於證券的權益

於2018年12月31日，除本報告「購股權計劃」所披露者外，概無董事於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債權證中擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的任何權益及淡倉（包括根據證券及期貨條例有關規定董事被當作或視作持有的權益及淡倉）；或(b)根據證券及期貨條例第352條須載入該條例所指的登記冊的任何權益及淡倉；或(c)根據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」）須知會本公司及聯交所的任何權益及淡倉。

董事購買股份或債權證的權利

截至2018年12月31日止年度內任何時間概無授予任何董事或彼等各自的配偶或未滿十八歲的子女權利以透過購買本公司股份或債權證獲得利益；彼等亦無行使任何該等權利；或本公司、其控股公司或其任何附屬公司或同系附屬公司均並非使董事有權獲得任何其他法人團體該等權利的任何安排的訂約方。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2018, substantial shareholders' interests or short position in the shares and underlying shares of the Company, being interests of 5% or more, as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO were as follows:

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

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

SHARE OPTION SCHEME

The Company has also adopted a share option scheme on 24 January 2011 (the "2011 Option Scheme"). A summary of 2011 Option Scheme is set out below:

Purpose

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

Participants of the scheme

The Board may grant options to any person being a director (including independent non-executive director), employee, shareholder, supplier, customer, consultant, business partner and adviser of any member of the Company and their associates.

主要股東於證券的權益

於2018年12月31日，按照本公司根據證券及期貨條例第336條規定須存置的主要股東登記冊所記錄，主要股東於本公司股份及相關股份的權益或淡倉（即擁有5%或以上權益）如下：

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

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

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（「2011年購股權計劃」）。2011年購股權計劃的概要載列如下：

目的

設立2011年購股權計劃的目的是向合資格人士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集團作出最佳表現及效率，及／或就彼等過去的貢獻給予獎勵，以吸引及挽留對本集團的表現、發展或成功乃屬重要及／或其貢獻有利於或將有利於本集團的表現、發展或成功的該等合資格人士或以其他方式與彼等維持持續的合作關係，另外就行政人員而言，讓本集團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。

計劃參與人士

董事會可向下列人士授予購股權：本公司任何成員公司的董事（包括獨立非執行董事）、僱員、股東、供應商、客戶、諮詢人、業務伙伴及顧問及其聯繫人。

Maximum number of shares available for issue

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2011 Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue of the Company as at the date of the Listing Date. Subject to as provided in the 2011 Option Scheme, the Company may seek approval from its shareholders in general meeting to refresh the 10% limit (not exceeding 10% of the shares in issue of the Company as at the date of approval by the shareholders of the Company in general meeting) and grant options beyond such 10% limit, but the total number of shares which may be issued under 2011 Option Scheme and any other schemes of the Group must not exceed 30% of the number of shares in issue from time to time.

Maximum entitlement of each participant

No option may be granted to any one eligible 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 number of shares in issue of the Company from time to time. The Company may seek approval from its shareholders in general meeting to grant options to the eligible person exceeding 1% of the shares in issue of the Company in 12 month period up to and including the date of such further grant.

Period of the share to be taken up under an option

An offer of the grant of an option shall remain open for acceptance by the eligible person concerned for a period of 28 days from the date of offer upon payment of HK\$1.0 for each grant of options.

Minimum holding period of an option

Subject to the terms and conditions in the 2011 Option Scheme, the Board may determine there is no minimum period for which an option must be held before it can be exercised and no performance target which needs to be achieved by the grantee before the option can be exercised.

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 but the subscription price shall not be less than whichever is highest of (1) the nominal value of the shares; (2) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and (3) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days (as defined in the Listing Rules) immediately preceding the date of offer.

可供發行股份數目上限

因行使根據2011年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可能發行的最高股份數目，合計不得超過本公司於上市日期當日已發行股份的10%，惟根據2011年購股權計劃的規定，本公司可於股東大會尋求其股東批准更新該10%上限（不得超過於股東大會上獲本公司股東批准當日本公司已發行股份的10%）；及授出超過該10%上限的購股權，惟根據2011年購股權計劃及本集團任何其他計劃而可能發行的股份總數不得超過不時已發行股份數目30%。

各參與人士享有配額上限

本公司概不得向任何一名合資格人士授出購股權，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時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份數目的1%。本公司可於股東大會尋求其股東批准，以向合資格人士授出超過截至進一步授出購股權之日（包括該日）止12個月期間本公司已發行股份1%的購股權。

股份將根據購股權獲承購的期間

授出購股權的要約應由要約日期起28日的期間內維持可供有關合資格人士於就每次授出購股權支付1.0港元後接納。

購股權的最短持有期限

在2011年購股權計劃的條款及條件規限下，董事會可釐定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。

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，惟該認購價不得低於(1)股份面值；(2)於要約日期聯交所每日報價表所列的股份收市價；及(3)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三者中的最高者。

Life of 2011 Option Scheme

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

Details of outstanding and movement of share options under 2011 Option Scheme during the year ended 31 December 2018 are as follows:

2011年購股權計劃的期限

2011年購股權計劃將由採納日期起計10年期間內有效及生效。

截至2018年12月31日止年度，2011年購股權計劃下未行使的購股權及其變動的詳情如下：

Grantees	Date of grant		Exercise price	As at 1 January 2018 於2018年1月1日	Grant/(Lapsed) during the year 於年內授出/(失效)	As at 31 December 2018 於2018年12月31日
承授人	授出日期		行使價			
Directors						
董事						
Ms. Zhang Cuiwei 張翠薇女士	26 June 2014 2014年6月26日	note 4 附註4	HK\$1.737 1.737港元	1,731,663	-	1,731,663
	12 January 2015 2015年1月12日	note 5 附註5	HK\$1.649 1.649港元	2,424,329	-	2,424,329
Employees						
僱員						
Other employees 其他僱員	9 June 2014 2014年6月9日	note 3 附註3	HK\$1.737 1.737港元	3,290,160	-	3,290,160
	26 June 2014 2014年6月26日	note 4 附註4	HK\$1.737 1.737港元	1,731,663	-	1,731,663
	30 December 2014 2014年12月30日	note 6 附註6	HK\$1.634 1.634港元	4,848,657	-	4,848,657
	12 January 2015 2015年1月12日	note 5 附註5	HK\$1.649 1.649港元	2,424,329	-	2,424,329
	23 November 2017 2017年11月23日	note 7 附註7	HK\$0.0972 0.0972港元	47,200,000	-	47,200,000
Others						
其他						
Former director and employee 前董事及僱員	4 November 2011 2011年11月4日	note 1,2 附註1、2	HK\$7.967 7.967港元	1,350,697	-	1,350,697
				65,001,498	-	65,001,498
		Vested at end of period 於期終歸屬		65,001,498		65,001,498

REPORT OF THE DIRECTORS 董事會報告

Note:

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

MANAGEMENT CONTRACTS

Other than the service contracts with 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 2018.

附註：

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

管理合約

除董事的服務合約外，截至2018年12月31日止年度，並無訂立或存有關於本公司整體或大部分業務的管理及行政合約。

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 2018.

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 2018 and up to and including the date of this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the 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, they confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2018.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report of this annual report.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries or holding company or subsidiary of the holding company has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

董事於重大合約的權益

於年末或截至2018年12月31日止年度內任何時間，本公司、其控股公司、其附屬公司或同系附屬公司概無參與訂立有關本集團業務，且董事直接或間接於當中擁有重大權益的重大合約。

董事於競爭性業務的權益

截至2018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構成競爭或曾經構成競爭或現時或過往可能構成競爭的業務中擁有或曾經擁有任何權益。

證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則，作為董事買賣本公司證券的操守準則。經向全體董事作出特定查詢後，董事確認彼等於截至2018年12月31日止年度全年已遵守標準守則所載的規定買賣標準。

企業管治

有關本公司企業管治常規的詳情載於本年報企業管治報告。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司或控股公司或控股公司的附屬公司於截至2018年12月31日止年度概無購買、出售或贖回本公司任何上市證券。

REPORT OF THE DIRECTORS 董事會報告

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, the Company has maintained sufficient public float during the year and up to the date of this report of directors under the Listing Rules.

AUDITORS

The financial statements have been audited by Elite Partners CPA Limited who retire and, being eligible, offer themselves for re-appointment in the forthcoming annual general meeting of the Company.

AUDIT COMMITTEE

The Audit Committee, which consists of three members, all of whom are independent non-executive Directors, has reviewed the Group's consolidated financial statements for the year ended 31 December 2018, including the accounting principles and practices adopted by the Group and discussed with auditors in relation to the internal control and financial reporting matters of the Group.

On behalf of the Board
Zhang Cuiwei
Executive Director

25 March, 2019

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。根據可供公眾查閱的資料及就董事所知、所悉及所信，於年內及直至本董事會報告日期，本公司一直根據上市規則維持充足的公眾持股量。

審計師

開元信德會計師事務所有限公司已審計財務報表，其已退任，並符合資格及願意於本公司應屆股東週年大會膺選連任。

審計委員會

審計委員會由三名成員組成，彼等均為獨立非執行董事。審計委員會已審閱本集團截至2018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，並與審計師討論本集團的內部監控及財務報告事宜。

代表董事會
執行董事
張翠薇

2019年3月25日

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告



To the Members of China Kingstone Mining Holdings Limited
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of China Kingstone Mining Holdings Limited and its subsidiaries ("the Group") set out on pages 63 to 147, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致中國金石礦業控股有限公司列位股東
(於開曼群島註冊成立並於百慕達存續的有限公司)

意見

我們已審計載於第63至147頁中國金石礦業控股有限公司及其附屬公司(「貴集團」)之綜合財務報表，包括於2018年12月31日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重要會計政策概要。

我們認為，綜合財務報表根據國際會計準則理事會(「國際會計準則理事會」)頒佈之國際財務報告準則(「國際財務報告準則」)準確及公平地反映了貴集團於2018年12月31日之綜合財務狀況以及貴集團截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈之香港審計準則(「香港審計準則」)進行審計。我們就該等準則承擔的責任在本報告「審計師就審計綜合財務報表承擔的責任」部分中闡述。根據香港會計師公會的《職業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他職業道德責任。我們相信，我們所獲得之審計憑證能充足及適當地為我們的審計意見提供基礎。

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter 關鍵審計事項

Impairment assessment of property, plant and equipment and intangible assets 物業、廠房及設備以及無形資產的減值評估

As at 31 December 2018, the Group had property, plant and equipment of approximately RMB189,365,000 and a mining right classified as an intangible asset of approximately RMB43,732,000 relating to the Group's cash-generating unit regarding sale of marble and marble-related products (the "CGU"). For the year ended 31 December 2018, no impairment loss had been recognised on the Group's property, plant and equipment and intangible asset respectively. Details are set out in note 17 and 18 to the consolidated financial statements. 於2018年12月31日，貴集團的物業、廠房及設備約為人民幣189,365,000元，而其分類為無形資產的採礦權約為人民幣43,732,000元，採礦權與貴集團有關銷售大理石及大理石相關產品的現金產生單位（「現金產生單位」）有關。截至2018年12月31日止年度，並無就貴集團的物業、廠房及設備以及無形資產分別確認減值虧損。有關詳情載於綜合財務報表附註17及18。

The Group had engaged an independent valuer to assist the management of the Company in estimating the recoverable amount of the CGU which requires significant judgement to be made by the management of the Company. 貴集團已委聘一名獨立估值師協助貴公司管理層對須由貴公司管理層作出重大判斷的現金產生單位可收回金額作出估計。

關鍵審計事項

根據我們的專業判斷，關鍵審計事項為我們審計截至2018年12月31日止年度綜合財務報表中最重要的事項。我們在審計整體綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

How the matter was addressed in our audit 我們的審計如何處理該事項

Our procedures in relation to the management's impairment assessment of property, plant and equipment and intangible asset included the following: 我們有關管理層對物業、廠房及設備以及無形資產的減值評估的程序包括以下各項：

- We obtained cash flow forecasts prepared by the management of the Company and assessed the reasonableness of the methodology and assumptions used for the preparation of the forecasts (e.g. estimated reserves of mineral, sales volume, unit selling price, estimated expenses and discount rate etc.).
- 我們已獲得由貴公司管理層編製的現金流量預測，並已評估編製預測（例如估計礦產儲量、銷售量、銷售單價、估計開支及折現率等）所用方法及假設的合理性。
- We evaluated the competence, capabilities and objectivity of an independent valuer and the method used for estimating the recoverable amount of the CGU.
- 我們已評估獨立估值師的才幹、能力及客觀性以及估計現金產生單位可回收金額所用的方法。

Key Audit Matter 關鍵審計事項

We had identified the impairment assessment of property, plant and equipment and intangible assets relating to the CGU as a key audit matter because significant management judgement was used in determining key assumptions.

我們已確認物業、廠房及設備以及與現金產生單位有關的無形資產的減值評估為一項關鍵審計事項，原因為管理層就制定關鍵假設時須作出重要判斷。

Impairment assessment of the trade receivables 貿易應收款項的減值評估

As at 31 December 2018, the Group had trade receivables of approximately RMB72 million net of impairment. We had identified impairment of trade receivables as a key audit matter because significant judgements had to be made for the assessment of impairment under the expected credit loss model.

於2018年12月31日，本集團貿易應收款項約為人民幣72,000,000元（扣除減值）。我們已識別貿易應收款項之減值為關鍵審計事項，原因為須作出重大判斷以評估預期信貸虧損模型下之減值。

How the matter was addressed in our audit 我們的審計如何處理該事項

- We discussed with the independent valuer the appropriateness of the methodology and assumptions used in estimating the recoverable amount of the CGU and performed certain procedures to assess data and assumptions used by the management and the valuer in estimating the recoverable amount.
- 我們已與獨立估值師討論估計現金產生單位可收回金額時用到的方法及假設的適當性，並已執行若干程序評估管理層及估值師於估計可收回金額時所用的數據及假設。
- We checked the mathematical accuracy of calculation of the recoverable amount of the CGU.
- 我們已核實現金產生單位可收回金額計算方法的數學準確度。

Our procedures in relation to management's impairment assessment of the trade receivables as at 31 December 2018 included:

我們有關於2018年12月31日管理層對貿易應收款項所作的減值評估的程序包括以下各項：

- Understanding and evaluating the key controls that the Group has implemented to manage and monitor its credit risk, and validating the control effectiveness on a sample basis;
- 了解並評估 貴集團為管理及監控其信貸風險而實施的關鍵控制措施並抽樣確認控制的有效性；
- Checking, on a sample basis, the ageing profile of the trade receivables as at 31 December 2018 to the underlying financial records and post year-end settlements to bank receipts;
- 按樣本基準檢查於2018年12月31日有關財務記錄內的貿易應收款項的賬齡情況及年結日後的銀行賬戶結算收據；

INDEPENDENT AUDITOR'S REPORT 獨立審計師報告

Key Audit Matter 關鍵審計事項

Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of provision for impairment based on information including credit profile of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forwardlooking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

管理層根據不同客戶信用狀況、貿易應收款項的賬齡、過往結算記錄、後續結算狀況、預期時間及未償還結餘變現金額及與相關客戶的持續交易關係等資料對貿易應收款項的可收回性及減值撥備的充足性進行定期評估。管理層已考慮對客戶償還尚未償還結餘的能力造成影響的前瞻性資料，以估計減值評估的預期信貸虧損。

We focused on this area due to the impairment assessment of trade receivables under the expected credit loss model involved the use of significant management judgements and estimate.

