



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

2020

中期報告
INTERIM REPORT



BOARD OF DIRECTORS

Executive Directors

Mr. Zheng Yonghui
Mr. Zhang Jianzhong (ceased on 29 June 2020)
Mr. Zhang Weijun
Ms. Zhang Cuiwei
Mr. Zhang Mian

Independent Non-executive Directors

Ms. Wang Yihua (ceased on 29 June 2020)
Mr. Sheng Guoliang (ceased on 29 June 2020)
Mr. Yang Ruimin
Mr. Andreas Varianos
(appointed on 17 July 2020)

AUDIT COMMITTEE

Mr. Andreas Varianos (*Chairman*)
(appointed on 17 July 2020)
Ms. Wang Yihua (*Chairman*) (ceased on 29 June 2020)
Mr. Yang Ruimin
Mr. Sheng Guoliang (ceased on 29 June 2020)

REMUNERATION COMMITTEE

Mr. Sheng Guoliang (*Chairman*) (ceased on 29 June 2020)
Mr. Yang Ruimin
Ms. Zhang Cuiwei

NOMINATION COMMITTEE

Mr. Yang Ruimin (*Chairman*)
Mr. Sheng Guoliang (ceased on 29 June 2020)
Ms. Zhang Cuiwei

AUTHORISED REPRESENTATIVES

Ms. Zhang Cuiwei
Mr. Cheung Wai Kee

COMPANY SECRETARY

Mr. Cheung Wai Kee

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

董事會

執行董事

鄭永暉先生
張建忠先生 (於2020年6月29日離任)
張衛軍先生
張翠薇女士
張勉先生

獨立非執行董事

王藝華女士 (於2020年6月29日離任)
盛國良先生 (於2020年6月29日離任)
楊銳敏先生
Andreas Varianos先生
(於2020年7月17日獲委任)

審計委員會

Andreas Varianos先生 (主席)
(於2020年7月17日獲委任)
王藝華女士 (主席) (於2020年6月29日離任)
楊銳敏先生
盛國良先生 (於2020年6月29日離任)

薪酬委員會

盛國良先生 (主席) (於2020年6月29日離任)
楊銳敏先生
張翠薇女士

提名委員會

楊銳敏先生 (主席)
盛國良先生 (於2020年6月29日離任)
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

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

Corporate Information

公司資料

HEADQUARTERS OF BUSINESS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 14, 18/F., Seapower Tower
Concordia Plaza
No. 1 Science Museum Road
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
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Wanchai
Hong Kong

PRINCIPAL BANKERS

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

AUDITORS

Elite Partners CPA Limited

中國營業總部

中國
四川省
江油市
香水鄉
鎮江村
張家壩礦山

香港主要營業地點

香港九龍
科學館道1號
康宏廣場
北座18樓14室

股份過戶登記總處

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

香港股份過戶登記處

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

主要往來銀行

香港上海滙豐銀行有限公司
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

審計師

開元信德會計師事務所有限公司

LEGAL ADVISER

Wong, Wan & Partners
in association with Seyfarth Shaw
(As to Hong Kong law)
Suite 3701, 37/F
Edinburgh Tower
The Landmark
15 Queen's Road Central
Central, Hong Kong

STOCK CODE

1380

WEBSITE OF THE COMPANY

www.kingstonemining.com

法律顧問

黃志豪·萬利律師事務所
(與美國賽法思·肖律師事務所聯營)
(有關香港法律)
香港中環
皇后大道中15號
置地廣場
公爵大廈
37樓3701室

股份代號

1380

公司網址

www.kingstonemining.com

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

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

Marble Slabs Business

The marble stones are widely used in the construction and decoration industry for decorative purposes due to its bright color and lustrous finish. Marble stones are used in applications such as interior and exterior decoration, laying pavements, stairs, flooring and furniture. The Group sells marble slabs through some distributors or purchasing agents which have a strong track record and broad sales and marketing networks with property developers and construction companies in China.

It has probably been a difficult year for most of the countries in the world, which had no choice but to impose travel bans or lockdowns in attempt to contain the spread of the novel coronavirus, COVID-19. These emergency public health measures triggered the cool down of global economic activities. In addition, rising tensions between US and China has continued to weigh on the business sentiment and investor’s confidence. During the six months ended 30 June 2020 (“HY2020”), revenue attributable to marble slabs business was approximately RMB26.8 million, representing an increase of approximately RMB11.1 million or 71.3% as compared to approximately RMB15.7 million for the six months ended 30 June 2019 (“HY2019”). The Group believes that an increase in the sales of marble slabs during HY2020 was primarily due to pent-up demand in the marble products during the pandemic outbreak of COVID-19. The Group does not see signs of recovery in the construction materials market any time soon, which is also highly correlated to the property development industry. Given the grim economic prospects, the Group believes that it will remain a formidable challenge for the marble slab business to recover in the second half year of 2020.

業務回顧

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

大理石板材業務

大理石由於細膩亮澤、瑰美雅致，被廣泛用於建築及裝修行業作裝飾用途，大理石用於內外部裝飾、鋪設路面、樓梯、地板及傢俬等等。本集團於中國透過部分擁有彪炳往績及與物業開發商及建築公司擁有廣泛銷售營銷網絡的分銷商或採購代理銷售大理石板材。

對世界上大部分國家而言，2020年可能都是艱難的一年，除了通過實施旅行禁令或封鎖措施來遏制新型冠狀病毒的傳播外，他們別無選擇。該等緊急公共衛生措施引發全球經濟活動降溫。此外，中美之間的緊張局勢加劇繼續打擊營商氣氛及投資者信心。於截至2020年6月30日止六個月（「2020年上半年」），大理石板材業務收入約為人民幣26,800,000元，較截至2019年6月30日止六個月（「2019年上半年」）的約人民幣15,700,000元增加約人民幣11,100,000元或71.3%。本集團認為，2020年上半年大理石板材銷售增加主要是由於新型冠狀病毒疫情爆發期間對大理石產品的累積需求所致。本集團認為建築材料市場短期內不會出現復甦跡象，因其與物業發展行業亦息息相關。鑒於經濟前景嚴峻，本集團相信大理石板材業務於2020年下半年將繼續面臨巨大挑戰。

Marble Slags and Calcium Carbonate Business

Marble slags are produced in the course of stripping overburden at Zhangjiaba mine and by crushing the cracked marble stones. Marble slags are raw materials for the production of ground calcium carbonate (the "GCC"). The Group sells the marble slags to the GCC manufacturers, which are close to the Zhangjiaba mine.

The first identified case of the novel coronavirus was reported in China around December 2019. The PRC authorities swiftly implemented a series of emergency public health measures that caused serious disruptions to production, supply chain and logistics services across most cities on mainland China. It caused the production of marble slags of the Group to come to a standstill until around March 2020 as the PRC authorities began to ease certain travel restrictions and allow the resumption of production in most cities in China. Despite the Group losing some production time during HY2020, its revenue attributable to marble slags business still managed to reach approximately RMB12.7 million, representing a decrease of approximately RMB0.9 million or 7.2% as compared to approximately RMB13.6 million in HY2019.

China is showing signs of economic recovery since June 2020 as it has successfully kept the spread of COVID-19 at bay as compared to other major economies. However, the resurgence of COVID-19 will still be a concern until a vaccine is in place. Given that the COVID-19 pandemic is raging in most major economies, the outlook of China's economy is not too optimistic. The property development market has also not been able to make an instant rebound from the aftermath of COVID-19. This has driven some marble mine operators to convert part of its production capacity from marble blocks to producing marble slags in the short run to counteract the effects of the dampened economy. The demand for marble slags is also relatively stable and a good source of revenue during this interim period. However, the sudden increase in supply of marble slags in the market has inevitably driven down its selling price, especially against the current grim economic backdrop. This had a negative impact on the Group's gross margin for marble slags during HY2020. Nonetheless, the Group believes the plunge in the price of marble slags is temporary and will recover gradually once the demand for marble blocks revive with the resumption of construction and property development projects.

大理石礦渣及碳酸鈣業務

大理石礦渣是在張家壩礦山覆蓋層剝採過程中由壓碎破裂大理石產生。大理石礦渣是生產重質碳酸鈣（「重質碳酸鈣」）的原材料。本集團將大理石礦渣售予張家壩礦山附近的重質碳酸鈣製造商。

中國於2019年12月前後報告首宗新型冠狀病毒確診病例。中國政府迅速實施一系列緊急公共衛生措施，導致中國內地大部分城市的生產、供應鏈及物流服務嚴重中斷。本集團大理石礦渣的生產亦因而陷入停滯狀態，直至2020年3月前後中國政府開始放寬若干出行限制及允許中國大部分城市恢復生產。儘管本集團於2020年上半年損失了一些生產時間，但大理石礦渣業務產生的收入仍達致約人民幣12,700,000元，較2019年上半年的約人民幣13,600,000元減少約人民幣900,000元或7.2%。

自2020年6月以來中國呈現出經濟復甦跡象，因為與其他主要經濟體相比，中國已成功遏制了新型冠狀病毒的傳播。然而，在研發出疫苗之前，新型冠狀病毒疫情復燃的憂慮仍然存在。鑒於新型冠狀病毒疫情正在大多數主要經濟體中蔓延，中國經濟前景並不樂觀。物業發展市場亦未能於新型冠狀病毒疫情過後即時反彈。因此，部分大理石礦山營運商在短期內將部分產能由生產大理石荒料轉為生產大理石礦渣，以減輕經濟低迷的影響。於本中期期間，大理石礦渣的需求亦相對穩定，帶來良好的收入來源。然而，市場上大理石礦渣供應陡然增加不可避免拉低了售價，尤其是在當前嚴峻的經濟環境下。這對本集團於2020年上半年的大理石礦渣毛利率產生了負面影響。儘管如此，本集團認為，大理石礦渣的價格暴跌是暫時性的，隨著建築及物業開發項目復工，大理石荒料的需求將會復甦，大理石礦渣的價格亦會隨之逐步回升。

Management Discussion and Analysis

管理層討論及分析

The Group plans to embark on the GCC business and integrate itself with the existing marble slags business. GCC is produced by a grinding process, which transforms marble slags into a powder. GCC is widely used as a raw material in the production of building and construction materials, paper, plastics, paints, coatings and also personal health and food production. The Group may utilize its own rich marble resources from the Zhangjiaba mine to produce marble slags and then further process them to become GCC. The Group expects that the integration will result in a synergy that will increase the competitiveness of the Group's GCC business as the Group has a stable supply of marble slags in its possession and can benefit from cost advantages.

