



華耐控股有限公司  
SINOREF HOLDINGS LIMITED

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

*(於開曼群島註冊成立之有限公司)*

Stock Code 股份代號: 1020

Annual Report 年報  
2011





# Contents

## 目錄

Corporate Information	2	公司資料	2
Chairman's Statement	4	主席報告書	4
Management Discussion and Analysis	7	管理層討論與分析	7
Corporate Governance Report	17	企業管治報告	17
Directors and Senior Management	25	董事及高級管理層	25
Report of the Directors	31	董事會報告	31
Independent Auditor's Report	49	獨立核數師報告	49
Consolidated Statement of Comprehensive Income	52	綜合全面收益表	52
Consolidated Statement of Financial Position	53	綜合財務狀況表	53
Consolidated Statement of Changes in Equity	54	綜合權益變動表	54
Consolidated Statement of Cash Flows	56	綜合現金流量表	56
Notes to the Consolidated Financial Statements	57	綜合財務報表附註	57
Summary of Results, Assets and Liabilities	108	業績、資產及負債概要	108



# Corporate Information

## 公司資料

### EXECUTIVE DIRECTORS

Mr. Xu Yejun  
Dr. Zhang Lanyin  
Mr. Gu Aoxing

### NON-EXECUTIVE DIRECTOR

Mr. Gao Zhilong

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yao Enshu  
Mr. Yang Fuqiang  
Mr. Tsui Siu Hang, Steve

### COMPANY SECRETARY

Mr. Tam Chi Ming George

### AUTHORISED REPRESENTATIVES

Dr. Zhang Lanyin  
Mr. Tam Chi Ming George

### AUDIT COMMITTEE

Mr. Tsui Siu Hang, Steve (*Chairman*)  
Mr. Yao Enshu  
Mr. Yang Fuqiang

### REMUNERATION COMMITTEE

Mr. Yao Enshu (*Chairman*)  
Mr. Xu Yejun  
Mr. Tsui Siu Hang, Steve  
Mr. Yang Fuqiang

### NOMINATION COMMITTEE

Mr. Xu Yejun (*Chairman*)  
Mr. Yao Enshu  
Mr. Yang Fuqiang  
Mr. Tsui Siu Hang, Steve

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 執行董事

徐葉君先生  
張蘭銀博士  
顧敖行先生

### 非執行董事

高志龍先生

### 獨立非執行董事

姚恩澍先生  
楊富強先生  
徐紹恆先生

### 公司秘書

譚志明先生

### 授權代表

張蘭銀博士  
譚志明先生

### 審核委員會

徐紹恆先生 (*主席*)  
姚恩澍先生  
楊富強先生

### 薪酬委員會

姚恩澍先生 (*主席*)  
徐葉君先生  
徐紹恆先生  
楊富強先生

### 提名委員會

徐葉君先生 (*主席*)  
姚恩澍先生  
楊富強先生  
徐紹恆先生

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands



## Corporate Information 公司資料

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

East Qingyuan Ave.  
Yixing EDZ, Jiangsu  
China 214200

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2007, Tower 1, Lippo Centre  
89 Queensway  
Hong Kong

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
26/F, Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

### AUDITORS

Deloitte Touche Tohmatsu

### LEGAL ADVISOR

Chiu & Partners

### PRINCIPAL BANKER

Bank of Communications

### COMPLIANCE ADVISOR

DBS Asia Capital Limited

### COMPANY WEBSITE

[www.sinoref.com.hk](http://www.sinoref.com.hk)

### STOCK CODE

Stock Exchange of Hong Kong: 1020

### 總辦事處及中國主要營業地點

中國江蘇省  
宜興經濟開發區  
慶源大道東  
郵編214200

### 香港主要營業地點

香港  
金鐘道89號  
力寶中心1座2007室

### 開曼群島股份過戶登記總處

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

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 核數師

德勤•關黃陳方會計師行

### 法律顧問

趙不渝馬國強律師事務所

### 主要往來銀行

交通銀行

### 合規顧問

星展亞洲融資有限公司

### 公司網址

[www.sinoref.com.hk](http://www.sinoref.com.hk)

### 股份代號

香港聯交所：1020



## Chairman's Statement 主席報告書

Dear Shareholders,

I am pleased to present on behalf of the board ("Board") of directors ("Directors") of Sinoref Holdings Limited ("Sinoref", together with its subsidiaries, the "Group") its annual report for the year ended 31 December 2011.

Sinoref was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited in July 2010. With the continuous support from our investors and stakeholders, the Group is well positioned as the second largest player in the manufacturing of advanced steel flow control products in China with a market share of approximately 30%. In the last quarter of 2011, the Group's second manufacturing line has commenced operation, doubling the annual production capacity to 16,800 tonnes. With the additional capacity, the Group is geared up to seize market opportunities resulting from the favourable national policies implemented through China's 12th Five-Year Plan ("5YP").

Nonetheless, due to the slowdown in the recovery of the global economy, profit margins of steel manufacturers in China have further narrowed mainly attributable to rising output and weakening demand caused by a slowdown increased in raw material costs and over-capacity in production. The Group has strived to perform steadily by expanding production capacity, maintaining advanced technology, widening its customer base and penetrating into new markets to forge a wider commercial network. For the year ended 31 December 2011, the Group's turnover rose by approximately 1.4% to approximately RMB323.4 million, and the sales volume rose by approximately 13.1% to 8,600 tonnes. Gross profit and net profit of the Group declined by approximately 17.1% and 29.3% to approximately RMB180.7 million and RMB92.0 million respectively. Gross profit margin and net profit margin decreased 12.5 percentage points and 12.4 percentage points to approximately 55.9% and 28.4% respectively over the same period last year. Basic earnings per share dropped by approximately 33.3% to RMB0.08.

各位股東：

本人謹代表華耐控股有限公司（「華耐」，連同其附屬公司合稱「集團」）董事會（「董事會」）向股東提呈截至二零一一年十二月三十一日止年度之全年業績報告。

華耐於二零一零年七月在香港聯合交易所有限公司成功上市。得到投資者和持份者的不斷支持，本集團穩佔中國第二大高端鋼水控流產品製造商的地位，市場份額達到約30%。於二零一一年最後一季，集團的第二條生產線已開始投產，年產量翻倍至16,800噸。憑藉額外產能，集團已整裝待發，把握在中國第十二個五年規劃（「十二五規劃」）中實行的有利國策所帶來的市場機遇。

然而，由於環球經濟復甦步伐放緩，加上原材料成本上升及產能過剩導致需求下降，但產量卻上升，均是中國鋼廠的邊際利潤進一步收窄的主要原因。集團已透過擴大產能、維持高端技術、擴大客戶基礎，以及進軍新市場以建立更廣闊的商業網絡，努力穩步求進。截至二零一一年十二月三十一日止年度，集團營業額上升約1.4%至約人民幣32,340萬元，而銷售量按年增加約13.1%至8,600噸。集團毛利及純利分別下跌約17.1%及29.3%至約人民幣18,070萬元及人民幣9,200萬元。毛利率及純利率分別較去年同期下降12.5個百分點及12.4個百分點至約55.9%及28.4%。每股基本盈利下跌約33.3%至人民幣0.08元。



## Chairman's Statement 主席報告書

Despite the steel industry has experienced a difficult year in 2011, the demand for high-end steel products under the current 5YP was relatively less volatile. Under the current 5YP, standard of energy-saving for steel manufacturers will be enhanced while emission standard will be further reduced. Besides, production of high-end steel products will be consolidated further to the hand of the top 10 steel manufacturers in China. The Group is poised to capture the market opportunities with its additional production capacity. The Group anticipates gaining a greater market share in the high-end sector, in order to become the market leader in China by 2014 after the full output of the additional capacity has been in operation for three years.

In step with the expansion of its production capacity, Sinoref has undertaken to broaden its customer base. On top of the existing strong customer portfolio, Xinyu Iron & Steel Co. Ltd. and Chongqing Iron & Steel Company Ltd., have become customers of the Group in 2011, expanding the Group's number of customers in China to 23. At the same time, the Group has secured trial orders from other domestic potential customers which could contribute to the utilisation of the capacity in the future.

Our management and staff are ready and committed to strive for additional market shares to become the market leader in advanced steel flow control products in China ultimately through accumulating the utilisation of the expanded capacity and improving customer services.

儘管鋼鐵行業於二零一一年經歷了困難的一年，但在目前十二五規劃下，高端鋼產品的需求波動程度相對較少。根據目前十二五規劃，鋼廠的節能標準將會提升，而減排標準會進一步下降。此外，高端鋼產品將會進一步集中由中國十大鋼廠進行生產。集團定必可憑藉其新增產能把握市場機遇。集團預期，當新增產能於三年間全力投產後，集團在高端市場的市佔率將得以擴大，於二零一四年成為中國市場領導者。

為配合擴大的產能，華耐矢志拓展其客戶基礎。在現有雄厚客戶組合的基礎上，新余鋼鐵股份有限公司及重慶鋼鐵股份有限公司於二零一一年成為集團的新客戶，使集團在中國的客戶數目增至23家。同時，集團已從其他國內潛在客戶獲取試單，有助日後產能的使用。

集團的管理層及員工已準備就緒，決心透過充份利用擴大的產能及改善客戶服務，搶佔額外市場份額，使集團成為中國高端鋼水控流產品的市場領導者。



## Chairman's Statement 主席報告書

Apart from the market in China, the Group has been exploring overseas markets and developing new customer accounts. In February 2011, the Group signed an authorised-dealer agreement with Carboref GmbH and had gradually gained recognition for the Group's product quality by globally renowned steel producers, including ArcelorMittal. With additional overseas orders from Magnitogorsk Metallurgical Kombinat and DEW, overseas sales volume is expected to grow gradually going forward. To explore and capture further opportunities in overseas markets, the Group will actively identify and initiate sales leads in Taiwan, Korea and North America.

Advanced and innovative technology and R&D capacity have been critical in the Group's core business value. Sinoref had 7 registered patents as at the end of 2011. Two patents for the subentry nozzle for thin slab casting process (薄板坯浸入式水口) and the mono block stopper with controlled gas flow (可控制流入氣體的整體式塞棒) obtained by the Group in 2011 are invention patents. In addition, the Group has developed its own material used in its advanced steel flow control products which is qualified for preferential treatment within the category of "strategic emerging industries" under the current 5YP.

During the year 2011, Sinoref has demonstrated its underlying strength and resiliency to overcome the myriad challenges and the harsh business environment. Going ahead, the Group expects to secure business opportunities in the future with the implementation of comprehensive strategies prudently executed so as to maximise its profits and bring fruitful returns for shareholders.

Lastly, on behalf of the Board, I would like to deliver my sincere appreciation to our dedicated staff, as well as to our shareholders and business partners for their support and trust.

**Xu Yejun**  
Chairman

除中國市場外，集團一直開拓海外市場及與新客戶發展業務關係。於二零一一年二月，集團與Carboref GmbH簽訂授權經銷商協議，並逐漸獲得全球著名鋼鐵生產商（包括ArcelorMittal）對集團產品質素的認同。隨著從Magnitogorsk Metallurgical Kombinat及DEW獲取更多海外訂單，預期日後海外銷售量將會穩步增長。為探討和把握更多海外市場商機，集團將積極在臺灣、韓國及北美物色銷售對象及主動進行洽商。

先進和創新的技術及研發實力，對集團的核心商業價值至為重要。華耐截至二零一一年終共有7項註冊專利。集團於二零一一年獲得兩項有關薄板坯浸入式水口及可控制流入氣體的整體式塞棒的發明專利。此外，集團已研發出用於其高端鋼水控流產品的物料，根據目前十二五規劃已被列入「戰略性新興產業」，可享有優惠待遇。

於二零一一年，華耐展現其雄厚實力和應變能力，克服種種挑戰及嚴峻的經營環境。展望未來，集團期望透過審慎執行周全的策略以抓緊業務機遇，爭取最大收益並為股東帶來豐碩回報。

最後，本人謹代表董事會，對忠誠投入的員工衷心致謝，也感激股東及業務夥伴一直以來的支持和信任。

**徐葉君**  
主席



# Management Discussion and Analysis 管理層討論與分析

## MARKET REVIEW

2011, the first year of China's 12th Five-Year Plan (2011-2015), had been a challenging year for the steel industry and associated sectors in China. In particular during the latter half of 2011, the operational environment came under pressure as a gloomier economic situation brought on by the debt crises in Europe started to take its toll on the demand for steel products. The situation was coupled with the slowing economic growth domestically in China. Amidst the challenging market condition, China's crude steel output volume increased approximately 8.9 percent year-on-year to approximately 683.3 million tonnes in 2011 according to China Iron and Steel Association, representing a CAGR of approximately 11.8% since 2005. Continuous casting continue to be the major method of steel production in China and in the world with approximately 90% of crude steel being manufactured this way. Advanced steel flow control products manufactured by the Group are mainly used in continuous casting and as such the business of the Group has close relationship with the production volume of the steel industry of China. The persistent growth of the steel industry provides plentiful opportunities for the Group to expand its business going forward.

Merger and reorganisation as well as optimisation of industry distribution is one of the main themes of steel industry development under the current 5YP, which calls for close down of blast furnaces under 400 cubic meters and converter furnaces under 30 tonnes. In order to increase the standard of energy-saving and emission reduction, the energy consumption per tonne of steel produced by large and medium sized steel manufacturers is limited to within 580 kilograms of standard coal. Manufacturers that fall short of such requirement will be forced to close down and the other manufacturers remain in the market are also required to upgrade their products to high-end products. The consolidation of steel industry is envisaged to result in a growing market of high-end steel products, which will in turn stimulate the the consumption of high-end steel flow control products. Such developments are not only conducive to the rapid growth of the Group's business in the past years, but also in line with the Group's development strategy in targeting the high-end market going forward.

## 市場回顧

二零一一年是中國十二五規劃（二零一一年至二零一五年）的第一年，對鋼鐵行業及相關板塊帶來不少挑戰。尤其於二零一一年下半年，歐洲債務危機使經濟蒙上陰影，開始打擊鋼材產品需求，而中國國內經濟增長放緩使情況雪上加霜。在充滿挑戰的市場環境下，根據中國鋼鐵工業協會的資料，二零一一年中國粗鋼產量按年增長約8.9%至約人民幣68,330萬噸，自二零零五年以來的複合年增長率約達11.8%。連鑄仍然是中國主流製鋼方法，目前全球約90%的粗鋼都以連鑄方法生產。集團生產的高端鋼水控流製品主要用於連鑄，因此集團業務與中國鋼鐵行業產量息息相關。鋼鐵行業持續增長，為集團日後擴展業務帶來不少機遇。

在目前十二五規劃之下，兼併重組和優化產業佈局是鋼鐵行業發展的綱領之一，要求淘汰400立方米以下高爐和30噸以下轉爐。為了提升節能減排的標準，重點大中型鋼廠的每噸產鋼能源消耗限於580千克標準煤之內，未達環保標準的將被全部停產，剩下的亦需升級為高端產品。預期鋼鐵行業的整合將促使高端鋼產品市場不斷壯大，同時刺激高端鋼水控流產品的消耗持續增長，這對集團過去數年的迅速發展極其有利，也與集團瞄準高端市場的發展戰略不謀而合。





# Management Discussion and Analysis

## 管理層討論與分析

Over-capacity in the China steel sector combined with increased production costs, built-up inventory and soaring steel price put pressure on steel operators' profitability in 2011. Although the business of manufacture and sales of steel flow control products is more sensitive to the production volume of steel mills than to their profitability, the weakened financial performance of steel players imposed pressure on suppliers' liquidity with longer payment days. Situation for players in the steel flow control products market that have tight financial position or high gearing was intensified. In contrast, the Group's healthy financial position with promising cashflow generated from the operating activities each year enables the Group to reinforce the relationships with its existing customers further during this difficult environment. With the reliable product quality and good gestures offered, we are confident that Sinoref will win more not only in terms of credentials, but also business opportunities should the steel industry warm up again.

### BUSINESS REVIEW

#### Expanding Production Capacity

The utilisation rate of the Group almost reached 100% in 2010. In order to capture the market opportunities in domestic and overseas markets, management is determined to invest into a new product line immediately after the Group's listing in July 2010. The second line was completely installed by the end of September 2011 and had commenced commercial production in the fourth quarter of 2011. The second line was funded by the proceeds from the listing and was substantially paid off in 2011. With the new capacity of 8,600 tonnes contributed by the second production line, the annual production capacity of the Group has been more than doubled to 16,800 tonnes.

中國鋼鐵行業產能過剩，加上生產成本上漲、存貨囤積及鋼價飆升，均於二零一一年對鋼鐵企業的盈利能力構成壓力。雖然製造及銷售鋼水控流產品的業務受到鐵廠產量的影響較大，相對上它們盈利能力對該業務的影響則較少，但鋼鐵企業的財務狀況轉弱令付款期拖長，也會對供應商的流動資金造成壓力。在鋼水控流產品市場當中，經營者財政狀況緊絀或負債比率上升的情況經已加劇。相對而言，集團的財政狀況穩健，每年從經營活動所得的現金流充裕，讓集團可在此困難環境下與現有客戶進一步加強業務關係。憑藉可靠的產品質素及有利的形勢，集團有信心華耐不僅會贏得更多稱譽，亦會在鋼鐵行業轉旺時獲取更多商機。

### 業務回顧

#### 擴大產能

集團於二零一零年的產能利用率接近100%。為了抓緊國內及海外市場機會，管理層於集團二零一零年七月上市後決心立即投資設立新生產線。第二條生產線已於二零一一年九月底裝置妥當，並已於二零一一年第四季開始投產。設立第二線生產線所需資金來自上市籌集款項，並大致上於二零一一年全數清償。藉著第二線生產線所提供的8,600噸新產能，集團年產能經已倍增到16,800噸。



# Management Discussion and Analysis

## 管理層討論與分析

### Strengthening Customer Base

In 2011, the number of the Group's customers in China reached 23, of which 8 are among the top-10 steel manufacturers in China, including Baosteel Group, Hebei Steel Group, Wuhan Steel Group and Shandong Steel Group. As a result of its reliable products and high quality services as well a sound reputation over the years, the Group is trusted by more and more leading steel manufacturers. During the year, the Group gained two new customers – Xinyu Iron & Steel Co. Ltd. and Chongqing Iron & Steel Company Limited. Both companies are top 500 PRC enterprises in 2011. Besides, management has initiated talks with other major steel manufacturers like Pangang Group Company Limited to enhance the Group's sustainable and stable growth.

### Developing Overseas Markets

The Group signed an authorised-dealer agreement with a renowned European refractory sales agent, Carboref GmbH, in February 2011, which turned out to be very fruitful. Sinoref's products were shortly introduced to the European market for trial after signing the authorised-dealer agreement and the quality of Sinoref's products were promptly recognised by leading global major steel players. ArcelorMittal from Italy, Magnitogorsk Metallurgical Kombinat from Russia and Deutsche Edelstahlwerke from Germany have become the Group's end-customers. To further expand its market globally, the Group has also been communicating with other potential customers in Taiwan, Korea and North America during the year directly and has continued with its effort to identify quality distributors for developing potential markets.

### 加強客戶基礎

二零一一年集團國內客戶數目達23家，其中10大鋼廠中就有8家是集團的客戶，如寶鋼集團、河北鋼鐵集團、武漢鋼鐵集團及山東鋼鐵集團等。集團以可靠的產品及高質素的服務，以及多年來所建立的良好聲譽，受到越來越多具領導地位的製鋼集團信任。年內，集團增添兩家新客戶——新余鋼鐵股份有限公司及重慶鋼鐵股份有限公司。兩家公司均名列二零一一年中國500強企業。此外，管理層已著手與其他大型鋼鐵企業展開洽談，其中包括攀鋼集團有限公司，務求加強集團的可持續及穩定增長。

### 開拓海外市場

集團於二零一一年二月與知名的歐洲耐火材料銷售代理Carboref GmbH簽訂授權經銷商協議，取得非常理想成果。簽訂協議後華耐產品很快已以試單形式推介予歐洲市場，迅即獲全球領先的大型鋼鐵企業的肯定。意大利的ArcelorMittal、俄羅斯的Magnitogorsk Metallurgical Kombinat及德國的Deutsche Edelstahlwerke已相繼成為集團的最終客戶。集團於年內亦一直與台灣、韓國及北美其他潛在客戶進行直接洽商，並繼續努力物色具實力的分銷商，以發展潛在市場。



# Management Discussion and Analysis

## 管理層討論與分析

### Enhancing Technology Research and Development

The Group's unique composite materials are made from a variety of proprietary formulars and moulded with in-house product designs through multiple processes which require high-tech solutions. The sophisticated nature of formulars of mixing raw materials and the complexed nature of product designs serve as extremely high entry barriers within the high-end steel flow control product domain. As at 31 December 2011, the Group had 7 registered patents in total, of which, subentry nozzle for thin slab casting process (薄板坯浸入式水口) and mono block stopper with controlled gas flow (可控制流入氣體的整體式塞棒) obtained by the Group are invention patents (發明專利). The other 5 are utility model patents (實用新型專利). Management is devoted to continue with its effort to collaborate with universities and research institutes to expand and improve the quality and performance of the Group's products so as to maintain its niche in the high-end market. Apart from that, the Group's self-developed material used by steel flow control products was listed as one of the new materials for strategic emerging industry under the current 5YP which enable the Group to enjoy policy concessions.

### Major Products

The Group's major products include ladle shrouds, stoppers, tundish nozzles and subentry nozzles, which are all consumables.

#### *Ladle shrouds*

The Group's ladle shrouds can have various argon sealing customised for different requirements and can be specially designed to achieve full protection and enhance life-span.

#### *Stoppers*

The Group produces more than 30 patterns of stoppers in various specifications to suit the needs of customers for different tundish nozzles.

### 加強技術研發

集團獨有的合成物料是採用多項自主研發的方程式製成，並在需要高技術的多重程序中，根據自家產品設計鑄造成所需產品。混合各種原材料的方程式精密準確，產品設計亦極其複雜，在高端鋼水控流產品領域設置極高門檻要求。截至二零一一年十二月三十一日，集團共有7項註冊專利，其中薄板坯浸入式水口及可控制流入氣體的整體式塞棒所獲專利為發明專利，其餘5項為實用新型專利。管理層致力與各大專院校及研究機構繼續合作進行研發，以加強和改善集團產品的質素及性能，務求維持集團在高端市場的獨特優勢。除此之外，集團的高端鋼水控流產品所用的物料屬自主研發，根據現時十二五規劃，已被列為「戰略性新興產業」新材料之一，使集團享有政策優惠。

### 主要產品

集團的產品主要包括長水口、塞棒、中間包水口以及浸入式水口，均為易耗品。

#### *長水口*

集團的長水口產品可根據客戶的要求採用不同的吹氫方式，也可以生產特異型設計的長水口，從而保證真正實現全程保護澆注，實現長壽命。

#### *塞棒*

集團製造30種不同種類具特定規格的塞棒，以符合客戶對中間包設計的不同要求。

# Management Discussion and Analysis

## 管理層討論與分析

### *Tundish nozzles*

The Group has developed 20 patterns of tundish nozzles for customers' needs and the hardness of these tundish nozzles is capable to endure pressure from the bottom to be a linkage between a stopper and a subentry nozzle or used for slab casters which have tube changers.

