

CHINA  
PIPE

中期報告 2010  
Interim Report



中國管業集團有限公司  
CHINA PIPE GROUP LIMITED

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

股份代號：380

Stock code: 380

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Yu Ben Ansheng  
Mr. Sam Ming Choy  
Mr. Lai Fulin

#### Non-executive Directors

Mr. Lai Guanglin (*Chairman*)  
Mr. U Kean Seng  
Mr. Zhao Yue  
Dr. Zia, Samuel

#### Independent Non-executive Directors

Mr. Wong Yee Shuen, Wilson  
Mr. Chen Wei Wen  
Ms. Wu Xiuru

### COMPANY SECRETARY

Mr. Tsang Wai Yip, Patrick

### AUTHORISED REPRESENTATIVES

Mr. Yu Ben Ansheng  
Mr. Tsang Wai Yip, Patrick

### INDEPENDENT AUDITOR

PricewaterhouseCoopers

### SOLICITORS

K&L Gates

### REGISTERED OFFICE

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

### 董事會

#### 執行董事

俞安生先生  
Sam Ming Choy 先生  
賴福麟先生

#### 非執行董事

Lai Guanglin 先生 (*主席*)  
余建成先生  
趙越先生  
謝薺鋒博士

#### 獨立非執行董事

黃以信先生  
陳偉文先生  
吳秀茹女士

### 公司秘書

曾偉業先生

### 授權代表人

俞安生先生  
曾偉業先生

### 獨立核數師

羅兵咸永道會計師事務所

### 律師

高蓋茨律師事務所

### 註冊辦事處

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

## HEAD OFFICE

12th Floor, Phase I  
Austin Tower  
22-26A Austin Avenue  
Tsim Sha Tsui  
Kowloon, Hong Kong  
Tel: (852) 2728 7237  
Fax: (852) 2387 2999

## SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited  
46th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
China Construction Bank (Asia) Corporation Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Shanghai Commercial Bank Limited  
Standard Chartered Bank (Hong Kong) Limited  
Wing Lung Bank Limited

## PRINCIPAL PLACE OF BUSINESS

### Retail shops

G/F., 618 Shanghai Street, Mongkok, Kowloon  
Tel: (852) 2395 0181  
Fax: (852) 2787 3421

G/F., No. 30 Hop Yick Road, Yuen Long, N.T.  
Tel: (852) 2473 3660  
Fax: (852) 2442 2766

Shop A, G/F., No. 7-11 Tai Wong Street East,  
Wanchai, Hong Kong  
Tel: (852) 2866 6001  
Fax: (852) 2866 6339

Rua Ribeira Do Patane No. 13,  
RC, Macau  
Tel: (853) 2855 3693  
Fax: (853) 2895 1020

## 總辦事處

香港九龍  
尖沙咀  
柯士甸路22-26號A  
好兆年行  
第一期12樓  
電話：(852) 2728 7237  
傳真：(852) 2387 2999

## 香港股份過戶登記處

香港中央證券登記有限公司  
香港  
皇后大道東183號  
合和中心  
46樓

## 主要往來銀行

中國銀行(香港)有限公司  
中國建設銀行(亞洲)股份有限公司  
中國工商銀行(亞洲)有限公司  
上海商業銀行有限公司  
渣打銀行(香港)有限公司  
永隆銀行有限公司

## 主要營業地點

### 門市

九龍旺角上海街618號地下  
電話：(852) 2395 0181  
傳真：(852) 2787 3421

新界元朗合益路30號地下  
電話：(852) 2473 3660  
傳真：(852) 2442 2766

香港灣仔  
大王東街7-11號地下A舖  
電話：(852) 2866 6001  
傳真：(852) 2866 6339

澳門沙梨頭海邊街13號  
泉寧樓地下  
電話：(853) 2855 3693  
傳真：(853) 2895 1020

## Corporate Information

### 公司資料

#### Warehouse

Lot 3719 in DD104, Yuen Long, N.T.

Tel: (852) 2471 9048

Fax: (852) 2482 1298

Lot 372383 in DD104, Yuen Long, N.T.