The Group entered into a non-binding memorandum of understanding (the "MOU") with a GCC manufacturer as a joint venture partner which possesses rich experience in the operation of a GCC production site for setting up a GCC business in Jiangyou in April 2017. The Group believes that the joint venture party backed out of the MOU as the Group had halted this business plan due to litigation proceedings involving the Zhangjiaba mine until July 2018 when the litigation was settled. The Group attempted to press ahead with the re-negotiation of the co-operation with the joint venture partner but failed to strike a reciprocal deal. As such, the Group expects that it will need to change its tack and explore other alternatives to implement this GCC business plan.

Exploration, Development and Production Activities at the Mine

The Group focused on the development of and mining at the Zhangjiaba mine during HY2020. The Zhangjiaba Mine contains 44.2 million cubic meters of measured and indicated marble resources, which represents 16.8 million cubic meters 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 during HY2020.

本集團計劃從事重質碳酸鈣業務，將其與現有的大理石礦渣業務進行整合。重質碳酸鈣是由大理石礦渣研磨成粉末而來，其作為原材料廣泛用於生產建築材料、紙張、塑料、漆料及塗層，也用於生產個人保健食品。本集團可運用張家壩礦山的自有豐富大理石資源生產大理石礦渣，並將其進一步加工成重質碳酸鈣。由於本集團具有穩定的大理石礦渣供應並可取得成本優勢，本集團預期此項整合將會形成協同效應，增加本集團重質碳酸鈣業務的競爭力。

於2017年4月，本集團與一名重質碳酸鈣製造商（作為合營夥伴）訂立不具法律約束力的諒解備忘錄（「諒解備忘錄」），以在江油市建立重質碳酸鈣業務，該合營夥伴在經營重質碳酸鈣生產場地方面擁有豐富經驗。本集團認為，由於本集團因涉及張家壩礦山的訴訟程序而暫停該業務計劃，直至2018年7月訴訟獲解決為止，故諒解備忘錄中的合營方退出了諒解備忘錄。本集團嘗試與合營夥伴重新磋商合作，但未能達成互惠協議。因此，本集團預期將需要改變策略，探索其他替代方案實施此項重質碳酸鈣業務計劃。

礦山勘探、開發及生產活動

於2020年上半年間，本集團專注於張家壩礦山的開發及開採。根據獨立合資格人士於2011年3月7日出具的報告（如本公司招股章程所示），張家壩礦山蘊藏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2020年上半年並無進行地質勘探活動。

The Zhangjiaba mine is mainly divided into the eastern mining zone and the western mining zone. During HY2020 and HY2019, the Group continues to carry out the stripping of the overburden materials at the surface for both the eastern and western zone of the deposit. The deposit in these areas is still cracked. The Group expects that further development of the mine to lower benches will be required for large block production and the block production to commence no earlier than 2021.

During HY2020, the aggregate expenditure of the mining operations of the Group was approximately RMB11.5 million (HY2019: RMB9.4 million), which mainly included depreciation on property, plant and equipment of approximately RMB0.7 million (HY2019: RMB3.6 million), safety protection related expenses of approximately RMB0.1 million (HY2019: RMB1.0 million) and subcontracting costs of stripping of approximately RMB10.7 million (HY2019: RMB0.5 million) and none of consumables and fuel in HY2020 (HY2019: RMB3.5 million). During HY2020, the Group expanded the mine areas operated on by the outsourced engineering team in order to reduce the fixed cost of production and increase the financial flexibility of the Group.

PROSPECTS

The COVID-19 pandemic has pushed the global economy towards a recession. 2020 has been fraught with uncertainty and difficulties. The China economy has also faced the challenges of the deteriorating US-China relationship and regional geopolitical tensions and potential conflict with the Asian countries neighbouring China. The Group will maintain a high degree of vigilance against unpredictable international developments and sensitive external factors that could adversely affect the Group's business. Despite these headwinds, the Group will continue to consolidate the production and operations and extend the customer base to improve the performance of the marble business. On the other hand, the Group will continue to explore new business opportunities in order to maximize shareholder's value in the future.

張家壩礦山主要分為東部採礦區及西部採礦區。於2020年上半年及2019年上半年，本集團繼續開展在東部及西部礦床表層剝採廢料的工序。該等區域的礦床仍為破裂。本集團預期大型荒料生產將需要進一步開發礦山的下層台階及荒料生產將不早於2021年開始。

於2020年上半年，本集團採礦業務的總開支約為人民幣11,500,000元（2019年上半年：人民幣9,400,000元），主要包括物業、廠房及設備折舊約人民幣700,000元（2019年上半年：人民幣3,600,000元）、安全防護相關開支約人民幣100,000元（2019年上半年：人民幣1,000,000元）及剝採的分包成本約人民幣10,700,000元（2019年上半年：人民幣500,000元）以及2020年上半年消耗品及燃料費用零元（2019年上半年：人民幣3,500,000元）。於2020年上半年，本集團擴大外包工程團隊負責的礦區，以減少固定生產成本及增加本集團的財務靈活性。

展望

新型冠狀病毒疫情促使全球經濟步入衰退。2020年充滿各種不確定性及困難。中國經濟亦面臨各種挑戰，包括中美關係惡化、地區地緣政治緊張局勢及與鄰近中國的亞洲國家潛在衝突。對於不可預測的國際局勢發展及可能對本集團業務造成負面影響的敏感外部因素，本集團將保持高度警惕。儘管面臨該等不利因素，本集團將繼續鞏固生產及營運並擴大客戶基礎，從而改善大理石業務的表現。另一方面，本集團將繼續探索新商機，以期未來實現股東價值的最大化。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately RMB10.2 million or 34.8% from approximately RMB29.3 million for HY2019 to approximately RMB39.5 million for HY2020. The increase was primarily due to a combined effect of (i) an increase of approximately RMB11.1 million in sales of marble slabs from approximately RMB15.7 million for HY2019 to approximately RMB26.8 million for HY2020, primarily resulting from the pent-up demand for marble slabs during the lockdown of cities in China in early 2020; and (ii) a decrease of approximately RMB0.9 million in sales of marble slags from approximately RMB13.6 million for HY2019 to approximately RMB12.7 million for HY2020, primarily resulting from the suspension of marble slags production for almost three months due to emergency public health measures implemented by the PRC authorities and a decrease in the average selling price of marble slags.

Revenue by products

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	Change 變動
Marble slabs	大理石板材	26,828	15,663	+71.3%
Marble slags	大理石礦渣	12,659	13,635	-7.2%
		39,487	29,298	+34.8%

Analysis by sales volume and selling price are set out below:

財務回顧

收入

本集團的收入由2019上半年的約人民幣29,300,000元增加約人民幣10,200,000元或34.8%至2020上半年的約人民幣39,500,000元，主要是以下各項因素綜合影響所致：(i)大理石板材的銷售額由2019年上半年的約人民幣15,700,000元增加約人民幣11,100,000元至2020年上半年的約人民幣26,800,000元，主要由於2020年初中國城市封鎖期間對大理石板材的累積需求所致；及(ii)大理石礦渣銷售額由2019年上半年的約人民幣13,600,000元減少約人民幣900,000元至2020年上半年的約人民幣12,700,000元，主要由於中國政府實施緊急公共衛生措施導致大理石礦渣生產暫停近三個月，以及大理石礦渣的平均售價下跌。

按產品劃分收入

		Six months ended 30 June 截至6月30日止六個月		
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	Change 變動
Marble slabs	大理石板材	26,828	15,663	+71.3%
Marble slags	大理石礦渣	12,659	13,635	-7.2%
		39,487	29,298	+34.8%

按銷量及售價進行的分析如下：

		Six months ended 30 June 截至6月30日止六個月		
		2020 2020年	2019 2019年	Change 變動
Sales volume:	銷量：			
Marble slabs (square meter)	大理石板材 (平方米)	95,500	56,562	+68.8%
Marble slags (ton)	大理石礦渣 (噸)	712,850	485,704	+46.8%
Average selling prices:	平均售價：			
Marble slabs (RMB per square meter)	大理石板材 (每平方米人民幣元)	280.9	276.9	+1.4%
Marble slags (RMB per ton)	大理石礦渣 (每噸人民幣元)	17.8	28.1	-36.7%

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately RMB1.8 million or 40.9% from approximately RMB4.4 million for HY2019 to approximately RMB2.6 million for HY2020. The decrease was primarily due to a decrease of in the average selling price of marble slags, resulting from an increase in the supply of marble slags in the market.