我們專注於此範疇乃由於預期信貸虧損模型下貿易應收款項之減值評估涉及對管理層所作重大判斷及估計的使用。

Included in the Group's trade receivables was an amount of approximately RMB10,352,000 which was due for more than one year (the "Trade Receivables"). The Trade Receivables were related to a single debtor and the outstanding balance was secured by a property located in Inner Mongolia (the "Property"). The management had taken legal actions to recover the Trade Receivables and the court in the PRC ruled that the Group had the right to obtain ownership of the Property in the PRC.

貴集團的貿易應收款項中包括一筆約人民幣10,352,000元的款項，該款項已到期超過一年（「該貿易應收款項」）。該貿易應收款項與一名單一債務人有關，而尚未償還結餘由位於內蒙古的一項物業作擔保（「該物業」）。管理層已就收回該貿易應收款項採取法律行動，而中國法院已裁定 貴集團有權取得該中國物業的擁有權。

How the matter was addressed in our audit 我們的審計如何處理該事項

- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and
- 向管理層查詢有關於年結日已逾期的各重大貿易應收款項的狀況並以支撐證據證實管理層的解釋，如根據交易記錄了解與客戶的持續業務關係、核查與客戶的歷史及其後結算記錄及其他通訊；及
- Assessing the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses.
- 評估預期信貸虧損撥備的方法是否合適、按樣本基準檢查主要輸入數據以評估其是否準確及完整，並對用以釐定預期信貸虧損的有關歷史及前瞻性資料的假設提出質疑。

For trade receivables secured by a property:
就以物業作抵押之該貿易應收款項而言：

- We discussed with the management of the Company relating to recoverability of the Trade Receivables.
- 我們與 貴公司管理層討論有關該貿易應收款項的可收回性。
- We discussed and assessed the valuation method, source data and assumptions used by the independent valuer to arrive at the market value of the Property.
- 我們討論並評估獨立估值師為達致該物業的市值所採用的估值方法、源數據及假設。

Key Audit Matter 關鍵審計事項

The management appointed an independent valuer to assess the market value of the Property and no impairment loss of Trade Receivables was recognised (2017: RMB3,445,000) in profit or loss for the year ended 31 December 2018. Details are set out in the note 23 to the consolidated financial statements.

管理層已委任一名獨立估值師評估該物業的市值，且於截至2018年12月31日止年度之損益內並無確認該貿易應收款項的減值虧損（2017年：人民幣3,445,000元）。有關詳情載於綜合財務報表附註23。

We had identified the impairment assessment of the trade receivables as a key audit matter because (i) the Trade Receivables involved were significant and significant management judgement required to determine the recoverability of the amount, the market value of the Property and hence the amount of impairment loss. (ii) the impairment assessment of trade receivables under the expected credit losses model involved the use of significant management judgements and estimates.

我們確認該貿易應收款項的減值評估為一項關鍵審計事項，原因在(i)該貿易應收款項涉及金額重大，且須就該款項的可收回性、該物業的市值以及減值虧損金額作出重大管理層判斷。(ii)預期信貸虧損模式下對貿易應收款項進行的減值評估涉及管理層作出重大判斷及估計。

How the matter was addressed in our audit 我們的審計如何處理該事項

- We evaluated the competence, capabilities and objectivities of independent valuer that was engaged by the Group to determine the recoverable amount of the Property.
- 我們評估受 貴集團委聘釐定該物業可收回金額的獨立估值師的才幹、能力及客觀性。
- We assessed the sufficiency of impairment loss recognised by the Group taking into account the market value of the Property and future costs incurred to obtain the Property.
- 我們計及該物業的市值及日後取得該物業將產生的成本，對 貴集團所確認的減值虧損充裕度作出評估。

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB 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.

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

The Audit Committee are responsible for overseeing the Group's financial reporting process.

其他資料

董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，惟不包括綜合財務報表及我們就此發出的審計師報告。

我們對綜合財務報表作出的意見並未考慮其他資料。我們不對其他資料發表任何形式的核證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中獲悉的資料存在重大不符，或是否可能存在重大錯誤陳述。倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告該事實。我們就此並無須報告事項。

董事及審計委員會就綜合財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例之披露規定編製真實而公允的綜合財務報表，並負責董事認為編製綜合財務報表所必需的有關內部監控，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

審計委員會須負責監督貴集團的財務報告流程。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement and Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

審計師就審計綜合財務報表須承擔的責任

我們的目標是合理確定整體而言綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含我們意見的審計師報告。我們僅按照我們委聘的協定條款及百慕達1981年公司法第90章之規定向閣下（作為整體）報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理確定屬高層次的核證，但不能擔保根據香港審計準則進行的審計工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據此等綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

在根據香港審計準則進行審計的過程中，我們運用了職業判斷，在整個審計過程中保持職業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應這些風險設計及執行審計程序，獲得充足及適當的審計憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部監控，因此未能發現由此造成的重大錯誤陳述風險比未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審計有關的內部監控，以設計恰當的審計程序，但並非旨在對貴集團的內部監控的有效性發表意見。
- 評估所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。

INDEPENDENT AUDITOR'S REPORT 獨立審計師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用以持續經營為基礎的會計法的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。倘我們認為存在重大不確定性，我們需要在審計師報告中提請注意綜合財務報表內的相關資料披露。倘若有關披露資料不足，則我們須出具非無保留意見的審計師報告。我們的結論是基於截至審計師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評估綜合財務報表（包括披露資料）的整體列報、架構和內容，以及綜合財務報表是否已公允地反映相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足適當的審計憑證，以就綜合財務報表發表意見。我們須負責指導、監督和執行貴集團的審計工作。我們須為我們的審計意見承擔全部責任。

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

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

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

我們就（其中包括）審計工作的計劃範圍和時間、在審計過程中的主要審計發現（包括內部監控的重大缺失）與審計委員會進行溝通。

我們亦向審計委員會作出聲明，確認我們已遵守有關獨立性的相關道德要求，並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關保障措施（如適用），與彼等進行溝通。

我們通過與審計委員會溝通，確定哪些是本期間綜合財務報表審計工作的最重要事項，即關鍵審計事項。我們會在審計師報告中描述這些事項，除非法律或法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

INDEPENDENT AUDITOR'S REPORT 獨立審計師報告

The engagement partner on the audit resulting in this independent auditor's report is Siu Jimmy with practising certificate number: P05898.

Elite Partners CPA Limited
Certified Public Accountants

10/F 8 Observatory Road,
Tsim Sha Tsui, Kowloon
Hong Kong

Hong Kong, 25 March 2019

負責此審計項目與簽發獨立審計師報告的項目合夥人為蕭俊武，其執業牌照號碼為P05898。

開元信德會計師事務所有限公司
執業會計師

香港
九龍尖沙咀
天文台道8號10樓

香港，2019年3月25日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
REVENUE	收入	7	67,719	31,383
Cost of sales	銷售成本		(63,170)	(30,318)
Gross profit	毛利		4,549	1,065
Other income and gains	其他收入及收益	8	14,540	49,877
Gain on disposal of a subsidiary	出售附屬公司之收益		566	-
Selling and distribution costs	銷售及分銷成本		(1,210)	(385)
Impairment allowance of trade receivables	貿易應收款項減值撥備	9	(8,307)	(3,445)
Administrative expenses	行政開支		(29,393)	(39,038)
Finance costs	財務成本	10	(15)	(277)
(LOSS)/PROFIT BEFORE TAX	除稅前(虧損)/溢利	11	(19,270)	7,797
Income tax	所得稅	13	-	-
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔年度 (虧損)/溢利		(19,270)	7,797
Other comprehensive income/(loss):	其他全面收入/(虧損):			
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至 損益的項目:			
Exchange differences on translation of overseas operations	因換算海外業務產生的 匯兌差異		10,633	(9,634)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔年度 全面虧損總額		(8,637)	(1,837)
(LOSS)/EARNINGS PER SHARE (RMB cents)	每股(虧損)/盈利 (人民幣分)			
- Basic and diluted	- 基本及攤薄	15	(0.7)	0.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018 於2018年12月31日

		Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	189,365	202,027
Intangible assets	無形資產	18	43,732	43,732
Prepaid land lease payments	預付土地租賃款項	19	1,253	1,287
Prepayment	預付款項	24(a)	51,642	–
			285,992	247,046
CURRENT ASSETS	流動資產			
Inventories	存貨	22	369	3,028
Trade receivables	貿易應收款項	23	71,684	33,293
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	24(b)	3,941	15,159
Cash and cash equivalents	現金及現金等價物	26	65,058	168,613
			141,052	220,093
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	27	1,814	1,920
Obligation under finance lease	融資租賃承擔	28	233	396
Other payables and accruals	其他應付款項及應計費用	29	19,264	13,952
Provision for litigation	訴訟撥備	30	1,200	37,500
			22,511	53,768
NET CURRENT ASSETS	流動資產淨值		118,541	166,325
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		404,533	413,371

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 December 2018 於2018年12月31日

		Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Obligation under finance lease	融資租賃承擔	28	-	201
Provision for rehabilitation	復墾撥備	31	2,697	2,697
Deferred tax liabilities	遞延稅項負債	21	608	608
			3,305	3,506
NET ASSETS	資產淨值		401,228	409,865
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	32	24,435	24,435
Reserves	儲備	33	376,793	385,430
Total equity	總權益		401,228	409,865

The consolidated financial statements on pages 63 to 147 were approved and authorised for issue by the board of directors on 25 March 2019 and are signed on its behalf by:

第63至147頁的綜合財務報表已於2019年3月25日獲董事會批准及授權刊發，並由下列董事代表簽署：

Zhang Cuiwei
張翠薇
Director
董事

Wang Yihua
王藝華
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

		Issued capital	Share premium*	Contributed reserve*	Share option reserve*	Foreign currency translation reserve* 外幣換算儲備*	Retained Profits	Total equity
		已發行股本 RMB'000 人民幣千元	股份溢價* RMB'000 人民幣千元	繳入儲備* RMB'000 人民幣千元	購股權儲備* RMB'000 人民幣千元	外幣換算儲備* RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	總權益 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	3,883	-	14,480	24,485	(3,226)	129,754	169,376
Profit for the year	年度溢利	-	-	-	-	-	7,797	7,797
Exchange difference on translation of overseas operations	因換算海外業務產生的匯兌差異	-	-	-	-	(9,634)	-	(9,634)
Total comprehensive loss	全面虧損總額	-	-	-	-	(9,634)	7,797	(1,837)
Grant of share options	授出購股權	-	-	-	630	-	-	630
Rights issue of shares	供股發行股份	20,552	221,144	-	-	-	-	241,696
Total transactions with owners	與擁有人交易總額	20,552	221,144	-	630	-	-	242,326
At 31 December 2017	於2017年12月31日	24,435	221,144	14,480	25,115	(12,860)	137,551	409,865
Loss for the year	年度虧損	-	-	-	-	-	(19,270)	(19,270)
Exchange difference on translation of overseas operations	因換算海外業務產生的匯兌差異	-	-	-	-	10,633	-	10,633
Total comprehensive loss	全面虧損總額	-	-	-	-	10,633	(19,270)	(8,637)
At 31 December 2018	於2018年12月31日	24,435	221,144	14,480	25,115	(2,227)	118,281	401,228

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

* 該等儲備賬目包括綜合財務狀況表的綜合儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
(Loss)/Profit before tax	除稅前(虧損)/溢利	(19,270)	7,797
Adjustments for:	對以下各項作出調整:		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,142	9,861
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	34	34
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,848	1,885
Impairment of trade receivables	貿易應收款項減值	8,307	3,445
Gain on disposal of subsidiary	出售附屬公司之收益	(566)	-
Reversal of impairment of other receivables	其他應收款項減值撥回	-	(2,500)
Deferred income	遞延收入	-	(102)
Provision for litigation	訴訟撥備	-	37,500
Interest on bank/other loans	銀行/其他貸款利息	15	28
Interest income	利息收入	(1)	(120)
Share-based payments expenses	以股份為基礎之付款開支	-	630
Reversal of provision for litigation	訴訟撥備撥回	(14,500)	(82,358)
Operating loss before working capital changes	營運資金變動前之經營虧損	(10,991)	(23,900)
Change in prepayments, deposits and other receivables	預付款項、按金及其他應收款項變動	11,895	(3,523)
Change in inventories	存貨變動	2,684	(1,957)
Change in trade receivables	貿易應收款項變動	(45,456)	(14,517)
Change in trade payables	貿易應付款項變動	(106)	(7,649)
Change in other payables and accruals	其他應付款項及應計費用變動	5,689	(32,578)
Payment for litigation	訴訟款項	(21,800)	-
Net cash flows used in operating activities	經營活動所用現金流量淨額	(58,085)	(84,124)

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(2,812)	(19,578)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	339	16
Interest received	已收利息	1	120
Refund for deposit paid for acquisition	已付收購按金退款	-	31,332
Proceed from disposal of subsidiary	出售附屬公司所得款項	599	-
Prepayment for purchase of property plant and equipment	收購物業、廠房及設備之預付款項	(51,642)	-
Net cash flows (used in)/generated from investing activities	投資活動(所用) / 所得現金流量淨額	(53,515)	11,890
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Proceeds from interest-bearing loans	計息貸款所得款項	-	-
Repayment of interest-bearing loans	計息貸款還款	-	(358)
Proceeds of obligation under finance lease	融資租賃承擔所得款項	-	489
Repayments of obligation under finance lease	融資租賃承擔還款	(396)	(398)
Interest paid	已付利息	(15)	(28)
Rights issue	供股	-	241,696
Net cash flows (used in)/generated from financing activities	融資活動(所用) / 所得現金流量淨額	(411)	241,401
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物淨(減少) / 增加	(112,011)	169,167
Cash and cash equivalents at beginning of year	年初現金及現金等價物	168,613	7,198
Net foreign exchange difference	匯兌差異淨額	8,456	(7,752)
Cash and cash equivalents at end of year	年終現金及現金等價物	65,058	168,613
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	65,058	168,613

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

1. GENERAL INFORMATION

China Kingstone Mining Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the production and sale of marble and marble related products, mainly in China. There were no significant changes in the nature of the Group’s principal activities during the year.

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

The Company has its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 18 March 2011.

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

1. 一般資料

中國金石礦業控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）主要在中國從事大理石及大理石相關產品的生產及銷售。年內，本集團主要業務的性質並無重大變動。

於2010年3月29日，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並於2016年8月10日更改其註冊地點為百慕達並作為有限公司存續。本公司的註冊辦事處地址為Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda。本公司的香港主要營業地址位於香港皇后大道中99號中環中心6812至6813室。

本公司之股份自2011年3月18日起於香港聯合交易所有限公司（「聯交所」）上市。

除另有指明外，此等財務報表以中國人民幣（「人民幣」）呈列。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which include all applicable individual International Financial Reporting Standards, International Accounting Standards ("IAS") and interpretations, and applicable disclosure requirements of the Hong Kong Companies Ordinances and applicable disclosure requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements have been prepared under the historical cost convention.

2. 重大會計政策概要

編製此等綜合財務報表所應用的主要會計政策載列如下。除另有指明外，所有呈列的年度均貫徹應用該等政策。

編製基準

綜合財務報表乃根據國際財務報告準則（「國際財務報告準則」）（包括所有適用個別國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋）以及香港公司條例的適用披露規定及香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）的適用披露規定編製。

綜合財務報表已按歷史成本法編製。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of 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. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is also attributed to the owners of the Company.