Te: (852) 2471 9048

Fax: (852) 2482 1298

#### CHINA OFFICE

Room 2803, Huai Hai China Tower,  
No. 885, Ren Min Road, Shanghai, PRC  
(Postcode: 200010)

Tel: 86-21-6355 9755

Fax: 86-21-6355 9699

No. 3 Langwei Road, Xiaolong Village,  
Shiji Town, Panyu District, Guangzhou, PRC

Tel: 86-20-6194 9418

86-20-6194 9428

Fax: 86-20-8455 4077

No. 1 Jinyufeng Road, Menlou Town  
Fushan District, Yantai City, Shandong, PRC

Tel: 86-53-5698 7788

Fax: 86-53-5698 7789

#### 貨倉

新界元朗錦綉花園貨倉泰園路地段 104 Lot 3719

電話：(852) 2471 9048

傳真：(852) 2482 1298

新界元朗錦綉花園貨倉泰園路地段 104 Lot 372383

電話：(852) 2471 9048

傳真：(852) 2482 1298

#### 中國辦事處

中國上海市人民路 885 號  
淮海中華大廈 2803 室  
(郵編：200010)

電話：86-21-6355 9755

傳真：86-21-6355 9699

中國廣州市番禺區  
石基鎮小龍明朗尾路 3 段  
電話：86-20-6194 9418

86-20-6194 9428

傳真：86-20-8455 4077

中國山東省烟台市福山區  
門樓鎮金裕豐路 1 號

電話：86-53-5698 7788

傳真：86-53-5698 7789

# Unaudited Condensed Consolidated Income Statement

## 未經審核簡明綜合收益表

For the six months ended 30th June 2010  
截至二零一零年六月三十日止六個月

|                                     |             | <b>Unaudited</b>          |                 |
|-------------------------------------|-------------|---------------------------|-----------------|
|                                     |             | <b>未經審核</b>               |                 |
|                                     |             | <b>For the six months</b> |                 |
|                                     |             | <b>ended 30th June</b>    |                 |
|                                     |             | <b>截至六月三十日止六個月</b>        |                 |
|                                     |             | <b>2010</b>               | 2009            |
|                                     |             | <b>二零一零年</b>              | 二零零九年           |
|                                     |             | <b>HK\$'000</b>           | HK\$'000        |
|                                     |             | <b>千港元</b>                | 千港元             |
|                                     |             | Note                      |                 |
|                                     |             | 附註                        |                 |
| Revenue                             | 收入          | 5                         | 206,693         |
| Cost of sales                       | 銷售成本        | 7                         | (169,752)       |
|                                     |             |                           | <hr/>           |
| Gross profit                        | 毛利          |                           | 36,941          |
| Other (losses)/gains, net           | 其他(虧損)/收益淨額 | 6                         | 30,693          |
| Selling and distribution costs      | 銷售及分銷成本     | 7                         | (5,413)         |
| General and administrative expenses | 一般及行政費用     | 7                         | (38,147)        |
|                                     |             |                           | <hr/>           |
| Operating (loss)/profit             | 經營(虧損)/溢利   |                           | 24,074          |
| Finance costs, net                  | 財務費用淨額      | 8                         | (5,659)         |
|                                     |             |                           | <hr/>           |
| (Loss)/profit before income tax     | 稅前(虧損)/溢利   |                           | 18,415          |
| Tax expense                         | 稅項支出        | 9                         | (5,174)         |
|                                     |             |                           | <hr/>           |
| (Loss)/profit for the period        | 期內(虧損)/溢利   |                           | 13,241          |
|                                     |             |                           | <hr/> <hr/>     |
| Attributable to:                    | 應佔：         |                           |                 |
| Equity holders of the Company       | 本公司股權持有人    |                           | 13,241          |
| Non-controlling interest            | 非控制權益       |                           | -               |
|                                     |             |                           | <hr/>           |
|                                     |             |                           | <b>(30,819)</b> |
|                                     |             |                           | <hr/> <hr/>     |
|                                     |             |                           | <b>HK cents</b> |
|                                     |             |                           | HK cents        |
|                                     |             |                           | <b>港仙</b>       |
|                                     |             |                           | 港仙              |
| (Loss)/earning per share            | 每股(虧損)/盈利   | 10                        |                 |
| Basic and diluted                   | 基本及攤薄       |                           | 0.11            |
|                                     |             |                           | <hr/> <hr/>     |
|                                     |             |                           | <b>(0.21)</b>   |
|                                     |             |                           | <hr/> <hr/>     |

The notes on pages 11 to 32 are an integral part of these financial statements.