Gross profit margin decreased by approximately 8.4 percentage points from approximately 14.9% for HY2019 to approximately 6.5% for HY2020. The decrease was primarily due to a decrease in gross profit margin of marble slags.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB0.1 million from approximately RMB0.7 million for HY2019 to approximately RMB0.8 million for HY2020. The increase was primarily due to an increase in transportation costs and direct sales tax, resulting from an increase in sales volume of marble slags.

Administrative expenses

Administrative expenses decreased by approximately RMB8.0 million from approximately RMB20.0 million for HY2019 to approximately RMB12.0 million for HY2020. The decrease was primarily due to a decrease of RMB10.7 million in share option expenses.

Impairment loss of trade receivables

During HY2020, the Group made an impairment loss of RMB7.5 million on trade receivables, representing an increase of RMB4.3 million, as compared to RMB3.2 million for HY2019. The increase was primarily due to an increase in expected credit loss for the further delay in invoice payment by the Group's customers amid the tightening financial market environment.

Loss for the period

As a result of the foregoing, the Group recorded a loss of approximately RMB17.9 million for HY2020, representing a decrease of approximately RMB2.7 million as compared to a loss of RMB20.6 million for HY2019.

Liquidity and Capital Resources

As at 30 June 2020, the Group's total equity interests were approximately RMB331.5 million, representing a decrease of approximately RMB16.0 million or 4.6% as compared to approximately RMB347.5 million as at 31 December 2019. The decrease was mainly attributable to a loss of approximately RMB17.9 million incurred for HY2020.

毛利及毛利率

毛利由2019年上半年的約人民幣4,400,000元減少約人民幣1,800,000元或40.9%至2020年上半年的約人民幣2,600,000元。減少的原因主要是市場上大理石礦渣供應增加導致大理石礦渣的平均售價降低。

毛利率由2019年上半年的約14.9%減少約8.4個百分點至2020年上半年的約6.5%。主要由於大理石礦渣的毛利率下降所致。

銷售及分銷開支

銷售及分銷開支由2019年上半年約人民幣700,000元增加約人民幣100,000元至2020年上半年的約人民幣800,000元。主要由於大理石礦渣銷量增加導致運輸成本及直接銷售稅增加所致。

行政開支

行政開支由2019年上半年約人民幣20,000,000元減少約人民幣8,000,000元至2020年上半年的約人民幣12,000,000元。主要由於2020年上半年購股權開支減少人民幣10,700,000元所致。

貿易應收款項減值虧損

於2020年上半年，本集團就貿易應收款項作出減值虧損人民幣7,500,000元，較2019年上半年的人民幣3,200,000元增加人民幣4,300,000元。增加的主要原因是金融市場環境收緊的情況下，本集團客戶進一步延遲支付賬款導致預期信貸虧損增加。

期內虧損

由於上述原因，本集團於2020年上半年錄得虧損約人民幣17,900,000元，較2019年上半年的虧損人民幣20,600,000元減少約人民幣2,700,000元。

流動資金及資本資源

於2020年6月30日，本集團的總權益約為人民幣331,500,000元，較2019年12月31日的約人民幣347,500,000元減少約人民幣16,000,000元或4.6%，主要由於2020年上半年產生虧損約人民幣17,900,000元。

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As at 30 June 2020, the Group had cash and bank balances of approximately RMB20.6 million (31 December 2019: RMB49.0 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.

As at 30 June 2020, total borrowings, including other loan of RMB3.6 million and interest-bearing loans of RMB4.4 million from a director (included in amount due to directors), amounted to approximately RMB8.0 million (31 December 2019: RMB4.3 million) was unsecured and matured within one year. The annual interest rates of the borrowings for HY2020 ranged from 5.0% to 10% p.a. (2019: 10% p.a.). All of them are dominated in Hong Kong Dollars ("HKD"). It was accounted for as current liabilities of the Group. The Group does not currently use any derivatives to manage interest rate risk. The gearing ratio, representing total borrowings divided by total equity, was 0.02 (31 December 2019: 0.01).

Capital Expenditure

During HY2020, the Group's capital expenditure amounted to RMB3.0 million (HY2019: RMB3.2 million), which was primarily related to the acquisition of plant and machinery.

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 RMB, which is the functional and reporting currency of the Group, except certain administrative expenses, denominated in HKD and the United States dollar, in the Hong Kong office. The Group has not entered into any foreign exchange contract as hedging measures.

Human Resources

As at 30 June 2020, the Group had a total of 28 employees (31 December 2019: 31). The total staff cost, including directors' emoluments, share options benefit and pension scheme contribution, was approximately RMB1.8 million for HY2020 (HY2019: RMB13.2 million).

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.

於2020年6月30日，本集團擁有現金及銀行結餘約人民幣20,600,000元（2019年12月31日：人民幣49,000,000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。

於2020年6月30日，借貸總額（包括其他貸款人民幣3,600,000元及來自一名董事的計息貸款人民幣4,400,000元（計入應付董事款項））約為人民幣8,000,000元（2019年12月31日：人民幣4,300,000元），為無抵押及於一年內到期。2020年上半年的借款年利率介乎5.0%至10%（2019年：年利率10%）。所有款項均以港元（「港元」）計值。借貸入賬列作本集團的流動負債。本集團目前並無使用任何衍生工具管理利率風險。資產負債比率（即借貸總額除以權益總額）為0.02（2019年12月31日：0.01）。

資本開支

本集團於2020年上半年的資本開支為人民幣3,000,000元（2019年上半年：人民幣3,200,000元），主要與收購廠房及機器有關。

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，本集團大部分業務交易、資產及負債主要以人民幣計值，而人民幣為本集團的功能及列報貨幣。本集團並無訂立任何外匯合同作對沖措施。

人力資源

於2020年6月30日，本集團共有28名（2019年12月31日：31名）員工。2020年上半年，員工成本總額（包括董事酬金、購股權福利及退休金計劃供款）約為人民幣1,800,000元（2019年上半年：人民幣13,200,000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。

Pledge of Assets

As at 30 June 2020, the Group had no pledge of assets (31 December 2019: Nil).

Capital Commitment

As at 30 June 2020, the Group had a capital commitment of approximately RMB15.6 million (31 December 2019: RMB15.6 million) in relation to the construction or purchase of property, plant and equipment contracted for but not provided in the financial statements.

Contingent Liabilities

As at 30 June 2020, the Group had no significant contingent liabilities (31 December 2019: Nil).

Material Acquisitions or Disposals of Subsidiaries, Associates and Joint ventures, and Future Plans for Material Investments or Capital Assets

There was no acquisition or disposal of subsidiaries, associates or joint ventures during HY2020. The Group did not have specific plans for material investments or capital assets in the coming year as at the end of HY2020.

Significant Investment Held

The Group did not hold any significant investments (except for its subsidiaries) during HY2020.

Use of proceeds from fund raising activities

On 3 March 2017 and 24 April 2017, the Company entered into an agreement and supplemental agreement with an underwriter, respectively, by issuing 2,360,068,975 rights shares to qualifying shareholders by way of the rights issue at a 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.

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.

資產抵押

於2020年6月30日，本集團並無資產抵押（2019年12月31日：無）。

資本承擔

於2020年6月30日，本集團就購建物業、廠房及設備有已訂約資本承擔約人民幣15,600,000元（2019年12月31日：人民幣15,600,000元），惟並無於財務報表計提撥備。

或然負債

於2020年6月30日，本集團並無重大或然負債（2019年12月31日：無）。

收購或出售附屬公司、聯營公司及合營企業的重大事項以及未來重大投資或資本資產的計劃

於2020年上半年，本集團概無收購或出售附屬公司、聯營公司或合營公司。於2020年上半年末，本集團並無有關來年重大投資或資本資產的具體計劃。

持有的重大投資

於2020上半年，本集團並無持有任何重大投資（其附屬公司除外）。

集資活動的所得款項用途

於2017年3月3日及2017年4月24日，本公司與包銷商分別訂立協議及補充協議，按認購價每股供股股份0.12港元及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。

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。

Management Discussion and Analysis

管理層討論及分析

Use of Net Proceeds for the year ended 31 December 2019 and the six months ended 30 June 2020

截至2019年12月31日止年度及截至2020年6月30日止六個月期間所得款項淨額的使用情況

	Intended use of proceeds	Actual use of proceeds during the year ended 31 December 2019	Actual use of proceeds during the period ended 30 June 2020	Unutilised Proceeds as at 31 December 2019	Unutilised Proceeds as at 30 June 2020
	所得款項之計劃用途	所得款項之實際使用情況	所得款項之實際使用情況	未動用所得款項	未動用所得款項
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
The contribution of funding for the GCC business	注資以發展重質碳酸鈣業務				
- Setup of manufacturing building (including property, plant and equipment)	- 建設生產樓宇(包括物業、廠房及設備)	149,150	-	17,482	17,111
- General working capital of GCC business	- 重質碳酸鈣業務的一般營運資金	42,610	-	34,119	4,506
General working capital of the Group	本集團的一般營運資金				
- Purchasing of machineries for marble mining business	- 就大理石採礦業務購置機械	15,000	-	-	-
- Marble slab business	- 大理石板材業務	20,000	11,500	28,000	-
- Settlement of litigation	- 訴訟和解	-	-	-	-
- Other general working capital	- 其他一般營運資金	49,780	8,545	-	-
		276,540	20,045	51,601	21,617

Intended use of the unutilized proceeds and/or the expected timeline

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.