### *Subentry nozzles*

The Group produces various customised subentry nozzles and has developed more than 50 patterns of subentry nozzles. It focuses on the design and function of such product to ensure the prevention of oxidation in the continuous casting process.

## FINANCIAL REVIEW

### Revenue

The Group's revenue slightly increased to approximately RMB323.4 million for the year ended 31 December 2011, representing an increase of approximately 1.4% as compared with approximately RMB318.8 million for the previous year. The increase in revenue was mainly due to the increase in sales volume but was partially offset by the decrease in average selling price of products. Overall sales volume increased by approximately 13.2% to approximately 8,600 tonnes for the year ended 31 December 2011 from approximately 7,600 tonnes for the year ended 31 December 2010. Such growth was a result of the combined effect of (i) the acquisition of 2 new customers in the eastern and the western regions of the PRC who purchased approximately 300 tonnes from the Group during the reviewing period and contributed approximately RMB9.1 million or 2.8% to the Group's total revenue in 2011 and (ii) the increase in sales to the Group's existing customers acquired before December 2010 by approximately 9.2% to approximately 8,300 tonnes in 2011 from approximately 7,600 tonnes in 2010.

### *中間包水口*

集團已開發20個形式的中間包水口以符合客戶之特定要求，其堅硬程度足以抵禦中間包底部的壓力，作為塞棒及浸入式水口之連接，或者用於有浸入式水口快速更換機構之板坯連鑄設備。

### *浸入式水口*

集團為客戶度身訂造種類繁多的浸入式水口，至今已開發達50種之多。集團著重卓越產品功能的細心設計，確保安裝的浸入式水口能防止鋼水在流傳過程中發生氧化。

## 財務回顧

### 收入

截至二零一一年十二月三十一日止年度，集團的收入由去年約人民幣31,880萬元上升約1.4%至約人民幣32,340萬元，增長的主要原因是銷售量增加，但其中的部份增幅被產品平均售價下跌所抵銷。整體銷量由截至二零一零年十二月三十一日止年度約7,600噸，上升約13.2%至截至二零一一年十二月三十一日止年度約8,600噸。銷售量增長歸因於以下共同效應：(i) 集團於回顧期間在華東和華西地區獲得2名新客戶，該等客戶於回顧期內向集團購買約300噸產品，為集團二零一一年的總收入貢獻約人民幣910萬元或2.8%及(ii) 集團來自二零一零年十二月之前已有客戶的銷量增加約9.2%，由二零一零年全年約7,600噸增至二零一一年全年約8,300噸。



# Management Discussion and Analysis

## 管理層討論與分析

### Cost of sales

The Group's cost of sales mainly comprised costs of raw materials, labour, depreciation and other direct costs of sales. During the year, the Group's cost of sales increased by approximately 41.6% from approximately RMB100.8 million in 2010 to approximately RMB142.7 million in 2011. The increase was mainly attributable to the increase in costs of raw materials and the increase in production volume of our advanced steel flow control products.

### Gross profit and gross profit margin

The Group's gross profit decreased by approximately 17.1% from approximately RMB218.0 million for the year ended 31 December 2010 to approximately RMB180.7 million for the year ended 31 December 2011. The Group's gross profit margin also decreased from approximately 68.4% for the year ended 31 December 2010 to approximately 55.9% for the year ended 31 December 2011. The decrease in the Group's gross profit and gross profit margin were mainly attributable to the increase in costs of raw materials by approximately 39.1% and the decrease in average selling price.

### Selling and distribution costs

During the year under review, our selling and distribution costs increased to approximately RMB28.3 million, representing an increase of approximately 1.4% from approximately RMB27.9 million for the previous year. The increase was mainly attributable to the increase in transportation costs in relation to the increased sales volume.

### 銷售成本

集團的成本主要包括原材料成本、勞工成本、折舊及其他直接銷售成本。年內，集團銷售成本由二零一零年約人民幣10,080萬元上升約41.6%至約人民幣14,270萬元。銷售成本上升，主要是由於原材料成本上升及集團的高端鋼水控流產品產量增加所致。

### 毛利及毛利率

集團的毛利由截至二零一零年十二月三十一日止年度約人民幣21,800萬元，下跌約17.1%至截至二零一一年十二月三十一日止年度約人民幣18,070萬元。集團的毛利率亦由截至二零一零年十二月三十一日止年度約68.4%，下降至截至二零一一年十二月三十一日止年度約55.9%。毛利及毛利率均下跌，主要是由於原材料成本增加約39.1%及平均售價下跌所致。

### 銷售及分銷成本

回顧年度內，集團的銷售及分銷成本由去年約人民幣2,790萬元上升約1.4%至約人民幣2,830萬元。成本上升主要是由於有關銷量上升所致的運輸成本增加。



# Management Discussion and Analysis

## 管理層討論與分析

### Administrative expenses

The Group's administrative expenses increased by approximately 99.5% from approximately RMB19.7 million for the year ended 31 December 2010 to approximately RMB39.3 million for the for the year ended 31 December 2011. The increase was primarily due to the combined effect of (i) the amortisation of non-cash expense of approximately RMB18.0 million for the year ended 31 December 2011 associated with share options granted to management and staff in November 2010 and September 2011 as compared with approximately RMB1.9 million amortised in 2010; and (ii) the increase in staff costs of 52.5% from approximately RMB4.0 million for the year ended 31 December 2010 to approximately RMB6.1 million for the year ended 31 December 2011.

### Profit for the year

As a result of the foregoing, the Group's profit for the year decreased by approximately 29.3% to approximately RMB92.0 million from approximately RMB130.1 million for the previous year. The Group's net profit margin decreased from approximately 40.8% for the previous year to approximately 28.4% in the current year, which was mainly due to (i) the increase in costs of sales by approximately 41.6% from approximately RMB100.8 million in 2010 and approximately RMB142.7 million in 2011 driven by the increase in raw material costs; and (ii) the increase in administration expenses mainly attributable to the amortisation of non-cash expenses of approximately RMB18.0 million associated with share options granted to management and staff in November 2010 and September 2011, as compared with the amortisation of approximately RMB1.9 million in 2010. The Group's earnings per share decreased from RMB0.12 for the previous year to RMB0.08 in 2011, representing a decrease of approximately 33.3%.

### 行政開支

集團的行政開支由截至二零一零年十二月三十一日止年度約人民幣1,970萬元，上升約99.5%至截至二零一一年十二月三十一日止年度約人民幣3,930萬元。開支上升，主要歸因於以下各項的共同效應：(i)於截至二零一一年十二月三十一日止年度，就二零一零年十一月及二零一一年九月授予管理層及員工的購股權而攤銷非現金開支約人民幣1,800萬元，而二零一零年的攤銷金額則約為人民幣190萬元；及(ii)員工成本由截至二零一零年十二月三十一日止年度約人民幣400萬元，上升52.5%至截至二零一一年十二月三十一日止年度約人民幣400萬元。

### 年內溢利

綜合上述各項，集團年內溢利由去年約人民幣13,010萬元減少約29.3%至約人民幣9,200萬元。集團的純利率由去年約40.8%下跌至本年度約28.4%，主要原因為：(i)受到原材料成本上升影響，銷售成本由二零一零年約人民幣10,080元上升約41.6%至二零一一年約人民幣14,270萬元；及(ii)與二零一零年的攤銷金額約人民幣190萬元相比，就二零一零年十一月及二零一一年九月授予管理層及員工的購股權而攤銷非現金開支約為人民幣1,800萬元，導致行政開支上升。集團每股盈利由上年度人民幣0.12元下跌至二零一一年人民幣0.08元，跌幅約為33.3%。



# Management Discussion and Analysis

## 管理層討論與分析

### Final dividends

The Board recommends the payment of a final dividend HK1 cent (equivalent to approximately RMB0.81 cent) per share for the year ended 31 December 2011 (2010: HK3.6 cents (equivalent to approximately RMB3.1 cents) per share).

### Capital structure, liquidity and financial resources

During the year ended 31 December 2011, the Group's net cash from operating activities was approximately RMB88.0 million (2010: RMB93.1 million) and the Group's bank balances and cash was approximately RMB305.6 million (2010: RMB315.6 million) as at 31 December 2011. Total equity of the Group as at 31 December 2011 was approximately RMB544.8 million (31 December 2010: RMB470.0 million). The Group does not have any outstanding bank loan as at 31 December 2011 (31 December 2010: Nil).

### Pledge of assets

As at 31 December 2011, the Group does not have any pledge of assets.

## CONTINGENT LIABILITIES

As at 31 December 2011, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any current material legal proceedings, nor is our Group aware of any pending or potential material legal proceedings involving the Group.

### 末期股息

董事會建議派付截至二零一一年十二月三十一日止年度的末期股息每股1港仙(相等於約人民幣0.81分)(二零一零年:每股3.6港仙(相等於約人民幣3.1分))。

### 資本架構、流動資金及財務資源

截至二零一一年十二月三十一日止年度,集團從經營業務所得現金淨額約為人民幣8,800萬元(二零一零年:人民幣9,310萬元),而集團於二零一一年十二月三十一日的銀行結餘及現金約為人民幣30,560萬元(二零一零年:人民幣31,560萬元)。集團於二零一一年十二月三十一日的權益總額約為人民幣54,480萬元(二零一零年十二月三十一日:人民幣47,000萬元)。於二零一一年十二月三十一日,本集團並無任何未償還銀行貸款(二零一零年十二月三十一日:無)。

### 資產抵押

於二零一一年十二月三十一日,本集團並無任何資產抵押。

## 或然負債

於二零一一年十二月三十一日,本集團並無為本集團以外任何公司提供任何形式的擔保。本集團並無涉及任何現行重大法律程序,而本集團亦不知悉本集團有涉及任何未解決或潛在的重大法律程序。



# Management Discussion and Analysis 管理層討論與分析

## HUMAN RESOURCES AND STAFF REMUNERATION

As at 31 December 2011, the Group had 223 staff members employed in mainland China and Hong Kong (2010: 190). Total staff costs for the year were approximately RMB6.1 million (2010: RMB4.0 million). During the year, the Group continued to reinforce the training provided to its staff by providing training and study opportunities for management staff and professional technicians. In addition, the Group has provided timely update to all staff with the latest Government policies of the industry to continuously enhance the professional standard and quality of the staff. Meanwhile, the Group has provided competitive remuneration for the staff which encourages them to commit themselves and serve customers whole-heartedly.

## PROSPECTS

Although the Group's performance in 2011 was affected by increased raw materials cost, management envisages there is abundant market opportunities to grow its business in the coming years. China has recently announced that it expects its GDP to grow by approximately 7.5% in 2012. The growth in GDP is continuously underpinned by the increasing domestic demand and consumption which will, in turn, drive the demand in steel consumption and production. Steel production is expected to be fueled further by increasing pace of industrialisation and urbanisation encouraged by the government social policies. Management believes the growth in steel production volume will lead to increase demand of the Group's products.

## 人力資源及僱員薪酬

於二零一一年十二月三十一日，集團於中國大陸及香港合共聘用約223位員工（二零一零年：190位）。年內，僱員總成本約為人民幣610萬元（二零一零年：人民幣400萬元）。集團於年內繼續加強對員工的培訓，為管理人員及專業技術人員提供培訓及考察的機會。另外，本集團亦向全體員工及時傳達政府針對行業的最新政策，不斷提高員工的專業水準及素質。同時，集團為員工提供具競爭力的薪資水平，讓員工全心全意地投入工作，服務客戶。

## 未來展望

雖然集團於二零一一年的表現受到原材料成本上漲影響，但管理層預期未來數年有大量市場機會發展業務。中國最近宣佈，預期二零一二年國內生產總值增長約7.5%。國內生產總值的增長一直受到內需與消費上升的支持，而內需與消費則會帶動鋼材消耗及生產的需求。預期鋼產量亦會受到中央政府的社會政策助長工業及都市化過程加快的進一步帶動。管理層相信，鋼產量的增長將帶動集團產品的需求上升。






## Management Discussion and Analysis 管理層討論與分析

China's State Council called for the consolidation of steel production into the hands of fewer major players in order to increase efficiency and competitiveness of the industry in the global market. The market expects that steel production output will be concentrated further into the top 10 steel producers in order to account for 60% of China's steel output by the end of the current 5YP and 75% in 10 years. Having 8 out of the top 10 top steel producers as the Group's existing customers, management will well prepare the Group's internal resources to leverage on its customer mix to capture market opportunities immediately once the Government launch more explicit policies to guide the steel sector.

The consolidation of the steel industry has also resulted in a growing market for high-end products, which has led to the continued growth of the consumption of high-end steel flow control products. Such developments are not only conducive to the rapid growth of the Group in the past few years, but are also in line with the Group's development strategy in targeting the high-end market. In order to capture potential business opportunities more effectively, the Group has enhanced its capacity to satisfy the needs derived from market share expansion, kept on conducting research and development quality products, enhanced product mix, while continuing to explore both domestic and overseas markets.

中國國務院要求鋼鐵產業合併，由數目較少的大型鋼鐵企業進行生產，以提升效率和加強行業在全球市場上的競爭力。市場預期鋼鐵產量將更為集中於十大製鋼集團，目標是於十二五規劃完結時佔全國鋼產量的60%，而十年內更會達到75%。由於十大製鋼集團中有八家是本集團現有客戶，管理層將計劃善用集團內部資源，一經政府對鋼鐵行業提出更多明確指導方向，立即利用其客戶組合把握市場機遇。

鋼鐵產業的整合導致高端產品的市場增長，帶動高端鋼水控流產品的消耗持續增長。該等發展不僅對集團過去數年的迅速發展極其有利，也與集團瞄準高端市場的發展戰略不謀而合。為了更有效把握業務機遇，集團已提升生產力以滿足市場佔有率擴大所帶來的需求，並且繼續研發優質產品，優化產品組合，同時亦繼續開拓國內和海外市場。



# Corporate Governance Report 企業管治報告

The board (“Board”) of directors (“Directors”) of Sinoref Holdings Limited (“Company”) hereby presents this Corporate Governance Report in the Group’s annual report for the year ended 31 December 2011.

The Board is committed to maintaining a high standard of corporate governance and endeavours in following the code provisions (“Code Provisions”) of the “Code on Corporate Governance Practices” as set out in Appendix 14 to the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The Board considers such commitment is essential for the growth of the Group and for maximising the interest of the shareholders (“Shareholders”) of the Company. The Company regularly reviews its corporate governance practices to ensure that the latest development in corporate governance can be followed and observed.

## CORPORATE GOVERNANCE PRACTICES

Throughout the financial year under review, the Company had complied with the Code Provisions, save for the deviations from Code Provision A.2.1.

According to Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Xu Yejun, in addition to his duties as the chairman of the Company, is also responsible for the strategic planning and overseeing all aspects of the Group’s operations as the chief executive officer of the Company. This constitutes a deviation from Code Provision A.2.1. Mr. Xu Yejun as one of the founders of the Group has extensive experience and knowledge in the core business of the Group and his duties for overseeing the Group’s operations is clearly beneficial to the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group.

華耐控股有限公司（「本公司」）董事會（「董事會」）謹此在本集團截至二零一一年十二月三十一日止年度之年報中呈列本企業管治報告。

董事會致力維持高水準之企業管治，並竭盡所能遵行香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載「企業管治常規守則」之守則條文（「守則條文」）。董事會認為，此項承諾對本集團之發展及盡量提升本公司股東（「股東」）的權益至關重要。本公司定期檢討其企業管治常規，以確保遵行及遵守企業管治之最新發展。

## 企業管治常規

除偏離守則條文第A.2.1條外，於回顧財政年度，本公司已遵守守則條文。

根據守則條文第A.2.1條，主席與行政總裁的角色應予區分，不應由同一人擔任。

徐葉君先生除處理本公司主席職務外，亦以本公司行政總裁身份負責本集團策略規劃及監督本集團各方面營運。此舉構成偏離守則條文第A.2.1條。作為本集團創辦人之一，徐葉君先生對本集團核心業務具有豐富經驗及知識，而其監督本集團營運的職責明顯對本集團有利。董事會認為此架構不會使董事會與本集團管理之間的權力及授權出現失衡。



# Corporate Governance Report

## 企業管治報告

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted on 7 June 2010 its securities dealing code (“Code”) regarding the dealings of securities of the Company by the Directors and senior management of the Group, on terms no less exacting than the required standard under the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

The Company, having made specific enquiry of all Directors and senior management of the Group, all the Directors and senior management of the Group have confirmed that they have complied with the required standard as set out in the Code and Appendix 10 to the Listing Rules regarding securities transactions by Directors and senior management of the Group throughout the financial year ended 31 December 2011.

### BOARD OF DIRECTORS

The Board is currently composed of three executive Directors namely Mr. Xu Yejun as the chairman, Dr. Zhang Lanyin and Mr. Gu Aoxing; one non-executive Director, Mr. Gao Zhilong; and three independent non-executive Directors namely Mr. Yao Enshu, Mr. Yang Fuqiang and Mr. Tsui Siu Hang, Steve. The biographical details of the Directors are set out under “Directors and Senior Management” on pages 25 to 30 of this annual report of the Company for the year ended 31 December 2011.

In accordance with Article 105(A) of the articles of association of the Company, each of Mr. Gu Aoxing, Mr. Gao Zhilong and Mr. Yang Fuqiang will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the annual general meeting of the Company.

### 證券交易之標準守則


本公司於二零一零年六月七日就董事及本集團高級管理層進行本公司之證券交易採納一套證券交易守則（「守則」），其要求之標準不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則。

經本公司向所有董事及本集團高級管理層個別作出查詢後，所有董事及本集團高級管理層已確認，於截至二零一一年十二月三十一日止財政年度已就董事及本集團高級管理層進行證券交易遵守守則所載的規定標準及上市規則附錄10之規定。

### 董事會

董事會現時包括三名執行董事，即徐葉君先生（主席）、張蘭銀博士及顧敖行先生；一名非執行董事高志龍先生；及三名獨立非執行董事，即姚恩澍先生、楊富強先生及徐紹恒先生。董事之履歷詳情載於本公司截至二零一一年十二月三十一日止年度之年報第25至30頁「董事及高級管理層」一節。

根據本公司組織章程細則第105(A)條，顧敖行先生、高志龍先生及楊富強先生將於本公司股東週年大會上輪值退任，惟符合資格並願意膺選連任。



## Corporate Governance Report 企業管治報告

The Board meets regularly to review and determine the corporate strategies and overall strategic policies. Each of the members of the Board has full access to relevant information at the meetings. During the financial year ended 31 December 2011, the Board has convened 4 regular meetings at which, among other things, the following activities were conducted at such regular meetings:

- (1) approved the interim results and interim report for the six months ended 30 June 2011;
- (2) approved the annual results and annual report for the financial year ended 31 December 2011 and matters to be considered at the annual general meeting of the Company;
- (3) reviewed and approved corporate strategies of the Group for the financial year ending 31 December 2012; and
- (4) reviewed the performance and financial position of the Group.

Apart from the regular board meetings, the Board met on other occasions when a board-level decision on a particular matter was required.

董事會定期召開會議，以檢討及制定企業策略及整體策略性政策。董事會每位成員均有權取閱會議之相關資料。於截至二零一一年十二月三十一日止財政年度，董事會已召開4次定期會議，並在該等定期會議上處理（其中包括）以下事務：

- (1) 批准截至二零一一年六月三十日止六個月之中期業績及中期報告；
- (2) 批准截至二零一一年十二月三十一日止財政年度之年度業績及年報以及於本公司股東週年大會上審議之事宜；
- (3) 審閱及批准本集團於截至二零一二年十二月三十一日止財政年度之企業策略；及
- (4) 檢討本集團之表現及財務狀況。

除董事會定期會議外，董事會亦在須對特定事宜作出董事會決策時召開會議。

# Corporate Governance Report

## 企業管治報告

Details of the Directors' attendance records at the board meetings during the financial year ended 31 December 2011 are as follows:

	<b>Attendance</b>		<b>出席率</b>
<b>Executive Directors</b>		<b>執行董事</b>	
Mr. Xu Yejun ( <i>Chairman</i> )	4/4	徐葉君先生 ( <i>主席</i> )	4/4
Dr. Zhang Lanyin	4/4	張蘭銀博士	4/4
Mr. Gu Aoxing	4/4	顧敖行先生	4/4
<b>Non-executive Director</b>		<b>非執行董事</b>	
Mr. Gao Zhilong	4/4	高志龍先生	4/4
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>	
Mr. Yao Enshu	4/4	姚恩澍先生	4/4
Mr. Yang Fuqiang	4/4	楊富強先生	4/4
Mr. Tsui Siu Hang, Steve	4/4	徐紹恒先生	4/4

Whilst the Board as a whole is to determine the corporate strategies and overall strategy policies, the executive Directors and senior management of the Company, as delegated by the Board, are responsible for implementing the determined strategies and policies and the day-to-day management of the Group's business.

Save as disclosed under "Directors and Senior Management" of this annual report of the Company, there is no other relationship (whether financial, business, family or other material/relevant relationships) among the members of the Board.


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

截至二零一一年十二月三十一日止財政年度內，董事出席董事會會議之記錄詳情如下：

董事會全體負責制定企業策略及整體策略性政策，而執行董事及本公司高級管理層則獲董事會委派負責執行既定的策略及政策以及本集團業務的日常管理。

除本公司年報「董事及高級管理層」一節所披露外，董事會各成員之間並無任何其他關係（不論財務、業務、家族或其他重大／有關之關係）。

根據上市規則第3.13條，本公司已收到各獨立非執行董事有關其獨立性的書面確認，本公司認為所有獨立非執行董事均屬獨立身份。



# Corporate Governance Report 企業管治報告

## NOMINATION OF DIRECTORS

The Board has not set up a nomination committee. The nomination of new Directors has been delegated to the Chairman and other executive Directors. Their work includes reviewing regularly the need to appoint additional Directors and formulating the policy for nominating suitable candidates as additional Directors, such as candidates with appropriate professional knowledge and industry experiences. The Board will then consider the appointment of the candidates nominated by them as directors of the Company.

## REMUNERATION COMMITTEE

The remuneration committee of the Company (“Remuneration Committee”) currently comprised four members, three independent non-executive Directors, Mr. Yao Enshu (chairman), Mr. Yang Fuqiang and Mr. Tsui Siu Hang, Steve, and one executive Director, Mr. Xu Yejun. The Remuneration Committee was established by the Board on 7 June 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions.

The Remuneration Committee meets annually to review the remuneration policies and packages for Directors and senior management of the Company and to make recommendations to the Board on such remuneration policies and packages. No Director takes part in any discussions and decisions about his own remuneration.