Intra-group 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.

2. 重大會計政策概要 (續)

綜合入賬基準

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。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權力賦予其目前掌控有關業務（即大幅影響實體回報的業務）時，則本集團對該實體行使權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權，以釐定其是否擁有控制權。在持有人能實際行使潛在投票權的情況下，方會被認為具有潛在投票權。

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。

損益及其他全面收益各項目均歸屬於本公司擁有人。附屬公司之全面收益總額亦歸屬於本公司擁有人。

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。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 functional currency of the principal operating subsidiaries of the Group.

The functional currency of the Company is Hong Kong Dollars.

(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.

(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 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.

2. 重大會計政策概要 (續)

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，人民幣為本集團主要營運附屬公司之功能貨幣。

本公司之功能貨幣為港元。

(b) 各實體財務報表之交易及結餘

外幣交易於初步確認時按交易當日之匯率折算為功能貨幣。外幣資產和負債按各報告期末之匯率換算。由此換算政策產生的盈虧均於損益內入賬。

(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者，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) 各財務狀況表呈列的資產及負債，均按照該財務狀況表結算日的收市匯率換算；
- (ii) 收入及開支，均按照平均匯率換算（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，均於外幣換算儲備內確認。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

(c) Translation on consolidation (Continued)

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.

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.

2. 重大會計政策概要 (續)

外幣匯兌 (續)

(c) 綜合賬目換算 (續)

在編製綜合賬目時，折算於海外實體之投資淨額和借貸而產生的匯兌差異，均於外幣換算儲備內確認。當出售海外業務時，此等匯兌差異將於綜合損益內確認為出售盈虧的一部分。

物業、廠房及設備

除在建工程外，物業、廠房及設備按成本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，於產生期間在損益內確認。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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.

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.

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. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

2. 重大會計政策概要 (續)

物業、廠房及設備 (續)

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餘價值的考慮，以直線法計算折舊以撇銷其成本。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」）法撇銷其資產成本計算。

本集團於各報告期末檢討及調整（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，於損益內確認。

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时重新分類為適當類別的物業、廠房及設備。該等資產於資產可作其擬定用途時開始折舊，與其他物業、廠房及設備之折舊基準相同。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stripping costs

Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a stripping activity asset and is accounted for as an addition to, or an enhancement of, the 'Mining Infrastructure' in the statement of financial position if the following criteria are met:

- (a) it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
- (b) the entity can identify the component of the ore body for which access has been improved; and
- (c) the costs relating to the stripping activity associated with that component can be measured reliably.

Other production stripping costs are charged to the profit or loss as operating costs as they are incurred.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

2. 重大會計政策概要 (續)

剝採成本

一般而言，於生產階段產生的剝採成本視為帶來兩項利益，即生產存貨，或改善進入日後將開採礦場的通道。倘該等利益在期內以所生產存貨的方式實現，則生產剝採成本入賬為生產該等存貨的成本的一部分。

倘該等利益以改善進入日後將開採礦場的通道的方式實現，則有關成本確認為剝採活動資產，並在符合以下準則時，入賬列為財務狀況表之「開採基建」的增加或提升：

- (a) 剝採活動之相關日後經濟利益（提高礦體開採率）將有可能流入該實體；
- (b) 該實體可識別開採率已提升之礦體之組成部分；及
- (c) 能可靠地計量與該組成部分相關之剝採活動之有關成本。

其他生產剝採成本於產生時計入損益，列作營運成本。

剝採活動資產初步以成本計量，該成本乃為改善已識別礦場部分的進入通道而進行的剝採活動所直接產生的累計成本，加上直接應佔的雜項成本。

倘所生產存貨的成本及剝採活動資產不能分開識別，則以相關生產計量在所生產存貨及剝採活動資產之間分配生產剝採成本。該生產計量乃為已識別礦場部分而計算，並用作識別產生未來利益的額外活動的進度的基準。本集團將預期提取的廢物量與各部分生產某一礦量產生的實際廢物量作比較。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stripping costs (Continued)

The stripping activity asset is subsequently depreciated using the UOP basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

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.

Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

2. 重大會計政策概要 (續)

剝採成本 (續)

剝採活動資產其後按生產單位基準，在因剝採活動而變得更易進入的已識別礦場部分的開採年限內進行折舊。剝採活動資產其後以成本減折舊及任何減值虧損列賬。

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實質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）於租期內以直線法確認為開支。

融資租賃

資產所有權之全部風險及回報實質上轉移至本集團之租賃，列為融資租賃。融資租賃在租期開始時按租賃資產之公允值及最低租賃款項現值（兩者均於租賃開始時釐定）之較低者資本化。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as lessee (Continued)

Finance leases (Continued)

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term.

The Group as lessor

Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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 comprises raw materials, direct labour and 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.

2. 重大會計政策概要 (續)

租賃 (續)

本集團作為承租人 (續)

融資租賃 (續)

對出租人承擔之相應負債於財務狀況表中列作應付融資租賃。租賃款項按比例分配為財務費用及削減未償付負債。財務費用在各租期內分攤，以為負債餘額得出一個貫徹之定期利率。

於融資租賃下之資產與自置資產同樣按較短租期計算折舊。

本集團作為出租人

經營租賃

並無向承租人作出資產擁有權之全部風險及回報之實質轉讓之租賃獲入賬為經營租賃。經營租賃之租金收入於相關租期內以直線法確認。

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。製成品之成本包括原材料、直接工資、相應比例之全部日常生產費用以及分包費用（倘適用）。可變現淨值乃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。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

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

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

2. 重大會計政策概要 (續)

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。所有常規方式買賣的金融資產概於交易日予以確認及取消確認。常規方式買賣乃指遵循法規或市場慣例在約定時間內交付資產的金融資產買賣。

金融資產及金融負債初步以公允值計量，惟產生自與客戶的合約之貿易應收款項（於往績記錄期間初步按國際財務報告準則第15號計量）除外。收購或發行金融資產及金融負債（按公允值計入損益的金融資產或金融負債除外）直接應佔的交易成本於初步確認時加入或從金融資產或金融負債的公允值扣除（倘適用）。收購按公允值計入損益的金融資產或金融負債直接應佔的交易成本即時在損益中確認。

實際利率法為計算金融資產或金融負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初步確認時按金融資產或金融負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金收入及付款（包括構成實際利率不可或缺部分的所有已付或已收費用及點數、交易成本及其他溢價或貼現）至賬面淨值的利率。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

2. 重大會計政策概要 (續)

金融工具 (續)

金融資產

金融資產的分類及其後計量

滿足以下條件其後按攤銷成本計量的金融資產：

- 以收取合約現金流量為目的而持有資產之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

符合下列條件的金融資產其後按公允值計入其他全面收益（「按公允值計入其他全面收益」）計量：

- 以收取合約現金流量及出售而達致目標之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量僅為支付本金及未償還之本金利息。

所有其他金融資產其後按公允值計入損益（「按公允值計入損益」）計量，惟在初始確認金融資產之日，倘該股本投資並非持作買賣，亦非收購方在國際財務報告準則第3號「業務合併」所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他全面收益呈列股本投資公允值的其後變動。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period.

If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

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

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

2. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及其後計量 (續)

(i) 攤銷成本及利息收入

利息收入乃對其後按攤銷成本計量的金融資產使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外（見下文）。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。

倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(ii) 按公允值計入損益之金融資產

不符合按攤銷成本或按公允值計入其他全面收益或指定為按公允值計入其他全面收益計量的準則的金融資產乃按公允值計入損益計量。

按公允值計入損益之金融資產按各報告期末的公允值計量，而任何公允值收益或虧損均於損益確認。於損益確認的收益或虧損淨額並不包括就金融資產賺取的任何股息，並計入「其他收益及虧損」項目。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables, other financial assets measured at amortised cost and bank balances). The amount of ECL is updated at each reporting dates to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances.

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

2. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值

本集團就須根據國際財務報告準則第9號作出減值之金融資產(包括貿易及其他應收款項、其他按攤銷成本計量之金融資產及銀行結餘)確認預期信貸虧損(「預期信貸虧損」)之虧損撥備。預期信貸虧損金額於各報告日期更新,以反映信貸風險自初步確認以來之變動。

全期預期信貸虧損指於相關工具預期使用期內發生所有可能的違約事件而導致的預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期預期信貸虧損。預期信貸虧損根據本集團過往信貸虧損經驗進行評估,並根據債務人特定因素、一般經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團一直就貿易應收款項確認全期預期信貸虧損。該等資產的預期信貸虧損乃就擁有重大結餘的債務人進行個別評估。

就所有其他工具而言,本集團計量的虧損撥備等於12個月預期信貸虧損,惟倘信貸風險自初步確認以來出現顯著增加,則本集團會確認全期預期信貸虧損。應否確認全期預期信貸虧損的評估乃基於自初步確認以來發生違約的機率或風險的顯著增加而作出。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

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

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

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

2. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險顯著增加

於評估自初步確認以來信貸風險是否顯著增加時，本集團將於報告日期金融工具發生的違約風險與初步確認日期金融工具發生的違約風險進行比較。在進行該評估時，本集團會考慮合理可靠的定量及定質資料，包括過往經驗及無需付出額外成本或精力而可得之前瞻性資料。

具體而言，評估信貸風險是否顯著增加時會考慮以下資料：

- 金融工具外部（如有）或內部信貸評級之實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如信貸息差、債務人之信貸違約掉期價格大幅增加；
- 業務、財務或經濟狀況目前或預測出現不利變動，預計將導致債務人償債能力大幅下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境實際或預期出現重大不利變動，導致債務人償債能力大幅下降。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

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

2. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

- (i) 信貸風險顯著增加 (續)
- 不論上述評估結果如何，本集團均假設於合約付款逾期超過30天時，信貸風險自初步確認以來已顯著增加，除非本集團擁有合理及有理據的資料證明可予收回則當別論。

本集團定期監控用以識別信貸風險有否顯著增加的標準之效能，且修訂標準（如適當）來確保標準能在金額逾期前識別信貸風險顯著增加。

- (ii) 違約定義
- 就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人（包括本集團）還款（未計及本集團所持任何抵押品）時發生。

不論上文為何，本集團都認為，金融資產逾期超過90日後發生違約，惟本集團有合理及具理據資料顯示更加滯後的違約標準更為恰當則當別論。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner.

2. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據:

- (a) 發行人或借款人的重大財困;
- (b) 違反合約(如違約或逾期事件);
- (c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠;
- (d) 借款人將可能陷入破產或其他財務重組;或
- (e) 因財困而導致該金融資產活躍市場消失。

(iv) 撇銷政策

資料顯示對手方處於嚴重財困及無實際收回可能時(例如對手方被清盤或已進入破產程序時,以較早發生者為準),本集團則撇銷金融資產。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy (Continued)

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a de recognition event.

Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

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

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

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);

2. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(iv) 撇銷政策 (續)

經考慮法律意見後(倘合適), 遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。

任何其後收回在損益中確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損率(即違約時虧損程度)及違約時風險敞口之函數。違約概率及違約虧損率之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損的預估乃無偏概率加權平均金額, 以各自發生違約的風險為權重確定。

一般而言, 預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差額(按初始確認時釐定之實際利率貼現)。

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況, 則金融工具按以下基準歸類:

- 金融工具性質(即本集團貿易及其他應收款項、應收融資租賃及應收客戶款項各自評為獨立組別。授予關連人士之貸款按個別基準評估預期信貸虧損);

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For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and other financial assets measured at amortised cost, where the corresponding adjustment is recognised through a loss allowance account.

2. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸虧損之計量及確認 (續)

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級 (倘有)。

利息收入乃根據金融資產之賬面總值計算，除非金融資產作出信貸減值，在此情況下，利息收入根據金融資產之攤銷成本計算。

歸類工作經管理層定期檢討，以確保各組別成份仍具有類似信貸風險特性。

本集團調整金融工具之賬面值，以於損益確認彼等之減值收益或虧損，惟貿易及其他應收款項及按攤銷成本計量之其他金融資產除外 (在此情況下，相應調整乃透過虧損撥備賬確認)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

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

Equity instruments

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

Financial liabilities at amortised cost

All financial liabilities including trade and other payables and amounts due to the Controlling Equity Holders are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

2. 重大會計政策概要 (續)

金融工具 (續)

金融負債及權益

債務及權益工具乃根據合約安排的實質內容及金融負債及權益工具的定義分類為金融負債或權益。

權益工具

權益工具乃證實扣除實體所有負債後其資產的剩餘權益的任何合約。集團實體發行之權益工具按已收所得款項扣除直接發行成本確認。

按攤銷成本計量的金融負債

所有金融負債包括貿易及其他應付款項及應付控股權益持有人的款項其後按攤銷成本使用實際利率法計量。

實際利率法為計算金融負債的攤銷成本以及分配相關期間的利息開支之方法。實際利率乃於初步確認時按金融負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金付款至賬面淨值的利率。

終止確認金融負債

當且僅當本集團的責任獲履行、取消或屆滿時，本集團終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價的差額於損益確認。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF 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.

2. 重大會計政策概要 (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；除非貼現影響並不重大，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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue (net of value added tax or other sales taxes) from the sale of goods is recognised at a particular point in time when customers have control over the promised goods, which is generally the time when goods are delivered to customers and customers have accepted the goods.

- (a) Revenue from sale of marble and marble related products are recognised at a particular point in time. This is the time when legal assignment is completed which is the time when the customer has ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.
- (b) Interest income are recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost. (i.e. gross carrying amount net of loss allowance) of the net asset.

Retirement benefit obligations

The Group contributes to a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Scheme Ordinance for all employees in Hong Kong. Contributions are made based on a percentage of the employees' relevant income 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 in the MPF Scheme.

2. 重大會計政策概要 (續)

收入確認

銷售貨品之收入(扣除增值稅或其他銷售稅)於客戶對承諾貨品擁有控制權時某一時間點確認,通常為貨品交付予客戶且客戶接受貨品時。

- (a) 銷售大理石及大理石相關產品之收入於某一時間點確認。該時間為法定轉讓完成之時,即當客戶能夠指定貨品用途並取得剩餘貨品的絕大部分利益時。
- (b) 利息收入於產生時以實際利率法確認。就按攤銷成本計量且並無出現信貸減值的金融資產而言,則資產總賬面值應用實際利率。就出現信貸減值的金融資產而言,實際利率應用於資產淨值的攤銷成本(即總賬面值扣除虧損撥備)。

退休福利責任

本集團為所有香港僱員就強制性公積金計劃條例內之強制性公積金退休福利計劃(「強積金計劃」)作出定額供款。根據強積金計劃條款,供款乃基於僱員相關收入之百分比計算,並於彼等須予支付時在損益扣除。強積金計劃之資產與本集團之資產分開處理,由獨立管理基金持有。本集團之僱主供款於向強積金計劃作出供款時悉數歸屬於僱員。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit obligations (Continued)

The employees of the Company's subsidiaries which operate in the People's Republic of China ("PRC") are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. The value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

2. 重大會計政策概要 (續)

退休福利責任 (續)

於中華人民共和國(「中國」)營運之本公司附屬公司僱員須參與由當地市政府營運之中央退休金計劃。該等附屬公司須向中央退休金計劃按其薪金成本之某一百分比供款。根據中央退休金計劃條款，有關供款於彼等須予支付時在損益扣除。

以股份為基礎之僱員報酬

本集團設有以股本支付以股份為基礎之報酬計劃以作為其僱員薪酬。

就授出任何以股份為基礎報酬之所有已收取僱員服務乃按其公允值計量，公允值參考所授出股權工具而間接釐定。有關價值於授出日期評估，不計及任何非市場歸屬條件之影響。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based employee compensation (Continued)

All share-based compensation is recognised as an expense in profit or loss with a corresponding credit to employee share-based compensation reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

At the time when the share options are exercised, the amount previously recognised in employee share-based compensation reserve will be transferred to share premium. When the vested share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in employee share-based compensation reserve will be transferred to retained profits.