未動用所得款項之計劃用途及／或預期時間表

於2017年4月，本集團與一名重質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。

During FY2018, the JV partner obtained the land use approval for part of the planned production site from the Land and Resources Department of Jiangyou City and 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 eagerly underwent the re-negotiation of the operational details of the cooperation. 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 ground calcium carbonate ("GCC") production in Jiangyou City, Sichuan Province, the PRC. In August 2018, the JV Company was formed as to 51% by the Group and 49% by the JV Partner in accordance with the JV agreement. The Group also made the deposit payment of approximately RMB51.6 million for acquisition of property, plant and equipment in respect of the GCC business. However, given that certain fund needs for the GCC business development plan have already been contributed by the JV Partner as opposed to the Group under the MOU, the JV Partner demanded to adjust the terms of the cooperation framework. The Group attempted to press ahead with the re-negotiation of the acceptable terms for both parties but was unable to strike a reciprocal deal. As such, the Group will change its tack and explore other alternatives to implement this GCC business plan.

During FY2018, the Group made a deposit payment of approximately RMB51.3 million (equivalent to approximately HK\$60.0 million) to suppliers for the acquisition of plant and equipment in respect of the GCC business. As the negotiation of the cooperation agreement with the joint venture partner came to an end, the Group has withheld the delivery of the plant and equipment from the suppliers until further notice. The Company intends to apply the unutilized proceeds to the GCC business and general working capital of the Group on or before 31 December 2021.

Re-allocation of Use of Proceeds

As the Group was unable to materialize the GCC business plan for the reasons as disclosed above, the Group resolved and ratified the re-allocation of part of the net proceeds originally intended for the GCC business to meet the on-going needs and shortfalls required for the general working capital of the Group. This includes re-allocating such unused proceeds to the working capital for the existing marble business, payment for the settlement of litigation and other general administrative expenses, such as rental expenses, salary and other administrative expenses. The Board has authorized the unused proceeds originally intended for the GCC business to be applied to the general working capital of the Group as when required.

於2018財政年度，合營夥伴已自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，本集團與合營夥伴積極重新磋商合作營運細節。於2018年6月，本集團與合營夥伴（「合營夥伴」，為重質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重質碳酸鈣（「重質碳酸鈣」）生產業務。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。本集團亦就收購有關重質碳酸鈣業務的物業、廠房及設備而作出按金付款約人民幣51,600,000元。然而，鑒於合營夥伴已出資滿足重質碳酸鈣業務發展計劃的若干資金需求，而非本集團根據諒解備忘錄出資，因此合營夥伴要求調整合作框架條款。本集團嘗試與合營夥伴重新磋商雙方均可接受的條款，但未能達成互惠協議。因此，本集團將改變策略，探索其他替代方案實施此項重質碳酸鈣業務計劃。

於2018財政年度，本集團就收購有關重質碳酸鈣業務的廠房及設備而向供應商作出按金付款約人民幣51,300,000元（相當於約60,000,000港元）。由於與合營夥伴的合作協議磋商終止，本集團已暫停交付廠房及設備，直至進一步通知為止。本公司擬於2021年12月31日或之前將尚未動用之所得款項用於重質碳酸鈣業務及用作本集團一般營運資金。

重新分配所得款項用途

由於本集團因上文所披露之原因無法落實重質碳酸鈣業務計劃，本集團議決及批准重新分配原計劃用於重質碳酸鈣業務的所得款項淨額部分，以滿足本集團一般營運資金的持續需求及彌補缺口，包括將該筆未動用所得款項重新分配用作現有大理石業務的營運資金、支付訴訟和解費及其他一般行政開支，如租金、薪金及其他行政開支。董事會已授權於需要時將原計劃用於重質碳酸鈣業務的未動用所得款項用作本集團的一般營運資金。

Other Information

其他資料

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) for HY2020 except for a deviation from code provisions A.2.1, A.1.8 and A.5.1 of CG Code.

Under code provision A.2.1 of CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. During HY2020, the Board has yet to appoint a chairman (the “Chairman”) and chief executive officer (the “CEO”) of the Company. The independent Board members will temporarily take the role of Chairman to ensure that the Board is effective in its take of setting and implement the Company’s direction and strategy, while the executive Board members will take up the role of CEO to manage the operation of the Group. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong and effective management of the Company.

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 of the Company (the “Director(s)”). The Company does not have insurance cover in this respect as the Board believes that, with the current internal control system and the close supervision of the management, the Directors’ risk of being sued or getting involved in litigation in their capacity as a Director is relatively low. Nevertheless, the Board will review the need for insurance cover from time to time.

Under 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. In the annual general meeting held on 29 June 2020 (the “AGM”), Mr. Sheng Guoliang was not re-elected by the shareholders of the Company as an independent non-executive Director. As a result, Mr. Sheng Guoliang was no longer an independent non-executive Director after AGM. In the meantime, Mr. Sheng Guoliang ceased to be a member of the nomination committee of the Company. Therefore, there were only two members in the nomination committee of the Company and only one of who was an independent non-executive Director after AGM. The Company has not complied with the requirements under the code provision of A.5.1 of CG Code.

企業管治

本公司於2020年上半年一直遵守聯交所證券上市規則（「上市規則」）附錄十四所載企業管治守則及企業管治報告（「企業管治守則」），惟與企業管治守則的守則條文第A.2.1條、第A.1.8條及第A.5.1條有所偏離。

根據企業管治守則的守則條文第A.2.1條規定，主席及行政總裁的角色應予區分，不應由同一人士擔任。主席及行政總裁之間的職責分工應清晰確立並以書面形式載列。於2020年上半年，董事會尚未委任本公司主席（「主席」）及行政總裁（「行政總裁」）。董事會獨立成員將暫時承擔主席的職責以確保董事會有效設定及執行本公司的決策及策略，而董事會執行成員將承擔行政總裁的職責以管理本集團之營運。董事會認為已具備足夠的權力平衡，且目前的安排可維持本公司強而有效的管理。

根據企業管治守則的守則條文第A.1.8條規定，本公司應就針對本公司董事（「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，各董事因董事身份而被控告或牽涉訴訟之風險較低，故本公司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。

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，由董事會主席或獨立非執行董事擔任主席，且成員須以獨立非執行董事佔大多數。於2020年6月29日舉行的股東週年大會（「股東週年大會」）上，盛國良先生未獲本公司股東重選為獨立非執行董事。因此，盛國良先生於股東週年大會結束後不再為獨立非執行董事，同時不再為本公司提名委員會成員。因此，於股東週年大會結束後，本公司提名委員會僅有兩名成員，其中僅有一名為獨立非執行董事，不符合企業管治守則的守則條文第A.5.1條規定。

Save as the deviation from the code provision A.2.1, A.1.8 and A.5.1 of the CG Code, in the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code throughout HY2020 and, where appropriate, the applicable recommended best practices of the CG Code.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions by the Directors. The Company confirms that, having made specific enquiries with all Directors of the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code and its own code of conduct regarding directors' securities transaction throughout HY2020.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company comprised two independent non-executive Directors, namely Mr. Andreas Varianos (chairman of audit committee) and Mr. Yang Ruimin. The audit committee members of the Company have reviewed the unaudited interim results of the Group for HY2020 and had recommended their adoption to the Board.

BOARD OF DIRECTORS

As at 30 June 2020, the Board comprises four executive Directors, namely Mr. Zheng Yonghui, Mr. Zhang Weijun, Mr. Zhang Mian and Ms. Zhang Cuiwei, and two independent non-executive Directors, namely Mr. Yang Ruimin and Mr. Andreas Varianos.

Under Rules 3.10(1) and 3.10A of the Listing Rules, the Board must include at least three independent non-executive Directors and it is required to appoint independent non-executive Directors representing at least one-third of the Board.

除與企業管治守則之守則條文第A.2.1條、第A.1.8條及第A.5.1條有所偏離外，董事認為，本公司於2020年上半年一直遵守企業管治守則所載的所有守則條文及企業管治守則的適用建議最佳常規（如適用）。

遵從標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為其董事進行證券交易的操守準則。本公司確認，經向本公司全體董事作出特定查詢後，全體董事確認彼等於2020年上半年一直遵守標準守則所載的規定標準及本公司有關董事進行證券交易的操守準則。

審計委員會及審閱中期業績

本公司審計委員會由兩名獨立非執行董事組成，即Andreas Varianos先生（審計委員會主席）及楊銳敏先生。本公司審計委員會成員已審閱本集團2020年上半年的未經審核中期業績，並建議董事會審批。

董事會

於2020年6月30日，董事會包括四名執行董事鄭永暉先生、張衛軍先生、張勉先生及張翠薇女士，以及兩名獨立非執行董事楊銳敏先生及Andreas Varianos先生。

根據上市規則第3.10(1)條及3.10A條，董事會必須包括至少三名獨立非執行董事，且須委任至少佔董事會人數三分之一的獨立非執行董事。

Other Information

其他資料

Pursuant to Rule 3.21 of the Listing Rules, the audit committee must comprise a minimum of 3 members, and the majority of the audit committee members must be independent non-executive Directors.