## 董事提名

董事會並無設立提名委員會。新董事之提名事宜交由本公司主席及其他執行董事負責。彼等之工作包括：定期檢討委任新增董事之需要以及制定政策以提名合適候選人（例如具備適當專業知識及行業經驗之候選人）作為新增董事。董事會然後就委任彼等所提名之候選人為董事作出考慮。

## 薪酬委員會

本公司之薪酬委員會（「薪酬委員會」）目前包括四名成員，即三名獨立非執行董事姚恩澍先生（主席）、楊富強先生及徐紹恒先生以及一名執行董事徐葉君先生。薪酬委員會由董事會於二零一零年六月七日成立，其職責已在按照守則條文編製及採納之書面職權範圍中界定。

薪酬委員會每年舉行會議，以檢討本公司董事及高級管理層之薪酬政策及待遇，並就該等薪酬政策及待遇向董事會提出建議。各董事不會參與有關其本身薪酬之討論及決定。



# Corporate Governance Report

## 企業管治報告

Details of attendance of each member of the Remuneration Committee during the financial year ended 31 December 2011 are as follows:

	<b>Attendance</b>		<b>出席率</b>
<b>Independent non-executive Directors</b>			
Mr. Yao Enshu	2/2	<b>獨立非執行董事</b>	
Mr. Yang Fuqiang	2/2	姚恩澍先生	2/2
Mr. Tsui Siu Hang, Steve	2/2	楊富強先生	2/2
		徐紹恒先生	2/2

There was no disagreement between the Board's and the Audit Committee's view on the selection, appointment of the external auditor.

During the financial year ended 31 December 2011, the Remuneration Committee had convened one meeting with full attendance by its members and conducted the following activities:

- (1) reviewed and approved the remuneration packages of the Directors and senior management of the Company;
- (2) reviewed the terms of the service contracts of all the executive Directors by reference to their performance.

### **AUDIT COMMITTEE**

The audit committee of the Company ("Audit Committee") currently comprises three independent non-executive Directors, namely Mr. Tsui Siu Hang, Steve (chairman), Mr. Yao Enshu and Mr. Yang Fuqiang. The Audit Committee was established by the Board on 7 June 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions.

截至二零一一年十二月三十一日止財政年度，薪酬委員會每名成員之出席詳情如下：

	<b>Attendance</b>		<b>出席率</b>
<b>獨立非執行董事</b>			
姚恩澍先生	2/2		
楊富強先生	2/2		
徐紹恒先生	2/2		


董事會與審核委員會在外聘核數師之選擇及委任上並無意見分歧。

於截至二零一一年十二月三十一日止財政年度，薪酬委員會曾召開一次會議，全體成員均有參與，並處理以下事務：

- (1) 檢討及批准本公司董事及高級管理層之薪酬待遇；
- (2) 參考執行董事之表現，以檢討全體執行董事之服務合約。

### **審核委員會**

本公司之審核委員會（「審核委員會」）目前由三名獨立非執行董事徐紹恒先生（主席）、姚恩澍先生及楊富強先生組成。審核委員會由董事會於二零一零年六月七日成立，其職責已在按照守則條文編製及採納之書面職權範圍中界定。



# Corporate Governance Report 企業管治報告

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group's audit. It also reviews the annual and interim reports of the Company prior to their approval by the Board, the effectiveness of the external and internal audit and of internal controls and risk evaluation.

During the financial year under review, the Audit Committee has convened 2 meetings and conducted the following activities:

- (1) reviewed the annual and interim reports of the Company;
- (2) reviewed the report of internal audit department, internal controls system and financial matters of the Group in pursuance of the written terms of reference;
- (3) reviewed the audit plans and findings of the external auditor of the Company; and
- (4) made recommendation to the Board on the appointment of the external auditor.

Details of attendance of each member of the Audit Committee during the financial year ended 31 December 2011 are as follows:

	<b>Attendance</b>
<b>Independent non-executive Directors</b>	
Mr. Yao Enshu	2/2
Mr. Yang Fuqiang	2/2
Mr. Tsui Siu Hang, Steve	2/2

There was no disagreement between the Board's and the Audit Committee's view on the selection, appointment of the external auditor.

審核委員會在董事會及本公司核數師就本集團有關審核範圍內之事宜擔當重要聯繫。審核委員會亦在董事會批准年報及中期報告前審閱年報及中期報告、檢討內部和外部審核之有效性以及檢討內部控制及風險評估。

於回顧財政年度，審核委員會曾召開2次會議並處理以下事務：


- (1) 審閱本公司之年報及中期報告；
- (2) 根據書面職權範圍審閱本集團內部審核部門之報告、內部控制系統及財務事宜；
- (3) 審閱本公司外聘核數師之審核計劃及結果；及
- (4) 就外聘核數師之委任事宜向董事會提供建議。

截至二零一一年十二月三十一日止財政年度，審核委員會每名成員之出席詳情如下：

	<b>出席率</b>
<b>獨立非執行董事</b>	
姚恩澍先生	2/2
楊富強先生	2/2
徐紹恒先生	2/2

董事會與審核委員會在外聘核數師之選擇及委任上並無意見分歧。





# Corporate Governance Report

## 企業管治報告

### AUDITORS' REMUNERATION

During the financial year ended 31 December 2011, the nature of the audit and non-audit services provided by Deloitte Touche Tohmatsu, the auditors of the Company, and the relevant fees paid/payable by the Company for such services are as follows:

Services rendered	Fee paid/payable HK\$
Annual audit	1,200,000
Interim review	500,000

### RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the state of affairs of the Group. In preparing the financial statements for the financial year ended 31 December 2011, the Directors have selected appropriate accounting policies and applied them consistently, and have prepared the financial statements on a historical cost basis.

The statement of the external auditor about their reporting responsibilities on the financial statements are set out in the Independent Auditor's Report on page 50 of this annual report of the Company.

### INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective system of internal control. During the financial year under review, the Board has reviewed the effectiveness of the internal control system of the Group through the Audit Committee. There was no significant incidence of failure in connection with the financial, operational and compliance control during the financial year ended 31 December 2011.

The Board has considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

### 核數師酬金

截至二零一一年十二月三十一日止年度，本公司核數師德勤•關黃陳方會計師行提供之審計及非審計服務之性質，以及本公司就該等服務支付／應付之有關費用如下：

所提供之服務	已付／應付費用 港元
年度審計	1,200,000
中期審計	500,000

### 就財務報表承擔之責任

董事負責編製正確及公平反映每一財政期間本集團財務狀況之財務報表。在編製截至二零一一年十二月三十一日止財政年度之財務報表時，董事已選擇適當之會計政策及貫徹應用，並按歷史成本基準編製財務報表。

外聘核數師有關彼等就財務報表之申報責任之聲明已載於本公司之年報第50頁之獨立核數師報告內。

### 內部控制

董事會負責維持完善及有效之內部控制系統。於回顧財政年度，董事會已透過審核委員會檢討本集團內部控制系統之有效性。於截至二零一一年十二月三十一日止財政年度，並無發生有關財務、營運及合規控制的重大失職情況。

董事會已考慮本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓計劃及有關預算是否足夠。



## Directors and Senior Management 董事及高級管理層

### EXECUTIVE DIRECTORS

**Mr. Xu Yejun**, aged 47, the co-founder of our Group, is the chairman, chief executive officer and our executive Director. Mr. Xu was appointed as our executive Director on 4 February 2010. He is responsible for the overall strategic planning and management of our Group. Mr. Xu has extensive experience in the advanced steel flow control products industry, and has been engaging in such business for over 25 years. Mr. Xu is the son-in-law of the brother of Mr. Gu Aoxing (顧敖行), one of our executive Directors.

Mr. Xu studied in 宜興縣大浦中學(Yixing Dapu Secondary School\*) from 1979 to 1981. Mr. Xu had been trained in 洛陽耐火材料研究院 (Luoyang Institute of Refractories Research\*) from 1984 to 1986. He had worked in 宜興市鎂質耐火材料廠 (Yixing Magnena Refractory Materials Factory\*) from 1981 to 1983 and from 1987 to 1989, in Yixing Wellfire Nonmetal Materials Co., Ltd. 宜興威爾發非金屬材料有限公司 from 1990 to 1995 and in 宜興中村窯業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.\*) from 1996 till the establishment of Sinoref (Yixing) in 2005.

For his research item 玻璃熔窯蓄熱室系列配套優質耐火材料新產品研製 (The research and manufacture of new high quality refractory accessory materials in glass melting furnace regenerative chamber series\*), Mr. Xu was awarded 中國輕工業科技進步獎 (China Light Industry Technological Advancement Award\*) by 中國輕工總會 (China Light Industry Association\*) in 1991, 上海市科學技術進步獎 (Science and Technology Progress Awards of Shanghai) by 上海市科學技術進步獎評審委員會 (Science and Technology Progress Awards Jury, Shanghai Municipality) in 1995 and 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Advancement in Shanghai\*) by 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 1996. Mr. Xu was also awarded 上海市科學技術進步獎 (Science and Technology Progress Awards of Shanghai) by 上海市科學技術進步獎評審委員會 (Science and Technology Progress Awards Jury, Shanghai Municipality) in 1996 in respect of 優質特異型蓄熱室格子磚系列配套產品研製 (The research and manufacture of high quality specific regenerative chambers checkers series accessory products\*).

### 執行董事

**徐葉君先生**，47歲，為本集團共同創辦人，擔任集團主席、行政總裁及執行董事。徐先生於二零一零年二月四日獲委任為執行董事。他負責本集團整體策略規劃及管理。徐先生於先進鋼水控流產品行業擁有豐富經驗，從事有關業務逾25年。徐先生為本公司其中一名執行董事顧敖行先生的兄弟的女婿。

徐先生自一九七九年至一九八一年於宜興縣大浦中學就讀，自一九八四年至一九八六年於洛陽耐火材料研究院接受訓練，他於一九八一年至一九八三年及一九八七年至一九八九年在宜興市鎂質耐火材料廠工作，之後於一九九零年至一九九五年在宜興威爾發非金屬材料有限公司工作，自一九九六年在宜興中村窯業有限公司工作，直至他於二零零五年創立華耐(宜興)為止。

徐先生憑著他的研究項目「玻璃熔窯蓄熱室系列配套優質耐火材料新產品研製」於一九九一年獲中國輕工總會頒發中國輕工業科技進步獎，於一九九五年獲上海市科學技術進步獎評審委員會頒發上海市科學技術進步獎，又於一九九六年獲上海市科學技術委員會出具上海市科技成果完成者證書。徐先生亦於一九九六年獲上海市科學技術進步獎評審委員會頒授上海市科學技術進步獎，以表彰他對「優質特異型蓄熱室格子磚系列配套產品研製」進行的工作。



## Directors and Senior Management 董事及高級管理層

Mr. Xu, jointly with Dr. Zhang, also invented the 薄板坯浸入式水口 (Subentry Nozzle for thin slab casting process) under the CSP Project which was registered as a patent (in respect of utility) in the PRC in January 2010. In addition, Mr. Xu, jointly with Dr. Zhang and Mr. Wang Zhizhong, our senior management staff, invented the 可控制流入氣體的整體式塞棒(Mono block Stopper with controlled gas flow) which was registered as a patent (in respect of utility) in the PRC in May 2010.

**Dr. Zhang Lanyin**, aged 49, the co-founder of our Group and our chief technical officer, was appointed as our executive Director on 8 March 2010. Dr. Zhang is responsible for the production and research and development aspects of our Group.

Dr. Zhang obtained a bachelor's degree in Science (majoring in refractory materials) from 武漢鋼鐵學院 (Wuhan Institute of Steel and Iron Technology\*), the former Wuhan University of Science and Technology, in 1982 and a master's degree in Science from 洛陽耐火材料研究院 (Luoyang Institute of Refractories Research\*) in 1985. He obtained a degree of Doctor of Philosophy by the department of Materials and Metallurgical Engineering of Queen's University at Kingston, Canada in 1996.

Dr. Zhang has been engaging in the advanced steel flow control products business for over 25 years. Dr. Zhang worked in 洛陽耐火材料研究院 (Luoyang Institute of Refractories Research\*) from 1986 to 1990. He joined Vesuvius International Inc. in 1994 and worked in the Vesuvius group for eight years until he left as the Deputy General Manager of Vesuvius Advanced Ceramics (Suzhou) Co. Ltd. in 2002. He then joined Minteq International (Suzhou) Co., Ltd., a subsidiary of Minerals Technologies Inc., an international refractory company, as the Vice President Asia in 2002 and worked there for four years until 2006.

在CSP項目下，徐先生與張博士共同發明薄板坯浸入式水口，該發明於二零一零年一月在中國獲註冊為專利（有關實用新型）。另外，徐先生、張博士與本公司高級管理人員王志中先生共同發明可控制流入氣體的整體式塞棒，該發明於二零一零年五月在中國獲註冊為專利（有關實用新型）。

**張蘭銀博士**，49歲，為本集團共同創辦人及技術總監，於二零一零年三月八日獲委任為執行董事。張博士負責本集團生產及研發事宜。

張博士一九八二年於武漢鋼鐵學院（即武漢科技大學前身）獲得理學學士學位（主修耐火材料），並於一九八五年於洛陽耐火材料研究院獲得理學碩士學位。他於一九九六年取得加拿大甘斯敦Queen's University材料與冶金學系哲學博士學位。

張博士已從事先進鋼水控流產品行業逾25年。他於一九八六年至一九九零年在洛陽耐火材料研究院工作。他於一九九四年加入維蘇威國際公司(Vesuvius International Inc.)，並於維蘇威集團工作了八年，直至他於二零零二年辭去維蘇威高級陶瓷（蘇州）有限公司常務副總經理一職為止。其後，他於二零零二年加入了一家國際耐火材料公司礦物技術有限公司的附屬公司珉泰克高級耐火材料系統（蘇州）有限公司擔任亞洲區副主席，在該公司工作了4年，直至二零零六年為止。



## Directors and Senior Management 董事及高級管理層

During the past years, Dr. Zhang had issued various publications. For instance, he published a paper titled “High toughness silicon carbide/graphite laminar composite by slip casting” in 1995. Further, based on the records of the United States Patent and Trademark Office, Dr. Zhang, jointly with others, were the inventors of the “high toughness carbide ceramics by slip casting and method thereof” which was registered as a patent in the United States in 1995. He, jointly with Mr. Xu, also invented the 薄板坯浸入式水口 (Subentry Nozzle for thin slab casting process) under the CSP Project which was registered as a patent (in respect of utility) in the PRC in January 2010. In addition, Dr. Zhang, jointly with Mr. Xu and Mr. Wang Zhizhong, our senior management staff, invented the 可控制流入氣體的整體式塞棒 (Mono block Stopper with controlled gas flow) which was registered as a patent (in respect of utility) in the PRC in May 2010.

**Mr. Gu Aoxing**, aged 60, was appointed as our executive Director on 7 June 2010. Mr. Gu is responsible for the corporate and financial matters of our Group. Mr. Gu Aoxing is the brother of Mr. Xu’s father-in-law.

Mr. Gu completed a professional technical training in relation to Rural Finance organised by 宜興市科學技術委員會 (Yixing Technology Committee\*) and 宜興市財政局 (Yixing Finance Bureau\*) in 1989. In 2000, Mr. Gu passed the examination on 會計電算化初級知識培訓 (Basic Knowledge on Computerised Accounting\*) organised by 宜興市財政局 (Yixing Finance Bureau\*). In 2001, Mr. Gu was qualified as an accountant by 無錫市人事局 (Wuxi Municipal Personnel Bureau\*).

Prior to joining our Group in 2007, Mr. Gu had held financial managerial positions in various companies, including acting as the Assistant Finance Manager at 宜興新威集團 (Yixing Xinwei Group\*) from 1991 to 1999 and the Finance Manager at 宜興中村窯業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.\*) from 2000 to 2007. Mr. Gu was also an executive director of China Rare Earth Holdings Limited (Stock Code: 769), a company listed on the Main Board, from 25 August 1999 to 19 May 2000.

過去數年，張博士曾出版過不同著作。例如，他曾於一九九五年出版一份題目為「以注漿成型的高韌性碳化矽／石墨層混合物」的文章。此外，根據美國專利及商標局紀錄，張博士連同其他人為採用注漿成型之高韌性碳化物陶瓷及其使用技術之發明者。該項技術已於一九九五年在美國註冊成為專利。他亦連同徐先生於CSP項目中發明了薄板坯浸入式水口，該項產品已於二零一零年一月在中國註冊成為專利（有關實用新型）。另外，張博士、徐先生與本公司高級管理人員王志中先生共同發明可控制流入氣體的整體式塞棒，該發明於二零一零年五月在中國獲註冊為專利（有關實用新型）。

**顧敖行先生**，60歲，於二零一零年六月七日獲委任為執行董事。顧先生負責本集團企業及財政事宜。顧敖行先生為徐先生岳父之兄弟。

顧先生於一九八九年完成由宜興市科學技術委員會及宜興市財政局舉辦之有關農村財政之專業技術培訓。於二零零零年，顧先生通過由宜興市財政局舉辦之會計電算化初級知識培訓考試。於二零零一年，顧先生從無錫市人事局取得會計師之資格。

於二零零七年加入本集團之前，顧先生曾先後在多家公司任職財務管理職位，包括自一九九一年至一九九九年於宜興新威集團擔任財務副總和自二零零零年至二零零七年於宜興中村窯業有限公司擔任財務主管一職。於一九九九年八月二十五日至二零零零年五月十九日，顧先生亦曾任中國稀土控股有限公司（於主板上市的公司，股份代號：769）的執行董事。



## Directors and Senior Management 董事及高級管理層

### NON-EXECUTIVE DIRECTOR

**Mr. Gao Zhilong**, aged 35, was appointed as our non-executive Director on 7 June 2010. Mr. Gao obtained a bachelor's degree in mechanical design and manufacture from Nanjing Agricultural University (Nanjing Agricultural University) in 1999. He then worked as an assistant engineer in 常州長江客車集團有限公司 (Changzhou Changjiang Coach Group Company Limited\*). Mr. Gao has worked in the quality control department in 華偉納精密工具公司 (Hua Wei Na Jingmi Gongju Company\*) since December 2005. Mr. Gao is interested in approximately 25% of the share capital of Sinoref International.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Yao Enshu**, aged 79, was appointed as our independent non-executive Director on 7 June 2010. He was appointed as 冶金工業部幹部司副司長 (Deputy Head of the Personnel Department in the Ministry of Metallurgical Industry\*) in the PRC in 1983 and was appointed as 冶金工業部人事司司長 (Head of the Human Resources Department in the Ministry of Metallurgical Industry\*) in 1988. He was recognised as a senior economist by 冶金工業部 (The Ministry of Metallurgical Industry\*) in the PRC in 1992.

**Mr. Yang Fuqiang**, aged 68, was appointed as our independent non-executive Director on 7 June 2010. He engaged in research and development work of nonferrous metals metallurgy, and was awarded the 三等國家發明獎 (Third State Invention Prize\*) in 1987. He was appointed as the deputy head and head of 工業綜合一司稀土處 (Department of Nonferrous Metals, Consolidated Industry Bureau\*) in 1998 and in 1990 respectively. Mr. Yang retired in December 1998.

### 非執行董事

**高志龍先生**，35歲，於二零一零年六月七日獲委任為非執行董事。高先生於一九九九年於南京農業大學取得機械設計製造專業學士學位。他其後於常州長江客車集團有限公司擔任助理工程師。高先生自二零零五年十二月起於華偉納精密工具公司的質量控制部門工作。高先生擁有華耐國際約25%股本權益。

### 獨立非執行董事

**姚恩澍先生**，79歲，於二零一零年六月七日獲委任為獨立非執行董事。他在一九八三年獲任命為中國冶金工業部幹部司副司長，並於一九八八年受命擔當冶金工業部人事司司長。他在一九九二年獲中國冶金工業部認可為高級經濟師。

**楊富強先生**，68歲，於二零一零年六月七日獲委任為獨立非執行董事。他從事有色金屬冶金之研發工作，並於一九八七年獲頒三等國家發明獎。彼分別於一九九八年及一九九零年獲委任為工業綜合一司稀土處副主管及主管。楊先生於一九九八年十二月離任。



## Directors and Senior Management 董事及高級管理層

**Mr. Tsui Siu Hang, Steve**, aged 38, was appointed as our independent non-executive Director of the Company since 19 November 2010. Graduated from The University of Auckland, New Zealand with a bachelor's degree in Commerce (Accounting) in 1995, Mr. Tsui is a Certified Public Accountant in Hong Kong and a Chartered Accountant in New Zealand. He has also obtained the qualification of Financial Risk Manager from the Global Association of Risk Professional. Mr. Tsui worked for Pricewaterhouse Coopers as an audit manager from 1992 to 1997. From 2001 till now, he works as auditor in various companies. Mr. Tsui has more than 15 years of experience in the auditing field.

### SENIOR MANAGEMENT

**Mr. Tam Chi Ming George** *HKCPA, ACIS, ACS*, aged 36, is the chief financial officer and company secretary of our Company. He joined our Group in January 2010 and is responsible for managing the corporate finance department of our Group, including overseeing financial management, compliance and reporting obligations of our Group. Mr. Tam has over 10 years' experience in auditing, financial management and corporate finance. Prior to joining our Group, Mr. Tam worked for KPMG Corporate Finance Limited as Senior Manager, responsible for executing merger and acquisition transactions. Mr. Tam is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Chartered Secretaries. Mr. Tam holds a bachelor's degree in Accountancy from the Hong Kong Polytechnic University and a master's degree in Business Administration from the University of London.

**Mr. Wang Zhizhong**, aged 44, is the deputy general manager and the head of our Production Department. Mr. Wang joined our Group in 2005. Mr. Wang was qualified as an assistant engineer by 無錫市人事局 (Wuxi Municipal Personnel Bureau\*) in 1995. He obtained 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Achievement in Shanghai\*) for each of the project named “復合結構電熔澆注空心磚研製” (Development of hollow composite fusion cast blocks\*) and “大型玻璃窟上部結構用新型耐火材料品種的研究” (Research on novel refractories for super structure of glass furnace\*) from 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 2000.