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.

2. 重大會計政策概要 (續)

以股份為基礎之僱員報酬 (續)

所有以股份為基礎之報酬於損益確認為開支，相應進賬會計入僱員以股份為基礎之報酬儲備（扣除遞延稅項（倘適用））。倘歸屬期或其他歸屬條件適用，有關開支會按預期將予歸屬購股權數目之最佳適用估計於歸屬期內確認。非市場歸屬條件已計入有關預期可予行使購股權數目之假設內。倘有任何跡象顯示預期將予歸屬之購股權數目有別於早前估計者，則其後會修訂估計。倘最終行使之購股權少於原先歸屬者，則不會對過往期間所確認開支作出調整。

倘購股權獲行使，先前於僱員以股份為基礎之報酬儲備所確認之款項將轉撥至股份溢價。倘已歸屬之購股權失效、遭沒收或於屆滿日期尚未行使，則先前於僱員以股份為基礎之報酬儲備所確認之款項將轉撥至保留溢利。

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出售時為止。特定借貸於撥作合資格資產之支出前用作短暫投資所賺取之投資收入，會從可合資格資本化之借貸成本中扣除。

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs (Continued)

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.

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.

2. 重大會計政策概要 (續)

借貸成本 (續)

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按用於該資產之開支以資本化比率釐定。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損益中確認。

稅項

所得稅指即期稅項及遞延稅項之總和。

即期應付稅項乃按本年度之應課稅溢利計算。應課稅溢利與損益所確認溢利不同，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項目，且不包括從未課稅或扣稅之項目。本集團即期稅項之負債乃按報告期末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、未動用稅項虧損或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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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.

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.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

2. 重大會計政策概要 (續)

稅項 (續)

遞延稅項負債按投資於附屬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末作檢討，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。

遞延稅項乃以於報告期末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。遞延稅項會於損益確認，惟倘其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。

遞延稅項資產及負債之計量反映本集團預計於報告期末收回或清償其資產及負債之賬面值所帶來之稅務後果。

遞延稅項資產與負債僅可在即期稅項資產與即期稅項負債有合法權利互相抵銷及該等即期稅項資產及負債涉及同一稅務機關徵收之所得稅以及本集團擬以淨額基準結算即期稅項資產及負債之情況下，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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) An entity is related to the Group 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).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2. 重大會計政策概要 (續)

關連人士 (續)

(b) 倘符合下列任何條件，即實體與本集團有關連：

- (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)所識別人土控制或受共同控制。
- (vii) 於(a)(i)所識別人土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。
- (viii) 實體或其所屬集團的任何成員公司向呈報實體或呈報實體之母公司提供關鍵管理人員服務。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF 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 tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2. 重大會計政策概要 (續)

分部報告

經營分部及財務報表所呈列之各分部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不同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。

有形及無形資產減值

本集團於各報告期末檢討其有形及無形資產之賬面值，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。倘可識別合理且一致之分配基準，企業資產亦可分派至個別現金產生單位，否則，有關資產將被分派至可識別合理且一致分配基準之最小現金產生單位組別。

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

For the year ended 31 December 2018 截至2018年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible and intangible assets

(Continued)

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.

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 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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.

2. 重大會計政策概要 (續)

有形及無形資產減值 (續)

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。減值虧損即時於損益確認。

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損益確認,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,便會計提撥備。

計及有關責任之風險及不明朗因素後,確認為撥備之金額為清償報告期末現有責任所需代價之最佳估計。倘使用清償現有責任之估計現金流量計量撥備,則其賬面值為該等現金流量現值。

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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. APPLICATIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

New and amendments to IFRSs and a new interpretation that are mandatorily effective for the current year ended 31 December 2018

In the current year, the Group has applied a number of new standards and interpretation issued by the International Institute of Certified Public Accountants for the first time of which the followings are relevant to the Group’s consolidated financial statements:

- IFRS 9 *Financial Instruments* (including the amendments to IFRS 9 *Prepayment Features with Negative Compensation* which is mandatorily effective for annual periods beginning on or after 1 January 2019);
- IFRS 15 *Revenue from Contracts with Customers* and amendments to IFRS 15; and
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*.

Other than the amendments to IFRS 9 as described above, the Group has not early applied any new standard or interpretation that is not yet mandatorily effective for the current year.

3. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）

截至2018年12月31日止本年度強制生效的國際財務報告準則之新訂準則及修訂本及新訂詮釋

於本年度，本集團已首次應用以下與本集團綜合財務報表有關之由國際會計師公會頒佈之多項新訂準則及詮釋：

- 國際財務報告準則第9號金融工具（包括國際財務報告準則第9號之修訂本具有負補償的提前還款特性，其於2019年1月1日或之後開始之年度期間強制生效）；
- 國際財務報告準則第15號來自客戶合約之收入及國際財務報告準則第15號之修訂本；及
- 國際財務報告詮釋委員會第22號外幣交易及預付代價。

除上述國際財務報告準則第9號之修訂本外，本集團並無提早應用於本年度尚未強制生效之任何新訂準則或詮釋。

For the year ended 31 December 2018 截至2018年12月31日止年度

3. APPLICATIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and amendments to IFRSs and a new interpretation that are mandatorily effective for the current year ended 31 December 2018

(Continued)

A) Application of IFRS 9

IFRS 9 and the amendments to IFRS 9 have replaced IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. In accordance with the specific transitional provisions set out in IFRS 9, the Group has applied the classification and measurement requirements (including requirements relating to impairment) to items that existed as of the date of initial application (i.e. 1 January 2018) on a retrospective basis based on the facts and circumstances and business models that existed as at 1 January 2018. However, the Group has decided not to restate the comparative figures. Accordingly, the comparative information continues to be presented based on the requirements of IAS 39 and hence may not be comparable with the current year information. The cumulative effect of initial application of IFRS 9 has been recognised as adjustments to the opening equity as of 1 January 2018.

(i) Classification and measurement of financial assets

In general, IFRS 9 categories financial assets into the following three classification categories:

- amortised cost;
- fair value through other comprehensive income (FVTOCI); and
- fair value through profit or loss (FVTPL).

3. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

截至2018年12月31日止本年度強制生效的國際財務報告準則之新訂準則及修訂本及新訂詮釋（續）

A) 應用國際財務報告準則第9號

國際財務報告準則第9號及國際財務報告準則第9號之修訂本已取代國際會計準則第39號金融工具：確認及計量。國際財務報告準則第9號載列確認及計量金融資產、金融負債及買賣非金融項目的若干合約的規定。按照國際財務報告準則第9號所載的特定過渡條文，本集團已根據於2018年1月1日存在的事實及情況及業務模式對於初步應用日期（即2018年1月1日）已經存在的項目追溯應用分類及計量規定（包括有關減值的規定）。然而，本集團決定不予重列比較數字。因此比較資料仍按國際會計準則第39號的規定予以呈列，因而可能不會與本年度資料構成比較。初步應用國際財務報告準則第9號的累積影響已經確認為於2018年1月1日期初權益的調整。

(i) 金融資產分類及計量

國際財務報告準則第9號通常將金融資產分為以下三個類別：

- 按攤銷成本；
- 按公允值計入其他全面收益（按公允值計入其他全面收益）；及
- 按公允值計入損益（按公允值計入損益）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. APPLICATIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and amendments to IFRSs and a new interpretation that are mandatorily effective for the current year ended 31 December 2018

(Continued)

A) Application of IFRS 9 (Continued)

(i) Classification and measurement of financial assets (Continued)

These classification categories are different from those set out in IAS 39 which included held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The Group did not designate or de-designate any financial asset at FVTPL at 1 January 2018.

There were no reclassification and remeasurement on the Group's financial assets existed as of 1 January 2018 due to application of IFRS 9.

3. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

截至2018年12月31日止本年度強制生效的國際財務報告準則之新訂準則及修訂本及新訂詮釋（續）

A) 應用國際財務報告準則第9號（續）

(i) 金融資產分類及計量（續）

該等類別不同於國際會計準則第39號所載包括持有至到期投資、貸款及應收款項、可供出售金融資產及按公允值計入損益計量金融資產的類別。根據國際財務報告準則第9號，金融資產的分類按管理金融資產的業務模式及其合約現金流量的特性釐定。

本集團於二零一八年一月一日並無指定或取消指定任何金融資產按公允值計入損益。

並無因應用國際財務報告準則第9號而導致須對本集團於2018年1月1日已存在之金融資產進行重新分類及重新計量。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. APPLICATIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and amendments to IFRSs and a new interpretation that are mandatorily effective for the current year ended 31 December 2018

(Continued)

A) Application of IFRS 9 (Continued)

(iii) Impairment

IFRS 9 has introduced the “expected credit loss model” to replace the “incurred loss” model under IAS 39. The “expected credit loss model” requires an ongoing measurement of credit risk associated with a financial asset. The Group has applied the “expected loss model” to the following types of financial assets:

- financial assets that are subsequently measured at amortised cost (including cash and cash equivalents, trade and other receivables);

The adoption of expected credit loss model had a negligible impact on the carrying amount of the Group’s finance assets.

3. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

截至2018年12月31日止本年度強制生效的國際財務報告準則之新訂準則及修訂本及新訂詮釋（續）

A) 應用國際財務報告準則第9號（續）

(iii) 減值

國際財務報告準則第9號引入「預期信貸虧損模式」以取代國際會計準則第39號中的「已產生虧損」模式。「預期信貸虧損模式」要求對金融資產的相關信貸風險持續計量。本集團應用「預期虧損模式」於以下類別金融資產：

- 其後按攤銷成本計量的金融資產（包括現金及現金等價物、貿易及其他應收款項）；

採納預期信貸虧損模式對本集團金融資產賬面值造成之影響可忽略不計。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. APPLICATIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and amendments to IFRSs and a new interpretation that are mandatorily effective for the current year ended 31 December 2018

(Continued)

A) Application of IFRS 9 (Continued)

(III) *Classification and measurement of financial liabilities*

Under IFRS 9, for a financial liability designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is required to be presented in other comprehensive income, with the remaining amount of change in the fair value of the liability being presented in profit or loss (unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit or loss and in which case all gains or loss on that liability are presented in profit or loss).

The adoption of IFRS 9 has not had a significant effect on the Group's financial liabilities.

(IV) *Hedge accounting*

The Group has not applied any hedge accounting and hence the new general hedge accounting model set out in IFRS 9 has not had any impact on the Group's consolidated financial statements.

(V) *Effect on the Group's retained earnings and other reserves as of 1 January 2018*

The application of IFRS 9 has not had any material impact on the Group's retained earnings and other equity components as of 1 January 2018.

3. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

截至2018年12月31日止本年度強制生效的國際財務報告準則之新訂準則及修訂本及新訂詮釋（續）

A) 應用國際財務報告準則第9號（續）

(III) 金融負債的分類及計量

根據國際財務報告準則第9號，對於指定按公允值計入損益的金融負債而言，由於該金融負債信貸風險產生變化而導致該負債公允值變動的金額須於其他全面收益內呈列，負債公允值變動剩餘金額於損益呈列（除非對該負債信貸風險轉變所產生的影響的處理會對損益構成或擴大會計錯配，在此情況下該負債的所有收益或虧損須於損益內呈列）。

採納國際財務報告準則第9號對本集團金融負債造成之影響並不重大。

(IV) 對沖會計

本集團並無應用任何對沖會計處理，因此國際財務報告準則第9號所載新的全面對沖會計模式對本集團綜合財務報表並無造成任何影響。

(V) 對本集團於2018年1月1日的保留盈利及其他儲備的影響

截至2018年1月1日，應用國際財務報告準則第9號對本集團保留盈利及其他權益組成部分並無造成任何重大影響。

For the year ended 31 December 2018 截至2018年12月31日止年度

3. APPLICATIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and amendments to IFRSs and a new interpretation that are mandatorily effective for the current year ended 31 December 2018

(Continued)

B) Application of IFRS 15

IFRS 15 has replaced IAS 11 Construction Contracts, IAS 18 Revenue and other revenue-related interpretations. Under IAS 11 and IAS 18, revenue arising from construction contracts and provision of services was recognised over time whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods was passed to the customers. Under IFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. IFRS 15 has introduced additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Based on the specific transitional provisions set out in IFRS 15, the Group had decided to use the cumulative effect transition method and had recognised the cumulative effect of initial application of IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (i.e. 1 January 2018). Accordingly, comparative information has not been restated and continues to be presented under IAS 11 and IAS 18. Also, the Group has applied the IFRS 15 requirements only to contracts that were not completed before 1 January 2018.

As mentioned in Note 3, the Group is engaged sale of marble and marble related products.

Management has assessed the impact and concluded that the application of IFRS 15 has not had any material impact on the Group’s consolidated financial statements.

3. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

截至2018年12月31日止本年度強制生效的國際財務報告準則之新訂準則及修訂本及新訂詮釋（續）

B) 應用國際財務報告準則第15號

國際財務報告準則第15號取代國際會計準則第11號建造合約、國際會計準則第18號收益及其他收益相關詮釋。根據國際會計準則第11號及國際會計準則第18號，建造合約及提供服務所產生之收益隨時間確認，而銷售貨品所得收益通常於貨品所有權風險及回報轉移予客戶的時間點確認。根據國際財務報告準則第15號，收益於客戶取得合約中承諾的貨品或服務的控制權時確認。這可能是單一的時間點或隨時間推移。國際財務報告準則第15號引入其他定性及定量披露規定，旨在令財務報表使用者理解自客戶合約產生的收益及現金流量的性質、金額、時間及不確定因素。

根據國際財務報告準則第15號所載特定過渡條文，本集團決定使用累積影響過渡法並確認首次應用國際財務報告準則第15號的累積影響為對於首次應用日期（即2018年1月1日）的期初權益結餘的調整。因此，比較資料不予以重列並繼續根據國際會計準則第11號及國際會計準則第18號呈列。此外，本集團僅就於2018年1月1日之前未完成的合約應用國際財務報告準則第15號規定。

誠如附註3所述，本集團從事大理石及大理石相關產品的銷售。

管理層已評估影響並認為，應用國際財務報告準則第15號對本集團綜合財務報表並無造成任何重大影響。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. APPLICATIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and amendments to IFRSs and a new interpretation that are mandatorily effective for the current year ended 31 December 2018

(Continued)

C) Application of IFRIC 22

IFRIC 22 provides guidance on determining “the date of the transaction” for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency. The interpretation clarifies that “the date of the transaction” is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The application of IFRIC 22 has not had any material impact on the consolidated financial position and the consolidated financial result.