Pursuant to Rule 5.34 of the Listing Rules, the Remuneration Committee must be chaired by an independent non-executive Director and comprise a majority of independent non-executive Directors.

In the AGM, Mr. Zhang Jianzhong ("Mr. Zhang"), Mr. Sheng Guoliang ("Mr. Sheng") and Ms. Wang Yihua ("Ms. Wang") were not re-elected by the shareholders of the Company as an executive Director, an independent non-executive Director and an independent non-executive Director, respectively. As a result, Mr. Zhang, Mr. Sheng and Ms. Wang were no longer an executive Director, an independent non-executive Director and an independent non-executive Director, respectively, after the AGM. In the meantime, Mr. Sheng ceased to be the chairman of the remuneration committee and members of the audit committee and nomination committee of the Company. Ms. Wang ceased to be a chairman of the audit committee of the Company.

The Company has made endeavors, however, more time is required to identify suitable candidates for the additional independent non-executive Director vacancies in order to comply with the Listing Rules. The Company will continue with such endeavors and will comply with the Listing Rules and the Code as soon as possible.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of the Directors subsequent to 31 December 2019 are set out below:

Name of Directors 董事姓名	Details of the change 變動詳情
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Mr. Zheng Yonghui (Mr. Zheng) 鄭永暉先生(鄭先生)	During HY2020, Mr. Zheng volunteered the reduction of his remuneration from HK\$500,000 per annum to HK\$360,000 per annum with retrospective effect from 9 April 2019 (date of appointment). 於2020年上半年,鄭先生自願將薪酬由每年500,000港元調減至每年360,000港元,並追溯至自2019年4月9日(獲委任日期)起生效。
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Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rule.

根據上市規則第3.21條,審計委員會至少要有三名成員,且大部分成員必須為獨立非執行董事。

根據上市規則第5.34條,薪酬委員會必須由獨立非執行董事出任主席,且大部分成員須為獨立非執行董事。

於股東週年大會上,張建忠先生(「張先生」)未獲本公司股東重選為執行董事,盛國良先生(「盛先生」)及王藝華女士(「王女士」)未獲本公司股東重選為獨立非執行董事。因此,於股東週年大會結束後,張先生不再擔任執行董事,盛先生及王女士不再擔任獨立非執行董事。同時,盛先生不再擔任本公司薪酬委員會主席以及審計委員會及提名委員會成員。王女士不再擔任本公司審計委員會主席。

本公司已在積極物色合適人選填補獨立非執行董事職位空缺,以遵守上市規則的規定,惟尚需更多時間。本公司將繼續努力物色人選,以求盡早符合上市規則及守則的規定。

董事資料變動

於2019年12月31日後董事資料的變動載列如下:

除上文所披露者外,概無須根據上市規則第13.51B(1)條作出披露的其他資料。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

DIRECTORS' INTEREST IN SECURITIES

As at 30 June 2020, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which (a) were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to provisions of Division 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive have taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were set out below:

(a) Long positions in ordinary shares of the Company

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於截至2020年6月30日止六個月內概無購買、出售或贖回本公司任何上市證券。

董事於證券的權益

於2020年6月30日，董事於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部之條文規定須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例有關條文董事或最高行政人員被當作或視作持有之權益及淡倉）；(b)根據證券及期貨條例第352條須載入該條例所指之登記冊之權益及淡倉；或(c)根據聯交所證券上市規則（「上市規則」）附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉載列如下：

(a) 於本公司普通股之好倉

Name of Director 董事姓名	Capacity 身份	Number of ordinary shares of HK\$0.01 each held 所持有每股面值0.01港元之普通股數目			Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
		Direct interest 直接權益	Deemed interest 視作擁有權益	Total interest 總權益	
Zheng Yonghui 鄭永暉	(a) Interest of a controlled corporation (a) 受控法團權益	-	287,997,542 (Note) (附註)	287,997,542	10.17%
	(b) Beneficial owner (b) 實益擁有人	138,740,000	-	138,740,000	4.90%
		138,740,000	287,997,542	426,737,542	15.07%

Note:

The 287,997,542 ordinary shares of the Company were directly owned by Oasis Tycoon Investments Limited of which all interests are directly controlled by Mr. Zheng Yonghui.

附註：

該等287,997,542股普通股由Oasis Tycoon Investments Limited直接擁有，而Oasis Tycoon Investments Limited之全部權益由鄭永暉先生直接控制。

Other Information

其他資料

(b) Long positions in underlying shares of the Company

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

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

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

(b) 於本公司相關股份的好倉

董事所持本公司購股權權益的詳情於「購股權計劃」一節內另行披露。

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

除上文所披露者外，本公司及其控股公司、附屬公司於期內概無參與任何安排，使董事或最高行政人員（包括彼等的配偶及未滿18歲子女）可取得本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份或相關股份或債券的任何權益及淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2020, none of the Directors is aware that any person (not being Directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a new share option scheme on 29 June 2020 (the "New Share Option Scheme") and terminated the share option scheme on 24 January 2011 (the "2011 Share Option Scheme").

The New Share Option Scheme will be valid for 10 years from the date of adoption and it provides the Company with more flexibility in long term planning of granting options to eligible persons in a longer period in the future. The New Share Option Scheme does not provide for any minimum period for holding of options or any performance target before exercise of options, but the Board may add such terms at the time of the grant of any option, which can provide appropriate incentives or rewards to the eligible persons for their contribution to the Group. Under the New Share Option Scheme, the Board will have discretion in determining the subscription price (subject to the requirements under the Listing Rules) in respect of any Option. The Directors are of the view that the flexibility given to the Directors to determine the subscription price will place the Group in a better position to reward employees and retain the eligible persons that are valuable to the long-term growth and development of the Group as a whole.

No share options were granted under the New Share Option Scheme since the date of its adoption.

主要股東於證券的權益

於2020年6月30日，按照本公司根據證券及期貨條例第336條規定存置的主要股東登記冊所記錄，董事概不知悉任何人士（並非董事或本公司最高行政人員）於本公司股份及相關股份中擁有權益或淡倉。

購股權計劃

本公司於2020年6月29日採納一項新的購股權計劃（「新購股權計劃」）並終止於2011年1月24日採納的購股權計劃（「2011年購股權計劃」）。

新購股權計劃自採納日期起計10年內有效，為本公司於日後一段較長時間在長期規劃向合資格人士授出購股權方面提供更大靈活度。新購股權計劃並無規定於行使購股權前須持有購股權的最短期限或須達成任何業績目標，惟董事會可在授出購股權時附加此等條款。購股權乃作為合資格人士對本集團所作貢獻的適當激勵或獎勵。根據新購股權計劃，購股權的認購價將由董事會酌情釐定（須遵守上市規則之規定）。董事認為，賦予董事釐定認購價的靈活性可令本集團更好地獎勵及挽留有助本集團整體長期增長及發展的僱員及合資格人士。

自採納日期以來，概無根據新購股權計劃授出購股權。

Other Information

其他資料

Details of outstanding and movement of share options (the "Share Options") under 2011 Share Option Scheme during HY2020 are as follows:

於2020年上半年，2011年購股權計劃下未行使的購股權（「購股權」）及其變動的詳情如下：

Grantees 承授人	Date of grant 授出日期		Exercise price 行使價	As at 1 January 2020 於2020年 1月1日	Grant during the period 於期內授出	Lapsed/ cancelled during the period 於期內 失效/註銷	As at 30 June 2020 於2020年 6月30日
Director							
董事							
Zhang Cuiwei 張翠薇	26 June 2014 2014年6月26日	Note 4 附註4	HK\$1.737	1,731,663	-	-	1,731,663
	12 January 2015 2015年1月12日	Note 5 附註5	HK\$1.649	2,424,329	-	-	2,424,329
Zhang Mian 張勉	15 April 2019 2019年4月15日	Note 8 附註8	HK\$0.1172	28,320,827	-	-	28,320,827
Other							
其他							
Other employees 其他僱員	9 June 2014 2014年6月9日	Note 3 附註3	HK\$1.737	3,290,160	-	-	3,290,160
	26 June 2014 2014年6月26日	Note 4 附註4	HK\$1.737	1,731,663	-	-	1,731,663
	30 December 2014 2014年12月30日	Note 6 附註6	HK\$1.634	4,848,657	-	-	4,848,657
	12 January 2015 2015年1月12日	Note 5 附註5	HK\$1.649	2,424,329	-	-	2,424,329
	23 November 2017 2017年11月23日	Note 7 附註7	HK\$0.0972	47,200,000	-	-	47,200,000
	15 April 2019 2019年4月15日	Note 8 附註8	HK\$0.1172	169,924,962	-	-	169,924,962
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\$10.87	1,350,697	-	-	1,350,697
				263,247,287	-	-	263,247,287
		Vested at end of period 於期末已歸屬		263,247,287			263,247,287

Note:

- On 24 May 2012, the Board passed a resolution that these options shall continue to be vested and be exercisable until the expiry of the option period regardless of these grantees ceased to be a Director or an employee of the Company.
- The options were divided into three tranches exercisable from 4 November 2011, 4 November 2012 and 4 November 2013 to 3 November 2021.
- The options were exercisable from 9 June 2014 to 8 June 2024 (both dates inclusive).
- The options were exercisable from 26 June 2014 to 25 June 2024 (both dates inclusive).
- The options were exercisable from 12 January 2015 to 15 December 2024 (both dates inclusive).
- The options were exercisable from 30 December 2014 to 18 December 2024 (both dates inclusive).
- The options were exercisable from 23 November 2017 to 22 November 2027 (both dates inclusive).
- The options were exercisable from 15 April 2019 to 14 April 2029 (both dates inclusive). The fair value of the share options under the 2011 Option Share Scheme granted to a director and other employees during the year ended 31 December 2019 was approximately HK\$2,064,588 (equivalent to approximately RMB1,817,000) and HK\$10,382,415 (equivalent to approximately RMB9,137,000), respectively. The closing price of the shares of the Company immediately before the Share Options were granted was HK\$0.1150 per share.
- 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.