**徐紹恒先生**，38歲，於二零一零年十一月十九日獲委任為獨立非執行董事。徐先生於一九九五年畢業於紐西蘭奧克蘭大學，並獲授商務（會計）學士學位。徐先生為香港執業會計師及紐西蘭特許會計師。彼亦已獲Global Association of Risk Professional頒授財務風險經理之資格。徐先生曾於一九九二年至一九九七年期間於羅兵咸永道會計師事務所擔任審計經理。由二零零一年起至現在，彼於多間公司出任核數師。徐先生於核數方面擁有逾15年經驗。

### 高級管理層

**譚志明先生** *HKCPA, ACIS, ACS*，36歲，為本公司之財務總監及公司秘書。他於二零一零年一月加入本集團，負責管理本集團之企業財務部門，包括主責本集團之財務管理、合規及匯報責任。譚先生於核數、財務管理及企業融資方面有逾10年經驗。在加入本集團之前，譚先生於畢馬威企業財務有限公司擔任高級經理，負責執行併購交易。譚先生是香港會計師公會資深會員及香港特許秘書公會之會員。譚先生持有香港理工大學頒發之會計學士學位及倫敦大學頒發之工商管理碩士學位。

**王志中先生**，44歲，為副總經理兼生產部主管。王先生於二零零五年加入本集團。王先生於一九九五年從無錫市人事局取得助理工程師資格。他於二零零零年就「復合結構電熔澆注空心磚研製」及「大型玻璃窟上部結構用新型耐火材料品種的研究」項目從上海市科學技術委員會各自取得上海市科技成果完成者證書。



## Directors and Senior Management 董事及高級管理層

Mr. Wang worked in the production technology department in various companies including Yixing Wellfire Nonmetal Materials Co., Ltd. 宜興威爾發非金屬材料有限公司 and 宜興中村窯業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.\*), before joining our Group in 2005. In addition, Mr. Wang, jointly with Mr. Xu and Dr. Zhang, invented the 可控制流入氣體的整體式塞棒 (Mono block Stopper with controlled gas flow) which was registered as a patent (in respect of utility) in the PRC in May 2010.

**Mr. Jiang Panyuan**, aged 48, joined us in 2007 as head of our Purchasing Department. Mr. Jiang is mainly responsible for our procurement and environmental protection matters. Mr. Jiang graduated from 江蘇省廣播電視學校 (Jiangsu Radio and TV Institute\*) in 2001 and worked as the officer in a community association in Yixing Yang'an (宜興市洋岸村民委員會) from 1989 to 2007 prior to joining our Group.

**Mr. Tang Jishan**, aged 38, joined us in 2007 as head of our Research and Development Department. He obtained his bachelor's and master's degree in Metallurgy of Iron and Steel in 2001, both from Wuhan University of Science and Technology. He has experience in the field of metallurgical industry. He worked in the sales department in Vesuvius Advanced Ceramics (Suzhou) Co. Ltd..

**Mr. Dai Donglin**, aged 42, joined us in 2007 as executive regional sales manager. He obtained a bachelor's degree in Arts from Henan University in 1992. He then joined Vesuvius Advanced Ceramics (Suzhou) Co. Ltd. from 1995 to 2004. Mr. Dai furthered his studies on Civil and Commercial Law between 1998 and 2000 in Jilin University. He has many years of experiences in sales management.

*For the purpose of this section, "\*" denotes unofficial English translation.*

王先生於二零零五年加入本集團前曾於多間公司的生產技術部門工作，當中包括宜興威爾發非金屬材料有限公司及宜興中村窯業有限公司。另外，王先生、徐先生與張博士共同發明可控制流入氣體的整體式塞棒，該發明於二零一零年五月在中國獲註冊為專利（有關實用新型）。

**蔣盤元先生**，48歲，於二零零七年加入本集團擔任採購部主管。蔣先生主要負責本集團採購及環保事宜。蔣先生於二零零一年畢業於江蘇省廣播電視學校，在加入本集團之前，他曾自一九八九年至二零零七年於宜興市洋岸村民委員會擔當主任一職。

**唐繼山先生**，38歲，於二零零七年加入本集團擔任研究及開發部門主管。他於二零零一年在武漢科技大學獲得鋼鐵冶金學學士及碩士學位。他於冶金行業擁有經驗。他曾於維蘇威高級陶瓷（蘇州）有限公司的销售部門任職。

**戴東林先生**，42歲，於二零零七年加入本集團擔任區域行政銷售經理。他於一九九二年獲河南大學頒發文學學士學位。其後，他於一九九五年至二零零四年期間加入維蘇威高級陶瓷（蘇州）有限公司。戴先生於一九九八年至二零零零年於吉林大學進修民商法。他具備多年的銷售管理經驗。



# Report of the Directors 董事會報告

The Directors are pleased to present their report and audited financial statements of the Group for the year ended 31 December 2011.

## PRINCIPAL ACTIVITIES

The Group is primarily engaged in the manufacturing of advanced steel flow control products used in the continuous casting steel making process to protect, control and regulate the flow of molten steel.

The Group's turnover is mainly derived from business activities in Mainland China. An analysis of the Group's income for the year is set out in note 8 to the financial statements.

Particulars of the Company's major subsidiaries as at 31 December 2011 are set out in note 32 to the financial statements.

## RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2011 are set out in the consolidated income statement on page 52 of this report.

The state of the Group's and the Company's affairs at 31 December 2011 is set out in the consolidated statement of financial position and statement of financial position on pages 53 and 106 of this report.

The Directors recommended a final dividend of 1 HK cent per Share for the year ended 31 December 2011 (2010: 3.6 HK cents).

## FIVE YEAR FINANCIAL SUMMARY

The result, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, are summarised on page 108 of this report.

董事謹此呈列本集團截至二零一一年十二月三十一日止年度之報告及經審核財務報表。

## 主要業務

本集團主要從事製造高端鋼水控流產品，該等產品用於連鑄過程以保護、控制及調節熔鋼流。

本集團之營業額主要來自中國大陸之業務活動。本集團年內之收入分析載於財務報表附註8。

本公司於二零一一年十二月三十一日之主要附屬公司詳情載於財務報表附註32。

## 業績及股息

本集團截至二零一一年十二月三十一日止年度之業績載於本年報第52頁之綜合收益表。

本集團及本公司於二零一一年十二月三十一日之財務狀況，分別載於本年報第53及106頁之綜合財務狀況表及財務狀況表。

董事建議派付截至二零一一年十二月三十一日止年度之末期股息每股1港仙（二零一零年：3.6港仙）。

## 五年財務概要

摘錄自經審核財務報表，本集團於過去五個財政年度之業績、資產及負債概要載於本年報第108頁。





# Report of the Directors

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT

Details of properties of the Group as at 31 December 2011 are set out in note 17 to the financial statements.

### SHARE CAPITAL

Details of the movements in share capital are set out in note 26 to the financial statements.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of the annual report, there was a sufficiency of public float the Company's securities as required under the Listing Rules.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2011, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

### RESERVES

Details of the movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity.

### 物業、廠房及設備

本集團於二零一一年十二月三十一日之物業詳情載於財務報表附註17。

### 股本

股本變動詳情載於財務報表附註26。

### 公眾持股量

根據本公司於緊接本年報刊發前的最後實際可行日期獲得的公開資料及據董事所知，本公司證券的公眾持股量一直充足，符合上市規則的規定水平。

### 購買、贖回或出售上市證券

於截至二零一一年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

### 儲備

本集團儲備於年內之變動詳情載於綜合權益變動表。



# Report of the Directors 董事會報告

## MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

	Percentage of the total purchases/sales accounted for
Purchases	
– the largest supplier	24.8%
– five largest suppliers combined	57.2%
Sales	
– the largest customer	12.6%
– five largest customers combined	38.7%

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the five largest suppliers or customers of the Group noted above.

At no time during the year, none of the Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) has any interest in the customers or suppliers disclosed above.

## 主要客戶及供應商

本集團主要客戶及供應商所佔本年度之銷售及採購額百分比如下：

	佔採購／ 銷售總額 百分比
採購	
– 最大供應商	24.8%
– 五大供應商合計	57.2%
銷售	
– 最大客戶	12.6%
– 五大客戶合計	38.7%

概無本公司董事、彼等之聯繫人士或任何股東（就董事所知擁有本公司已發行股本5%以上者）在上述本集團五大供應商或客戶中擁有權益。

於本年度內任何時間，董事、彼等之聯繫人士或任何股東（據董事所知擁有本公司已發行股本逾5%者）概無於上述主要客戶或供應商擁有任何權益。



# Report of the Directors

## 董事會報告

### DIRECTORS

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

#### Executive Directors

Mr. Xu Yejun (*Chairman and chief executive officer*)  
Dr. Zhang Lanyin  
Mr. Gu Aoxing

#### Non-executive Director

Mr. Gao Zhilong

#### Independent Non-executive Directors

Mr. Yao Enshu  
Mr. Yang Fuqiang  
Mr. Tsui Siu Hang, Steve

### DIRECTORS' PROFILES

Directors' profiles are set out on pages 25 to 30 of this report.

### DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from 7 June 2010. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless either party has given at least three months' written notice of non-renewal before the expiry of the then existing term.

### 董事

於年內直至本報告日期之董事如下：

#### 執行董事

徐葉君先生 (*主席兼行政總裁*)  
張蘭銀博士  
顧敖行先生

#### 非執行董事

高志龍先生

#### 獨立非執行董事

姚恩澍先生  
楊富強先生  
徐紹恒先生

### 董事履歷

董事履歷載於本年報第25至30頁。

### 董事服務合約

每名執行董事已各自與本公司訂立服務合約，據此彼等同意自二零一零年六月七日起擔任執行董事，初步為期三年。任期將於初步任期屆滿或每次繼後一年任期屆滿時自動續期一年，直至任何一方於現行任期屆滿前向另一方發出不少於三個月之書面通知不予續期為止。



## Report of the Directors 董事會報告

Each of our non-executive Director and our independent non-executive Directors (except for Mr. Tsui Siu Hang, Steve) has been appointed for an initial term of one year commencing from 7 June 2010 renewable automatically for successive term of one year each commencing from the next day after the expiry of then current term of appointment, unless terminated by either our non-executive Director or our independent non-executive Director, as applicable, or our Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter. Mr. Tsui Siu Hang, Steve, an independent non-executive Director appointed on 21 November 2010, has been appointed for an initial term of one year commencing from 21 November 2010 renewable automatically for successive term of one year each commencing from the next day after the expiry of then current term of appointment, unless terminated by either Mr. Tsui Siu Hang, Steve himself or our Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS

Apart from the particulars disclosed in note 30 under the heading "Related Party Transactions" to the financial statements, there were no other contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries subsisting at the end of the year or at any time during the year in which a Director had, whether directly or indirectly, a material interest.

No contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

每名非執行董事及獨立非執行董事（徐紹恒先生除外）之初步委任期自二零一零年六月七日起計為期一年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由非執行董事或獨立非執行董事（如適用）或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。獨立非執行董事徐紹恒先生於二零一零年十一月二十一日獲委任，其初步委任期自二零一零年十一月二十一日起計為期一年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由徐紹恒先生或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

在應屆股東週年大會上建議重選之董事概無訂有本公司不可於一年內免付賠償（一般法定賠償除外）而終止之未屆滿服務合約。

### 董事於合約之權益

除財務報表附註30「關連人士交易」所披露之詳情外，於年終時或年內任何時間，本公司或其附屬公司並無訂有與本公司業務有關而董事直接或間接擁有重大權益之任何其他重大合約，而本公司與其附屬公司之間亦無訂有與本公司業務有關而董事直接或間接擁有重大權益之任何其他重大合約。

本公司或其任何附屬公司與本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立任何重大合約。

# Report of the Directors

## 董事會報告

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

### DIRECTORS' INTEREST IN SHARES

As at 31 December 2011, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), are set out below:

#### Long and short positions in the Shares and underlying Shares

Name of Director	Nature of interest	Number of securities held (Note 1)	Interest in underlying shares of share option (Note 1)	Approximate percentage of shareholding (%)
董事姓名	權益性質	所持有證券數目 (附註1)	購股權之相關股份權益 (附註1)	概約股權百分比 (%)
Mr. Xu Yejun 徐葉君先生	Beneficial owner 實益擁有人	360,000,000 Shares (L) 360,000,000股股份 (L)	3,000,000 (L) (Note 2) 3,000,000 (L) (附註2)	30.25
	Interest of spouse 配偶權益	500,000 Shares (L) 500,000股股份 (L)	500,000 (L) (Note 4) 500,000 (L) (附註4)	0.042
Mr. Gao Zhilong 高志龍先生	Beneficial owner 實益擁有人	171,000,000 Shares (L) 171,000,000股股份 (L)	–	14.25
Dr. Zhang Lanyin 張蘭銀博士	Beneficial owner 實益擁有人	90,000,000 Shares (L) 90,000,000股股份 (L)	9,000,000 (L) (Note 3) 9,000,000 (L) (附註3)	8.25
Mr. Gu Aoxing 顧敖行先生	Beneficial owner 實益擁有人	36,000,000 Shares (L) 36,000,000股股份 (L)	9,000,000 (L) (Note 3) 9,000,000 (L) (附註3)	3.75

概無訂立本公司或其任何附屬公司之控股股東向本公司或其任何附屬公司提供服務之重大合約。

### 董事於股份之權益

於二零一一年十二月三十一日，本公司董事或行政總裁於本公司或其任何相關聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中所擁有本公司根據證券及期貨條例第352條須存置之登記冊中所記錄，或根據證券及期貨條例第XV部或上市公司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如下：

#### 於股份及相關股份之好倉及淡倉



## Report of the Directors 董事會報告

### Notes:

1. The letter "L" denotes the person's long position in our Shares.
2. On 22 November 2010, Mr. Xu Yejun was granted 3,000,000 options under the share option scheme of the Company to subscribe for 3,000,000 Shares, exercisable at a price of HK\$1.408 per share in three tranches in the proportion of 30%, 60% and 100% on 22 November 2011, 22 November 2012 and 22 November 2013 respectively. The options have a term of ten years commencing from 22 November 2010.
3. On 22 November 2010, each of Mr. Gu Aoxing and Dr. Zhang Lanyin was granted 5,000,000 options under the share option scheme of the Company to subscribe for 5,000,000 Shares, exercisable at a price of HK\$1.408 per share in three tranches in the proportion of 30%, 60% and 100% on 22 November 2011, 22 November 2012 and 22 November 2013 respectively. The options have a term of ten years commencing from 22 November 2010.

On 27 September 2011, each of Mr. Gu Aoxing and Dr. Zhang Lanyin was granted 4,000,000 options under the share option scheme of the Company to subscribe for 4,000,000 Shares, exercisable at a price of HK\$0.476 per share in three tranches in the proportion of 30%, 60% and 100% on 27 September 2012, 27 September 2013 and 27 September 2014 respectively. The options have a term of ten years commencing from 27 September 2011.

4. These options were held by Ms. Gu Shuping, the wife of Mr. Xu Yejun.

Save as disclosed above, as at 31 December 2011, none of the Directors or chief executive of the Company had any interest or short positions of the in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code.

### 附註：

1. 「L」代表該人士於本公司股份之好倉。
2. 於二零一零年十一月二十二日，徐葉君先生根據本公司購股權計劃獲授3,000,000份購股權，可按每股1.408港元之行使價，於二零一一年十一月二十二日、二零一二年十一月二十二日及二零一三年十一月二十二日分別按30%、60%及100%之比例分三批認購3,000,000股股份。該等購股權之有效期由二零一零年十一月二十二日起計為期十年。
3. 於二零一零年十一月二十二日，顧敖行先生及張蘭銀博士根據本公司購股權計劃各自獲授5,000,000份購股權，可按每股1.408港元之行使價，於二零一一年十一月二十二日、二零一二年十一月二十二日及二零一三年十一月二十二日分別按30%、60%及100%之比例分三批認購5,000,000股股份。該等購股權之有效期由二零一零年十一月二十二日起計為期十年。

於二零一一年九月二十七日，顧敖行先生及張蘭銀博士根據本公司購股權計劃各自獲授4,000,000份購股權，可按每股0.476港元之行使價，於二零一二年九月二十七日、二零一三年九月二十七日及二零一四年九月二十七日分別按30%、60%及100%之比例分三批認購4,000,000股股份。該等購股權之有效期由二零一一年九月二十七日起計為期十年。

4. 該等購股權由徐葉君先生之妻子顧淑萍女士持有。

除上文披露者外，於二零一一年十二月三十一日，本公司董事或行政總裁於本公司或其任何相關聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，概無擁有本公司根據證券及期貨條例第352條須存置之登記冊中所記錄，或根據證券及期貨條例第XV部或標準守則須知會本公司及聯交所之任何權益或淡倉。

# Report of the Directors

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2011, so far as was known to the Directors of the Company, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

#### Long and short positions in the Shares and underlying Shares

### 主要股東之權益

於二零一一年十二月三十一日，就本公司董事所知，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有須根據證券及期貨條例第336條登記於本公司存置的登記冊之權益或淡倉如下：

#### 於股份及相關股份之好倉及淡倉

Name of Shareholder	Nature of interest	Number of securities held (Note 1)	Interest in underlying shares of share option (Note 1)	Approximate percentage of shareholding (%)
股東姓名	權益性質	所持證券數目 (附註1)	購股權之相關股份權益 (附註1)	概約股權百分比 (%)
Ms. Gu Shuping (Note 2) 顧淑萍女士 (附註2)	Interest of spouse 配偶權益 Beneficial owner 實益擁有人	360,000,000 Shares (L) 360,000,000股股份 (L)	3,000,000 (L) 3,000,000 (L) 500,000 (L) 500,000 (L)	30.25 0.042
Ms. Chai Xiaoyuan (Note 3) 柴笑媛女士 (附註3)	Interest of spouse 配偶權益	171,000,000 Shares (L) 171,000,000股股份 (L)	— —	14.25
Mr. Chai Xishu 柴希樹先生	Beneficial owner 實益擁有人	108,000,000 Shares (L) 108,000,000股股份 (L)	— —	9.00
Ms. Wang Suying (Note 4) 王素英女士 (附註4)	Interest of spouse 配偶權益	108,000,000 Shares (L) 108,000,000股股份 (L)	— —	9.00
Ms. Zhao Yijun (Note 5) 趙毅君女士 (附註5)	Interest of spouse 配偶權益	90,000,000 Shares (L) 90,000,000股股份 (L)	9,000,000 (L) 9,000,000 (L)	8.25
Mr. Cheah Cheng Hye 謝清海先生	Founder of a discretionary trust 酌情信託之創辦人	60,736,000 Shares (L) 60,736,000股股份 (L) (Note 6) (附註6)	—	5.06
Ms. To Hau Yin (Note 7) 杜巧賢女士 (附註7)	Interest of spouse 配偶權益	60,736,000 Shares (L) 60,736,000股股份 (L)	—	5.06
Hang Seng Bank Trustee International Limited	Trustee 受託人	60,736,000 Shares (L) 60,736,000股股份 (L)	—	5.06



## Report of the Directors 董事會報告

### Notes:

1. The letter "L" denotes the person's long position in our Shares.
2. Ms. Gu Shuping is the wife of Mr. Xu Yejun.
3. Ms. Chai Xiaoyuan is the wife of Mr. Gao Zhilong.
4. Ms. Wang Suying is the wife of Mr. Chai Xishu.
5. Ms. Zhao Yijun is the wife of Dr. Zhang Lanyin.
6. These Shares were held by Value Partners Limited. Value Partners Limited is wholly owned by Value Partners Group Limited, of which 28.69% of shares were owned to Cheah Capital Management Limited. Cheah Capital Management Limited is wholly owned by Cheah Company Limited. The entire issued share capital of Cheah Company Limited is held by Hang Seng Bank Trustee International Limited as discretionary trustee for Mr. Cheah Cheng Hye's family.
7. Ms. To Hau Yin is the wife of Mr. Cheah Cheng Hye.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 31 December 2011, had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### 附註：

1. 「L」代表該人士於本公司股份之好倉。
2. 顧淑萍女士為徐葉君先生的妻子。
3. 柴笑媛女士為高志龍先生的妻子。
4. 王素英女士為柴希樹先生的妻子。
5. 趙毅君女士為張蘭銀博士的妻子。
6. 該等股份由Value Partners Limited持有。Value Partners limited由Value Partners Group Limited全資擁有，而Value Partners Group Limited的28.69%股份由Cheah Capital Management Limited擁有。Cheah Capital Management Limited由Cheah Company Limited全資擁有。Cheah Company Limited之全部已發行股本由Hang Seng Bank Trustee International Limited作為謝清海先生家屬之酌情受託人而持有。
7. 杜巧賢女士為謝清海先生之妻子。

除上文所披露者外，就本公司董事及行政總裁所知，於二零一一年十二月三十一日，並無任何人士在本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露之權益或淡倉，或直接或間接擁有可於任何情況下在本公司或按本公司須根據證券及期貨條例第336條存置的登記冊所記錄的主要股東的股東大會上投票之任何類別股本的面值5%或以上之權益。





# Report of the Directors

## 董事會報告

### SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Share Option Scheme**”), which was adopted on 27 June 2010 (the “**Adoption Date**”), for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years from the Adoption Date.

Eligible participants of the Share Option Scheme include the following:

- (i) any employee (whether full time or part time) of the Group or any entity (the “**Invested Entity**”) in which any member of the Group holds any shareholding (including any executive director but excluding any non-executive director of the Group or any Invested Entity);
- (ii) any non-executive directors (including independent non-executive directors) of the Group or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and

### 購股權計劃

本公司設有一項購股權計劃（「**購股權計劃**」），該計劃於二零一零年六月二十七日（「**採納日期**」）採納，目的是向經甄選合資格參與者提供獎勵或報酬，以表揚彼等對本集團作出之貢獻。除非另行取消或修訂，否則購股權計劃將由採納日期起一直有效，為期十年。

購股權計劃之合資格參與者包括以下人士：

- (i) 本集團或本集團任何成員公司持有股權之任何實體（「**被投資實體**」）之任何僱員（不論全職或兼職）（包括本集團或任何被投資實體的任何執行董事但不包括其任何非執行董事）；
- (ii) 本集團或任何被投資實體之任何非執行董事（包括獨立非執行董事）；
- (iii) 向本集團或任何被投資實體的任何成員公司提供貨品或服務之任何供應商；
- (iv) 本集團或任何被投資實體之任何客戶；
- (v) 向本集團或任何被投資實體提供研究、開發或其他技術服務之任何人士或實體；
- (vi) 本集團任何成員公司或任何被投資實體之任何股東或本集團任何成員公司或任何被投資實體所發行任何證券之持有人；
- (vii) 就本集團或任何被投資實體的業務或業務發展之任何範疇提供意見之任何顧問（專業或其他方面）或諮詢人；及



## Report of the Directors 董事會報告

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliances or other business arrangement to the development and growth of the Group.

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme is 120,000,000, representing 10% of the issued share capital of the Company as at the date of this annual report. The maximum number of Shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the options). In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, in a 12-month period up to and including the date of grant, such grant of share options are subject to Shareholders' approval in a general meeting.

(viii) 透過合作經營、業務聯盟或其他業務安排，對本集團的發展及增長作出貢獻或可能作出貢獻之任何組別或類別之參考者。

於本年報日期，根據購股權計劃可供發行之股份總數為120,000,000股，相等於本公司於本年報日期之已發行股本10%。於任何12個月期間內，每名參與者因行使根據購股權計劃及本集團任何其他購股權計劃可授出的購股權（包括已行使及尚未行使的購股權）而可獲發行之購股權最高數目，不得超過本公司當時之已發行股本之1%。任何進一步授出超出該上限之購股權，須經股東在股東大會上批准。

向本公司董事、行政總裁或主要股東或向彼等各自之聯繫人（定義見上市規則）授出購股權，須事先經獨立非執行董事（包括身為購股權承授人之獨立非執行董事）批准。此外，倘若向主要股東或獨立非執行董事或彼等各自之聯繫人授出購股權，將導致於任何12個月期間內，有關人士因行使所有已獲授及將獲授之購股權（包括已行使、註銷及尚未行使之購股權）而獲發行及將獲發行之股份，超出已發行股份的0.1%，且總值（根據授出日期之股份收市價計算）超出500萬港元，則上述授出須經股東在股東大會上批准。



## Report of the Directors 董事會報告

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the Board, which period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the Share Option Scheme.