第11至32頁之附註為此等財務報表之組成部分。

# Unaudited Condensed Consolidated Statement of Comprehensive Income

## 未經審核簡明綜合全面收益表

For the six months ended 30th June 2010  
截至二零一零年六月三十日止六個月

|   |             | <b>Unaudited<br/>未經審核</b>                     |          |
|---|-------------|---|----------|
|   |             | <b>For the six months<br/>ended 30th June</b> |          |
|   |             | <b>截至六月三十日止六個月</b>                            |          |
|   |             | <b>2010</b>                                   | 2009     |
|   |             | <b>二零一零年</b>                                  | 二零零九年    |
|   |             | <b>HK\$'000</b>                               | HK\$'000 |
|   |             | <b>千港元</b>                                    | 千港元      |
| (Loss)/profit for the period                          | 期內(虧損)/溢利   | <b>(30,819)</b>                               | 13,241   |
| Other comprehensive income:                           | 其他全面收益:     |   |          |
| Currency translation differences                      | 貨幣換算差額      | <b>1,961</b>                                  | 986      |
| Total comprehensive income for the period, net of tax | 期內除稅後全面收益總額 | <b>(28,858)</b>                               | 14,227   |
| Attributable to:                                      | 應佔:         |   |          |
| Equity holders of the Company                         | 本公司股權持有人    | <b>(26,920)</b>                               | 14,227   |
| Non-controlling interest                              | 非控制權益       | <b>(1,938)</b>                                | -        |
|   |             | <b>(28,858)</b>                               | 14,227   |

The notes on pages 11 to 32 are an integral part of these financial statements.

第 11 至 32 頁之附註為此等財務報表之組成部分。

# Unaudited Condensed Consolidated Balance Sheet

## 未經審核簡明綜合資產負債表

As at 30th June 2010  
於二零一零年六月三十日

|                                  |              | Note | Unaudited<br>未經審核<br>30th June<br>2010<br>二零一零年<br>六月三十日<br>HK\$'000<br>千港元 | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|----------------------------------|--------------|------|---|--|
| <b>ASSETS</b>                    | <b>資產</b>    |      |   |  |
| <b>Non-current assets</b>        | <b>非流動資產</b> |      |   |  |
| Property, plant and equipment    | 物業、廠房及設備     | 12   | 114,315   | 118,485  |
| Land use rights                  | 土地使用權        | 12   | 30,476  | 30,535   |
| Goodwill                         | 商譽           |      | 22,988  | 22,787   |
| Investment properties            | 投資物業         | 12   | 168,411   | 185,231  |
| Deferred tax assets              | 遞延稅項資產       |      | 11,314  | 11,761   |
| Rental deposits and other assets | 租約按金及其他資產    |      | 3,486   | 3,061  |
|                                  |              |      | <b>350,990</b>  | 371,860  |
| <b>Current assets</b>            | <b>流動資產</b>  |      |   |  |
| Inventories                      | 存貨           |      | 209,597   | 180,448  |
| Trade and other receivables      | 貿易及其他應收款項    | 13   | 171,904   | 163,440  |
| Pledged bank deposit             | 抵押銀行存款       |      | 81,921  | 38,576   |
| Cash and cash equivalents        | 現金及現金等價物     |      | 33,131  | 55,784   |
|                                  |              |      | <b>496,553</b>  | 438,248  |
| Assets held-for-sale             | 持作出售資產       | 14   | -   | 114,680  |
|                                  |              |      | <b>496,553</b>  | 552,928  |
| <b>Total assets</b>              | <b>總資產</b>   |      | <b>847,543</b>  | 924,788  |

The notes on pages 11 to 32 are an integral part of these financial statements.

第 11 至 32 頁之附註為此等財務報表之組成部分。



# Unaudited Condensed Consolidated Balance Sheet

## 未經審核簡明綜合資產負債表

As at 30th June 2010  
於二零一零年六月三十日

|  |                 | Note<br>附註 | Unaudited<br>未經審核<br>30th June<br>2010<br>二零一零年<br>六月三十日<br>HK\$'000<br>千港元 | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|--|-----------------|------------|---|--|
| <b>EQUITY</b>                                | <b>權益</b>       |            |   |  |
| <b>Equity holders</b>                        | <b>股權持有人</b>    |            |   |  |
| Share capital                                | 股本              | 15         | 26,665  | 26,665   |
| Reserves – others                            | 儲備 – 其他         |            | 365,455   | 388,385  |
|  |                 |            | <b>392,120</b>  | 415,050  |
| <b>Non-controlling interest</b>              | <b>非控制權益</b>    |            | <b>31,155</b>   | 33,093   |
| <b>Total equity</b>                          | <b>總權益</b>      |            | <b>423,275</b>  | 448,143  |
| <b>LIABILITIES</b>                           | <b>負債</b>       |            |   |  |
| <b>Non-current liabilities</b>               | <b>非流動負債</b>    |            |   |  |
| Borrowings                                   | 借貸              | 16         | 37,004  | 39,973   |
| Deferred tax liabilities                     | 遞延稅項負債          |            | 18,148  | 18,736   |
|  |                 |            | <b>55,152</b>   | 58,709   |
| <b>Current liabilities</b>                   | <b>流動負債</b>     |            |   |  |
| Trade and other payables                     | 貿易及其他應付款項       | 17         | 103,567   | 95,691   |
| Amount due to related companies              | 應付關連公司款項        | 20         | 25,139  | 23,449   |
| Amount due to a non-controlling shareholder  | 應付一位非控制股東款項     | 20         | 196   | 133  |
| Loan from a shareholder                      | 股東貸款            | 20         | 45,999  | 59,881   |
| Taxation payable                             | 應付稅項            |            | 1,299   | 631  |
| Borrowings                                   | 借貸              | 16         | 192,916   | 238,151  |
|  |                 |            | <b>369,116</b>  | 417,936  |
| <b>Total liabilities</b>                     | <b>總負債</b>      |            | <b>424,268</b>  | 476,645  |
| <b>Total equity and liabilities</b>          | <b>總權益及負債</b>   |            | <b>847,543</b>  | 924,788  |
| <b>Net current assets</b>                    | <b>流動資產淨額</b>   |            | <b>127,437</b>  | 134,992  |
| <b>Total assets less current liabilities</b> | <b>總資產減流動負債</b> |            | <b>478,427</b>  | 506,852  |