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed shares during Hy2020.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for HY2020.

附註：

- 於2012年5月24日，董事會通過一項決議案，當中載明儘管該等承授人不再為本公司董事或僱員，該等購股權應繼續予以歸屬及可予行使，直至購股權期間屆滿為止。
- 該等購股權分為三期，分別由2011年11月4日、2012年11月4日及2013年11月4日起至2021年11月3日止可予行使。
- 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。
- 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。
- 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。
- 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。
- 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。
- 該等購股權於2019年4月15日至2029年4月14日（首尾兩天包括在內）可予行使。於截至2019年12月31日止年度，根據2011年購股權計劃授予一名董事及其他僱員的購股權的公允值分別約為2,064,588港元（相當於約人民幣1,817,000元）及10,382,415港元（相當於約人民幣9,137,000元）。本公司股份於緊接授出該等購股權前之收市價為每股0.1150港元。
- 本公司將該等購股權的公允值作為員工成本記入收益表。本公司會將按購股權行使價發行的股份的面值（每股0.01港元）入賬為額外股本，並將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。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於2020年上半年概無購買、贖回或出售本公司任何上市證券。

中期股息

董事會不建議就2020年上半年派發中期股息。

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2020 截至2020年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (unaudited) (未經審核)
	Notes 附註		
REVENUE	收入	5	39,487
Cost of sales	銷售成本		(36,914)
Gross profit	毛利		2,573
Other income and gains	其他收入及收益	6	168
Selling and distribution costs	銷售及分銷成本		(794)
Administrative expenses	行政開支		(11,951)
Impairment allowance of trade receivables, net	貿易應收款項減值撥備·淨額		(7,533)
Loss on deregistration of a subsidiary	撤銷註冊附屬公司之虧損		-
			(1,094)
OPERATING LOSS	營運虧損		(17,537)
Finance costs	財務成本	7	(317)
			(14)
LOSS BEFORE TAX	除稅前虧損		(17,854)
Income tax	所得稅	8	-
			-
LOSS FOR THE PERIOD	期內虧損	9	(17,854)
Other comprehensive income:	其他全面收益:		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益的項目:</i>		
Exchange differences on translation of foreign operations	因換算海外業務產生的匯兌差異		1,840
			119
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔期內全面虧損總額		(16,014)
			(20,487)
Loss per share (RMB cents):	每股虧損(人民幣分):		
-Basic and diluted	-基本及攤薄	10	(0.63)
			(0.73)

The notes on pages 27 to 40 are an integral part of these condensed consolidated interim financial statements.

第27頁至40頁之附註屬本簡明綜合中期財務報表之一部分。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2020 於2020年6月30日

			30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	175,978	178,732
Intangible assets	無形資產		40,750	41,744
Right of use asset	使用權資產		2,246	3,878
Prepayment	預付款項		51,330	51,330
			270,304	275,684
CURRENT ASSETS	流動資產			
Inventories	存貨		362	363
Trade receivables	貿易應收款項	13	81,851	59,368
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		3,406	3,774
Cash and cash equivalents	現金及現金等價物		20,568	49,022
			106,187	112,527
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	14	3,677	558
Lease liabilities	租賃負債		245	1,429
Other payables and accruals	其他應付款項及應計費用		16,545	18,167
Amounts due to directors	應付董事款項		6,394	5,586
Other loans	其他貸款	15	3,654	-
Provision for litigation	訴訟撥備		10,601	10,601
			41,116	36,341
NET CURRENT ASSETS	流動資產淨額		65,071	76,186
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		335,375	351,870

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2020 於2020年6月30日

			30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
		Notes 附註		
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債		560	1,041
Provision for environmental rehabilitation	環境恢復撥備		2,697	2,697
Deferred tax liabilities	遞延稅項負債		608	608
			3,865	4,346
NET ASSETS	資產淨值		331,510	347,524
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	16	24,435	24,435
Reserves	儲備		307,075	323,089
TOTAL EQUITY	總權益		331,510	347,524

The notes on pages 27 to 40 are an integral part of these condensed consolidated interim financial statements.

第27頁至40頁之附註屬本簡明綜合中期財務報表之一部分。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2020 截至2020年6月30日止六個月

		Issued capital 已發行 股本 RMB'000 人民幣千元	Share premium 股份 溢價 RMB'000 人民幣千元	Contributed reserve 繳入 儲備 RMB'000 人民幣千元	Share option reserve 購股權 儲備 RMB'000 人民幣千元	Foreign currency translation reserve 外幣換算 儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total equity 總權益 RMB'000 人民幣千元
At 1 January 2019 (audited)	於2019年1月1日 (經審核)	24,435	221,144	14,480	25,115	(2,227)	118,281	401,228
Total comprehensive loss for the period (unaudited)	期內全面虧損總額 (未經審核)	-	-	-	-	119	(20,606)	(20,487)
Grant of share option	授出購股權	-	-	-	10,744	-	-	10,744
At 30 June 2019 (unaudited)	於2019年6月30日 (未經審核)	24,435	221,144	14,480	35,859	(2,108)	97,675	391,485
At 1 January 2020 (audited)	於2020年1月1日 (經審核)	24,435	221,144	14,480	36,069	1,620	49,776	347,524
Total comprehensive loss for the period (unaudited)	期內全面虧損總額 (未經審核)	-	-	-	-	1,840	(17,854)	(16,014)
At 30 June 2020 (unaudited)	於2020年6月30日 (未經審核)	24,435	221,144	14,480	36,069	3,460	31,922	331,510

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2020 截至2020年6月30日止六個月

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

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(31,657)	(4,553)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(2,959)	(3,214)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	66	108
Interest received	已收利息	1	1
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(2,892)	(3,105)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Proceeds from addition of lease liabilities	新增租賃負債的所得款項	-	392
Repayments of lease liabilities	償還租賃負債	(766)	(196)
Interest paid	已付利息	-	(14)
Proceeds from other loans	其他貸款所得款項	3,628	-
Advance from directors	董事墊款	682	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得現金淨額	3,544	182
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(31,005)	(7,476)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金等價物	49,022	65,058
EFFECT OF FOREIGN EXCHANGE	外匯影響	2,551	(15)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	20,568	57,567

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

1. GENERAL INFORMATION

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

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands under the name of China Kingstone Mining Holdings Limited on 29 March 2010 and changed its domicile to Bermuda with limited liability on 10 August 2016. The registered office address of the Company is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The principal place of business of the Company in Hong Kong is located at Unit 14, 18/F., Seapower Tower, Concordia Plaza, No. 1 Science Museum Road, Kowloon, Hong Kong.

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

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 28 August 2020.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2020 (“Interim Financial Statements”) have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) issued by the International Accounting Standards Board and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Interim Financial Statements do not include all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019 (“2019 Annual Report”).

1. 一般資料

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

本公司於2010年3月29日根據開曼群島法例第22章公司法（1961年第3號法例，經綜合及修訂）在開曼群島以中國金石礦業控股有限公司的名稱註冊成立為獲豁免有限公司，並於2016年8月10日遷冊至百慕達以有限公司形式存續。本公司的註冊辦事處地址為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda。本公司於香港的主要營業地點為香港九龍科學館道1號康宏廣場北座18樓14室。

除另有指明外，本財務報表以中國人民幣（「人民幣」）呈列。

本簡明綜合中期財務報表已於2020年8月28日獲董事會批准刊發。

2. 編製基準

截至2020年6月30日止六個月之未經審核簡明綜合中期財務報表（「中期財務報表」）已根據國際會計準則理事會頒佈的國際會計準則第34號（「國際會計準則第34號」）及香港聯合交易所有限公司證券上市規則（「上市規則」）之適用披露規定編製。

中期財務報表並不包括就編製完整財務報表所需之所有資料及披露，並應與本集團截至2019年12月31日止年度的年度綜合財務報表（「2019年年報」）一併閱讀。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

3. ESTIMATES

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

In preparing the Interim Financial Statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2019.