New and revised standards, interpretations and amendments issued but not yet effective

The Group has not applied any of the following new and revised IFRSs that are relevant to the Group that have been issued but are not yet mandatorily effective:

IFRS 16	Leases ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to IAS 28	Long-term Interest in Associates and Joint Ventures ¹
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015-2017 Cycle
IFRIC Interpretation 23	Uncertainty over Income Tax Treatments ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after a date to be determined

3. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

截至2018年12月31日止本年度強制生效的國際財務報告準則之新訂準則及修訂本及新訂詮釋（續）

C) 應用國際財務報告詮釋委員會第22號國際財務報告詮釋委員會第22號為確定「交易日期」提供了指引，目的為確定實體以外幣收取或支付預付代價的交易中初始確認相關資產、支出或收入（或其中部分）時使用的匯率。該詮釋釐清「交易日期」是指因支付或收取預付代價而產生的非貨幣性資產或負債的初始確認日期。如果在確認相關項目前有多筆支付或收取的款項，則應以這種方式確定每筆款項支付或收取的交易日期。採納國際財務報告詮釋委員會第22號對綜合財務狀況和綜合財務業績並無重大影響。

已頒佈但尚未生效之新訂及經修訂準則、詮釋及修訂本

本集團並無應用下列與本集團有關之任何已頒佈但尚未強制生效之新訂及經修訂國際財務報告準則：

國際財務報告準則第16號	租賃 ¹
國際財務報告準則第10號及國際會計準則第28號之修訂本	投資者與其聯營公司或合營企業間之資產出售或注資 ²
國際會計準則第28號之修訂本	於聯營公司及合營企業之長期權益 ¹
國際財務報告準則之修訂本	2015年至2017年週期之國際財務報告準則年度改進
國際財務報告詮釋委員會詮釋第23號	所得稅處理之不確定性 ¹

¹ 自2019年1月1日或之後開始之年度期間生效

² 自將予釐定之日期或之後開始之年度期間生效

For the year ended 31 December 2018 截至2018年12月31日止年度

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Management 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.

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) *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.

4. 重大會計判斷及估計不確定性的主要來源

管理層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。

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) *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。

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4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(b) Impairment of tangible and intangible assets

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 of disposal 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.

(c) 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 amortisation 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.

4. 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)

(b) 有形及無形資產減值

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，即被視為公允值減出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未來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。

(c) 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。

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4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(d) *Impairment of trade receivables*

The Group's trade receivables and contract assets are assessed for impairment based on the expected loss model required by IFRS 9. The assessment made by management has taken into account relevant historical information adjusted for forward looking information available to management at the date of assessment (to the extent that such information is reasonable and supportable without undue cost or effort). Impairment losses are also recognised for the current year (please see Notes 23). Management has exercised judgment in estimating the amount of expected credit loss. If the actual outcome is different from management's estimate, an additional impairment loss or reversal of impairment loss may arise.

(e) *Provisions for rehabilitation*

Provision for rehabilitation is measured in accordance with the relevant rules and regulations applicable in the PRC at the end of the reporting period, and using the cash flows estimated to settle the present obligation. Its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(f) *Provision for litigation*

Provision for litigation is measured in accordance with the legal opinion and relevant laws and regulation applicable in Hong Kong at the end of the reporting period, and using the cash flows estimated to settle the present value of those cash flows.

4. 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) *貿易應收款項的減值*

本集團貿易應收款項及合約資產乃根據國際財務報告準則第9號預期虧損模式進行減值評估。管理層所作之評估，乃計及於評估日期管理層可得之相關過往資料並就前瞻性資料作出調整（惟有關資料屬合理可證且無須耗費過多成本或努力即可獲得者）。減值虧損亦於本年度確認（請參閱附註23）。管理層於估計預期信貸虧損金額時已作出判斷。倘實際結果有別於管理層之估計，則可能產生額外減值虧損或撥回減值虧損。

(e) *復墾撥備*

復墾撥備乃於報告期末根據中國適用的相關規則及法規計量，並採用所估計的現金流量以結算當前責任。其賬面值乃該等現金流量的現值（倘貨幣時間值的影響屬重大）。

(f) *訴訟撥備*

訴訟撥備乃於報告期末按照法律意見及香港適用之相關法律及法規，並採用估計用以結清現金流量現值之該等現金流量計量。

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5. 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 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.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial assets of the Group mainly include cash and bank balances, trade and other receivables. Financial liabilities of the Group mainly include trade payables, other payables and interest-bearing 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.

(a) Categories of financial instruments

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Financial assets: Loans and receivables (including cash and cash equivalents)	金融資產： 貸款及應收款項（包括 現金及現金等價物）	137,485	206,363
Financial liabilities: Financial liabilities at amortised cost	金融負債： 按攤銷成本計量的 金融負債	21,311	16,375

5. 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，本集團之資本架構包括由本公司擁有人應佔權益（其包括已發行股本及儲備）組成之債務。董事定期審閱資本架構。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。

6. 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、貿易及其他應收款項。本集團的金融負債主要包括貿易應付款項、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。

(a) 金融工具之分類

For the year ended 31 December 2018 截至2018年12月31日止年度

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) 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. 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.

(c) Interest rate risk

The Group has no significant-bearing assets and liabilities. The Group's income, expenses and operating cash flows were substantially independent of changes in market interest rates. Fluctuation of market rate does not have significant impact to operating cash flows accordingly no sensitivity analysis has been presented.

(d) 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 and other receivables 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.

6. 財務風險管理目標及政策 (續)

(b) 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。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。

(c) 利率風險

本集團並無重大計息資產及負債。本集團之收入、開支及經營現金流量基本上與市場利率的變化無關。市場利率波動對經營現金流量並無重大影響，因此並無呈列敏感度分析。

(d) 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（包括貿易應收款項及其他應收款項）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當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。

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For the year ended 31 December 2018 截至2018年12月31日止年度

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Credit risk (Continued)

The Group sells most of the products to a small number of customers in the 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 90 days. Some major customers which have long relationship with the Group were granted for a longer payment term. The Group maintains strict control over its outstanding receivables and senior management regularly reviews the overdue balances. 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.

The Group has a concentration of credit risk as 42% (2017: 44%) of the total trade receivables was due from a single customer within the sales of marble and marble related product segment.

This customer is a privately owned property developer in the PRC with whom the Group had trading relationship over the past few years.

(e) 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 loans and its own funding sources.

6. 財務風險管理目標及政策 (續)

(d) 信貸風險 (續)

本集團出售大部分產品予大理石分銷商的少數客戶。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90日）管理該項風險。與本集團維持長期關係之若干主要客戶獲授更長的付款期限。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。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。

本集團有信貸集中風險，原因為貿易應收款項總額之42%（2017年：44%）乃源自大理石及大理石相關產品銷售分部之單一客戶。

該客戶為一間位於中國之私營地產開發商，本集團在過去幾年與其有貿易關係。

(e) 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，監察其資金短缺風險。本集團的目標為透過使用計息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。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Liquidity risk (Continued)

The Group's financial liabilities have contractual maturities as follows:

		2018 2018年				2017 2017年			
		Maturity Analysis – undiscounted cash outflows 到期期限分析 – 未貼現現金流出額				Maturity Analysis – undiscounted cash outflows 到期期限分析 – 未貼現現金流出額			
		Less than 1 year or on demand 不足1年 或按要 求償還	Between 1 and 2 years	Between 2 and 5 years	Total	Less than 1 year or on demand 不足1年 或按要 求償還	Between 1 and 2 years	Between 2 and 5 years	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade payable	貿易應付款項	1,814	-	-	1,814	587	1,333	-	1,920
Other payable	其他應付款項	19,264	-	-	19,264	13,952	-	-	13,952
Obligation under finance lease	融資租賃承擔	233	-	-	233	410	204	-	614
		21,311	-	-	21,311	14,949	1,537	-	16,486

(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.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

6. 財務風險管理目標及政策 (續)

(e) 流動資金風險 (續)

本集團的金融負債有以下合約訂明之到期期限：

(f) 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。

就財務報告而言，公允值計量根據輸入數據對公允值計量之可觀察程度及輸入數據對公允值計量整體之重要性分為第1、2或3級，現載述如下：

- 第1級輸入數據為實體於計量日期就相同資產或負債於活躍市場取得之報價（未經調整）；
- 第2級輸入數據為第1級所包含之報價以外，就資產或負債可直接或間接觀察之輸入數據；及
- 第3級輸入數據為資產或負債之不可觀察輸入數據。

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For the year ended 31 December 2018 截至2018年12月31日止年度

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Fair value (Continued)

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.

7. REVENUE AND 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 operating 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.

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:

		2018 2018年		2017 2017年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Marble slabs	大理石板材	52,567	77.6%	23,678	75.4%
Marble slags	大理石礦渣	15,152	22.4%	7,705	24.6%
		67,719	100%	31,383	100%

6. 財務風險管理目標及政策 (續)

(f) 公允值 (續)

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。

7. 收入及分部資料

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）。

本集團的收入及對溢利的貢獻主要源自大理石及大理石相關產品的銷售，其被視作單一經營分部，與內部向本集團的高級管理層報告資料作資源分配及表現評估用途的方式一致。此外，本集團使用的主要資產均位於中國四川省及廣東省。因此，除整個實體披露外，未有呈列分部分析。

整個實體披露

有關產品的資料

下表載列年內按產品劃分來自外部客戶的總收入及佔總收入的百分比：

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7. REVENUE AND SEGMENT INFORMATION

(Continued)

Entity-wide disclosures (Continued)

Information about major customers

Revenue from major customers, each of whom accounted for 10% or more of the total revenue is set out below:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Customer A	客戶A	30,812	10,981
Customer B	客戶B	21,755	12,698
Customer C*	客戶C*	–	3,151

* Revenue derived from Customer C did not contribute over 10% or more of total revenue of the Group during the year ended 31 December 2018.

7. 收入及分部資料 (續)

整個實體披露 (續)

有關主要客戶的資料

來自主要客戶 (彼等各佔總收入的10%或以上) 的收入載列如下:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Customer A	客戶A	30,812	10,981
Customer B	客戶B	21,755	12,698
Customer C*	客戶C*	–	3,151

* 截至2018年12月31日止年度，來自客戶C的收入並無佔本集團總收入的10%或以上。

8. OTHER INCOME AND GAINS

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Interest income	利息收入	1	120
Exchange gain	匯兌收益	–	137
Rental income	租金收入	–	50
Reversal of impairment of other receivables	其他應收款項之減值撥回	–	2,500
Reversal of provision for litigation	訴訟撥備撥回	14,500	44,858
Others	其他	39	2,212
		14,540	49,877

8. 其他收入及收益

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

9. IMPAIRMENT ALLOWANCE OF TRADE RECEIVABLES

9. 貿易應收款項減值撥備

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Impairment of trade receivables	貿易應收款項減值	8,307	3,445
		8,307	3,445

10. FINANCE COSTS

10. 財務成本

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Finance leases charges	融資租賃費用	15	28
Interest on other loan	其他貸款利息	-	249
		15	277

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

11. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

11. 除稅前(虧損)/溢利

本集團的除稅前(虧損)/溢利已扣除/(計入)以下各項:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本	63,170	30,318
Staff costs (including directors' remuneration):	員工成本(包括董事酬金):		
Wages and salaries	工資及薪金	6,565	8,255
Equity-settled share option expenses	權益結算購股權開支	-	630
Pension scheme contributions	退休計劃供款		
– Defined contribution scheme	– 一定額供款計劃	104	108
Other staff benefits	其他員工福利	153	103
		6,822	9,096
Auditors' remuneration	審計師酬金	470	451
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	34	34
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	13,142	9,861
Reversal of impairment of other receivables	其他應收款項減值撥回	-	(2,500)
Foreign exchange gain	匯兌收益	-	(137)
Operating lease rentals for office	辦公室經營租金	5,637	4,994
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	1,848	1,885

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

(a) Directors' Emoluments

		For the year ended 31 December 2018 截至2018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	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:						
Mr. Wang Minliang	王民良先生	(i)	-	948	-	-	948
Ms. Zhang Cuiwei	張翠薇女士		-	886	-	-	886
Mr. Zhang Jianzhong	張建忠先生		-	130	-	-	130
Mr. Zhang Weijun	張衛軍先生		-	151	-	-	151
Mr. Zhang Mian	張勉先生	(ii)	-	-	-	-	-
Independent non-executive directors:	獨立非執行董事:						
Mr. Yang Ruimin	楊銳敏先生	(iii)	-	45	-	-	45
Mr. Ma Ho Yin	馬浩賢先生	(iv)	-	20	-	-	20
Mr. Sheng Guoliang	盛國良先生		-	102	-	-	102
Ms. Wang Yihua	王藝華女士		-	102	-	-	102
			-	2,384	-	-	2,384

		For the year ended 31 December 2017 截至2017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	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:						
Mr. Wang Minliang	王民良先生	(i)	-	1,041	-	-	1,041
Ms. Zhang Cuiwei	張翠薇女士		-	885	-	-	885
Mr. Zhang Jianzhong	張建忠先生		-	133	-	-	133
Mr. Zhang Weijun	張衛軍先生		-	156	-	-	156
Independent non-executive directors:	獨立非執行董事:						
Mr. Ma Ho Yin	馬浩賢先生	(iv)	-	104	-	-	104
Mr. Sheng Guoliang	盛國良先生		-	104	-	-	104
Ms. Wang Yihua	王藝華女士		-	104	-	-	104
			-	2,527	-	-	2,527

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

(a) Directors' Emoluments (Continued)

Notes:

- (i) Resigned on 12 September 2018
- (ii) Appointed on 4 February 2019
- (iii) Appointed on 11 June 2018
- (iv) Resigned on 12 March 2018

Salaries, allowance and benefits in kind paid to or for the executive directors are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

12. 董事薪酬及五名最高薪僱員個人酬金 (續)

(a) 董事酬金 (續)

附註：

- (i) 於2018年9月12日辭任
- (ii) 於2019年2月4日獲委任
- (iii) 於2018年6月11日獲委任
- (iv) 於2018年3月12日辭任

向或就執行董事支付之薪金、津貼及實物利益為就該等人士管理本公司及其附屬公司之事宜所提供之其他服務支付或彼等應收之一般酬金。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

(b) Five Highest Paid Individual Emoluments

Two (2017: two) of the five highest paid individuals of the Group were directors whose emolument is set out in the above. For the year ended 31 December 2018, the remaining three (2017: three) employees' emoluments of the Company were as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Salaries, allowances and other benefits in kind	薪金、津貼及其他實物利益	1,488	1,379
Retirement benefits scheme contributions	退休福利計劃供款	30	36
		1,518	1,415

Their emoluments fell within the following bands:

彼等之薪酬範圍如下：

Emolument band:	薪酬範圍：	Number of employees 僱員數目	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Nil – HK\$500,000	0至500,000港元	2	2
HK\$500,001 – HK\$1,000,000	500,001港元至 1,000,000港元	–	1
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至 1,500,000港元	1	–
		3	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 2018 and 2017.