The notes on pages 11 to 32 are an integral part of these financial statements.

第 11 至 32 頁之附註為此等財務報表之組成部分。

# Unaudited Condensed Consolidated Statement of Changes in Equity

## 未經審核簡明綜合權益變動表

For the six months ended 30th June 2010  
截至二零一零年六月三十日止六個月

|   |             | Unaudited<br>未經審核       |               |                 |                |                  |                             |                   |                          |          |          |
|---|-------------|-------------------------|---------------|-----------------|----------------|------------------|-----------------------------|-------------------|--------------------------|----------|----------|
|   |             | Equity holders<br>股權持有人 |               |                 |                |                  |                             |                   |                          |          |          |
|   |             | Share capital           | Share premium | Capital reserve | Merger reserve | Exchange reserve | Share based payment reserve | Retained earnings | Non-controlling interest | Total    |          |
|   |             | 股本                      | 股份溢價          | 資本儲備            | 合併儲備           | 匯兌儲備             | 以股份為基礎的付款                   | 保留溢利              | 小計                       | 非控制權益    | 總額       |
|   |             | HK\$'000                | HK\$'000      | HK\$'000        | HK\$'000       | HK\$'000         | HK\$'000                    | HK\$'000          | HK\$'000                 | HK\$'000 | HK\$'000 |
|   |             | 千港元                     | 千港元           | 千港元             | 千港元            | 千港元              | 千港元                         | 千港元               | 千港元                      | 千港元      | 千港元      |
| At 1st January 2009                       | 於二零零九年一月一日  | 25,065                  | 79,418        | 34,115          | 3,700          | 16,343           | -                           | 245,983           | 404,624                  | -        | 404,624  |
| Profit for the period                     | 期內溢利        | -                       | -             | -               | -              | -                | -                           | 13,241            | 13,241                   | -        | 13,241   |
| Other comprehensive income:               | 其他全面收益：     |                         |               |                 |                |                  |                             |                   |                          |          |          |
| Currency translation differences          | 貨幣換算差額      | -                       | -             | -               | -              | 986              | -                           | -                 | 986                      | -        | 986      |
| Total comprehensive income for the period | 期內全面收益總額    | -                       | -             | -               | -              | 986              | -                           | 13,241            | 14,227                   | -        | 14,227   |
| At 30th June 2009                         | 於二零零九年六月三十日 | 25,065                  | 79,418        | 34,115          | 3,700          | 17,329           | -                           | 259,224           | 418,851                  | -        | 418,851  |
| At 1st January 2010                       | 於二零一零年一月一日  | 26,665                  | 126,618       | 34,115          | 3,700          | 16,913           | 718                         | 206,321           | 415,050                  | 33,093   | 448,143  |
| Loss for the period                       | 期內虧損        | -                       | -             | -               | -              | -                | -                           | (28,601)          | (28,601)                 | (2,218)  | (30,819) |
| Other comprehensive income:               | 其他全面收益：     |                         |               |                 |                |                  |                             |                   |                          |          |          |
| Currency translation differences          | 貨幣換算差額      | -                       | -             | -               | -              | 1,681            | -                           | -                 | 1,681                    | 280      | 1,961    |
| Total comprehensive income for the period | 期內全面收益總額    | -                       | -             | -               | -              | 1,681            | -                           | (28,601)          | (26,920)                 | (1,938)  | (28,858) |
| Share based payment                       | 以股份為基礎的付款   | -                       | -             | -               | -              | -                | 3,990                       | -                 | 3,990                    | -        | 3,990    |
| At 30th June 2010                         | 於二零一零年六月三十日 | 26,665                  | 126,618       | 34,115          | 3,700          | 18,594           | 4,708                       | 177,720           | 392,120                  | 31,155   | 423,275  |

The notes on pages 11 to 32 are an integral part of these financial statements.