Application of amendments to IFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in IFRS standards and the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB"), for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. 估計

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

編製中期財務報表時，管理層於應用集團會計政策所作之重大判斷及估計不確定因素之主要來源與截至2019年12月31日止年度之綜合財務報表所應用者一致。

4. 主要會計政策概要

簡明綜合財務報表乃按歷史成本基準編製。

除就應用國際財務報告準則（「國際財務報告準則」）之修訂本而新採用的會計政策外，截至2020年6月30日止六個月之簡明綜合財務報表所使用的會計政策及計算方法，與編製本集團截至2019年12月31日止年度之綜合財務報表所遵循者相同。

應用國際財務報告準則之修訂本

於本中期期間，本集團已就編製本集團簡明綜合財務報表首次應用國際會計準則理事會（「國際會計準則理事會」）所頒佈的「對國際財務報告準則中概念框架引用的修訂」以及下列國際財務報告準則之修訂本（於2020年1月1日或之後開始的年度期間強制生效）：

國際會計準則第1號及 國際會計準則第8號之修訂本	重大的定義
國際財務報告準則第3號之修訂本	業務的定義
國際財務報告準則第9號、 國際會計準則第39號及 國際財務報告準則第7號之修訂本	利率基準改革

於本期間應用「對國際財務報告準則中概念框架引用的修訂」及上述國際財務報告準則之修訂本，對本集團於本期間及過往期間的財務狀況及表現及／或本簡明綜合財務報表所載披露並無重大影響。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

5. REVENUE AND OPERATING SEGMENT INFORMATION

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

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

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

Entity-wide disclosures

Information about products

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

		Six months ended 30 June 截至6月30日止六個月			
		2020 2020年 RMB'000 人民幣千元 (unaudited) (未經審核)	%	2019 2019年 RMB'000 人民幣千元 (unaudited) (未經審核)	%
Marble slags	大理石礦渣	12,659	32	13,635	47
Marble slabs	大理石板材	26,828	68	15,663	53
		39,487	100	29,298	100

5. 收入及經營分部資料

收入指已售貨品的淨發票值，扣除貿易折扣及退回。

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

因此，除整個實體披露外，未有呈列分部分析。

整個實體披露

有關產品的資料

下表載列期內按產品劃分來自外部客戶的總收入及佔總收入的百分比：

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

6. OTHER INCOME AND GAINS

6. 其他收入及收益

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (unaudited) (未經審核)
Bank interest income	銀行利息收入	1	1
Exchange gain, net	匯兌收益淨額	12	–
Gain on disposal of right-of-use assets	出售使用權資產收益	63	–
Miscellaneous	雜項	19	10
Government grant	政府補貼	73	–
		168	11

7. FINANCE COSTS

7. 財務成本

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (unaudited) (未經審核)
Interest on lease liabilities	租賃負債利息	47	14
Interest on amount due to a director	應付董事款項之利息	218	–
Interest on other loans	其他貸款利息	52	–
		317	14

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

8. INCOME TAX

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (unaudited) (未經審核)
Current tax	即期稅項	-	-
Deferred tax	遞延稅項	-	-
		-	-

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for the six months ended 30 June 2020 and 2019.

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截至2020年及2019年6月30日止六個月之稅率為25%。

9. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging:

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (unaudited) (未經審核)
Amortisation of intangible assets	無形資產攤銷	994	-
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	5,498	6,029
Depreciation of right-of-use assets	使用權資產折舊	735	-
Operating lease rental for office	辦公室經營租金	-	837
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	151	426
Share option expenses	購股權開支	-	10,745

8. 所得稅

9. 期內虧損

本集團之期內虧損已扣除以下各項：

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10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on a loss of approximately RMB17,854,000 attributable to owners of the Company for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB20,606,000) and the weighted average number of 2,832,083,000 (six months ended 30 June 2019: 2,832,083,000) ordinary shares in issue during the period.

(b) Diluted loss per share

The calculation of diluted loss per share had not taken into consideration the assumed exercise of the Company's outstanding share options during the six months ended 30 June 2020 and 2019 as it had an anti-dilutive effect on the basic loss per share.

11. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the six months ended 30 June 2020 and 2019.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired plant and machinery at a cost of RMB2,959,000 (2019: Plant and machinery at a cost of RMB3,214,000).

13. TRADE RECEIVABLES

Trade receivables	貿易應收款項
Less: impairment (Note)	減：減值(附註)

10. 每股虧損

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損乃根據截至2020年6月30日止六個月之本公司擁有人應佔虧損約人民幣17,854,000元(截至2019年6月30日止六個月：人民幣20,606,000元)及期內已發行普通股加權平均數2,832,083,000股(截至2019年6月30日止六個月：2,832,083,000股)計算得出。

(b) 每股攤薄虧損

計算每股攤薄虧損並無計及假設於截至2020年及2019年6月30日止六個月行使本公司尚未行使之購股權，因其對每股基本虧損具反攤薄效果。

11. 股息

董事並不建議就截至2020年及2019年6月30日止六個月各期間派付任何股息。

12. 物業、廠房及設備

截至2020年6月30日止六個月，本集團收購成本為人民幣2,959,000元之廠房及機器(2019年：成本為人民幣3,214,000元之廠房及機器)。

13. 貿易應收款項

30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
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		229,229	198,666
		(147,378)	(139,298)
		81,851	59,368

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13. TRADE RECEIVABLES (Continued)

Note:

The impairment loss comprised of a trade receivable that was secured by a property located in Inner Mongolia (the "Pledged Property"). The pledgee of the Pledged Property defaulted in 2012 and the Group took legal action to recover the trade receivable (the "Default Receivables"). The court judgment was handed down to grant the right of transfer of title of the Pledged Property to the Group in August 2016. The Company opted to sell the Default Receivables over the past three years after conducting a thorough cost-benefit and feasibility assessment of the two options for optimal recovery.

The first method of disposing the Pledged Property (the "Disposal") comes with many disadvantages that would ultimately erode the net proceeds of the debt recovery. Firstly, the Disposal will require the Group company to first transfer the Pledged Property from the debtor to itself (the "Transfer"). Based on the Company's best estimate, the Transfer would involve a hefty amount of transfer, land, property and other administrative taxes of over RMB8.4 million, which would strain the Company's cash flow. The Transfer is a prerequisite for the Group company to proceed with the Disposal.

In addition to the aforementioned costs of the Transfer, the Disposal would incur additional land and sales taxes and administrative costs. As the Pledged Property was acquired by way of Court Order, the amount of the land and transfer taxes levied on the Disposal is hard to estimate, especially since the Pledged Property may be subject to a case-by-case adjudication by the Chinese tax authorities. In light of the substantial costs and uncertainty involved with the Transfer and Disposal, it would not be economical for the Company to recover the Default Receivables by this first method.

The second option of selling the Default Receivables will not involve the costs and procedure of the Disposal as outlined above. A willing buyer will directly purchase the Group company with the Default Receivables. While this option will still include the costs of the Transfer (as there will be a change in the beneficial owner of the Pledged Property), no Disposal will be required and the Company will not have to bear these additional costs. A thorough financial assessment of the two options has demonstrated that selling the Default Receivables would be in the best interests of the Company and render the highest net proceeds from the recovery.

The Group has taken steps to sell the Default Receivables but in vain for the past years. Such Default Receivables had been fully impaired.

13. 貿易應收款項 (續)

附註：

減值虧損與一筆貿易應收款項有關，該筆應收款項以內蒙古的一處物業（「抵押物業」）作抵押。抵押物業的承押人於2012年違約，本集團採取法律行動以追回該筆貿易應收款項（「違約應收款項」）。法院於2016年8月下達判決，將抵押物業的業權轉讓予本集團。經對兩種最佳收回方法進行全面的成本效益及可行性評估後，本公司於過往三年選擇出售違約應收款項。

第一種方法是出售抵押物業（「物業出售」），此方法存在諸多缺點，最終會減少債務收回的所得款項淨額。首先，要進行物業出售，本公司須先行將抵押物業由債務人過戶至本公司名下（「過戶」）。根據本公司的最佳估計，過戶將涉及超過人民幣8,400,000元的巨額過戶稅、土地稅、物業稅及其他行政稅費，可能會對本公司的現金流造成壓力。過戶是本公司進行出售的先決條件。

除上述的過戶費用外，物業出售將會產生其他土地稅、銷售稅以及行政費用。由於抵押物業乃根據法院判令取得，難以估計物業出售須繳納的土地稅及過戶稅金額，特別是抵押物業可能須由中國稅務機關按具體個案裁定稅額。鑒於過戶及物業出售涉及重大的費用及不確定性，對本公司而言，採取第一種方法收回違約應收款項並不符合經濟效益。

第二種方法是出售違約應收款項，此方法不會涉及上述物業出售的費用及程序。自願買方可直接向本公司購買違約應收款項。此方法亦會產生過戶費用（因須變更抵押物業的實益擁有人），但毋須進行物業出售，本公司毋須承擔該等額外費用。對兩種方法進行的全面財務評估表明，出售違約應收款項符合本公司的最佳利益，收回的所得款項淨額最高。

本集團已採取措施出售違約應收款項，但數年未果。該筆違約應收款項已悉數減值。

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13. TRADE RECEIVABLES (Continued)

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:

		30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
0 to 90 days	0至90日	26,674	28,652
91 to 180 days	91至180日	8,307	-
181 to 365 days	181至365日	16,862	10,843
Over 1 year	1年以上	30,008	19,873
		81,851	59,368

Reconciliation of allowance for trade receivables:

貿易應收款項之撥備對賬如下：

		30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
At beginning of period/year	於期／年初	139,298	111,098
Allowance for the period/year	期／年內撥備	7,533	28,200
Exchange realignment	匯兌調整	547	-
At end of period/year	於期／年末	147,378	139,298

The Group's trading terms with its customers are mainly on credit. The credit period is generally three month. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Trade receivables are non-interest-bearing.