(c) 於截至2018年及2017年12月31日止兩個年度，本集團並無向董事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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

13. INCOME TAX

13. 所得稅

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Current – the PRC	即期－中國		
– Charge for the year	－年度支出	–	–
Deferred tax	遞延稅項	–	–
		–	–

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for 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條例，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）／溢利對賬如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
(Loss)/Profit before tax	除稅前（虧損）／溢利	(19,270)	7,797
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	(4,818)	1,949
Non-taxable income	非應課稅收入	(4,148)	(21,844)
Expenses not deductible for tax	不可扣稅開支	2,294	861
Effect on different tax rate of subsidiaries	附屬公司不同稅率的影響	2,567	(430)
Tax loss not recognised	未確認稅項虧損	4,105	19,464
Income tax	所得稅	–	–

At 31 December 2018, the Group has unused tax losses of RMB77,763,000 (2017: RMB51,825,000) available for offsetting against future profits. No deferred tax asset (2017: nil) has been recognized in respect of such tax losses, due to unpredictability of future profit streams.

於2018年12月31日，本集團有未動用稅項虧損人民幣77,763,000元（2017年：人民幣51,825,000元），可供抵銷未來溢利。概無就該等稅項虧損確認遞延稅項資產（2017年：無），因為未來溢利流難以預測。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

14. TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated total comprehensive loss attributable to owners of the Company for the year ended 31 December 2018 includes a loss of approximately RMB8,637,000 (2017: RMB1,837,000), which has been dealt with in the financial statements of the Company.

15. (LOSS)/EARNING PER SHARE

(a) (Loss)/Earnings per share – Basic

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately RMB19,270,000 (2017: profit of RMB7,797,000) and the weighted average number of 2,832,083,000 (2017: 1,638,333,000) ordinary shares in issue during the year.

(b) (Loss)/Earnings per share – Diluted

For the year ended 31 December 2018, the diluted earnings per share was the same as basic earnings per share as there was no potential outstanding shares.

For the year ended 31 December 2017, the effects of all potential ordinary shares are anti-dilutive since their assumed exercise would result in a decrease in loss per share.

16. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2018 (2017: Nil).

14. 本公司擁有人應佔年度全面虧損總額

截至2018年12月31日止年度本公司擁有人應佔綜合全面虧損總額包括虧損約人民幣8,637,000元(2017年:人民幣1,837,000元),其已於本公司的財務報表內處理。

15. 每股(虧損)/盈利

(a) 每股(虧損)/盈利—基本

本公司擁有人應佔每股基本(虧損)/盈利乃根據本公司擁有人應佔年度虧損約人民幣19,270,000元(2017年:溢利人民幣7,797,000元)及年內已發行普通股加權平均數2,832,083,000股(2017年:1,638,333,000股)計算得出。

(b) 每股(虧損)/盈利—攤薄

截至2018年12月31日止年度,由於並無潛在發行股份,故每股攤薄盈利與每股基本盈利相同。

截至2017年12月31日止年度,所有潛在普通股均具有反攤薄影響,此乃由於假設行使該等潛在普通股可導致每股虧損減少。

16. 股息

董事會並不建議就截至2018年12月31日止年度派付任何股息(2017年:無)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings	Plant and machinery	Leasehold improvement and Office equipment 租賃裝修及辦公處設備	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
COST	成本							
At 1 January 2018	於2018年1月1日	9,232	62,955	11,484	17,040	61,183	106,752	268,646
Exchange realignment	匯兌調整	-	-	200	(185)	-	-	15
Additions	添置	-	240	72	-	-	2,500	2,812
Disposal/write off	出售/撤銷	-	(7,398)	(20)	(633)	-	-	(8,051)
At 31 December 2018	於2018年12月31日	9,232	55,797	11,736	16,222	61,183	109,252	263,422
ACCUMULATED DEPRECIATION AND IMPAIRMENTS:	累計折舊及減值:							
At 1 January 2018	於2018年1月1日	3,250	16,584	6,256	9,189	13,950	17,390	66,619
Exchange realignment	匯兌調整	-	-	98	(234)	-	-	(136)
Provided during the year	年內撥備	576	8,743	678	3,145	-	-	13,142
Disposal/write off	出售/撤銷	-	(4,946)	(20)	(602)	-	-	(5,568)
At 31 December 2018	於2018年12月31日	3,826	20,381	7,012	11,498	13,950	17,390	74,057
Net Carrying amount:	賬面淨值:							
At 31 December 2018	於2018年12月31日	5,406	35,416	4,724	4,724	47,233	91,862	189,365

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

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
COST:		成本:						
At 1 January 2017	於2017年1月1日	9,258	69,263	6,711	17,397	61,183	92,933	256,745
Exchange realignment	匯兌調整	(26)	-	(278)	(196)	-	-	(500)
Additions	添置	-	-	5,166	593	-	13,819	19,578
Disposal/write off	出售/撇銷	-	(6,308)	(115)	(754)	-	-	(7,177)
At 31 December 2017	於2017年12月31日	9,232	62,955	11,484	17,040	61,183	106,752	268,646
ACCUMULATED DEPRECIATION AND IMPAIRMENTS:		累計折舊及減值:						
At 1 January 2017	於2017年1月1日	2,673	15,826	6,498	6,133	13,950	17,390	62,470
Exchange realignment	匯兌調整	-	-	(276)	(132)	-	-	(408)
Charge for during the year	年內支出	577	5,249	142	3,893	-	-	9,861
Disposal/write off	出售/撇銷	-	(4,491)	(108)	(705)	-	-	(5,304)
At 31 December 2017	於2017年12月31日	3,250	16,584	6,256	9,189	13,950	17,390	66,619
CARRYING AMOUNTS:		賬面值:						
At 31 December 2017	於2017年12月31日	5,982	46,371	5,228	7,851	47,233	89,362	202,027

The Group's property, plant and equipment are mainly used in the Group's sale of marble and marble related products cash generating unit (the "Sichuan Jinshida CGU"). During the year ended 31 December 2018, the directors conducted a review of the recoverable amount of the Group's property, plant and equipment, intangible assets and prepaid land lease based on the value in use of Sichuan Jinshida CGU. It was determined that no impairment loss to be recognised in 2018 in the Group's property, plant and equipment, intangible assets and prepaid land lease. The recoverable amount have been determined on the basis of the value in use of the CGU, with reference to the valuation prepared by an independent professional valuer. The pre-tax discount rate in measuring the amounts of value in use were 20% (2017:17%) in relation to Sichuan Jinshida CGU. The growth rate of cash flow in the long run are extrapolated using a steady growth rate of 3% (2017: 2%). Other key assumptions for the value in use calculations related to the estimation of cash inflows/outflows included budgeted sales and gross margin. Such estimation is based on the Sichuan Jinshida CGU's past performance and management's expectation for future performance.

本集團之物業、廠房及設備主要用於本集團大理石及大理石相關產品現金產生單位(「四川金時達現金產生單位」)之銷售。於截至2018年12月31日止年度，董事按照四川金時達現金產生單位之使用價值審閱本集團之物業、廠房及設備、無形資產以及預付土地租賃款項之可收回金額，確定於2018年將無需就本集團之物業、廠房及設備、無形資產以及預付土地租賃款項確認減值虧損。可收回金額已參照獨立專業估值師進行的估值按現金產生單位之使用價值釐定。就四川金時達現金產生單位計量使用價值金額之稅前貼現率為20%(2017年:17%)。現金流量之長期增長率使用3%(2017年:2%)之穩定增長率推算。計算使用價值之其他主要假設涉及現金流入/流出之估計，包括預算銷售額及毛利率，有關估計乃根據四川金時達現金產生單位之過往表現及管理層對未來表現之預測作出。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying amount of motor vehicle of approximately RMB4,724,000 include an amount of RMB433,000 (2017: RMB845,000) in respect of assets held under finance leases.

17. 物業、廠房及設備 (續)

汽車之賬面值約人民幣4,724,000元包括根據融資租賃持有之資產人民幣433,000元(2017年:人民幣845,000元)。

18. INTANGIBLE ASSETS

18. 無形資產

		Mining rights 採礦權 RMB'000 人民幣千元
COST:	成本:	
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於2017年1月1日、2017年12月31日、 2018年1月1日及2018年12月31日	62,785
ACCUMULATED AMORTISATION AND IMPAIRMENT:	累計攤銷及減值:	
At 1 January 2017	於2017年1月1日	19,053
Charge for the year	年內支出	-
At 31 December 2017 and 1 January 2018	於2017年12月31日 及2018年1月1日	19,053
Charge for the year Impairments	年內支出 減值	-
At 31 December 2018	於2018年12月31日	19,053
CARRYING AMOUNTS:	賬面值:	
At 31 December 2018	於2018年12月31日	43,732
At 31 December 2017	於2017年12月31日	43,732

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

18. INTANGIBLE ASSETS (Continued)

The intangible asset represent rights for the mining of marble reserves in the Zhangjiaba Mine which is located in Jiangyou County, Sichuan Province, the PRC. The Mine is operated by the Company's indirect wholly-owned subsidiary, Sichuan Jiangyou Jinshida Stone Co., Ltd.* ("Sichuan Jinshida"). The local government granted the mining permits to Sichuan Jinshida with a term of 10 years to 1 February 2021.

* English translation for identification only

The Group conducted a reviews of the recoverable amount of its intangible assets in 2018. The Group's intangible assets are used in the Group's sale of marble and marble related products cash generating unit (the "Sichuan Jinshida CGU").

No impairment loss was recognised for the years ended 31 December 2018 and 2017.

18. 無形資產 (續)

無形資產指開採張家壩礦山內的大理石儲量的權利。該礦山位於中國四川省江油縣，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」）經營。地方政府授予四川金時達為期10年的採礦許可證，至2021年2月1日到期。

* 英文名稱僅供識別

本集團於2018年審閱其無形資產之可收回金額。本集團之無形資產用於本集團大理石及大理石相關產品現金產生單位（「四川金時達現金產生單位」）之銷售。

截至2018年及2017年12月31日止年度，並無確認減值虧損。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

19. PREPAID LAND LEASE PAYMENTS

19. 預付土地租賃款項

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	1,287	1,321
Amortisation for the year	年內攤銷	(34)	(34)
Carrying amount at 31 December	於12月31日的賬面值	1,253	1,287

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. SUBSIDIARIES

The list below gives the particulars of principal subsidiaries of the Group which, in opinion of the directors, principally affect the operating results and net assets of the Group. To give full details of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

20. 附屬公司

下表載列本集團主要附屬公司的詳情。董事認為，該等公司對本集團的經營業績及資產淨值構成重要影響。董事認為，詳述所有附屬公司將導致提供的資料過於冗長。

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/ 註冊繳足股本之面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			2018: 2018年:	2017: 2017年:	
Directly held: 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%	100%	Investment holding 投資控股
Success United Asia Ltd. Success United Asia Ltd.	the BVI 英屬處女群島	US\$1 1美元	100%	100%	Trading of marble slabs 買賣大理石板材
Indirectly held: 間接持有:					
Kingstone (HK) Group Limited 金石(香港)集團有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
Kingstone (Guangzhou) Mable Industry Co., Ltd.* ("Kingstone Guangzhou") 金石(廣州)石業有限公司(「金石廣州」)	the PRC 中國	US\$50,000,000 50,000,000美元	100%	100%	Processing and trading of construction materials 加工及買賣建築材料
Sichuan Jiangyou Jinshida Stone Co., Ltd.* 四川江油金時達石業有限公司	the PRC 中國	RMB10,000,000 人民幣10,000,000元	100%	100%	Mining, processing and trading of construction materials 開採、加工及買賣建築材料

* English translation for identification only

* 英文名稱僅供識別

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

21. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities are as follows:

21. 遞延稅項負債

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 2017, 31 December 2017,
1 January 2018 and 31 December 2018

於2017年1月1日、2017年12月31日、
2018年1月1日及2018年12月31日

608

Deferred tax liabilities related to the PRC subsidiaries have been provided at an enacted corporate income tax rate of 25%.

有關中國附屬公司的遞延稅項負債已按已頒佈的企業所得稅稅率25%計提撥備。

22. INVENTORIES

22. 存貨

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Marble blocks and slabs	大理石荒料及板材	–	460
Materials and supplies	材料及物料	369	2,568
		369	3,028

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

23. TRADE RECEIVABLES

Trade receivables 貿易應收款項
Less: impairment 減：減值

2018
2018年
RMB'000
人民幣千元

2017
2017年
RMB'000
人民幣千元

182,782	136,084
(111,098)	(102,791)
71,684	33,293

The Group's trading terms with its customers are mainly on credit. Except for certain customers solicited by the Group at the beginning of its commercial operation were granted for a longer credit terms, the credit period is generally three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Trade receivable are non-interest-bearing.

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招攬的若干客戶獲授予較長信貸期外，信貸期一般為三個月。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。

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：

0 to 90 days
91 to 180 days
181 to 365 days
Over 1 year

0至90日
91至180日
181至365日
1年以上

2018
2018年
RMB'000
人民幣千元

2017
2017年
RMB'000
人民幣千元

2,878	22,941
33,060	–
16,632	–
19,114	10,352
71,684	33,293

The director believed that no impairment loss is necessary in respect of other balances which are past due but not impaired as there has not been a significant change in credit quality and the balances are still considered recoverable.

董事認為，由於信貸質素並無重大變動且有關結餘仍被視為可收回，故此毋須就已逾期但未減值之其他結餘確認減值虧損。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

23. TRADE RECEIVABLES (Continued)

Reconciliation of impairment of trade receivables:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
At beginning of year	於年初	102,791	99,346
Allowance for the year	本年度撥備	8,307	3,445
At end of year	於年末	111,098	102,791

As at 31 December 2018, included in trade receivables past due but not impaired were trade receivables of approximately RMB10,352,000 (2017: RMB10,352,000) which were secured by certain properties in the PRC as collateral ("Properties"). The Group has taken legal action to exercise its right to obtain the title of the Properties. As at 31 December 2018, a valuation was conducted on the Properties by an independent valuer and the recoverable amounts of the trade receivables based on the net realisable values of the Properties were higher than the carrying amount (after deduction of tax and estimated legal costs).

於2018年12月31日，計入貿易應收款項已逾期但尚未減值之貿易應收款項約為人民幣10,352,000元（2017年：人民幣10,352,000元），該款項以若干位於中國的物業（「物業」）作為抵押物進行抵押。本集團已採取法律行動以行使其權利獲得物業的所有權。於2018年12月31日，獨立估值師已對物業進行估值，根據物業之可變現淨值計算之貿易應收款項之可收回金額（經扣除稅項及估計法律費用後）高於賬面值。

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

(a) Non-current portion

As at 31 December 2018, the Group has prepayment of RMB51,642,000 for acquisition of property, plant and equipment.

24. 預付款項、按金及其他應收款項

(a) 非流動部分

於2018年12月31日，本集團擁有就收購物業、廠房及設備的預付款項人民幣51,642,000元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

(b) current portion

		2018 2018年 RMB'000 人民幣千元	2017 2017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	-	8,325
Prepayment	預付款項	13	-
Deposits	按金	3,185	2,377
Others	其他	743	4,457
		3,941	15,159

24. 預付款項、按金及其他應收款項

(續)

(b) 流動部分

		2018 2018年 RMB'000 人民幣千元	2017 2017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	-	8,325
Prepayment	預付款項	13	-
Deposits	按金	3,185	2,377
Others	其他	743	4,457
		3,941	15,159

25. SECURED SENIOR LOAN NOTE

Secured senior loan note	有抵押優先貸款票據	-	45,828
Exchange realignment	匯兌調整	-	(269)
Less: Impairment	減：減值	-	(45,559)
		-	-

Note:

On 13 May 2015, the Group entered into the sale and purchase agreement with a vendor, to acquire a secured senior loan note ("Loan Note") of nominal amount of US\$10,000,000 (equivalent to approximately RMB65,150,000) issued by Magnificent Century Limited (the "Note Issuer"). The total issued amount of the Loan Note was US\$45,000,000. The Loan Note carries interest at the rate of 10% per annum payable semi-annually in arrears and was issued on 10 August 2012 for a period of three years with a maturity date on 7 August 2015 (the "Maturity Date"). The Loan Note may be redeemed by the Note Issuer in part or in principal amount of up to 75% of the total principal amount outstanding at any time after twelve months from the date of issue of the Loan Note and prior to the Maturity Date at the principal amount of the Loan Note plus all interest accrued thereon and unpaid as at the date of redemption.