第 11 至 32 頁之附註為此等財務報表之組成部分。

# Unaudited Condensed Consolidated Cash Flow Statement

## 未經審核簡明綜合現金流量表

For the six months ended 30th June 2010  
截至二零一零年六月三十日止六個月

|   |                            | Unaudited<br>未經審核<br>For the six months<br>ended 30th June<br>截至六月三十日止六個月 |                                  |
|---|----------------------------|---|----------------------------------|
|   |                            | 2010<br>二零一零年<br>HK\$'000<br>千港元  | 2009<br>二零零九年<br>HK\$'000<br>千港元 |
| Net cash (used in)/generated from operating activities                | 經營業務之現金<br>(流出)/產生淨額       | <b>(27,671)</b>   | 81,136                           |
| Net cash generated from investing activities                          | 投資業務之現金產生淨額                | <b>114,390</b>  | 28,150                           |
| Net cash used in financing activities                                 | 融資活動之現金流出淨額                | <b>(109,438)</b>  | (103,356)                        |
| Net (decrease)/increase in cash, cash equivalents and bank overdrafts | 現金、現金等價物及銀行透支<br>(減少)/增加淨額 | <b>(22,719)</b>   | 5,930                            |
| Exchange differences  | 匯兌差額                       | <b>66</b>   | 162                              |
| Cash, cash equivalents and bank overdrafts at beginning of the period | 期初之現金、現金等價物及銀行透支           | <b>55,784</b>   | 17,316                           |
| Cash and cash equivalents at end of the period                        | 期末之現金及現金等價物                | <b>33,131</b>   | 23,408                           |

The notes on pages 11 to 32 are an integral part of these financial statements.

第 11 至 32 頁之附註為此等財務報表之組成部分。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 1. General information

China Pipe Group Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in trading of construction materials, mainly pipes and fittings and manufacturing and sale of seamless pipes.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

These condensed consolidated interim financial information are presented in HK dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 23rd August 2010.

This condensed consolidated interim financial information has not been audited.

### 2. Basis of preparation and accounting policies

The unaudited interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on Stock Exchange (the “Listing Rules”) including compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

### 1. 一般資料

中國管業集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事建築材料(主要是喉管和管件)之貿易及生產及銷售無縫鋼管。

本公司為一間在百慕達註冊成立之有限公司，註冊辦事處位於Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda。本公司在香港聯合交易所有限公司(「聯交所」)主板作第一上市。

除非另有所指，本簡明綜合中期財務資料以港元呈列。本簡明綜合中期財務資料於二零一零年八月二十三日獲批准發行。

本簡明綜合中期財務資料未經審核。

### 2. 編製基準及會計政策

未經審核中期財務資料乃按照聯交所證券上市規則(「上市規則」)及香港會計師公會頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 2. Basis of preparation and accounting policies (cont'd)

The unaudited interim financial information should be read in conjunction with the audited consolidated annual financial statements for the year ended 31st December 2009.

Except for described below, the accounting policies adopted are consistent with those used in the audited consolidated annual financial statements for the year ended 31st December 2009.

#### Adoption of revised standards

The Group has adopted the following revised standards, which are relevant to the Group and mandatory for accounting periods beginning on or after 1st January 2010.

|                             |  |
|-----------------------------|--|
| HKAS 27 (Revised)           | Consolidated and Separate Financial Statements |
| HKFRS 3 (Revised)           | Business Combinations                          |
| Annual Improvements Project | Improvements to HKFRSs 2009                    |

The Group has assessed the impact of the adoption of these revised standards and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the condensed consolidated interim financial information.

### 2. 編製基準及會計政策 (續)

未經審核中期財務資料應連同截至二零零九年十二月三十一日止年度的經審核綜合年度財務報表一併閱覽。

除下文所述外，所採用的會計政策與截至二零零九年十二月三十一日止年度的經審核綜合年度財務報表所採用者相符。

#### 採納經修訂準則

本集團已採納下列與其業務相關的經修訂準則，並強制性須於二零一零年一月一日起開始的會計期間或其後期間實行。

|                  |                   |
|------------------|-------------------|
| 香港會計準則第27號(經修訂)  | 綜合及獨立財務報表         |
| 香港財務報告準則第3號(經修訂) | 業務合併              |
| 年度改進項目           | 二零零九年度香港財務報告準則之改進 |

本集團已評估採納該等經修訂準則後之影響，認為對本集團之業績及財務狀況並無重大影響，而會計政策及簡明綜合中期財務資料呈列亦無任何重大改變。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 3. Financial risk management

All aspects of the Group's financial management objectives and policies are consistent with those disclosed in the audited consolidated annual financial statements for the year ended 31st December 2009.