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Board, but shall not be less than the highest of:

- (i) the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the grant, which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and
- (iii) the nominal value of the Shares.

Since the Adoption Date and up to 31 December 2011, 120,000,000 share options has been granted by the Company, representing 10% of the issued share capital of the Company as at the date of this annual report.

授出的購股權可於授出日期起計21日內，由承授人支付象徵式代價1港元而接納。所授出購股權之行使期由董事會釐定，而該期間由所授出購股權獲接納日期開始，而無論如何不得遲於授出購股權日期後第10年屆滿，惟可根據購股權計劃的有關條文而提早終止。

根據購股權計劃認購股份之認購價將由董事會釐定，惟不得低於下列最高者：

- (i) 於授出日期（須為營業日）聯交所每日報價表所示之股份收市價；
- (ii) 於緊接授出日期前五個營業日在聯交所每日報價表所示之股份平均收市價；及
- (iii) 股份面值。

由採納日期直至二零一一年十二月三十一日，本公司已授出120,000,000份購股權，相等於本公司於本年報日期之已發行股本10%。

# Report of the Directors 董事會報告

## DIRECTOR'S INTEREST IN SHARE OPTIONS

Movements of the options, which were granted under the share option scheme, during the year were listed below in accordance with Rule 17.07 of the Listing Rules:

## 董事於購股權之權益

根據購股權計劃授出之購股權於年內之變動根據上市規則第17.07條呈列如下：

Name of Director or his associate	董事或其 聯繫人姓名	Date of grant	Outstanding at 1 January 2011 於二零一一年一月一日 尚未行使	No. of share options 購股權數目					Outstanding at 31 December 2011 於二零一一年十二月三十一日 尚未行使	Exercise price if share options 購股權之行使價 (Note 2) (附註2) HK\$ 港元	Exercise Period 行使期
				Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	Cancelled during the year 年內註銷	Lapsed during the year 年內失效			
Mr. Xu Yejun	徐葉君先生	22/11/2010	3,000,000	-	-	-	-	-	3,000,000	1.408	22/11/2011 to 21/11/2020 22/11/2011至21/11/2020
Dr. Zhang Lanyin	張蘭銀博士	22/11/2010	5,000,000 (Note 3) (附註3)	-	-	-	-	-	5,000,000	1.408	22/11/2011 to 21/11/2020 22/11/2011至21/11/2020
		27/9/2011	- 4,000,000 (Note 4) (附註4)	-	-	-	-	-	4,000,000	0.476	27/9/2012 to 26/9/2021 27/9/2012至26/9/2021
Mr. Gu Aoxing	顧敦行先生	22/11/2010	5,000,000 (Note 3) (附註3)	-	-	-	-	-	5,000,000	1.408	22/11/2011 to 21/11/2020 22/11/2011至21/11/2020
		27/9/2011	- 4,000,000 (Note 4) (附註4)	-	-	-	-	-	4,000,000	0.476	27/9/2012 to 26/9/2021 27/9/2012至26/9/2021
Ms. Gu Shuping (Note 1)	顧淑萍女士 (附註1)	22/11/2010	500,000	-	-	-	-	-	500,000	1.408	22/11/2011 to 21/11/2020 22/11/2011至21/11/2020



# Report of the Directors

## 董事會報告

### Notes:

1. Ms. Guo Shuping is the wife of Mr. Xu Yejun, the chairman, the chief executive officer and an executive Director of the Company and hence an associate (as defined in the Listing Rules) of Mr. Xu Yejun.
2. The closing price of the Shares immediately on before the date on which the options were granted was HK\$1.43.
3. These options granted under the Share Option Scheme have a term of ten years commencing from 22 November 2010 and shall vest and become exercisable in three tranches in the proportion of 30%, 60% and 100% on 22 November 2011, 22 November 2012 and 22 November 2013 respectively.
4. These options granted under the Share Option Scheme have a term of ten years commencing from 27 September 2011 and shall vest and become exercisable in three tranches in the proportion of 30%, 60% and 100% on 27 September 2012, 27 September 2013 and 27 September 2014 respectively.

Further details of share options were stipulated in note 27 to the financial statements. Apart from the aforesaid, at no time during the year ended 31 December 2011 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

### 附註：

1. 顧淑萍女士為本公司主席、行政總裁兼執行董事徐葉君先生之妻子，因此為徐先生之聯繫人（定義見上市規則）。
2. 股份於緊接授出購股權日期前之收市價為1.43港元。
3. 該等根據購股權計劃授出之購股權之有效期由二零一零年十一月二十二日起計為期十年，而將於二零一一年十一月二十二日、二零一二年十一月二十二日及二零一三年十一月二十二日，分別按30%、60%及100%之比例，分三批歸屬及可予行使。
4. 該等根據購股權計劃授出之購股權之有效期由二零一一年九月二十七日起計為期十年，而將於二零一二年九月二十七日、二零一三年九月二十七日及二零一四年九月二十七日，分別按30%、60%及100%之比例，分三批歸屬及可予行使。

購股權的進一步詳情在財務報表附註27載列。除上述者外，於截至二零一一年十二月三十一日止年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事或彼等之配偶或18歲以下之子女可藉購入本公司或任何其他企業之股份而獲益。

# Report of the Directors

## 董事會報告

### EMPLOYEES' INTEREST IN SHARE OPTION SCHEME

Details of the options to subscribe for shares of the Company under the Share Option Scheme for the period under review are as follows:

### 僱員於購股權計劃之權益

於回顧期內，根據購股權計劃可認購本公司股份之購股權詳情如下：

Class of grantee	承授人類別	Date of grant 授出日期	No. of share options 購股權數目						Outstanding at 31 December 2011 於二零一一年 十二月三十一日 尚未行使	Exercise price if share options 購股權之 行使價 HK\$ 港元	Exercise Period 行使期
			Outstanding at 1 January 2011 於二零一一年 一月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	Cancelled during the year 年內註銷	Lapsed during the year 年內失效			
Directors (Note 1)	董事 (附註1)	22/11/2010	13,000,000	-	-	-	-	-	13,000,000	1.408 (Note 3) (附註3)	22/11/2011 to 1/11/2020 (Note 5) (附註5)
		27/9/2011	-	8,000,000	-	-	-	-	8,000,000	0.476 (Note 4) (附註4)	27/9/2012 to 26/9/2021 (Note 6) (附註6)
Other employees (Note 2)	其他僱員 (附註2)	22/11/2010	47,000,000	-	-	-	-	-	47,000,000	1.408 (Note 3) (附註3)	22/11/2011 to 21/11/2020 (Note 5) (附註5)
		27/9/2011	-	52,000,000	-	-	-	-	52,000,000	0.476 (Note 4) (附註4)	27/9/2012 to 26/9/2021 (Note 6) (附註6)

#### Notes:

- Details of options granted to the Directors are set out in the paragraph headed "Directors' Interest in Share Options" in the Report of the Directors above.
- Other employees include employees of the Group (other than Directors) working under employment contract of the Group which are regarded as "continuous contract" for the purpose of the Employment Ordinance (Cap. 57 of the Laws of Hong Kong).
- The closing price of the Shares on the date on which the options were granted was HK\$1.43.
- The closing price of the Shares on the date on which the options were granted was HK\$0.43.
- These options granted under the Share Option Scheme have a term of ten years commencing from 22 November 2010 and shall vest and become exercisable in three tranches in the proportion of 30%, 60% and 100% on 22 November 2011, 22 November 2012 and 22 November 2013 respectively.
- These options granted under the Share Option Scheme have a term of ten years commencing from 27 September 2011 and shall vest and become exercisable in three tranches in the proportion of 30%, 60% and 100% on 27 September 2012, 27 September 2013 and 27 September 2014 respectively.

#### 附註：

- 授予董事購股權之詳情載於上文董事會報告內「董事於購股權之權益」一段。
- 其他僱員包括根據本集團的僱傭合約工作之本集團僱員（董事除外），而該等僱傭合約就僱傭條例（香港法例第57章）被視為「持續合約」。
- 股份於授出購股權日期之收市價為1.43港元。
- 股份於授出購股權日期之收市價為0.43港元。
- 該等根據購股權計劃授出之購股權之有效期由二零一零年十一月二十二日起計為期十年，而將於二零一一年十一月二十二日、二零一二年十一月二十二日及二零一三年十一月二十二日，分別按30%、60%及100%之比例，分三批歸屬及可予行使。
- 該等根據購股權計劃授出之購股權之有效期由二零一一年九月二十七日起計為期十年，而將於二零一二年九月二十七日、二零一三年九月二十七日及二零一四年九月二十七日，分別按30%、60%及100%之比例，分三批歸屬及可予行使。



# Report of the Directors

## 董事會報告

### RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Options" and "Directors' Interest in Shares" above, at no time during the year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### CONNECTED TRANSACTIONS

Details of the related party transactions undertaken in the usual course of business are set out in note 30 to the financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

### COMPETING INTERESTS

None of the Directors or the management shareholders of the Company and their respective associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year and up to the date of this report.

### PRE-EMPTIVE RIGHTS

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

### MANAGEMENT CONTRACTS

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

### 購買本公司證券之權利

除上文「購股權」及「董事於股份之權益」兩節所披露者外，於年內任何時間，本公司或其任何附屬公司或其任何同系附屬公司概無訂立任何安排，致使本公司之董事或行政總裁或彼等各自之聯繫人士（定義見上市規則）有任何權利認購本公司或其相聯法團（定義見證券及期貨條例）之證券，或可藉購入本公司或任何其他企業之股份而獲益。

### 關連交易

在日常業務過程中進行之關連人士交易詳情載於財務報表附註30。概無該等關連人士交易構成上市規則所界定之須予披露關連交易。

### 競爭權益

於年內及直至本年報日期，本公司董事或管理層股東及彼等各自之聯繫人士（定義見上市規則）概無在與本集團業務競爭或可能構成競爭的業務中擁有任何權益，或與本集團有任何其他利益衝突。

### 優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

### 管理合約

年內並無訂立或存在有關本公司全部業務或其中任何重要部份的管理及行政之重大合約。



# Report of the Directors 董事會報告

## EMOLUMENT POLICY

The emolument policy of the employees and senior management of the Group is set up by the remuneration committee of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to market competitiveness, individual performance and achievement.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 27 to the financial statements.

## EVENTS AFTER THE REPORTING PERIOD

There are no material events after the reporting period which would require disclosure to the financial statements.

## CORPORATE GOVERNANCE

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

## AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group.

The Audit Committee currently comprises Mr. Tsui Siu Hang, Steve (Chairman), Mr. Yao Enshu and Mr. Yang Fuqiang. The Audit Committee has reviewed and discussed with the management and the external auditors financial reporting matters including the annual results for the year ended 31 December 2011.

## 酬金政策

本集團僱員及高級管理層之酬金政策乃由本公司薪酬委員會根據有關人士之長處、資歷及能力而制訂。

董事之酬金乃由本公司薪酬委員會經考慮市場競爭力、個人表現及績效而決定。

本公司已採納購股權計劃，作為董事及合資格僱員之獎勵，有關該計劃之詳情載於財務報表附註27。

## 報告期後事項

報告期後並無重大事項發生而須於財務報表中披露。

## 企業管治

本公司企業管治詳情載於本年報「企業管治報告」一節。

## 審核委員會

本公司已成立審核委員會（「審核委員會」），並已遵照上市規則所載規定制訂書面職權範圍，目的是檢討及監察本集團之財務申報程序及內部監控。

審核委員會成員現時包括徐紹恒先生（主席）、姚恩澍先生及楊富強先生。審核委員會已與管理層及外聘核數師一同審閱及討論財務申報事宜，包括截至二零一一年十二月三十一日止年度之全年業績。





# Report of the Directors 董事會報告

## AUDITOR

A resolution to re-appoint the retiring auditor, Deloitte Touche Tohmatsu, will be proposed at the forthcoming annual general meeting.

## CLOSURE OF REGISTER OF MEMBERS

For determining the qualification for attending the annual general meeting of the Company to be held on 12 June 2012, the register of members of the Company will be closed from 8 June 2012 to 12 June 2012 (both dates inclusive), during which period no transfer of shares will be effected. In order to be qualified for attending the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 7 June 2012.

For determining the entitlement to the proposed final dividend for the year ended 31 December 2011, the register of members of the Company will be closed from 19 June 2012 to 20 June 2012 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to receive the proposed final dividend for the year ended 31 December 2011, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 18 June 2012.

By order of the Board

**Sinoref Holdings Limited**

**Xu Yejun**

*Chairman*

Hong Kong, 28 March 2012

## 核數師

在應屆股東週年大會上將提呈決議案，續聘退任的德勤•關黃陳方會計師行為本公司核數師。

## 暫停辦理股份過戶登記

為釐定出席本公司將於二零一二年六月十二日舉行的股東週年大會之資格，本公司將於二零一二年六月八日至二零一二年六月十二日（包括首尾兩日）暫停辦理股東登記，期間將不會辦理股份過戶手續。為符合資格出席本公司股東週年大會，所有股份過戶文件連同有關股票須於二零一二年六月七日下午四時三十分前，交回本公司在香港之股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

為釐定獲派截至二零一一年十二月三十一日止年度之擬派末期股息之權利，本公司將於二零一二年六月十九日至二零一二年六月二十日（包括首尾兩日）暫停辦理股東登記，期間將不會辦理股份過戶手續。為符合資格收取截至二零一一年十二月三十一日止年度之擬派末期股息，所有股份過戶文件連同有關股票須於二零一二年六月十八日下午四時三十分前，交回本公司在香港之股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

承董事會命

**華耐控股有限公司**

*主席*

**徐葉君**

香港，二零一二年三月二十八日



# Independent Auditor's Report 獨立核數師報告

## Deloitte. 德勤

### TO THE MEMBERS OF SINOREF HOLDINGS LIMITED

#### 華耐控股有限公司

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

We have audited the consolidated financial statements of Sinoref Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 52 to 107, which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

### 致華耐控股有限公司列位股東

*(於開曼群島註冊成立之有限公司)*

本核數師（以下簡稱「我們」）已審計列載於第52至107頁華耐控股有限公司（「貴公司」）及其附屬公司（合稱「貴集團」）的綜合財務報表，此綜合財務報表包括於二零一一年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他解釋資料。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使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。



# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並僅根據我們獲委聘的協定條款向 貴公司全體股東報告，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上或承擔任何責任。我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。



# Independent Auditor's Report 獨立核數師報告

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
28 March 2012

## 意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公平地反映 貴公司於二零一一年十二月三十一日的事務狀況及截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

**德勤•關黃陳方會計師行**  
*執業會計師*  
香港  
二零一二年三月二十八日

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Revenue	收入	7	<b>323,421</b>	318,762
Cost of sales	銷售成本		<b>(142,722)</b>	(100,782)
Gross profit	毛利		<b>180,699</b>	217,980
Other income	其他收入		<b>1,700</b>	813
Selling and distribution costs	銷售及分銷成本		<b>(28,334)</b>	(27,855)
Administrative expenses	行政開支		<b>(39,297)</b>	(19,671)
Other expenses	其他開支	9	-	(12,003)
Finance costs	融資成本	10	-	(265)
Profit before taxation	除稅前溢利		<b>114,768</b>	158,999
Taxation	稅項	11	<b>(22,757)</b>	(28,943)
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及年內全面收入總額	12	<b>92,011</b>	130,056
Earnings per share	每股盈利	16		
Basic (RMB)	基本 (人民幣)		<b>0.08</b>	0.12
Diluted (RMB)	攤薄 (人民幣)		<b>0.08</b>	0.12

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2011  
於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	123,320	57,536
Prepaid land lease payments	預付土地租賃款項	18	10,097	10,331
Deposit paid for acquisition of plant and equipment	收購廠房及設備已付按金		31	3,930
			133,448	71,797
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	24,913	15,273
Trade receivables	貿易應收款項	20	117,905	96,593
Bills receivables	應收票據	21	39,715	30,579
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		688	516
Prepaid land lease payments	預付土地租賃款項	18	235	235
Bank balances and cash	銀行結餘及現金	22	305,572	315,554
			489,028	458,750
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	23	21,007	15,248
Other payables and accruals	其他應付款項及應計費用	24	36,185	29,453
Tax liabilities	稅項負債		11,014	4,912
			68,206	49,613
<b>Net current assets</b>	<b>流動資產淨值</b>		420,822	409,137
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		554,270	480,934
<b>Non-current liability</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	25	9,425	10,937
			544,845	469,997
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	26	104,201	104,201
Reserves	儲備		440,644	365,796
<b>Total equity</b>	<b>權益總額</b>		544,845	469,997

The consolidated financial statements on pages 52 to 107 were approved and authorised for issue by the Board of Directors on 28 March 2012 and are signed on its behalf by:

於第52至107頁之綜合財務報表由董事會於二零一二年三月二十八日批准及授權刊發，並由以下代表簽署：

**董事**  
DIRECTOR

**董事**  
DIRECTOR

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Statutory reserves	Share options reserve	Retained profits	Total
		股本	股份溢價	特別儲備	法定儲備	購股權儲備	保留溢利	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
				(Note a)	(Note b)			
				(附註a)	(附註b)			
At 1 January 2010	於二零一零年一月一日	47,041	-	-	10,709	-	95,827	153,577
Profit for the year representing total comprehensive income for the year	年內溢利(指年內全面收入總額)	-	-	-	-	-	130,056	130,056
Special reserve arising from exchange of shares upon Corporate Reorganisation	公司重組時交換股份所產生之特別儲備	(46,867)	-	46,867	-	-	-	-
Issue of shares by capitalisation of share premium account	透過將股份溢價撥充資本而發行股份	77,977	(77,977)	-	-	-	-	-
Issue of shares pursuant to global offering	根據全球發售發行股份	26,050	171,931	-	-	-	-	197,981
Expenses incurred in connection with issue of new shares	就發行新股份而動用之開支	-	(13,512)	-	-	-	-	(13,512)
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	-	-	1,895	-	1,895
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	15,879	-	(15,879)	-
At 31 December 2010	於二零一零年十二月三十一日	104,201	80,442	46,867	26,588	1,895	210,004	469,997
Profit for the year representing total comprehensive income for the year	年內溢利(指年內全面收入總額)	-	-	-	-	-	92,011	92,011
Final dividend for year ended 31 December 2010	截至二零一零年十二月三十一日止年度之末期股息	-	-	-	-	-	(35,207)	(35,207)
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	-	-	18,044	-	18,044
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	12,685	-	(12,685)	-
At 31 December 2011	於二零一一年十二月三十一日	<b>104,201</b>	<b>80,442</b>	<b>46,867</b>	<b>39,273</b>	<b>19,939</b>	<b>254,123</b>	<b>544,845</b>

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### Notes:

- (a) Special reserve represents the difference between the nominal value of shares of the Company issued as consideration in exchange for the aggregate of the paid-up capital of the subsidiaries of the Company arising upon the corporate reorganisation (the "Corporate Reorganisation") to rationalise the Group's structure prior to listing of the Company's shares on The Stock Exchange of Hong Kong Limited.
- (b) In accordance with the relevant laws and regulations of the People's Republic of China ("PRC"), the PRC subsidiary is required to provide for PRC statutory reserves, including enterprise expansion fund and general reserve fund, by way of appropriations from its statutory net profit (based on the PRC statutory financial statements of the PRC subsidiary) but before dividend distributions.

All appropriations to the funds are made at the discretion of the PRC subsidiary's board of directors, at a minimum of 10%. The board of directors of the PRC subsidiary shall decide on the amounts to be appropriated based on its profitability each year.

The enterprise expansion fund may be used to increase registered capital subject to approval from the relevant PRC authorities. The general reserves fund may be used to offset accumulated losses or increase the registered capital subject to approval from the relevant PRC authorities.