本集團與其客戶的貿易條款主要為信貸形式。信貸期一般為三個月。本集團設法對其尚未收回應收款項實施嚴格控制以盡量減低信貸風險。貿易應收款項為不計息。

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14. TRADE PAYABLES

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

		30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2019 2019年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
0 to 60 days	0至60日	3,622	436
61 to 120 days	61至120日	-	50
121 to 180 days	121至180日	-	-
Over 180 days	180日以上	55	72
		3,677	558

15. OTHER LOANS

The other loans are unsecured, interest rate at 5% p.a and repayable within one year.

15. 其他貸款

其他貸款為無抵押、按年利率5%計息及須於一年內償還。

16. SHARE CAPITAL

Ordinary shares of HK\$0.01

每股面值0.01港元之普通股

16. 股本

		Number of shares '000 股份數目 千股	RMB'000 人民幣千元
At 1 January 2019 and 31 December 2019, at 1 January 2020 and 30 June 2020	於2019年1月1日及 2019年12月31日、2020年1月1日 及2020年6月30日	2,832,083	24,435

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17. SHARE OPTION SCHEME

2011 Option Scheme

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

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

17. 購股權計劃

2011年購股權計劃

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

於報告期內，根據2011年購股權計劃尚未行使的購股權如下：

		30 June 2020 2020年6月30日		31 December 2019 2019年12月31日	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元 (unaudited) (未經審核)	Number of options 購股權數目 '000 千股 (unaudited) (未經審核)	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元 (audited) (經審核)	Number of options 購股權數目 '000 千股 (audited) (經審核)
At beginning of reporting period/year	於報告期初／年初	0.25	263,248	0.66	65,002
Granted during the period/year	期／年內授出	-	-	0.1172	198,246
Outstanding at end of reporting period/year	於報告期末／年末 尚未行使	0.25	263,248	0.25	263,248
Exercisable at end of reporting period/year	於報告期末／年末 可行使	0.25	263,248	0.25	263,248

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17. SHARE OPTION SCHEME (Continued)

2011 Option Scheme (Continued)

The exercise price and exercise period of those share options outstanding under the 2011 Option Scheme as at 30 June 2020 and 31 December 2019 are as follows:

	Number of options 購股權數目 '000 千股	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期
At 30 June 2020 and at 31 December 2019 於2020年6月30日及 2019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 30 December 2014 to 18 December 2024 15,230,769 options offered may be exercised on or after 30 December 2014; and 30,461,539 options offered may be exercised on or after 19 December 2015. 自2014年12月30日起至2024年12月18日止，授出的15,230,769份購股權可於2014年12月30日或之後行使；授出的30,461,539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
	198,246	0.1172	From 15 April 2019 to 14 April 2029 自2019年4月15日起至2029年4月14日止

No share options were granted during the six months ended 30 June 2020.

於截至2020年6月30日止六個月並無授出購股權。

17. 購股權計劃 (續)

2011年購股權計劃 (續)

於2020年6月30日及2019年12月31日，該等於2011年購股權計劃項下尚未行使的購股權的行使價和行使期如下：

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18. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2020, the Group had the following material transaction with related parties:

(a) Key Management Compensation

	2020	2019
	2020年	2019年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
Salaries, wages and other benefits	598	618

(b) Interest on amount due to a director

	2020	2019
	2020年	2019年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
Interest on amount due to a director (Note)	218	-

Note:

The interest incurred from the loan of RMB4,385,000 from the Company's director, Mr. Zheng Yonghui (included in amount due to a director), at 10% per annum. The loan from the Company's director was unsecured and repayable within one year.

19. LITIGATIONS

- (a) On 13 May 2015, the Company entered into an underwriting agreement with Royal Moon International Limited ("Royal Moon") for raising approximately HK\$121 million by way of open offer on the basis of one offer Shares for every two existing Shares. Under the underwriting obligation, Royal Moon has paid funds of HK\$66.85 million for 668,040,194 Shares to the Company through its financier, Zhangtai International Wealth Management Limited (the "Plaintiff"), however, as a result of a Hong Kong Court decision dated 3 July 2015, Royal Moon, under the underwriting obligation, only had to subscribe 54,577,056 Shares at the price of HK\$5.5 million. As such, this left a balance of the funds of HK\$61.4 million in the open offer bank account of the Company. The Company returned the balance of fund to Royal Moon on 7 July 2015.

18. 關連方交易

於截至2020年6月30日止六個月，本集團與關連方有以下重大交易：

(a) 主要管理層酬金

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

	2020	2019
	2020年	2019年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
Salaries, wages and other benefits	598	618

(b) 應付董事款項之利息

	2020	2019
	2020年	2019年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
Interest on amount due to a director (Note)	218	-

附註：

向本公司董事鄭永暉先生貸款人民幣4,385,000元所產生的利息（計入應付董事款項），按年利率10%計息。該筆本公司董事所提供的貸款無抵押且應於一年內償還。

19. 訴訟

- (a) 於2015年5月13日，本公司與皇月國際有限公司（「皇月」）訂立包銷協議，內容有關按每持有兩股現有股份可獲發一股發售股份的公開發售方式籌集約121,000,000港元。根據包銷責任，皇月已透過其融資人中國國際資產管理有限公司（「原告」）就668,040,194股股份向本公司支付資金66,850,000港元，然而，由於香港法院在2015年7月3日作出一項裁決，判定皇月僅須根據包銷責任按5,500,000港元的價格認購54,577,056股股份，故此導致本公司公開發售銀行賬戶中留下61,400,000港元的資金結餘。本公司已於2015年7月7日向皇月退還該資金結餘。

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19. LITIGATIONS (Continued)

(a) (Continued)

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 the Plaintiff 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 of the Company to Royal Moon on the ground of the alleged breach of trust and/or breach of equitable/fiduciary duties.

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. This litigation case is still in progress.

- (b) 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 of the Company, the Company (the "2nd Defendant") and the former director of the Company (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. The litigation case is still in progress.

19. 訴訟 (續)

(a) (續)

於2018年8月22日，香港特別行政區高等法院（「高等法院」）作出一項判決，駁回原告提出的簡易判決申請，內容有關指稱本公司因違反信託及／或違反衡平法／受信責任錯誤地將資金結餘約61,400,000港元從本公司公開發售銀行賬戶退還至皇月而有責任向原告作出交代。

原告主張，因本公司違反信託，原告應得到衡平法補償及／或損害賠償及／或交出利潤，並應獲得頒令責成本公司向原告支付可能被認定為到期或應付的金額，包括相關利息及成本。原告亦尋求一項聲明，表示本公司有責任就本公司公開發售賬戶中的資金結餘或法院基於本公司違反信託而認為適當的有關其他金額向原告作出交代。

本公司認為毋須就此案作出撥備，原因為此訴訟仍處於早期。本訴案仍在進行中。

- (b) 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」，一間由本公司前任董事全資擁有之公司）、本公司（「第二被告」）及本公司前任董事（「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，提出針對第一被告的約23,700,000港元另加利息及成本之申索，或針對本公司的約21,200,000港元另加利息及成本之申索，或針對第三被告的有關第一被告所欠金額之申索。

本公司認為毋須就此案作出撥備，原因為此訴訟仍處於早期。本訴案仍在進行中。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

19. LITIGATIONS (Continued)

- (c) On 12 March 2019, 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.

On 18 December 2019, Guangdong Province Guangzhou City People's Court of Huangpu District handed down a judgment against Sichuan Jinshida in respect of the claim for the refund of the deposit and part of consideration in amount of RMB8.0 million (the "Claim"), together with interest thereon. The Group filed an appeal petition at the Guangdong Provincial Guangzhou Municipal Intermediate People's court (the "Guangzhou Intermediate Court"). The hearings were made in April and May 2020. The Guangzhou Intermediate Court handed down the judgement to uphold the Claim and withdraw the interest on the Claim to be bore by the Group.

The Group is seeking legal advice for any possible further steps to be taken to protect the interests of the Group. A provision for litigation of RMB10.6 million regarding this case was made in the financial statements of the Group during the year ended 31 December 2019 and the Group considered no further provision was required for this case.

19. 訴訟 (續)

- (c) 於2019年3月12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，(iii)支付賠償金人民幣5,000,000元。

於2019年12月18日，廣東省廣州市黃埔區人民法院判決四川金時達敗訴，須退還按金及部分代價合共人民幣8,000,000元（「申索金額」），連同相關利息。本公司已向廣東省廣州市中級人民法院（「廣州中級法院」）提出上訴。廣州中級法院於2020年4月及5月對案件進行審理，其後判決本集團須退還申索金額但無須承擔申索金額的利息。

為保護本集團利益，本集團正就可能採取的進一步行動尋求法律意見。本集團截至2019年12月31日止年度的財務報表中已就此訴訟計提訴訟撥備人民幣10,600,000元，本集團認為無需就此訴訟進一步計提撥備。



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