### 4. Critical accounting estimates and judgements

Estimates and judgements used are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal to the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group applied in the preparation of the condensed consolidated interim financial information are consistent with those disclosed in the audited consolidated annual financial statements for the year ended 31st December 2009.

### 3. 財務風險管理

本集團的財務風險管理目標及政策在所有方面與截至二零零九年十二月三十一日止年度經審核綜合年度財務報表所披露者一致。

### 4. 關鍵會計估計及判斷

本公司按過往經驗及其他因素(包括對日後事件作出合理預期之情況下)不時評估現正採納的估計及判斷。該等會計估計顧名思義，一般與相關的實際結果存在差異。

編製簡明綜合中期財務資料應用了有重大風險會導致本集團之資產與負債之賬面值需作出重大調整之估計及假設，此等估計及假設與截至二零零九年十二月三十一日止年度的經審核綜合年度財務報表所披露者一致。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 5. Segment information

The Group determines its operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors assesses the performance of the operating segments based on a measure of profit/(loss) attributable to equity holders of the Company.

The Group has three reportable segments, which are trading of pipes and fittings, manufacture and sale of seamless pipes and investment in properties for rental income. The segments are managed separately as each business offers different products and services.

Trading of pipes and fittings include wholesale and retail operations in Hong Kong, mainland China and Macau.

Seamless pipes segment is contributed by a subsidiary of the Group, 煙臺金裕豐無縫鋼管有限公司("Jinyufeng"), which manufactures and sells seamless pipes in mainland China.

Investment in properties for rental income includes properties held in Hong Kong and mainland China. All properties held in Hong Kong had been disposed in early 2010.

### 5. 分類資料

本集團按董事會所審閱並賴以作出決策的報告釐定其營運分類。董事會根據本公司股權持有人應佔溢利／(虧損)以評核營運分類的表現。

本集團有三個須予呈報的分類，其中包括從事喉管和管件之貿易、生產及銷售無縫鋼管以及投資物業收取租金收入。由於各業務提供不同產品及服務，各分類的管理工作獨立進行。

喉管及管件貿易包括香港、中國大陸及澳門之批發及零售業務。

無縫鋼管分類由本集團附屬公司煙臺金裕豐無縫鋼管有限公司(「金裕豐」)於中國大陸生產及銷售無縫鋼管所貢獻。

賺取租金收入之物業投資包括於香港及中國大陸持有之物業。所有於香港持有之物業，於二零一零年年初已出售。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 5. Segment information (cont'd)

The segment information for the six months ended 30th June 2010 and 2009 is as follows:

### 5. 分類資料(續)

截至二零一零年及二零零九年六月三十日止六個月之業務分類資料如下：

|   |  | Unaudited<br>未經審核   |                                  |   |                        |          |          |
|---|--|---|----------------------------------|---|------------------------|----------|----------|
|   |  | For the six months ended 30th June 2010<br>截至二零一零年六月三十日止六個月 |                                  |   |                        |          |          |
|   |  | Reportable segments<br>須予呈報的分類                              |                                  |   |                        |          |          |
|   | Trading of<br>pipes and<br>fittings<br>喉管及<br>管件貿易 | Seamless<br>pipes<br>無縫鋼管                                   | Investment<br>properties<br>投資物業 | Corporate<br>and others<br>Total<br>(note)<br>公司及其他<br>(附註) | Group<br>Total<br>集團總額 |          |          |
|   | HK\$'000<br>千港元                                    | HK\$'000<br>千港元   | HK\$'000<br>千港元                  | HK\$'000<br>千港元   | HK\$'000<br>千港元        |          |          |
| Total segment revenue                                       | 分類收入總額   | 224,114   | 68,133                           | 341   | 292,588                | -        | 292,588  |
| Inter-segment revenue                                       | 分類間收入  | (40,261)  | -                                | (193)   | (40,454)               | -        | (40,454) |
| Revenue from external customers                             | 來自外部客戶收入   | 183,853   | 68,133                           | 148   | 252,134                | -        | 252,134  |
| Operating profit/(loss) before interest                     | 經營溢利/(虧損)<br>(未計利息)                                | 14,927  | (4,554)                          | (19,760)  | (9,387)                | (12,186) | (21,573) |
| Interest income   | 利息收入   | 47  | 29                               | 2   | 78                     | 21       | 99       |
| Interest expense  | 利息支出   | (1,361)   | (2,874)                          | (1,610)   | (5,845)                | (3,156)  | (9,001)  |
| Profit/(loss) before income tax                             | 稅前溢利/(虧損)  | 13,613  | (7,399)                          | (21,368)  | (15,154)               | (15,321) | (30,475) |
| Tax (expense)/credit  | 稅項(支出)/抵免  | (2,202)   | 1,855                            | 3   | (344)                  | -        | (344)    |
| Profit/(loss) for the period                                | 期內溢利/(虧損)  | 11,411  | (5,544)                          | (21,365)  | (15,498)               | (15,321) | (30,819) |
| Non-controlling interest                                    | 非控制權益  | -   | 2,218                            | -   | 2,218                  | -        | 2,218    |
| Profit/(loss) attributable to equity holders for the period | 期內股權持有人<br>應佔溢利/(虧損)                               | 11,411  | (3,326)                          | (21,365)  | (13,280)               | (15,321) | (28,601) |
| Operating profit/(loss) before interest includes:           | 經營溢利/(虧損)<br>(未計利息)包括：                             |   |                                  |   |                        |          |          |
| Depreciation and amortisation                               | 折舊及攤銷  | 1,004   | 4,786                            | 374   | 6,164                  | 73       | 6,237    |
| Reversal for impairment of inventories                      | 存貨減值回撥   | 6,375   | -                                | -   | 6,375                  | -        | 6,375    |
| Capital expenditure (Note 12)                               | 資本開支(附註12)   | 1,021   | 151                              | 9   | 1,181                  | 7        | 1,188    |



# Notes to the Interim Financial Information

## 中期財務資料附註

### 5. Segment information (cont'd)

### 5. 分類資料(續)

|   |                    | Unaudited<br>未經審核   |   |                                |   |   |
|---|--------------------|---|---|--------------------------------|---|---|
|   |                    | For the six months ended 30th June 2009<br>截至二零零九年六月三十日止六個月           |   |                                |   |   |
|   |                    | Reportable segments<br>須予呈報的分類  |   |                                |   |   |
|   |                    | Trading of<br>pipes and<br>fittings<br>喉管及<br>管件貿易<br>HK\$'000<br>千港元 | Investment<br>properties<br>投資物業<br>HK\$'000<br>千港元 | Total<br>總額<br>HK\$'000<br>千港元 | Corporate<br>and others<br>(note)<br>公司及其他<br>(附註)<br>HK\$'000<br>千港元 | Group<br>Total<br>集團總額<br>HK\$'000<br>千港元 |
| Total segment revenue                                       | 分類收入總額             | 205,805   | 1,513   | 207,318                        | -   | 207,318                                   |
| Inter-segment revenue                                       | 分類間收入              | -   | (625)   | (625)                          | -   | (625)                                     |
| Revenue from external customers                             | 來自外部客戶收入           | 205,805   | 888   | 206,693                        | -   | 206,693                                   |
| Operating profit/(loss) before interest                     | 經營溢利/(虧損)(未計利息)    | 117   | 24,242  | 24,359                         | (285)   | 24,074                                    |
| Interest income   | 利息收入               | 44  | -   | 44                             | -   | 44  |
| Interest expense  | 利息支出               | (1,591)   | (1,960)   | (3,551)                        | (2,152)   | (5,703)                                   |
| (Loss)/profit before income tax                             | 稅前(虧損)/溢利          | (1,430)   | 22,282  | 20,852                         | (2,437)   | 18,415                                    |
| Tax expense   | 稅項支出               | (198)   | (4,976)   | (5,174)                        | -   | (5,174)                                   |
| (Loss)/profit attributable to equity holders for the period | 期內股權持有人應佔(虧損)/溢利   | (1,628)   | 17,306  | 15,678                         | (2,437)   | 13,241                                    |
| Operating profit/(loss) before interest includes:           | 經營溢利/(虧損)(未計利息)包括: |   |   |                                |   |   |
| Depreciation  | 折舊                 | 1,039   | 374   | 1,413                          | 68  | 1,481                                     |
| Reversal for impairment of trade and other receivables      | 貿易及其他應收款減值回撥       | 225   | -   | 225                            | -   | 225                                       |
| Provision for impairment of inventories                     | 存貨減值撥備             | 6,677   | -   | 6,677                          | -   | 6,677                                     |
| Capital expenditure (Note 12)                               | 資本開支(附註12)         | 33  | 38  | 71                             | -   | 71  |

Note:

The amounts mainly represent corporate administrative expenses of HK\$10,575,000 (2009: HK\$4,971,000), interest expenses of HK\$3,156,000 (2009: HK\$2,152,000) and fair value gain of financial assets at fair value through profit or loss of nil (2009: HK\$5,728,000) not categorised as operating segments.