### 附註：

- (a) 特別儲備指於本公司股份在香港聯合交易所有限公司上市前為了整頓本集團架構而進行公司重組（「公司重組」）之時，作為交換附屬公司股份的代價而發行之本公司股份的面值，與本公司附屬公司繳入資本的總額之間的差額。
- (b) 根據中華人民共和國（「中國」）有關法例及法規，一家中國附屬公司須從其法定溢利淨額（根據該中國附屬公司之中國法定財務報表）於分派股息前按比例提撥資金至中國法定儲備，包括企業擴展基金及一般儲備基金。

基金之所有分配乃由該中國附屬公司之董事會酌情決定，而分配百分比最少為10%。中國附屬公司之董事會將根據其每年盈利能力而決定將予分配之款項。

企業擴展基金可用於增加註冊資本，惟須取得相關中國部門之批准後方可作實。一般儲備基金可用於抵銷累計虧損或增加註冊股本，惟須取得相關中國部門之批准後方可作實。



# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	除稅前溢利	114,768	158,999
Adjustments for:	就以下各項作出調整：		
Interest income	利息收入	(1,700)	(551)
Interest expense	利息開支	-	265
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,532	4,962
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	234	235
Share-based payments expense	以股份為基礎付款開支	18,044	1,895
Operating cash flows before movements in working capital	營運資本變動前之經營現金流量	138,878	165,805
Increase in inventories	存貨增加	(9,640)	(6,669)
Increase in trade receivables	貿易應收款項增加	(21,312)	(50,103)
Increase in bills receivable	應收票據增加	(9,136)	(17,954)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款項增加	(172)	(375)
Increase in trade payables	貿易應付款項增加	5,759	13,646
Increase in other payables and accruals	其他應付款項及應計費用增加	1,836	11,154
<b>Net cash generated from operations</b>	<b>經營活動產生之現金淨額</b>	<b>106,213</b>	115,504
PRC income tax paid	已付中國所得稅	(18,167)	(22,380)
<b>Net cash from operating activities</b>	<b>經營活動所得現金淨額</b>	<b>88,046</b>	93,124
<b>Investing activities</b>	<b>投資活動</b>		
Interest received	已收取利息	1,700	551
Purchase of property, plant and equipment	購買物業、廠房及設備	(64,490)	(14,883)
Deposit paid for acquisition of plant and equipment	收購廠房及設備已付按金	(31)	(3,930)
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(62,821)</b>	(18,262)
<b>Financing activities</b>	<b>融資活動</b>		
Dividends paid	已付股息	(35,207)	-
Interest paid	已付利息	-	(265)
Proceeds from issue of new shares	發行新股份所得款項	-	197,981
Expenses paid in connection with the issue of shares	就發行股份支付之開支	-	(13,512)
Repayment of discounted bills with recourse	償還附追索權貼現票據	-	(9,012)
<b>Net cash (used in) from financing activities</b>	<b>融資活動(所用)所得現金淨額</b>	<b>(35,207)</b>	175,192
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>現金及現金等值物(減少)增加淨額</b>	<b>(9,982)</b>	250,054
<b>Cash and cash equivalents at beginning of the year</b>	<b>年初現金及現金等值物</b>	<b>315,554</b>	65,500
<b>Cash and cash equivalents at end of the year, representing bank balances and cash</b>	<b>年終現金及現金等值物，以銀行結餘及現金列示</b>	<b>305,572</b>	315,554

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 February 2010 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited with effect from 7 July 2010. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 32.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs HKAS 24 (as revised in 2009)	Improvements to HKFRSs issued in 2010 Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

### 1. 一般資料

本公司於二零一零年二月四日在開曼群島根據開曼群島公司法第22章（一九六一年法例第3章，經綜合及修訂）註冊成立為獲豁免有限公司。本公司股份自二零一零年七月七日起在香港聯合交易所有限公司上市。本公司之註冊辦事處及主要營業地點之地址在本年報「公司資料」一節內披露。

本公司為一家投資控股公司。本公司的附屬公司之主要業務載於附註32。

綜合財務報表以人民幣呈列，而人民幣亦為本公司之功能貨幣。

### 2. 應用新訂及經修訂香港財務報告準則

於本年度，本集團應用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則。

香港財務報告準則之修訂	於二零一零年頒佈之香港財務報告準則之改進
香港會計準則第24號（於二零零九年經修訂）	關連人士披露
香港會計準則第32號之修訂	供股分類
香港（國際財務報告詮釋委員會）— 詮釋第14號之修訂	最低資金要求之預付款項
香港（國際財務報告詮釋委員會）— 詮釋第19號	以股本工具抵銷金融負債

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

The adoption of these new and revised HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets <sup>1</sup>
	Disclosures – Offsetting Financial Assets and Financial Liabilities <sup>4</sup>
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>6</sup>
HKFRS 9	Financial Instruments <sup>6</sup>
HKFRS 10	Consolidated Financial Statements <sup>4</sup>
HKFRS 11	Joint Arrangements <sup>4</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>4</sup>
HKFRS 13	Fair Value Measurement <sup>4</sup>
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income <sup>3</sup>
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets <sup>2</sup>
HKAS 19 (as revised in 2011)	Employee Benefits <sup>4</sup>
HKAS 27 (as revised in 2011)	Separate Financial Statements <sup>4</sup>
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures <sup>4</sup>
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>5</sup>
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>4</sup>

### 2. 應用新訂及經修訂香港財務報告準則 (續)

採納該等新訂及經修訂香港財務報告準則對本集團本年度或過往年度之業績或財務狀況並無影響。

本集團並無提早採納以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第7號之修訂	披露 – 轉讓金融資產 <sup>1</sup>
	披露 – 抵銷金融資產及金融負債 <sup>4</sup>
香港財務報告準則第7號之修訂及香港財務報告準則第9號	香港財務報告準則第9號之強制生效日期及過渡性披露 <sup>6</sup>
香港財務報告準則第9號	金融工具 <sup>6</sup>
香港財務報告準則第10號	綜合財務報表 <sup>4</sup>
香港財務報告準則第11號	共同安排 <sup>4</sup>
香港財務報告準則第12號	披露於其他實體之權益 <sup>4</sup>
香港財務報告準則第13號	公平值計量 <sup>4</sup>
香港會計準則第1號之修訂	呈列其他全面收入項目 <sup>3</sup>
香港會計準則第12號之修訂	遞延稅項 – 收回相關資產 <sup>2</sup>
香港會計準則第19號 (於二零一一年經修訂)	僱員福利 <sup>4</sup>
香港會計準則第27號 (於二零一一年經修訂)	獨立財務報表 <sup>4</sup>
香港會計準則第28號 (於二零一一年經修訂)	於聯營公司及合營企業之投資 <sup>4</sup>
香港會計準則第32號之修訂	抵銷金融資產及金融負債 <sup>5</sup>
香港 (國際財務報告詮釋委員會) – 詮釋第20號	露天礦場生產期的剝除成本 <sup>4</sup>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- 1 Effective for annual periods beginning on or after 1 July 2011
- 2 Effective for annual periods beginning on or after 1 January 2012
- 3 Effective for annual periods beginning on or after 1 July 2012
- 4 Effective for annual periods beginning on or after 1 January 2013
- 5 Effective for annual periods beginning on or after 1 January 2014
- 6 Effective for annual periods beginning on or after 1 January 2015

The directors of the Company (the “Directors”) anticipate that the application of these new and revised HKFRSs, amendments or interpretations will have no material impact on the consolidated financial statement of the Group.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

### 2. 應用新訂及經修訂香港財務報告準則（續）

- 1 由二零一一年七月一日或之後開始之年度期間生效
- 2 由二零一二年一月一日或之後開始之年度期間生效
- 3 由二零一二年七月一日或之後開始之年度期間生效
- 4 由二零一三年一月一日或之後開始之年度期間生效
- 5 由二零一四年一月一日或之後開始之年度期間生效
- 6 由二零一五年一月一日或之後開始之年度期間生效

本公司董事（「董事」）預期，應用該等新訂及經修訂香港財務報告準則、修訂本或詮釋對本集團之綜合財務報表並無重大影響。

### 3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例所規定之適用披露。

綜合財務報表乃根據歷史成本基準編製。歷史成本一般是基於就交換貨品所給予代價之公平值而釐定。

主要會計政策載列如下。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of sales tax.

Revenue from sales of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 3. 主要會計政策 (續)

#### 綜合基準

綜合財務報表包括本公司及本公司所控制實體(其附屬公司)之財務報表。當本公司有權力支配一家實體之財務及營運政策而藉此從其活動中獲益時，即取得該實體之控制權。

如有需要，附屬公司財務報表會予以調整，以使其會計政策與本集團其他成員公司所用者一致。

所有集團間交易、結餘、收入及開支於綜合時全數對銷。

#### 收入確認

收入按已收取或應收取代價公平值計算，即一般業務過程中已售出商品之應收款項減除銷售稅項。

銷售貨品之收入乃在貨品交付客戶及貨品擁有權已轉移，並符合下列條件時予以確認：

- 本集團已向買家轉讓貨品擁有權之重大風險及回報；
- 本集團不再繼續涉及某程度上一般與擁有權相關之管理，而對已出售貨品亦無實質控制權；
- 收入金額能可靠地計量；
- 與交易相關之經濟利益有可能會流入本集團；及
- 就交易產生或將產生之成本能夠可靠地計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition (continued)

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purpose (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are classified as construction in progress and are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3. 主要會計政策 (續)

#### 收入確認 (續)

當經濟利益有可能流向本集團而收入金額能可靠地估計時，則會確認來自金融資產之利息收入。金融資產之利息收入乃按時間基準參考未償還之本金及適用實際息率累計，實際息率指將金融資產之估計未來所收現金於初始確認時在估計可使用期內折現至資產賬面淨值之息率。

#### 物業、廠房及設備

物業、廠房及設備（包括用作生產或供應貨品或服務或作行政用途之樓宇，但不包括在建工程）乃按成本減累計折舊及累計減值虧損（如有）列賬。

物業、廠房及設備（在建工程除）確認的折舊乃以成本減去其剩餘價值後在估計可使用年期用直線法計算。估計可使用年期、估計剩餘價值和折舊方法會於每個申報期末作檢核，並採用未來適用法對估計變動之影響入賬處理。

為了用作生產、供應貨物或行政用途而正在興建之物業分類為在建工程，以成本減任何已確認減值虧損列賬。成本包括專業費用及（就合資格資產而言）根據本集團會計政策可資本化之借貸成本。

當竣工及可作擬定用途時，該等物業分類至合適的物業、廠房及設備類別。當該等資產可作擬定用途時，開始按與其他物業相同之基準計算折舊。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時解除確認。解除確認該等資產所產生之任何收益或虧損（根據所得款項淨額與資產賬面值之間的差額計算）於解除確認該項目的期間在損益賬中確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### *Leasehold land and building*

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

### 3. 主要會計政策 (續)

#### 租賃

倘租賃條款將所有權絕大部份風險及收益轉讓予承租人，則租賃被分類為融資租賃。所有其他租賃被分類為經營租賃。

#### *本集團為承租人*

經營租賃應付租金按有關租期以直線法確認為開支，除非另有系統基準更能代表租賃資產使用經濟利益之時間模式則除外。

倘若獲取租賃優惠以達成經營租賃，則有關優惠被確認為負債。優惠的合計利益以直接法確認為租賃開支之扣減，除非另有系統基準更能代表租賃資產使用經濟利益之時間模式則除外。

#### *租賃土地及樓宇*

倘租約包括土地及樓宇部份，則本集團根據對各部份的擁有權所附帶之絕大部份風險及回報是否已轉讓予本集團之評估，獨立將各部份分類評估為融資或經營租賃，除非明顯兩個部份均為經營租賃則例外，在此情況下，整份租約分類為經營租賃。具體而言，最低租賃付款（包括任何一次過預付款項）乃按租賃土地部份及樓宇部份於租約開始時的租賃權益相對公平值比例於土地及樓宇部份之間分配。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing (continued)

##### *Leasehold land and building (continued)*

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid land lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

### 3. 主要會計政策 (續)

#### 租賃 (續)

##### *租賃土地及樓宇 (續)*

倘能可靠分配租賃款項，作為經營租賃入賬之租賃土地權益於綜合財務狀況表內列為「預付租賃款項」，並按直線法於租賃期內攤銷。當租賃付款不能可靠地在土地及樓宇部份之間分配時，整份租約一般分類為融資租賃，並當作物業、廠房及設備入賬。

#### 外幣

各獨立集團實體在編製財務報表時，以該實體功能貨幣以外的貨幣（「外幣」）所進行的交易按交易當日匯率換算為各自功能貨幣（即該實體營運所在的主要經濟環境的貨幣）計量。於申報期末，以外幣結算的貨幣項目按申報期末的匯率重新換算。以過往成本計算之非貨幣項目不予重新換算。

於結算及換算貨幣項目時所產生之匯兌差額，於其產生期間在損益賬內確認。





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 added to 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.

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

#### Retirement benefits costs

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

The Group also operates a Mandatory Provident Fund Scheme in Hong Kong. The Group contributes 5% of relevant payroll costs or HK\$12,000 (equivalent to RMB10,000) per annum, whichever is lower, to the scheme, which contribution is matched by employees.

The contributions are charged to the profit or loss as they become payable in accordance with the rules of both schemes.

### 3. 主要會計政策 (續)

#### 借貸成本

直接與收購、建設或生產合資格資產（即必須等待一段長時間始能作擬定用途或出售之資產）有關之借貸成本，撥入該等資產之成本，直至該等資產最後可用於其擬定用途或出售為止。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，會從合資格撥作資本之借貸成本中扣除。

所有其他借貸成本於產生時在期內損益賬確認。

#### 退休福利成本

本集團在中華人民共和國（「中國」）營運的附屬公司之僱員須參與由地方市政府管理之中央退休金計劃。中國附屬公司須將僱員薪金或薪酬成本的若干百分比向中央退休金計劃作出供款。供款金額於根據中央退休金計劃須支付時自損益賬扣除。

本集團亦在香港運作強制性公積金計劃。本集團將相關薪酬成本的5%或每年12,000港元（相等於人民幣10,000元）兩者之較低者向計劃作出供款，而僱員亦作出等額供款。

供款金額於根據兩項計劃之規則須支付時自損益賬扣除。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income 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 temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

### 3. 主要會計政策 (續)


#### 稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合全面收益表中所報溢利不同，乃由於前者不包括在其他年度應課稅收入或或可扣稅開支，並且不包括收益表內從未課稅或扣稅之項目。本集團即期稅項負債乃按申報期末頒佈或已實際頒佈之稅率計算。

遞延稅項為就綜合財務報表內的資產及負債賬面值及計算應課稅溢利相應稅基之間的暫時差額而確認。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按所有可能出現可利用臨時差額扣稅之應課稅溢利時提撥。若於一項交易中，因首次確認資產及負債而引致之臨時差額既不影響應課稅溢利、亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就附屬公司投資之相關應課稅暫時差額而確認，惟若本集團能夠控制臨時差額轉回及臨時差額有可能未必於可見將來轉回之情況除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之利益且預計於可見將來可以撥回時確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of the 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss.

The measurement of deferred tax liabilities and assets 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.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted-average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項資產之賬面值於申報期末作檢討，並在沒可能於會有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項資產及負債乃按償還負債或變現資產之期內所預期之適用稅率，根據申報期末已實施或實際實施之稅率（及稅法）計算。

即期及遞延稅項乃於損益賬中確認。

遞延稅項負債及資產之計量反映按照本集團預期於申報期末可收回或結算其資產及負債之賬面值方式計算而得出之稅務結果。

#### 存貨

存貨乃按成本及可實現淨值兩者中之較低值列值。成本乃按加權平均法計算。可實現淨值指存貨之估計售價減所有完成所需估計成本及進行銷售所需成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment loss of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible 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 the impairment loss, if any. When 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 to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a 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 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 had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

### 3. 主要會計政策 (續)

#### 有形資產減值虧損

於申報期末，本集團審閱其有形資產之賬面值，以釐定該等資產是否有減值虧損之跡象。倘出現任何該等跡象，將作出資產之可收回金額估計，以釐定減值虧損(如有)程度。當不可能估計個別資產之可收回金額時，本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理及穩定的分配基準，則企業資產亦分配至個別現金產生單位，或分配至可識別合理及穩定的分配基準之最小組別之現金產生單位。

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，乃使用可反映現時市場對時間值的評估及該資產特有之風險(未來現金流量之估計並無就此作調整)之稅前貼現率，將估計未來現金流量貼現至其現值。

倘一項資產(或現金產生單位)之可收回金額估計少於其賬面值，該資產(或現金產生單位)之賬面值將減少至其可收回金額。減值虧損即時於損益中確認。

倘減值虧損於其後撥回，該資產之賬面值將增加至其經修訂估計可收回金額，但因此增加的賬面值不會超過資產(或現金產生單位)於過往年度如無確認減值虧損時之金額。撥回減值虧損即時獲確認為收入。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### Financial assets

The Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 marketplace.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

### 3. 主要會計政策（續）

#### 金融工具

當集團實體成為工具合約條款的一方時，會在綜合財務狀況表上確認金融資產及金融負債。

金融資產及金融負債首次按公平值計量。收購或發行金融資產及金融負債的直接應佔交易成本，於首次確認時加入金融資產或金融負債的公平值或從中扣減（如適用）。

#### 金融資產

本集團之金融資產為貸款及應收款項。分類視乎金融資產之性質及目的而定，並於最初確認時釐定。所有金融資產之日常買賣以交易日期基準確認及取消確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

#### 實際利率法

實際利率法乃計算金融資產之經攤銷成本以及分攤有關期間之利息收入之方法。實際利率乃按金融資產於初始確認時之預計年期或適用之較短期間內準確折算估計未來現金收入（包括構成實際利率不可或缺部份已付或已收之一切費用、交易成本及其他溢價或折讓）至賬面淨值之利率。

利息收入乃按債務工具實際利率基準確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial assets (continued)*

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, bills receivables and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 貸款及應收款項

貸款及應收款項乃並無活躍市場報價之定額或待付款之非衍生金融資產。於初始確認後，貸款及應收款項（包括貿易應收款項、其他應收款項、應收票據及銀行結餘）以實際利率法按攤銷成本減任何已識別減值虧損入賬（見下述金融資產減值虧損之會計政策）。

##### 金融資產減值

金融資產乃於申報期末評估有否減值跡象。倘有客觀跡象顯示在初始確認金融資產後出現一件或多件事件已影響金融資產的估計未來現金流量，則金融資產被認為出現減值。

客觀減值跡象可包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，例如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial assets (continued)*

##### *Impairment of financial assets (continued)*

For certain categories of financial assets, such as trade and bills receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 金融資產減值 (續)

就若干類別之金融資產(如貿易應收款項及票據)而言,被評估不會個別減值之資產,將會另外彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄以及國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

當有客觀證據顯示該項資產出現減值時,即會在損益確認減值虧損,減值虧損之金額按該項資產之賬面值與估計未來現金流量金按金融資產的金融資產的原實際利率折算之現值之差額計量。

除貿易應收款項及應收票據之賬面值減少會透過準備金賬目計算外,所有金融資產之賬面值減少乃直接經由減值虧損計算。準備金賬目賬面值之變化於損益賬內確認。當一項應收款項被認為不可收回時,將從準備金賬目上予以註銷。如日後收回以往註銷之款項,則計入損益。

倘若在往後期間,減值虧損金額減少且此減少可客觀聯繫到一項發生在減值虧損確認後之事件上,則之前確認之減值虧損將透過損益撥回,但減值撥回日之資產賬面值不應超過假若減值不曾被確認下的已攤銷成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial liabilities and equity instruments*

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

##### Equity instruments

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

##### 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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

##### Financial liabilities

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

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及股本工具

由集團實體發行之金融負債及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類為金融負債或權益。

##### 股本工具

股本工具為有證據顯示本集團於資產中扣減所有負債後有剩餘資產權益之任何合約。本公司發行之股本工具按所收取款項扣除直接發行成本確認。

##### 實際利率法

實際利率法乃計算金融負債之攤銷成本及於相關期間分攤利息成本之方法。實際利率指按金融負債之預期可使用年期或較短期間內（如適用）實際折現估計未來現金付款（包括組成實際利率、交易成本及其他溢價或折讓的不可缺少部份之所有費用）至初始確認時的賬面淨值之利率。

利息開支按實際利率法確認。

##### 金融負債

金融負債包括貿易應付款項及其他應付款項，其後以實際利率法按攤銷成本計量。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Derecognition*

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

#### Equity-settled share-based payment transactions

For share options granted to directors and employees of the Company and its subsidiaries, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 終止確認

從金融資產收取現金流量的合約權利到期，或轉讓金融資產，而本集團已轉讓金融資產所有權的絕大部份風險及回報，則終止確認金融資產。倘本集團並無轉移或保留所有權的絕大部份風險及回報並繼續控制所轉讓資產，則本集團確認其在資產中的保留權益，並就可能須支付的金額確認相關負債。倘本集團保留所轉讓金融資產所有權的絕大部份風險及回報，則本集團繼續確認該金融資產，亦就已收取的款項確認有抵押借貸。

於終止確認全部金融資產時，該項資產賬面值與已收及應收代價及經已在其他全面收益中確認並在權益中累計的累積損益總和之間的差額於損益內確認。

只有當本集團之責任獲解除、取消或到期時，才會終止確認金融負債。終止確認的金融負債賬面值與已付或應付代價的差額於損益中確認。

#### 股本結算以股份為基礎付款交易

就授予本公司及其附屬公司之董事及僱員的購股權而言，所獲服務之公平值乃參考購股權於授出日期之公平值釐定，在權益歸屬期間以直線法列作開支，並於權益（購股權儲備）作出相應增加。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Equity-settled share-based payment transactions (continued)

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make 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.

The following 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.

### 3. 主要會計政策（續）

#### 股本結算以股份為基礎付款交易 (續)

本集團於申報期末修訂對預期最終將歸屬的購股權數目之估計。歸屬期內修訂原先估計之影響（如有）於損益確認，使累計開支反映經修訂之估計，並對購股權儲備作出相應調整。

於購股權獲行使時，早前在購股權儲備確認的金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未行使，早前在購股權儲備確認的金額將轉撥至保留溢利。

### 4. 估計涉及不確定性之主要來源

於應用附註3所述的本集團會計政策時，本公司董事須對尚無法從其他渠道確認的資產及負債賬面值作出估計及假設。該等估計及相關假設乃基於過往經驗及其他視作相關的因素作出。實際結果或會有別於該等估計。

本公司會持續檢討該等估計及相關假設。倘就會計估計的修訂只影響修訂估計之期間，則有關修訂會在該期間確認；倘有關修訂影響即期及未來期間，則有關修訂會在修訂期間及未來期間確認。

以下為於申報期末所作出有關未來的主要假設及估計不確定因素之其他主要來源，並具有相當風險而可能導致須於下個財政年度就資產及負債的賬面值作出重大調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of property, plant and equipment is less than the original estimate useful lives due to changes in commercial and technological environment, such difference will impact the depreciation charge for the remaining period. At 31 December 2011, the carrying amount of property, plant and equipment is RMB123,320,000 (2010: RMB57,536,000).

#### Estimated allowances for inventories

The management estimates the net realisable value of inventories based primarily on the latest market prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and makes allowance on obsolete and slow moving items to write off or write down inventories to their net realisable values. Where the expectation on the net realisable value is lower than the carrying amount, an impairment may arise. At 31 December 2011, the carrying amount of inventories is RMB24,913,000 (2010: RMB15,273,000).

#### Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2011, the carrying amount of trade receivables is RMB117,905,000 (2010: RMB96,593,000).

### 4. 估計涉及不確定性之主要來源 (續)

#### 物業、廠房及設備的可使用年期

於採用有關物業、廠房及設備折舊的會計政策時，管理層乃根據物業、廠房及設備用途之行業經驗並參考有關行業規範來估計各種物業、廠房及設備之可使用年期。倘物業、廠房及設備的實際可使用年期，由於商業及技術環境改變以致少於原本估計之可使用年期，有關差額將影響餘下期間之折舊開支。於二零一一年十二月三十一日，物業、廠房及設備之賬面值為人民幣123,320,000元（二零一零年：人民幣57,536,000元）。

#### 估計存貨撥備

管理層主要根據最近市價及目前市況估計存貨的可變現淨值。本集團會於各申報期末進行存貨盤點，並就陳舊及滯銷產品作出撥備以撇銷或撇減存貨至其可變現淨值。倘對變現淨值之預期低於其賬面值，則可能出現減值。於二零一一年十二月三十一日，存貨之賬面值為人民幣24,913,000元（二零一零年：人民幣15,273,000元）。

#### 貿易應收款項的估計減值

倘出現減值虧損的客觀證據，則本集團會考慮對未來現金流量之估計。減值虧損數額乃按資產賬面值與估計未來現金流量（不包括尚未發生之未來信貸虧損）按金融資產之原實際利率（即初始確認時用於計算之實際利率）貼現的現值間之差異計算。倘實際的未來現金流量低於預期者，則可能會出現重大減值虧損。於二零一一年十二月三十一日，貿易應收款項之賬面值為人民幣117,905,000元（二零一零年：人民幣96,593,000元）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the 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. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital, reserves and retained profits.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through payment of dividend, issuance of new shares as well as the issue of new debt or the redemption of existing debt, if necessary.

### 6. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

#### Financial assets

Loans and receivables (including cash and cash equivalents)

#### Financial liabilities

Amortised cost

#### 金融資產

貸款及應收款項(包括現金及現金等值物)

#### 金融負債

攤銷成本

### 5. 資本風險管理

本集團之資本管理旨在確保本集團內實體均可持續經營，同時透過優化債務及權益，盡量為股東帶來最大回報。本集團之整體策略與往年度一樣保持不變。

本集團的資本架構包括本公司擁有人應佔權益(即股本、儲備及保留溢利)。

本集團管理層持續檢討資本結構，當中涉及考慮資本成本及與資本相關之風險。如有必要，本集團將透過支付股息、發行新股份以及發行新債務或贖回現有債務，以平衡其整體資本結構。

### 6. 金融工具

#### (a) 金融工具之類別

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>463,581</b>	442,826
<b>29,489</b>	18,661



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, bills receivables, bank balances, trade payables and other payables.