25. 有抵押優先貸款票據

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Secured senior loan note	有抵押優先貸款票據	-	45,828
Exchange realignment	匯兌調整	-	(269)
Less: Impairment	減：減值	-	(45,559)
		-	-

附註：

於2015年5月13日，本集團與一名賣方訂立買賣協議，以收購Magnificent Century Limited（「票據發行人」）發行的面值為10,000,000美元（約相當於人民幣65,150,000元）的有抵押優先貸款票據（「貸款票據」）。貸款票據之發行面值總額為45,000,000美元。貸款票據按年利率10%計息，須於每半年期末支付，且貸款票據於2012年8月10日發行，為期三年及到期日為2015年8月7日（「到期日」）。票據發行人可自貸款票據的發行日期起計十二個月後及貸款票據本金額到期日前任何時間贖回部分或本金額最多為未償還本金總額75%的貸款票據，另加累計及於贖回日期未付的所有利息。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

25. SECURED SENIOR LOAN NOTE (Continued)

Note: (Continued)

The Loan Note was guaranteed by two guarantors, Dragon Canal International Holdings Limited and Golden Dragon Century Limited and secured by the charges of shares in the Note Issuer's subsidiary which is engaged in natural gas business (the "Security"). To the best knowledge, information and belief of the directors having made all reasonable enquiry, each of the vendor, the Note Issuer, the guarantors and their respective ultimate beneficial owners is an independent third party.

The Note Issuer failed to repay the Loan Note by the Maturity Date. The details can be referred to the Company's announcement dated 9 August 2015. The Group is currently seeking legal advice as to the appropriate course of action in respect of the said event of default under the Loan Note. According to the terms of the instrument of the Loan Note (the "Instrument"), the Group is not entitled to enforce its rights under the Instrument against the Issuer and/or the guarantors without the prior written consent of the noteholder whose holdings of the Loan Notes represents more than 50% of the principal amount of all the Loan Notes created by the Instrument then outstanding. As at the date of this report, the noteholders are still in the process of exploring the possible actions to be taken in respect of the said event of default.

For the year ended 31 December 2016, based on additional information from the creditor's meeting of the Loan Note, the Note Issuer's subsidiary was being filed with the winding-up petition by the local creditors. As the Company has not yet obtained further information about this winding-up petition for the Note Issuer's subsidiary and the outcome of the winding-up is highly uncertain, the Directors considered the likelihood of recovering any amount of the Loan Note was remote. The Group recorded an impairment loss of RMB46,863,000 on the Loan Note to fully impair the Loan Note.

Up to the year ended 31 December 2018, the Company was aware of that the auction of the major assets of the Note Issuer's subsidiary has been completed and the Company, has not obtained further information for receiving any distribution or compensation from the liquidation of the Note Issuer's subsidiary. The Company decided to write off the senior loan note amount during the year ended 31 December 2018.

25. 有抵押優先貸款票據 (續)

附註：(續)

貸款票據由兩名擔保人 Dragon Canal International Holdings Limited 及金龍世紀有限公司提供擔保且由票據發行人之附屬公司(從事天然氣業務)之股份押記作抵押(「抵押品」)。據董事經作出一切合理查詢後所深知、盡悉及確信，賣方、票據發行人、擔保人以及彼等各自之最終實益擁有人各自為獨立第三方。

票據發行人未能於到期日前償還貸款票據。有關細節可參閱本公司日期為2015年8月9日的公告。本集團目前正尋求法律意見以就貸款票據項下所述違約事件採取合適行動。根據貸款票據之文據(「文據」)條款，未經票據持有人(其所持有貸款票據佔當時未償還文據所設立的所有貸款票據本金額50%以上)事先書面同意，本集團無權對票據發行人及/或擔保人強制行使其於文據下的權利。於本報告日期，票據持有人仍就上述違約事項尋求可能採取的行動。

於截至2016年12月31日止年度，根據來自貸款票據債權人會議之其他資料，其當地債權人已就票據發行人附屬公司遞交清盤呈請。由於本公司尚未獲得有關就票據發行人附屬公司遞交清盤呈請的進一步資料及清盤之結果極不確定，董事認為收回貸款票據任何金額之可能性甚微。本集團錄得貸款票據減值虧損人民幣46,863,000元，以就貸款票據悉數作出減值。

直至截至2018年12月31日止年度，本公司獲悉票據發行人附屬公司主要資產拍賣已完成，但本公司尚未取得有關自悉票據發行人附屬公司清盤取得任何分配或補償的進一步資料。本公司決定於截至2018年12月31日止年度撇銷優先貸款票據金額。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

26. CASH AND CASH EQUIVALENTS

The Group's cash and bank balances are all denominated in the following currencies:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Cash and bank balances:	現金及銀行結餘：		
RMB	人民幣	5,345	4,624
HK\$	港元	59,640	163,915
US\$	美元	73	74
		65,058	168,613

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

26. 現金及現金等價物

本集團的現金及銀行結餘均以下列貨幣計值：

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》，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。

27. TRADE PAYABLES

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

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
0 to 60 days	0至60日	1,765	585
61 to 120 days	61至120日	-	-
121 to 180 days	121至180日	-	2
Over 180 days	180日以上	49	1,333
		1,814	1,920

27. 貿易應付款項

貿易應付款項為免息，一般於90日內清付。根據發票日期，貿易應付款項的賬齡如下：

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28. OBLIGATION UNDER FINANCE LEASE

The Group has obligation under finance leases of motor vehicle (Note 17). The lease term is 5 years (2017: 5 years). The interest rate is of flat rate from 1.3% to 1.8% (2017: 1.8%) per annum.

28. 融資租賃承擔

本集團有汽車之融資租賃承擔（附註17）。租期為5年（2017年：5年）。利率為每年平息1.3%至1.8%（2017年：1.8%）。

		Minimum lease payment 最低租賃款項		Present value of minimum lease payments 最低租賃款項現值	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Within one year	一年內	235	410	233	396
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	-	204	-	201
		235	614	233	597
Less: Future finance charges	減：未來財務費用	(2)	(17)	-	-
Present value of lease obligations	租賃承擔現值	233	597	233	597
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於12個月內結算的款項 (於流動負債項下呈列)			(233)	(396)
Amount due for settlement after 12 months	於12個月後結算的款項			-	201

All finance lease payables are denominated in Hong Kong dollars.

所有應付融資租賃均以港元計值。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

29. OTHER PAYABLES AND ACCRUALS

Payables relating to:	與下列各項有關的應付款項：
Taxes other than income tax	稅項（所得稅除外）
Payroll and welfare	工資及福利
Amounts due to directors (Note)	應付董事款項（附註）
Deposits received	已收按金
Others	其他

2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,474	1,300
6,073	5,156
831	400
98	94
10,788	7,002
19,264	13,952

Note:

The amounts are unsecured, interest-free and repayable on demand.

附註：

該款項為無抵押、免息及須按的要求償還。

30. PROVISION FOR LITIGATION

- (a) On 13 July 2015, Royal Moon International Company Limited ("Royal Moon"), the underwriter of the open offer announced by the Company on 14 May 2015, issued a writ of summons at the High Court of the Hong Kong Special Administrative Region (the "Writ") against the Company. Pursuant to the Writ, Royal Moon claims against the Company, amongst others, a sum of not less than HK\$150,000,000 being damages for the breach of a written underwriting agreement made between Royal Moon and the Company dated 13 May 2015. The Group made a provision of HK\$92.0 million (equivalent to RMB82.4 million) in relation to an estimated cash outflow in relation to the litigation for the year ended 31 December 2015.

On 29 September 2017, the Company and Royal Moon entered into a consent order, and all proceedings in relation to the litigation was wholly discontinued and there was no order as to costs. The sum of provision of HK\$92.0 million (equivalent to RMB82.4 million) was recorded for the reversal of the provision in the profit and loss of the Group for the year ended 31 December 2017.

30. 訴訟撥備

- (a) 於2015年7月13日，本公司於2015年5月14日公佈之公开发售包銷商皇月國際有限公司（「皇月」）向香港特別行政區高等法院針對本公司提出傳訊令狀（「令狀」）。根據令狀，皇月向本公司提出（其中包括）一筆總額不少於150,000,000港元（即違反皇月與本公司所訂立日期為2015年5月13日之書面包銷協議之損害賠償）之申索。截至2015年12月31日止年度，本集團已就有關訴訟之估計現金流出計提撥備92,000,000港元（相當於人民幣82,400,000元）。

於2017年9月29日，本公司與皇月簽立同意令，及所有有關訴訟之程序完全終止及不作出任何有關訟費的命令。本集團截至2017年12月31日止年度之損益賬錄得撥回撥備之金額92,000,000港元（相當於人民幣82,400,000元）。

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30. PROVISION FOR LITIGATION (Continued)

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

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

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

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

30. 訴訟撥備 (續)

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

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

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

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

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30. PROVISION FOR LITIGATION (Continued)

(b) (Continued)

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

- (c) On 8 August 2018, the Company received a writ of summons (the "Writ") issued in the Court of First Instance of the High Court of Hong Kong under Commercial List Action No. 5 of 2018 (the "Action") by Mr. Li Jiaju (the "Plaintiff") against Kinwin International Investment Limited (the "1st Defendant"), a company wholly owned by a former director, the Company (the "2nd Defendant") and the former director (the "3rd Defendant"), in relation to a claim for the sum of approximately HK\$23.7 million plus interest and costs against the 1st Defendant or alternatively, a claim for a sum of approximately HK\$21.2 million plus interest and costs against the Company or alternatively a claim for the sum owned by the 1st Defendant against the 3rd Defendant, pursuant to a loan agreement between the Plaintiff and the 1st Defendant and an alleged deed of assignment that was executed between the Plaintiff, 1st Defendant, the 2nd Defendant. The Company considered no provision made for the case as this proceeding is still at its early stage and the Company is highly unlikely to incur any further liability as at 31 December 2018.
- (d) On 22 August 2018, the High Court of Hong Kong Special Administrative Region ("High Court") handed down a judgement to dismiss the application for summary judgment from Zhongtai International Wealth Management Limited (the "Plaintiff") which is the financier of Royal Moon for underwriting of open offer announced by the Company on 14 May 2015, for a claim that the Company is liable to account to the Plaintiff for wrongfully returning the balance of fund of approximately HK\$61.4 million from the open offer bank account to Royal Moon on the ground of the alleged breach of trust and/or breach of equitable/fiduciary duties.

30. 訴訟撥備(續)

(b) (續)

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

- (c) 於2018年8月8日，本公司接獲李家駒先生(「原告」)根據2018年商業類別訴訟第5號(「訴訟」)於香港高等法院原訴法庭針對建勝國際投資有限公司(「第一被告」，一間由前任董事全資擁有之公司)、本公司(「第二被告」)及前任董事(「第三被告」)發出的傳訊令狀(「令狀」)，內容有關根據原告與第一被告訂立之貸款協議及原告與第一被告、第二被告簽立之一份聲稱轉讓契據，針對第一被告提出金額約23,700,000港元另加利息及費用之索償，或針對本公司提出金額約21,200,000港元另加利息及費用之索償，或針對第三被告提出收取第一被告欠付金額之索償。本公司認為，由於目前仍處於訴訟初期階段且於2018年12月31日本公司不大可能產生任何進一步負債，故並無就此計提撥備。
- (d) 於2018年8月22日，香港特別行政區高等法院(「高等法院」)下達判決駁回中泰國際優越理財有限公司(「原告」)(其就本公司於2015年5月14日公佈之公開發售包銷為皇月提供資金)的簡易判決申請，原告申索本公司須就從公開發售銀行賬戶錯誤地向皇月退還資金餘額約61,400,000港元而向原告負上責任，理由是聲稱違反信託及/或違反衡平/受信責任。

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30. PROVISION FOR LITIGATION (Continued)

(d) (Continued)

The Plaintiff is claiming for equitable compensation and/or damages, and/or account of profits on the ground of the Company's breach of trust, together with an order to pay to the Plaintiff such sum as may be found due or payable, including relevant interests and costs. The Plaintiff is also seeking for a declaration that the Company is liable to account to the Plaintiff for the balance of the fund in the open offer account of the Company or such other sum as the Court thinks fit on the ground of its breach of trust.

The Company considered no provision made for the case as this proceeding is still at its early stage and the Company is highly unlikely to incur any further liability as at 31 December 2018.

30. 訴訟撥備 (續)

(d) (續)

原告就本公司違反信託而索償衡平補償及／或損害賠償、及／或交出所得利潤，並要求頒令支付原告有關可能屬應付之金額，包括相關利息及費用。原告正尋求宣告本公司就本公司公開發售賬戶之資金餘額而向原告負上責任或法院認為合適之其他金額，理由是本公司違反信託。

本公司認為，由於目前仍處於訴訟初期階段且於2018年12月31日本公司不大可能產生任何進一步負債，故並無就此計提撥備。

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30. PROVISION FOR LITIGATION (Continued)

- (e) On 8 August 2018, the Company received a notification of proceeding served by Guangzhou City Huangpu district People's Court pursuant to which Mr. Caiyou (the "Plaintiff") commenced a legal proceedings against Sichuan Jinshida (a wholly-owned subsidiary of the Company) (the "1st Defendant"), Kingstone Guangzhou, (the "2nd Defendant") and other, due to the disputes of an agreement dated 9 August 2013 for assignment of loan between Sichuan Jinshida (as assignor) Mr. Cao You ("Mr. Cao") (as assignee) and Guangdong Huaxia Financial Guarantee Co., (as guarantor of the assignment agreement) pursuant to which Sichuan Jinshida has agreed to assign and Mr. Cai has agreed to accept Sichuan Jinshida's rights, title, interest and benefits in and to the Loan at a total consideration of RMB40,000,000.

Pursuant to the civil complaint, the plaintiff claims against Sichuan Jinshida and other defendants (i) to rescind the assignment agreement and an alleged supplemental agreement, (ii) to return the deposit and part of consideration in amount of RMB8.0 million in aggregate, (iii) to pay compensation of RMB5.0 million.

The Company is seeking the legal advice on the case. A provision for litigation of RMB1.2 million regarding this case was recognized for the year ended 31 December 2018.