Details of these financial instruments are disclosed in respective notes. The risk associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### *Market risk*

##### *Currency risk*

Certain transactions of the Group are denominated in Hong Kong dollars ("HKD") and Euro dollars ("EUR") which are other than the functional currency of the relevant group entity (i.e. RMB), which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策

本集團主要金融工具包括貿易應收款項、其他應收款項、應收票據、銀行結餘、貿易應付款項及其他應付款項。

此等金融工具之詳情於各自之附註披露。此等金融工具所附帶之風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何減輕此等風險之政策載列如下。管理層確保適時及有效地採取適用措施管理及監控此等風險。

##### *市場風險*

##### *貨幣風險*

本集團若干交易以港元及歐元計值，而港元及歐元為有關集團實體的功能貨幣(即人民幣)以外的貨幣，令本集團面對外幣風險。本集團並無外幣對沖政策。然而，管理層監控外匯風險，並於有需要時考慮對沖重大外匯風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

*Market risk (continued)*

Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated financial assets and liabilities at the reporting date are as follows:

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

*市場風險 (續)*

貨幣風險 (續)

本集團於報告日期以外幣計值之金融資產及金融負債如下：

		Assets 資產		Liabilities 負債	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
HKD	港元	17,114	87,099	59	76
EUR	歐元	1,184	146	-	-

The financial assets subject to foreign currency risk represents the bank balances denominated in HKD and trade receivables denominated in EUR held by the subsidiaries of the Company in Hong Kong and the PRC.

涉及外幣風險之金融資產是指本公司在香港及中國之附屬公司所持有，以港元計值之銀行結餘及以歐元計值之貿易應收款項。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Market risk (continued)

##### Currency risk (continued)

The following table details the Group's sensitivity to a 5% appreciation or depreciation of the HKD and EUR against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A positive number indicates an increase in profit where HKD and EUR strengthens 5% against the RMB. For a 5% weakening of HKD and EUR against RMB, there would be an equal and opposite impact.

HKD	港元
EUR	歐元

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### 市場風險 (續)

##### 貨幣風險 (續)

下表詳列本集團對於港元及歐元兌人民幣升值或貶值5%之敏感度。5%是在內部向主要管理人員匯報外幣風險時所使用之敏感比率，是管理層所評估的外幣匯率的可能變動。敏感度分析僅包括仍有效的以外幣計值的貨幣項目，於申報期末以5%外幣匯率調整來作分析。正數顯示當港元及歐元兌人民幣升值5%時之溢利增加。當港元及歐元兌人民幣貶值5%時，將對溢利有對等之相反影響。

#### Profit or loss 溢利或虧損

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
853	4,351
59	-

管理層認為，敏感度分析並不代表內在外匯風險，因為年末時承受的風險並不反映年內面對的風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Market risk (continued)*

##### Interest rate risk

The Group's exposure to cash flow interest rate risk in relation to bank balances at the end of the reporting period is considered as insignificant. The Group does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

##### *Credit risk*

As at 31 December 2011, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

The credit risk on liquid funds is limited because the counterparties are number of banks with high credit ratings assigned by international credit-rating agencies.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### 市場風險 (續)

##### 利率風險

本集團於報告期末就銀行結餘面對之現金流利率風險並不重大。本集團並無利率對沖政策。管理層監控利率風險，並於有需要時考慮對沖重大利率風險。

##### 信貸風險

於二零一零年十二月三十一日，倘對手方未能履行責任，本集團面對構成財務虧損之最高信貸風險，相等於綜合財務狀況表所列各項已確認金融資產之賬面值。本集團採納之政策為僅與信譽良好之對手方進行交易，以盡量降低因違約而招致之財務損失風險。

由於交易對手乃多家獲國際評級機構授予高度信貸評級的銀行，因此流動資金之信貸風險有限。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Credit risk (continued)*

As at 31 December 2011, the Group has concentration of credit risk as 14% (2010: 13%) and 45% (2010: 41%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 99% (31 December 2010: 100%) of the total trade receivable as at 31 December 2011. In order to minimise the concentration risk, the management of the Group has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each of individual trade debt regularly to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

##### *Liquidity risk*

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### *信貸風險 (續)*

於二零一一年十二月三十一日，由於貿易應收款項總額之14% (二零一零年：13%) 及45% (二零一零年：41%) 分別來自本集團之最大客戶及五大客戶，因此本集團有集中信貸風險。本集團因地域而涉及的信貸風險主要集中於中國，於二零一一年十二月三十一日佔貿易應收賬款總額的99% (二零一零年十二月三十一日：100%)。為將集中風險減至最低，本集團之管理層已委派員工負責釐定信貸限額、信貸審批及其他監控程序，以確保可採取跟進行動收回逾期債務。此外，本集團定期審閱各個別應收款項之可收回金額，以確保就不可收回金額作出充足減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

##### *流動資金風險*

就管理流動資金風險而言，本集團監察及維持管理層認為足夠撥付本集團業務之現金及現金等值物水平，以及減低現金流量波動的影響。

下表為本集團之非衍生金融負債餘下合約到期日之詳情。下表根據本集團須支付金融負債之最早日期當日之未貼現現金流量編製。

# Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

## 6. FINANCIAL INSTRUMENTS (continued)

## 6. 金融工具 (續)


(b) Financial risk management objectives and policies  
(continued)

(b) 金融風險管理之目的及政策  
(續)

Liquidity risk (continued)

流動資金風險 (續)

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 3 months 按要求或 少於3個月 RMB'000 人民幣千元	3 months to 1 year 3個月至1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現 現金流總額 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>As at 31 December 2011</b>	<b>於二零一一年 十二月三十一日</b>					
Trade payables	貿易應付款項	-	13,732	7,275	21,007	21,007
Other payables	其他應付款項	-	8,482	-	8,482	8,482
			<u>22,214</u>	<u>7,275</u>	<u>29,489</u>	<u>29,489</u>
<b>As at 31 December 2010</b>	<b>於二零一零年 十二月三十一日</b>					
Trade payables	貿易應付款項	-	10,548	4,700	15,248	15,248
Other payables	其他應付款項	-	3,413	-	3,413	3,413
			<u>13,961</u>	<u>4,700</u>	<u>18,661</u>	<u>18,661</u>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (c) Fair values

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

### 7. REVENUE

Revenue represents the net amounts received and receivable for goods sold less returns and discounts in the normal course of business.

### 8. OPERATING SEGMENTS

HKFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive Directors) ("CODM") in order to allocate resources to segments and to assess their performance.

The Group's operating activities are attributable to a single operating segment focusing on the manufacture and sale of advanced steel flow control products. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM. The CODM monitors the revenue from manufacture and sale of advanced steel flow control products for the purpose of making decisions about resource allocation and performance assessment. However, other than revenue analysis, no operating results and other discrete financial information is available for the resource allocation and performance assessment. The CODM reviews the profit for the year of the Group as a whole for performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

### 6. 金融工具 (續)

#### (c) 公平值

金融資產及金融負債之公平值以現時可觀察市場交易的價格或費率作為輸入數據根據貼現現金流分析以一般公認之定價模式釐定。

董事認為於綜合財務報表內以攤銷成本記錄之金融資產及金融負債之賬面值與其公平值相若。

### 7. 收入

收入指就一般日常業務中之銷售貨品已收及應收的淨額，再減去退貨及折扣。

### 8. 經營分部

香港財務報告準則第8號「經營分部」要求，確認經營分部必須依從個別實體之內部呈報分類作為基準；該等內部呈報分類乃定期由主要營運決策者（執行董事）（「主要營運決策者」）審視，並對各分項進行資源分配及業績評估。

本集團之經營活動屬於專注製造及銷售高端鋼水控流產品之單一經營分部。此經營分部乃基於符合香港財務報告準則之會計政策所編制之內部管理報告而識別，並由主要營運決策者定期檢討。主要營運決策者監察來自製造及銷售高端鋼水控流產品之收入，以就資源分配及表現評估作出決策。然而，除收入分析外，並無經營業績及其他確實的財務資料可供用作資源分配及表現評估。主要營運決策者對本集團期內溢利作整體檢討，以進行表現評估。由於主要營運決策者並無獲定期提供分部資產及分部負債，因此並無呈列分部資產及分部負債之分析。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

#### Information about products

The revenue of the major products is analysed as follows:

Manufacture and sale of advanced steel flow control products:	製造及銷售高端鋼水控流產品：
Subentry Nozzle	浸入式水口
Stopper	塞棒
Tundish Nozzle	中間包水口
Ladle Shroud	長水口

### 8. 經營分部 (續)

#### 產品資料

主要產品收入分析如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
163,129	156,552
84,658	84,920
61,104	59,889
14,530	17,401
<b>323,421</b>	<b>318,762</b>

#### Information about geographical areas

The following table provides an analysis of the Group's revenue by geographical market:

The PRC (country of domicile)	中國 (原籍國家)
Europe	歐洲

#### 地區資料

下表提供本集團按地區市場劃分的收入分析：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
320,905	318,762
2,516	—
<b>323,421</b>	<b>318,762</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

#### Information about major customers

Revenue from a customer amounting to RMB40,865,000 (2010: RMB35,806,000) individually represents more than 10% of the Group's revenue. Four types of products were sold to that customer.

### 9. OTHER EXPENSES

The amounts represented professional fees and other expenses related to the listing of shares of the Company. Pursuant to HKAS 32 "Financial Instruments: Presentation", the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are directly attributable to the issuing of new shares. The remaining costs were recognised as expenses when incurred.

### 10. FINANCE COSTS

The amounts represented the interests on discounted bills with recourse wholly repayable within five years.

### 11. TAXATION

Current tax:	即期稅項：
PRC Enterprise Income Tax	中國企業所得稅
PRC withholding tax	中國預扣稅
Deferred tax:	遞延稅項：
Current year	本年度

### 8. 經營分部 (續)

#### 主要客戶資料

來自一名客戶之收入達人民幣40,865,000元(二零一零年：人民幣35,806,000元)，獨佔本集團總收入超過10%。本集團向該名客戶銷售四類產品。

### 9. 其他開支

該金額指有關本公司股份上市之專業費用及其他開支。根據香港會計準則第32號「金融工具：呈列」，股本交易之交易成本以發行新股份直接應佔的成本為限，當作權益之扣減入賬。餘下成本於產生時確認為開支。

### 10. 融資成本

有關金額指須於五年內悉數償還之附追索權貼現票據之利息。

### 11. 稅項

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
17,769	22,297
6,500	-
(1,512)	6,646
<b>22,757</b>	<b>28,943</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 11. TAXATION (continued)

Provision for the PRC Enterprise Income Tax was made based on the estimated taxable profits calculated in accordance with the relevant income tax laws and regulations applicable to the Group's PRC subsidiary.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New EIT Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New EIT Law (the "Implementation Regulations"). The New EIT Law and the Implementation Regulations unify the Enterprise Income Tax rate for domestic and foreign enterprises at 25% from 1 January 2008.

In accordance with the relevant income tax law as applicable to the PRC subsidiary of the Company, it was entitled to the exemption from the PRC Enterprise Income Tax for the first two years commencing from the first profit-making year after offsetting all unexpired tax losses from previous years, and thereafter to a 50% reduction for the next three years. 2007 was the first profit-making year for the Group's PRC subsidiary. As a result, the Group's PRC subsidiary was subject to the PRC Enterprise Income Tax rate of 12.5% for both years presented.

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 shall be subject to PRC Enterprise Income Tax which is withheld by the PRC entity. During the year ended 31 December 2011, deferred tax expense of RMB4,988,000 (2010: RMB6,646,000) in respect of the undistributed earnings of the Group's PRC subsidiary has been recognised in the consolidated statement of comprehensive income.

### 11. 稅項 (續)

中國企業所得稅乃根據估計應課稅溢利按適用於本集團的中國附屬公司之有關所得稅法及法規計算。

於二零零七年三月十六日，中國根據中國主席令第63號頒佈了《中華人民共和國企業所得稅法》(「新企業所得稅法」)。於二零零七年十二月六日，中國國務院頒佈了《中華人民共和國企業所得稅法實施細則》(「實施細則」)。自二零零八年一月一日起，新企業所得稅法及實施細則將境內及境外企業適用的企業所得稅稅率劃一定為25%。

根據適用於本公司中國附屬公司的有關所得稅法，本公司中國附屬公司獲批准在抵銷所有過往年度之未屆滿稅項虧損後自首個獲利年度起首兩年豁免中國企業所得稅，並於其後三年獲減免50%中國企業所得稅。二零零七年為本集團的中國附屬公司的首個獲利年度。因此，本集團的中國附屬公司於兩個呈列年度均須按12.5%的中國企業所得稅稅率繳稅。

根據由財政部及國家稅務總局聯合發出的通知(財稅2008第1號文件)，於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體預扣。截至二零一一年十二月三十一日止年度，有關本集團中國附屬公司之未分派盈利之遞延稅項費用為人民幣4,988,000元(二零一零年：人民幣6,646,000元)，經已在綜合全面收益表中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 11. TAXATION (continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

### 11. 稅項 (續)

年內稅項支出與綜合全面收益表之除稅前溢利對賬如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	<b>114,768</b>	158,999
Tax at the PRC Enterprise Income Tax rate of 25% (2010: 25%)	按中國企業所得稅稅率25% (二零一零年：25%) 計算之稅項	<b>28,692</b>	39,750
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	<b>6,863</b>	3,358
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	<b>(17)</b>	-
Tax effect of tax losses not recognised	未確認稅務虧損之影響	-	1,486
Tax effect attributable to tax exemptions and concessions granted to the PRC subsidiary	向中國附屬公司授出之 稅項豁免及寬減造成之 稅務影響	<b>(17,769)</b>	(22,297)
Deferred tax on undistributed earnings of the PRC subsidiary	中國附屬公司未分派盈利 之遞延稅項	<b>4,988</b>	6,646
Taxation for the year	年內稅項	<b>22,757</b>	28,943

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 12. PROFIT FOR THE YEAR

### 12. 年內溢利

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit for the year has been arrived at after charging (crediting):	年內溢利經扣除（計入） 下列項目後達致：		
Auditor's remuneration	核數師酬金	978	806
Cost of inventories recognised as an expense	確認為開支之存貨成本	140,101	100,200
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,532	4,962
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	234	235
Minimum lease payments in respect of office premises	有關辦公室物業之 最低租賃款項	685	178
Exchange loss	匯兌虧損	1,612	2,213
Bank interest income (included in other income)	銀行利息收入（計入 其他收入之內）	(1,700)	(551)
Staff costs (including directors' emoluments)	員工成本（包括董事酬金）		
– Salaries and other benefits	– 薪金及其他福利	34,008	30,722
– Contributions to retirement benefits scheme	– 退休福利計劃供款	903	509
– Share-based payments	– 以股份為基礎付款	18,044	1,895
		<b>52,955</b>	<b>33,126</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 13. DIRECTORS EMOLUMENTS

### 13. 董事酬金

The emoluments paid or payable to each of the directors were as follows:

已付或應付予各董事之酬金如下：

					Share-based payment performance related incentive payments	Total	
	Salaries and allowances	bonus related performance related bonus	Retirement benefit scheme contributions	Share-based payment performance related incentive payments			
Fees 袍金	薪金及津貼	與表現相關 之花紅	退休福利 計劃供款	與表現相關之 以股份為基 礎獎勵付款		合計	
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	
<b>For the year ended 31 December 2011:</b>	<b>截至二零一一年十二月 三十一日止年度：</b>						
Executive directors:	執行董事：						
Xu Yejun	徐葉君	380	124	7	4	850	1,365
Zhang Lanyin	張蘭銀	260	265	7	-	1,486	2,018
Gu Aoxing	顧敖行	140	64	7	4	1,486	1,701
Non-executive director:	非執行董事：						
Gao Zhilong	高志龍	100	-	-	-	-	100
Independent non-executive directors:	獨立非執行董事：						
Yao Enshu	姚恩澍	100	-	-	-	-	100
Yang Fuqiang	楊富強	100	-	-	-	-	100
Tsui Siu Hang, Steve	徐紹恒	100	-	-	-	-	100
	<b>1,180</b>	<b>453</b>	<b>21</b>	<b>8</b>	<b>3,822</b>	<b>5,484</b>	

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 13. DIRECTORS EMOLUMENTS (continued)

### 13. 董事酬金 (續)

	Fees 袍金 RMB'000 人民幣千元	Salaries and allowances 薪金及津貼 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利 計劃供款 RMB'000 人民幣千元	Share-based payment performance related incentive payments 與表現相關 之以股份為 基礎獎勵付款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>For the year ended 31 December 2010:</b>	<b>截至二零一零年十二月 三十一日止年度：</b>				
Executive Directors:	執行董事：				
Xu Yejun	250	181	3	95	529
Zhang Lanyin	250	395	-	158	803
Gu Aoxing	100	9	3	158	270
Non-executive Director:	非執行董事：				
Gao Zhilong	52	-	-	-	52
Independent non-executive Directors:	獨立非執行 董事：				
Yao Enshu	52	-	-	-	52
Yang Fuqiang	52	-	-	-	52
Cheng Yun Ming (resigned on 19 November 2010)	40	-	-	-	40
Tsui Siu Hang, Steve (appointed on 19 November 2010)	12	-	-	-	12
	<u>808</u>	<u>585</u>	<u>6</u>	<u>411</u>	<u>1,810</u>

The performance related bonus is determined by the performance of individuals.

與表現相關之花紅乃根據個人表現釐定。

None of the Directors waived any emoluments for both years.

於兩個年度，概無董事放棄收取任何酬金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2010: three) were Directors whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining two (2010: two) individuals were as follows:

Salaries and allowances	薪金及津貼	936	1,451
Performance related bonus	與表現相關之花紅	7	-
Contributions to retirement benefits scheme	退休福利計劃供款	30	13
Share-based payment performance related incentive payments	與表現相關之以股份為基礎獎勵付款	2,406	253
		<b>3,379</b>	<b>1,717</b>

Their emoluments were within the following bands:

Below HK\$1,000,000	1,000,000港元以下	-	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	-

### 15. DIVIDENDS

The final dividend of HK1 cent (equivalent to RMB0.81 cent) in respect of the year ended 31 December 2011 (2010: final dividend of HK3.6 cents in respect of the year ended 31 December 2010) per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

### 14. 僱員酬金

本集團五名最高薪人士當中，三名（二零一零年：三名）為董事，其酬金已於上文附註13中披露。餘下兩名（二零一零年：兩名）人士之酬金如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
936	1,451
7	-
30	13
2,406	253
<b>3,379</b>	<b>1,717</b>

彼等之酬金介乎以下範圍：

2011 二零一一年 No. of employee 僱員人數	2010 二零一零年 No. of employee 僱員人數
-	1
-	1
1	-
1	-

### 15. 股息

董事已建議派付截至二零一一年十二月三十一日止年度之末期股息每股1港仙（相等於人民幣0.81分）（二零一零年：截至二零一零年十二月三十一日止年度之末期股息3.6港仙），惟須經股東在應屆股東週年大會上批准。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 16. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

#### Earnings

Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company

#### 盈利

就計算本公司擁有人應佔每股基本及攤薄盈利所使用之盈利

**2011**  
**二零一一年**  
**RMB'000**  
**人民幣千元**

2010  
二零一零年  
RMB'000  
人民幣千元

**92,011**

130,056

#### Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share

#### 股份數目

就計算每股基本盈利所使用之普通股加權平均數

**Number**  
**of shares**  
**股份數目**  
**2011**  
**二零一一年**  
**'000**  
**千股**

Number  
of shares  
股份數目  
2010  
二零一零年  
'000  
千股

**1,200,000**

1,046,301

Effect of dilutive potential ordinary shares: Share options

具攤薄潛力普通股之影響：  
購股權

**100**

—

Weighted average number of ordinary shares for the purpose of diluted earnings per share

就計算每股攤薄盈利所使用之普通股加權平均數

**1,200,100**

1,046,301

During the year ended 31 December 2010, the computation of diluted earnings per share did not assume the exercise of the Company's options because the exercise price of the share options was higher than the average market price of the shares of the Company.

於截至二零一零年十二月三十一日止年度，由於本公司購股權之行使價高於本公司股份之平均市場價格，因此計算每股攤薄盈利時並無假設本公司購股權獲行使。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT

### 17. 物業、廠房及設備

		Construction in progress 在建工程	Buildings 樓宇	Leasehold improvement 租賃 物業裝修	Furniture and fixtures and office equipment 傢俱及裝置及 辦公室設備	Plant, machinery and equipment 廠房、機器 及設備	Motor vehicles 汽車	Total 總計
		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
<b>COST</b>	<b>成本</b>							
At 1 January 2010	於二零一零年一月一日	-	19,539	-	970	36,665	1,474	58,648
Additions	添置	8,913	250	159	98	1,461	6,273	17,154
At 31 December 2010	於二零一零年十二月三十一日	8,913	19,789	159	1,068	38,126	7,747	75,802
Additions	添置	7,170	302	-	154	65,366	324	73,316
Transfer	轉讓	(16,083)	16,083	-	-	-	-	-
At 31 December 2011	於二零一一年十二月三十一日	-	36,174	159	1,222	103,492	8,071	149,118
<b>DEPRECIATION</b>	<b>折舊</b>							
At 1 January 2010	於二零一零年一月一日	-	2,590	-	456	9,698	560	13,304
Provided for the year	年內撥備	-	930	14	181	3,313	524	4,962
At 31 December 2010	於二零一零年十二月三十一日	-	3,520	14	637	13,011	1,084	18,266
Provided for the year	年內撥備	-	1,134	87	208	4,683	1,420	7,532
At 31 December 2011	於二零一一年十二月三十一日	-	4,654	101	845	17,694	2,504	25,798
<b>CARRYING VALUES</b>	<b>賬面值</b>							
At 31 December 2011	於二零一一年十二月三十一日	<u>-</u>	<u>31,520</u>	<u>58</u>	<u>377</u>	<u>85,798</u>	<u>5,567</u>	<u>123,320</u>
At 31 December 2010	於二零一零年十二月三十一日	<u>8,913</u>	<u>16,269</u>	<u>145</u>	<u>431</u>	<u>25,115</u>	<u>6,663</u>	<u>57,536</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment except for construction in progress are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual value, at the following rates per annum:

Buildings	4.5% – 18%
Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture and fixtures and office equipment	18%
Plant, machinery and equipment	9%
Motor vehicles	18%

The buildings are situated on land in the PRC and are held under medium term leases.

### 18. PREPAID LAND LEASE PAYMENTS

The Group's prepaid lease payments represent leasehold land in the PRC under medium term leases and are amortised to consolidated statement of comprehensive income over the lease term of 50 years from January 2006.

Analysed for reporting purposes as: 就報告而言分析如下：

Non-current asset 非流動資產  
Current asset 流動資產

### 17. 物業、廠房及設備 (續)

上述物業、廠房及設備(在建工程除外)使用直線法及經考慮其估計剩餘價值後以下列年率計算於其估計可使用年期計算折舊：

樓宇	4.5% – 18%
租賃物業裝修	20%或按租期，以較短者為準
傢俱及裝置及辦公室設備	18%
廠房、機器及設備	9%
汽車	18%

樓宇位於中國內地，根據中期租約持有。

### 18. 預付土地租賃款項

本集團預付租賃款項指位於中國並根據中期租約持有之租賃土地，於二零零六年一月起為期50年的租賃期內在綜合全面收益表中攤銷。

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
10,097	10,331
235	235
<b>10,332</b>	<b>10,566</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 19. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

### 19. 存貨

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
13,827	8,289
6,325	3,861
4,761	3,123
<b>24,913</b>	<b>15,273</b>

### 20. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 90 days, while other customers are due immediately when goods are delivered. The following is an aged analysis of trade receivables presented based on the goods receipt date of customers at the end of the reporting period.

### 20. 貿易應收款項

本集團向若干客戶授出之信貸期為90日以內，而其他客戶須於收到貨品時即時付款。以下為於申報期末根據客戶收取貨品日期呈列之貿易應收款項賬齡分析：

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 – 180 days	121至180日

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
18,221	18,196
29,761	26,502
31,251	21,219
23,123	18,278
15,549	12,398
<b>117,905</b>	<b>96,593</b>

At 31 December 2011, included in the Group's trade receivable balances are debtors with aggregate carrying amount of RMB107,086,000 (2010: RMB88,222,000), which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

於二零一一年十二月三十一日，本集團之貿易應收款項結餘包括賬面總值為人民幣107,086,000元（二零一零年：人民幣88,222,000元）之應收債項，其於申報期末已逾期惟本集團並未作出減值虧損撥備。本集團並無就此等結餘持有任何抵押品。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 20. TRADE RECEIVABLES (continued)

Aging of trade receivables which are past due but not impaired:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
Over 120 days	120日以上

The Group has not provided for the trade receivables which are past due but not impaired because the directors of the Company consider that those receivables are recoverable based on the good payment record of the customers. The Group does not hold any collateral over these balances.

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period and considers to make impairment losses for irrecoverable amount, if necessary.

At 31 December 2011, included in the trade receivables is RMB1,184,000 (2010: RMB146,000) that was denominated in EUR. All the remaining trade receivables are denominated in RMB.

### 20. 貿易應收款項 (續)

已逾期惟未減值之貿易應收款項之賬齡如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
14,896	14,348
24,279	23,644
29,240	19,554
23,123	18,278
15,548	12,398
<b>107,086</b>	<b>88,222</b>

本集團並無就已逾期惟未減值之貿易應收款項作出撥備，乃由於本公司董事根據客戶之良好還款紀錄認為該等應收款項可予收回。本集團並無就此等結餘持有任何抵押品。

於釐定貿易應收款項之可收回機會時，本集團會考慮由最初授出信貸當日起至申報期末之貿易應收款項信貸質素之任何變化。此外，本集團於申報期末審閱各貿易應收款項可收回金額，並於需要時考慮就不可收回金額作出減值虧損撥備。

於二零一一年十二月三十一日，貿易應收款項包括以歐元計值之款項人民幣1,184,000元（二零一零年：人民幣146,000元）。其餘所有貿易應收款項以人民幣計值。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 21. BILLS RECEIVABLES

The aged analysis of bills receivables at the end of the reporting period are analysed as follows:

Within 90 days	90日內
91 – 120 days	91至120日
121 – 180 days	121至180日

At 31 December 2011, the carrying value of bills receivables include endorsed bills for which the maturity dates have not yet been due amounted to RMB17,046,000 (2010: RMB11,023,000) continue to be recognised as assets in the consolidated financial statements. As the Group was still exposed to credit risk on these receivables at the end of the reporting period, the cash received from the bills endorsed to the suppliers for which the maturity dates have not yet been due are recognised as current liabilities in the consolidated statement of financial position.

All the bills receivables are denominated in RMB.

The maturity dates of endorsed bills were less than six months from the end of the reporting period.

### 22. BANK BALANCES AND CASH

At 31 December 2011, bank balances carried interest at an average interest rate of 0.55% (2010: 0.29%) per annum.

### 21. 應收票據

於申報期末，應收票據賬齡分析如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
22,902	21,568
11,746	6,097
5,067	2,914
<b>39,715</b>	<b>30,579</b>

於二零一一年十二月三十一日，應收票據賬面值包括到期日尚未逾期的背書票據人民幣17,046,000元（二零一零年：人民幣11,023,000元），繼續於綜合財務報表中獲確認為資產。由於本集團於申報期末仍就此等應收款項面對信貸風險，因此向供應商發出而到期日尚未逾期的背書票據收取之現金於綜合財務狀況表中確認為流動負債。

所有應收票據均以人民幣計值。

背書票據自申報期末起計之到期日均少於六個月。

### 22. 銀行結餘及現金

於二零一一年十二月三十一日，銀行結餘之平均年利率為0.55%（二零一零年：0.29%）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 23. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the goods receipt date at the end of the reporting period.

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上

The credit period granted by the suppliers to the Group is within 30 days.

At 31 December 2011, included in the trade payables was RMB16,546,000 (2010: RMB11,023,000) that was endorsed bills settled to suppliers for which the maturity dates have not yet been due.

The carrying amounts of the trade payables at the end of the reporting period are denominated in RMB.

### 23. 貿易應付款項

以下為貿易應付款項於申報期末根據收取貨品日期呈列之賬齡分析。

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
7,463	10,041
3,151	2,876
3,119	2,029
7,274	302
<b>21,007</b>	<b>15,248</b>

供應商向本集團授出之信貸期為30日內。

於二零一一年十二月三十一日，貿易應付款項包括以到期日尚未逾期的向供應商結算之背書票據人民幣16,546,000元（二零一零年：人民幣11,023,000元）。

於申報期末，貿易應付款項之賬面值以人民幣計值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 24. OTHER PAYABLES AND ACCRUALS

Other payables	其他應付款項
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備之應付款項
Accrued sales commission	應計銷售佣金
Accrued professional fees	應計專業費用
Accrued staff costs	應計員工成本
Other tax payables	其他應付稅項

At 31 December 2011, included in payables for acquisition of property, plant and equipment was RMB500,000 (2010: nil) that was endorsed bills settled to suppliers for which the maturity dates have not yet been due.

### 25. DEFERRED TAX LIABILITIES

At 1 January 2010
Charge for the year
At 31 December 2010
Credit for the year

At 31 December 2011

### 24. 其他應付款項及應計費用

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
1,223	1,050
7,259	2,363
17,831	16,756
978	760
1,731	1,470
7,163	7,054
<b>36,185</b>	<b>29,453</b>

於二零一一年十二月三十一日，收購物業、廠房及設備當中，包括以背書票據向供應商清償而尚未逾期之款項人民幣500,000元（二零一零年：無）。

### 25. 遞延稅項負債

**Undistributed earnings of the PRC subsidiary**  
**中國附屬公司之未分派盈利**  
RMB'000  
人民幣千元

At 1 January 2010	於二零一零年一月一日	4,291
Charge for the year	年內支出	6,646
At 31 December 2010	於二零一零年十二月三十一日	10,937
Credit for the year	年內支出	(1,512)
At 31 December 2011	於二零一一年十二月三十一日	<b>9,425</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 26. SHARE CAPITAL

### 26. 股本

			Number of shares at HK\$0.10 per share 每股面值0.10 港元之股份數目	Amount 金額
	Notes 附註	'000 千股	HK\$'000 千港元	
<b>Authorised:</b>				
<b>法定：</b>				
At 4 February 2010 (date of incorporation)			1,000	100
Increase in authorised share capital			2,999,000	299,900
			<u>3,000,000</u>	<u>300,000</u>
At 31 December 2010 and 2011				
<b>Issued:</b>				
<b>已發行：</b>				
Allotted and issued nil-paid on 4 February 2010			1,000	100
Issue of shares upon completion of the Corporate Reorganisation on 7 June 2010			1,000	100
Issue of shares by capitalisation of the share premium account			898,000	89,800
Issue of shares pursuant to global offering			300,000	30,000
			<u>1,200,000</u>	<u>120,000</u>
At 31 December 2010 and 2011				
<b>Shown in the consolidated financial statements</b>				
<b>綜合財務報表所示</b>				
At 31 December 2010 and 2011				<b>RMB'000 equivalent 104,201</b>
				<b>人民幣千元等值</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 26. SHARE CAPITAL (continued)

The following changes in the share capital of the Company took place during the period from 4 February 2010 (date of incorporation) to 31 December 2011.

- (a) The Company was incorporated on 4 February 2010 with an authorised share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each, of which 1,000,000 ordinary shares with a par value of HK\$0.10 each were allotted and issued nil paid by the Company to its then sole shareholder on the same date.
- (b) On 7 June 2010, the authorised share capital of the Company was increased from HK\$100,000 to HK\$300,000,000 by the creation of the additional 2,999,000,000 new shares of HK\$0.10 each. These new shares rank pari passu in all respects with the existing shares.
- (c) Pursuant to a share purchase agreement dated 7 June 2010 and entered into by, among other parties, Sinoref International Limited (the then holding company of the Company) as vendor and the Company as purchaser for the acquisition of the entire issued share capital of Sinoref (BVI) Limited, being two shares of US\$1.00 each, in consideration of and in exchange for which the Company (i) credited as fully paid at par the 1,000,000 nil-paid shares then held by the shareholders of Sinoref International Limited; and (ii) allotted and issued, at the direction of Sinoref International Limited, 1,000,000 shares credited as fully paid to the shareholders of Sinoref International Limited in proportion to their respective shareholdings in Sinoref International Limited.

### 26. 股本 (續)

於二零一零年二月四日(註冊成立日期)至二零一一年十二月三十一日期間，本公司股本出現以下變動。

- (a) 本公司於二零一零年二月四日註冊成立，法定股本為100,000港元，分為1,000,000股每股面值0.10港元之股份，其中1,000,000股每股面值0.10港元之普通股於同日由本公司以未繳股本方式向當時唯一股東配發及發行。
- (b) 於二零一零年六月七日，本公司增設2,999,000,000股每股面值0.10港元之新股份，將法定股本由100,000港元增至300,000,000港元。該等新股份在各方面與現有股份享有同等地位。
- (c) 根據華耐國際有限公司(本公司當時之控股公司)(作為賣方)與本公司(作為買方)於二零一零年六月七日訂立之購股協議，本公司收購Sinoref (BVI) Limited全部已發行股本(即兩股每股面值1.00美元之股份)，而作為代價及交換條件，本公司(i)將當時由華耐國際有限公司股東所持有之1,000,000股未繳股份按面值入賬列為繳足；及(ii)遵照華耐國際有限公司之指示，按華耐國際有限公司股東各自於華耐國際有限公司之股權比例，向該等股東配發及發行1,000,000股入賬列為繳足之股份。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 26. SHARE CAPITAL (continued)

- (d) Pursuant to the written resolutions passed by all shareholders of the Company dated 7 June 2010, the directors of the Company were authorised to capitalise an amount of HK\$89,800,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 898,000,000 ordinary shares of HK\$0.10 each of the Company for allotment and issue to the shareholders of the Company on the register of members of the Company on 7 June 2010 on a pro-rata basis, conditional on the share premium account being credited as a result of the issue of shares by the Company pursuant to the global offering.
- (e) On 7 July 2010, 300,000,000 ordinary shares of HK\$0.10 each of the Company were issued at a price of HK\$0.76 by way of global offering. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange. The proceeds of HK\$30,000,000 (equivalent to RMB26,050,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of HK\$198,000,000 (equivalent to RMB171,931,000), before issuing expenses, were credited to share premium account.

### 26. 股本 (續)

- (d) 根據本公司全體股東於二零一零年六月七日通過之書面決議案，本公司董事獲授權將本公司股份溢價賬中之進賬89,800,000港元撥充資本，動用該金額按面值繳足本公司898,000,000股每股面值0.10港元之普通股，以按比例向於二零一零年六月七日名列本公司股東名冊之股東配發及發行，惟須待本公司根據全球發售發行股份後股份溢價賬取得進賬方可作實。
- (e) 於二零一零年七月七日，本公司透過全球發售，按0.76港元之價格發行300,000,000股每股面值0.10港元之本公司普通股。於同日，本公司股份於聯交所主板上市。代表本公司股份面值之所得款項30,000,000港元（相等於人民幣26,050,000元）已記入本公司之股本。餘下所得款項198,000,000港元（相等於人民幣171,931,000元）（未扣除發行開支）已記入股份溢價賬。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 27. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 7 June 2010 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 6 June 2020. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2011, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 120,000,000, representing 10% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted must be taken up within 20 days from the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from 1 year from the date of grant of the share option to the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

### 27. 以股份為基礎付款交易

本公司根據於二零一零年六月七日通過之決議案採納購股權計劃（「該計劃」），主要目的是向董事及合資格僱員提供獎勵，而該計劃將於二零二零年六月六日屆滿。根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司的董事）授出購股權，以認購本公司股份。

於二零一一年十二月三十一日，根據該計劃已授出而尚未行使之購股權所涉及之股份數目為120,000,000股，相等於本公司於該日的已發行股份10%。在未經本公司股東事先批准情況下，可根據該計劃授出的購股權所涉及之股份總數，不得超過本公司於任何時間已發行股份之10%。在未經本公司股東事先批准情況下，任何個別人士於任何一年內獲授及可獲授之購股權所涉及之已發行及將予發行股份數目，不得超過本公司於任何時間已發行股份之1%。

獲授購股權人士須於授出日期起計20日內就每批獲授購股權支付1港元，以接納購股權。購股權可於授出購股權日期起直至授出日期起計滿十週年當日止任何時間行使。行使價由本公司董事釐定，而不會低於以下最高者：(i)本公司股份於授出日期之收市價；(ii)本公司股份於緊接授出日期前五個營業日之平均收市價；及(iii)本公司股份面值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 27. SHARE-BASED PAYMENT TRANSACTIONS (continued)

### 27. 以股份為基礎付款交易 (續)

Date of grant 授出日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價	Granted on 22.11.2010 and balance at 1.1.2011 於二零一一年 一月一日 之結餘	Granted during the year 年內授出	Exercised during the year 年內行使	Balance at 31.12.2011 於二零一一年 十二月三十一日 之結餘
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2011 二零一零年十一月二十二日至 二零一一年十一月二十一日	22 November 2011 to 21 November 2020 二零一一年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	18,000,000	-	-	18,000,000
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2012 二零一零年十一月二十二日至 二零一二年十一月二十一日	22 November 2012 to 21 November 2020 二零一二年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	18,000,000	-	-	18,000,000
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2013 二零一零年十一月二十二日至 二零一三年十一月二十一日	22 November 2013 to 21 November 2020 二零一三年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	24,000,000	-	-	24,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2012 二零一一年九月二十七日至 二零一二年九月二十六日	27 September 2012 to 26 September 2021 二零一二年九月二十七日至 二零二一年九月二十六日	HK\$0.476 0.476港元	-	18,000,000	-	18,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2013 二零一一年九月二十七日至 二零一三年九月二十六日	27 September 2013 to 26 September 2021 二零一三年九月二十七日至 二零二一年九月二十六日	HK\$0.476 0.476港元	-	18,000,000	-	18,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2014 二零一一年九月二十七日至 二零一四年九月二十六日	27 September 2014 to 26 September 2021 二零一四年九月二十七日至 二零二一年九月二十六日	HK\$0.476 0.476港元	-	24,000,000	-	24,000,000
				<u>60,000,000</u>	<u>60,000,000</u>	<u>-</u>	<u>120,000,000</u>
Exercisable at 31 December 2011 可於二零一一年十二月三十一日行使							<u>18,000,000</u>
Exercisable at 31 December 2010 可於二零一零年十二月三十一日行使							<u>-</u>

During the year, 60,000,000 (2010: 60,000,000) share options were granted to the Directors and employees of the Group. The estimated fair values of the options granted on that date is RMB7,052,000 (2010: RMB31,603,000).

年內，向董事及本集團僱員授出60,000,000份(二零一零年：60,000,000份)購股權。所授出購股權於當日之估計公平值為人民幣7,052,000元(二零一零年：人民幣31,603,000元)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 27. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The fair values were calculated using the Binomial model. The inputs into the model were as follows:

Closing share price at the date of grant	於授出日期之股份收市價
Exercise price	行使價
Expected volatility	預期波幅
Expected life	預期年期
Risk-free rate	無風險利率
Expected dividend yield	預期股息率

Expected volatility was determined by using the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

During the year, the Group recognised the total expense of RMB18,044,000 (2010: RMB1,895,000) in relation to share options granted by the Company.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

### 27. 以股份為基礎付款交易 (續)

公平值乃根據二項式模式計算。向該模式輸入的數據如下：

2011 二零一一年	2010 二零一零年
<b>HK\$0.43港元</b>	HK\$1.40港元
<b>HK\$0.476港元</b>	HK\$1.408港元
<b>63%</b>	61%
<b>10 years年</b>	10 years年
<b>1.36%</b>	2.55%
<b>8%</b>	3.3%

預期波幅乃使用本公司股份之歷史波幅而釐定。模式內所使用之預期年期已根據管理層就非轉讓性、行使限制及行為考慮因素之影響所作的最佳估計而作出調整。

年內，本集團就本公司授出之購股權確認開支總額人民幣18,044,000元（二零一零年：人民幣1,895,000元）。

本集團已使用二項式模式估計購股權之公平值。計算購股權時所使用之變數及假設乃基於董事之最佳估計而釐定。購股權之價值隨著若干主觀假設之不同變數而改變。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 28. OPERATING LEASES

At 31 December 2011, the Group had commitment for minimum lease payment under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)

The commitments represent rentals payable by the Group for its office in Hong Kong with the lease period of two years.

Monthly rental was fixed and recognised over the terms of the lease.

### 29. CAPITAL COMMITMENTS

Contracted for but not provided for in the consolidated financial statements	已訂約但未在綜合財務報表中撥備
- Capital expenditure in respect of acquisition of plant and machinery	- 有關收購廠房及機器之資本開支
- Capital expenditure in respect of construction of new production plant	- 有關興建新廠房之資本開支

### 28. 經營租賃

於二零一一年十二月三十一日，本集團根據不可撤銷經營租賃有以下最低租賃付款之承擔，其到期情況如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
449	698
-	465
<b>449</b>	<b>1,163</b>

該等承擔指本集團就租期為兩年之香港辦公室應付之租金。

每月租金乃於租期內釐定及確認。

### 29. 資本承擔

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
4	35,720
-	5,072
<b>4</b>	<b>40,792</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 30. RELATED PARTY TRANSACTIONS

#### Compensation of key management personnel

The remuneration of directors and other members of key management for both years was as follows:

Short-term benefits	短期福利
Contributions to retirement benefits scheme	退休福利計劃供款
Share-based payments	以股份為基礎付款

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 30. 關連方交易

#### 主要管理人員薪酬

董事及其他主要管理層成員於兩個年度之薪酬如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
3,181	3,344
55	35
10,962	1,169
<b>14,198</b>	<b>4,548</b>

董事及主要行政人員之酬金乃薪酬委員會參考個人表現及市場趨勢而釐定。

### 31. FINANCIAL INFORMATION OF THE COMPANY

#### Non-current assets

Investments in subsidiaries
Property, plant and equipment
Amount due from a subsidiary

#### Current asset

Bank balances
---------------

#### Current liability

Other payables and accruals
-----------------------------

#### Net current assets

#### Total assets less current liability

#### Capital and reserves

Share capital
Reserves

#### Total equity

#### 非流動資產

於附屬公司之投資
物業、廠房及設備
應收附屬公司款項

#### 流動資產

銀行結餘
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#### 流動負債

其他應付款項及應計費用
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#### 流動資產淨值

#### 資產總值減流動負債

#### 資本及儲備

股本
儲備

#### 權益總額

### 31. 本公司之財務資料

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
174	174
19	-
226,535	175,392
<b>226,728</b>	<b>175,566</b>
<b>16,930</b>	<b>61,400</b>
<b>(1,679)</b>	<b>(1,475)</b>
<b>15,251</b>	<b>59,925</b>
<b>241,979</b>	<b>235,491</b>
<b>104,201</b>	<b>104,201</b>
<b>137,778</b>	<b>131,290</b>
<b>241,979</b>	<b>235,491</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

### 32. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

### 32. 本公司附屬公司詳情

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊／成立地點及日期	Equity interest attributable to the Company 本公司應佔 股本權益	Issued and fully paid share capital/ registered capital 已發行及繳足 股本／註冊資本	Principal activities 主要業務
Sinoref (BVI) Limited	The British Virgin Islands 12 January 2010 英屬處女群島 二零一零年一月十二日	100%	US\$2 2美元	Investment holding 投資控股
Sinoref (Hong Kong) Limited 華耐科技(香港)有限公司	Hong Kong 17 February 2010 香港 二零一零年二月十七日	100%	HK\$1 1港元	Investment holding 投資控股
Sinoref Yixing# 華耐宜興#	The PRC 20 July 2005 中國 二零零五年七月二十日	100%	RMB151,716,600 人民幣151,716,600元	Manufacture and sale of advanced steel flow control products 製造及銷售高端鋼 水控流產品

All of the subsidiaries are indirectly wholly owned by the Company except for Sinoref (BVI) Limited which is directly wholly owned by the Company.

所有附屬公司由本公司間接全資擁有，惟Sinoref (BVI) Limited則由本公司直接全資擁有。

# Wholly foreign owned enterprise registered in the PRC.

# 於中國註冊之外商獨資企業。

# Summary of Results, Assets and Liabilities

## 業績、資產及負債概要

### Results of the Group for the year ended December 31

#### 本集團截至十二月三十一日止年度之業績

		2007	2008	2009	2010	2011
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'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
Turnover	營業額	40,006	67,206	156,896	318,762	323,421
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及年內全面收入總額	13,405	24,971	70,076	130,056	92,011
Earnings per share (RMB)	每股盈利 (人民幣)					
- Basic	- 基本	0.01	0.03	0.08	0.12	0.08
- Diluted	- 攤薄	N/A不適用	N/A不適用	N/A不適用	0.12	0.08

### Assets and liabilities of the Group at December 31

#### 本集團於十二月三十一日之資產及負債

		2007	2008	2009	2010	2011
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'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
Total assets	資產總值	88,770	103,820	189,505	530,547	622,476
Less: Total liabilities	減：負債總額	(37,094)	(20,319)	(35,928)	(60,550)	(77,631)
Total net assets	總資產淨值	51,676	83,501	153,577	469,997	544,845



**SINOREF**

華耐控股有限公司  
SINOREF HOLDINGS LIMITED