30. 訴訟撥備 (續)

- (e) 於2018年8月8日，本公司接獲廣州市黃埔區人民法院送達之訴訟通知，據此，蔡有先生（「原告」）因對四川金時達（作為轉讓人）、蔡有先生（「蔡先生」，作為承讓人）及廣東華夏融資擔保有限公司（作為轉讓協議之擔保人）之間訂立的日期為2013年8月9日之轉讓貸款協議存有爭議而針對本公司之全資附屬公司四川金時達（「第一被告」）、金石廣州（「第二被告」）等提出訴訟，根據該協議，四川金時達已同意轉讓且蔡先生已同意接納四川金時達對該筆貸款享有之權利、所有權、權益及利益，總代價為人民幣40,000,000元。

根據該民事起訴狀，原告要求四川金時達及其他被告 (i) 撤銷該轉讓協議及聲稱補充協議、(ii) 退還按金及部分代價合共人民幣8,000,000元及 (iii) 支付賠償金人民幣5,000,000元。

本公司正就此尋求法律意見。截至2018年12月31日止年度，已就此確認訴訟撥備人民幣1,200,000元。

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31. PROVISION FOR REHABILITATION

31. 復墾撥備

	RMB'000 人民幣千元
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於2017年1月1日、2017年12月31日、 2018年1月1日及2018年12月31日 2,697

The Group is required to make payments for restoration and rehabilitation of certain land after the sites have been mined. The Provision is measured in accordance with the relevant rules and regulations applicable in the PRC at the end of the reporting period, and using cash flows estimation. Its carrying amount is the present value of those cash flows.

於開採礦區後，本集團須付款修復及復墾若干土地。撥備乃於報告期末根據中國適用之相關規則及法規，並採用所估計之現金流量計量。其賬面值乃該等現金流量之現值。

32. SHARE CAPITAL

32. 股本

Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股	Number of shares 股份數目 '000 千股	RMB'000 人民幣千元
Authorised ordinary share of HK\$0.01 each	每股面值0.01港元之 法定普通股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於2017年1月1日、 2017年12月31日、 2018年1月1日及 2018年12月31日	150,000,000	1,215,275
Issued and fully paid ordinary share of HK\$0.01 each	每股面值0.01港元之 已發行及繳足普通股		
At 1 January 2017	於2017年1月1日	472,014	3,883
Rights issue (note (a))	供股(附註(a))	2,360,069	20,552
At 31 December 2017, 1 January 2018 and 31 December 2018	於2017年12月31日、 2018年1月1日及 2018年12月31日	2,832,083	24,435

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32. SHARE CAPITAL (Continued)

Notes:

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

33. RESERVES

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.

32. 股本(續)

附註:

- (a) 於2017年7月7日，本公司按於2017年3月3日每持有一股現有股份可獲發五股供股股份之基準進行供股，認購價為每股供股股份0.12港元，產生所得款項淨額約276,500,000港元，已用於購買機器及為業務發展提供資金以及亦將用於未來投資機會。

33. 儲備

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。

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34. SHARE OPTION SCHEME 2011 Option Scheme

34. 購股權計劃 2011年購股權計劃

		31 December 2018 2018年12月31日		31 December 2017 2017年12月31日	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股
Outstanding at beginning of reporting period	於報告期初未行使	0.66	65,002	2.81	16,348
Share options granted during the year - to directors	年內授出購股權 - 向董事	-	-	-	-
Granted during the year	年內授出	-	-	0.0972	47,200
Lapsed during the year	年內失效	-	-	2.30	(3,762)
Adjustment upon rights issued effective on 7 July 2017	於2017年7月7日 供股生效時調整	-	-	-	5,216
Outstanding at end of reporting period	於報告期末未行使	0.66	65,002	0.66	65,002
Exercisable at end of reporting period	於報告期末可行使	0.66	65,002	0.66	65,002

The options outstanding at the end of the year have a weighted average remaining contractual life of 7.97 years (2017: 8.99 years) and the exercise prices range from HK\$0.0972 to HK\$7.97 (2017: HK\$0.0972 to HK\$7.97).

於本年度末尚未行使的購股權的加權平均剩餘合約期為7.97年(2017年: 8.99年)及行使價範圍介乎0.0972港元至7.97港元(2017年: 0.0972港元至7.97港元)。

The exercise price and exercise period of those share options outstanding under the Pre-IPO Option Scheme as at 31 December 2017 and 31 December 2018 are as follows:

於2017年12月31日及2018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購股權的行使價和行使期如下:

		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 31 December 2017	於2017年12月31日	-	-	N/A 不適用
At 31 December 2018	於2018年12月31日	-	-	N/A 不適用

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34. SHARE OPTION SCHEME (Continued)

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

34. 購股權計劃 (續)

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

	Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
	'000 千份	HK\$ 港元	
At 31 December 2018 於2018年12月31日	1,351	7.97	Three tranches in proportion of 50%, 25% and 25% exercisable from 4 November 2011, 4 November 2012 and 4 November 2013 to 3 November 2021, respectively. 按50%、25%及25%的比例分作三批，分別自2011年11月4日、2012年11月4日及2013年11月4日起至2021年11月3日止可予行使。
	3,464	1.74	From 26 June 2014 to 25 June 2024 自2014年6月26日起至2024年6月25日止
	3,290	1.74	From 9 June 2014 to 8 June 2024 自2014年6月9日起至2024年6月8日止
	4,849	1.63	From 19 December 2014 to 18 December 2024 12,000,000 options offered may be exercised on or after 19 December 2014; and 24,000,000 options offered may be exercised on or after 19 December 2015. 自2014年12月19日起至2024年12月18日止，授出的12,000,000份購股權可於2014年12月19日或之後行使，及授出的24,000,000份購股權可於2015年12月19日或之後行使。
	4,848	1.65	From 12 January 2015 to 15 December 2024 自2015年1月12日起至2024年12月15日止
	47,200	0.0972	From 23 November 2017 to 22 November 2027 自2017年11月23日起至2027年11月22日止

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34. SHARE OPTION SCHEME (Continued)

34. 購股權計劃 (續)

	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 31 December 2017 於2017年12月31日	1,351	7.97	Three tranches in proportion of 50%, 25% and 25% exercisable from 4 November 2011, 4 November 2012 and 4 November 2013 to 3 November 2021, respectively. 按50%、25%及25%的比例分作三批，分別自2011年11月4日、2012年11月4日及2013年11月4日起至2021年11月3日止可予行使。
	3,464	1.74	From 26 June 2014 to 25 June 2024 自2014年6月26日起至2024年6月25日止
	3,290	1.74	From 9 June 2014 to 8 June 2024 自2014年6月9日起至2024年6月8日止
	4,849	1.63	From 19 December 2014 to 18 December 2024 12,000,000 options offered may be exercised on or after 19 December 2014; and 24,000,000 options offered may be exercised on or after 19 December 2015. 自2014年12月19日起至2024年12月18日止，授出的12,000,000份購股權或會於2014年12月19日或之後行使，及授出的24,000,000份購股權或會於2015年12月19日或之後行使。
	4,848	1.65	From 12 January 2015 to 15 December 2024 自2015年1月12日起至2024年12月15日止
	47,200	0.0972	From 23 November 2017 to 22 November 2027 自2017年11月23日起至2027年11月22日止

The fair value of those share options under the 2011 Option Scheme granted during the year ended 31 December 2017 was HK\$727,000 (equivalent to approximately RMB630,000) of which the Group recognized a share option expense of HK\$727,000 (equivalent to approximately RMB630,000) during the year ended 31 December 2017.

於截至2017年12月31日止年度內根據2011年購股權計劃授出的購股權公允值為727,000港元（相當於約人民幣630,000元），其中本集團已於截至2017年12月31日止年度確認購股權開支727,000港元（相當於約人民幣630,000元）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

34. SHARE OPTION SCHEME (Continued)

The fair value of equity-settled share options granted 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:

		Share options granted to employees 向僱員 授出購股權	Share options granted to directors 向董事 授出購股權	Share options granted to employees 向僱員 授出購股權	Share options granted to directors 向董事 授出購股權	Share options granted to employees 向僱員 授出購股權
Date of grant	授出日期	9 June 2014 2014年6月9日	26 June 2014 2014年6月26日	30 December 2014 2014年12月30日	12 January 2015 2015年1月12日	23 November 2017 2017年11月23日
Dividend yield (%)	派息率(%)	3.12%	3.12%	3.12%	3.12%	-
Expected volatility (%)	預期波幅(%)	40.29%	40.35%	40.04%	39.68%	80.18%
Risk-free interest rate (%)	無風險利率(%)	2.06%	2.04%	1.89%	1.59%	1.75%

As at 31 December 2018, the Company had 65,002,000 (2017: 65,002,000) 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 65,002,000 (2017: 65,002,000) additional ordinary shares of the Company.

As at 31 December 2018, the Company had 65,002,000 (2017: 65,002,000) share options outstanding under share option schemes, which represented approximately 2.30% (2017: 2.30%) of the Company's shares in issue as at that date.

34. 購股權計劃 (續)

於年內授出的股權結算購股權公允值於授出日期採用二項式模式予以估計，當中計及授出購股權時的條款及條件。下表載列該模式所使用的輸入數據：

於2018年12月31日，本公司於購股權計劃下有65,002,000份（2017年：65,002,000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65,002,000股（2017年：65,002,000股）本公司額外普通股。

於2018年12月31日，本公司於購股權計劃下有65,002,000份（2017年：65,002,000份）尚未行使購股權，佔該日本公司已發行股份約2.30%（2017年：2.30%）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

35. 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 for 2 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:

35. 承擔

(a) 經營租約承擔

作為承租人

本集團按經營租約安排租用若干土地物業及樓宇，經磋商租期為兩年，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，本集團根據不可撤銷經營租賃應付的未來最低租金總額的到期日如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Within one year	一年內	1,875	2,173
In the second to fifth years, inclusive	第二至第五年（包括首尾兩年）	185	2,598
		2,060	4,771

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

35. COMMITMENTS (Continued)

(b) Capital Commitments

At 31 December 2018, the Group had outstanding commitments as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Capital expenditure in respect of purchase of property, plant and equipment contracted for but not provided in the consolidated financial statements	已簽約但未在綜合財務報表撥備之有關購買物業、廠房及設備之資本開支	8,518	-
Capital expenditure in respect of construction of property, plant and equipment contracted for but not provided in the consolidated financial statements	已簽約但未在綜合財務報表撥備之有關建造物業、廠房及設備之資本開支	6,800	-
		15,318	-

36. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, during the year the Group had the following significant related party transactions:

Key management compensation

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	3,282	2,527
Pension costs – defined contribution scheme	退休金成本 – 定額供款計劃	15	-
Equity-settled share option expense	權益結算購股權開支	-	-
		3,297	2,527

35. 承擔 (續)

(b) 資本承擔

於2018年12月31日，本集團擁有未履行承擔如下：

36. 關連方交易

除財務報表其他地方所披露者外，本集團於年內擁有以下重大關連方交易：

主要管理層酬金

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
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Salaries, wages and other benefits	3,282	2,527
Pension costs – defined contribution scheme	15	-
Equity-settled share option expense	-	-
	3,297	2,527

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

37. DISPOSAL OF A SUBSIDIARY

On 22 November 2017, the Group entered into a sales and purchase agreement with independent third party, to dispose 100% shareholding of Jiangyou Kingstone Properous Marble Co. Ltd., at a consideration of RMB600,000, the disposal was completed on 26 March 2018.

37. 出售附屬公司

於2017年11月22日，本集團與獨立第三方訂立買賣協議以出售江油金石鑫隆大理石有限公司的全部股權，代價為人民幣600,000元，該出售事項已於2018年3月26日完成。

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	174
Cash and cash equivalent	現金及現金等價物	1
Trade and other payables	貿易及其他應付款項	(437)
Net liabilities	負債淨額	(262)
Non-controlling interest	非控股權益	-
Exchange reserve realised	已變現匯兌儲備	(262) 296
Gain on disposal of subsidiaries	出售附屬公司之收益	34 566
Consideration	代價	600
Satisfied by:	償付方式：	
Cash	現金	600

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries as follows:

有關出售附屬公司的現金及現金等價物流入淨額的分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	600
Less: Cash and cash equivalents disposed of	減：已出售現金及現金等價物	1
Net inflow cash and cash equivalents in respect of the disposal of a subsidiary	有關出售附屬公司的現金及現金等價物流入淨額	599

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 DECEMBER

38. 本公司於12月31日之財務狀況表

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	-	-
		-	-
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	7,125	-
Cash and cash equivalents	現金及現金等價物	59,540	163,850
		66,665	163,850
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,670	985
Due to directors	應付董事款項	831	400
		3,501	1,385
NET CURRENT ASSETS	流動資產淨值	63,164	162,465
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	63,164	162,465
NET ASSETS	資產淨值	63,164	162,465
EQUITY	權益		
Issued capital	已發行股本	24,435	24,435
Reserves (Note)	儲備(附註)	38,729	138,030
TOTAL EQUITY	總權益	63,164	162,465

Approved and authorised for issue by the board of directors on 25 March 2019.

由董事會於2019年3月25日批准及授權刊發。

Zhang Cuiwei
張翠薇
Director
董事

Wang Yihua
王藝華
Director
董事

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 DECEMBER (Continued)

Note:

Reserve movement of the Company

38. 本公司於12月31日之財務狀況表

(續)

附註：

本公司儲備變動

		Share premium	Retained Profit/(Accumulated losses) 保留溢利/(累計虧損)	Share option reserve	Foreign currency translation reserve	Total
		股份溢價 RMB'000 人民幣千元	(RMB'000) 人民幣千元	購股權儲備 RMB'000 人民幣千元	外幣換算儲備 RMB'000 人民幣千元	總額 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	-	2,898	24,485	(27,311)	72
Grant of shares options	授出購股權	-	-	630	-	630
Rights issue of shares	供股發行股份	221,144	-	-	-	221,144
Total comprehensive loss for the year	年度全面虧損總額	-	(100,094)	-	16,278	(83,816)
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	221,144	(97,196)	25,115	(11,033)	138,030
Total comprehensive loss for the year	年度全面虧損總額	-	(141,341)	-	42,040	(99,301)
At 31 December 2018	於2018年12月31日	221,144	(238,537)	25,115	31,007	38,729

39. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements were approved and authorised for issue by the Board on 25 March 2019.

39. 批准綜合財務報表

綜合財務報表由董事會於2019年3月25日批准及授權刊發。

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

		Year ended 31 December 截至12月31日止年度				
		2014 2014年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue	收入	18,178	3,680	12,290	31,383	67,719
Loss before tax	除稅前虧損	(31,772)	(198,940)	(124,548)	7,797	(19,270)
Income tax (expense)/credit	所得稅(開支)/抵免	3,164	2,675	-	-	-
Profit/(Loss) for the year	年度溢利/(虧損)	(28,608)	(196,265)	(124,548)	7,797	(19,270)
		RMB cents 人民幣分 (restated) (經重列)	RMB cents 人民幣分 (restated) (經重列)	RMB cents 人民幣分 (restated) (經重列)	RMB cents 人民幣分 (restated) (經重列)	RMB cents 人民幣分
Basic earnings/(loss) per share	每股基本盈利/ (虧損)	(11.4)	(58.7)	(27)	0.5	(0.7)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

		As at 31 December 於12月31日				
		2014 2014年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Non-current assets	非流動資產	254,969	207,401	270,660	247,046	285,992
Current assets	流動資產	89,368	124,158	40,762	220,093	141,052
Total assets	總資產	344,337	331,559	311,422	467,139	427,044
Current liabilities	流動負債	37,026	121,772	138,327	53,768	22,511
Non-current liabilities	非流動負債	6,977	3,936	3,719	3,506	3,305
Total liabilities	總負債	44,003	125,708	142,046	57,274	25,816
Net assets/Total equity	淨資產/總權益	300,334	205,851	169,376	409,865	401,228



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