附註:

該金額主要代表公司行政費用為10,575,000港元(二零零九年:4,971,000港元),利息支出為3,156,000港元(二零零九年:2,152,000港元)及並未列入營運分類的按公允值透過損益列賬的財務資產之公允值收益為零(二零零九年:5,728,000港元)的業績。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 5. Segment information (cont'd)

The segment assets and liabilities as at 30th June 2010 and 31st December 2009 are as follows :

### 5. 分類資料(續)

於二零一零年六月三十日及二零零九年十二月三十一日之業務分類資產及負債如下：

|                                |   | Unaudited<br>未經審核<br>As at 30th June 2010<br>於二零一零年六月三十日 |   |                                |   |   |         |
|--------------------------------|---|--|---|--------------------------------|---|---|---------|
|                                |   | Reportable segments<br>須予呈報的分類                           |   |                                |   |   |         |
|                                | Trading of<br>pipes and<br>fittings<br>喉管及<br>管件貿易<br>HK\$'000<br>千港元 | Seamless<br>pipes<br>無縫鋼管<br>HK\$'000<br>千港元             | Investment<br>properties<br>投資物業<br>HK\$'000<br>千港元 | Total<br>總額<br>HK\$'000<br>千港元 | Corporate<br>and others<br>(note)<br>公司及其他<br>(附註)<br>HK\$'000<br>千港元 | Group<br>Total<br>集團<br>總額<br>HK\$'000<br>千港元 |         |
| Reportable segment assets      | 須予呈報的分類資產   | 388,757  | 279,696   | 172,630                        | 841,083   | 6,460   | 847,543 |
| Reportable segment liabilities | 須予呈報的分類負債   | 155,770  | 146,146   | 51,714                         | 353,630   | 70,638  | 424,268 |

  

|                                |   | Audited<br>經審核<br>As at 31st December 2009<br>於二零零九年十二月三十一日 |   |                                |   |   |         |
|--------------------------------|---|---|---|--------------------------------|---|---|---------|
|                                |   | Reportable segments<br>須予呈報的分類                              |   |                                |   |   |         |
|                                | Trading of<br>pipes and<br>fittings<br>喉管及<br>管件貿易<br>HK\$'000<br>千港元 | Seamless<br>pipes<br>無縫鋼管<br>HK\$'000<br>千港元                | Investment<br>properties<br>投資物業<br>HK\$'000<br>千港元 | Total<br>總額<br>HK\$'000<br>千港元 | Corporate<br>and others<br>(note)<br>公司及其他<br>(附註)<br>HK\$'000<br>千港元 | Group<br>Total<br>集團<br>總額<br>HK\$'000<br>千港元 |         |
| Reportable segment assets      | 須予呈報的分類資產   | 325,782   | 285,653   | 304,436                        | 915,871   | 8,917   | 924,788 |
| Reportable segment liabilities | 須予呈報的分類負債   | 149,630   | 145,391   | 98,897                         | 393,918   | 82,727  | 476,645 |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 5. Segment information (cont'd)

Note:

The balances represent assets and liabilities of corporate and other businesses not categorised as operating segments. As at 30th June 2010, these balances principally include cash and cash equivalents of HK\$4,750,000 (31st December 2009: HK\$7,556,000), amount due to related companies of HK\$21,799,000 (31st December 2009: HK\$21,067,000) and loan from a shareholder of HK\$45,999,000 (31st December 2009: HK\$59,881,000).

#### Geographical information

The Group's revenue from external customers by geographical location are detailed below:

|                |      |
|----------------|------|
| Hong Kong      | 香港   |
| Mainland China | 中國大陸 |
| Others         | 其他   |

### 5. 分類資料(續)

附註：

該金額代表公司及未列入營運分類的其他業務的資產及負債，於二零一零年六月三十日之結餘主要包括現金及現金等價物為4,750,000港元(二零零九年十二月三十一日：7,556,000港元)、應付關連公司款項為21,799,000港元(二零零九年十二月三十一日：21,067,000港元)及股東貸款為45,999,000港元(二零零九年十二月三十一日：59,881,000港元)。

#### 地區分類資料

本集團按地區分類的來自外部客戶的收入：

**Revenue**  
**收入**  
**Unaudited**  
**未經審核**  
**For the six months**  
**ended 30th June**  
**截至六月三十日止六個月**

| <b>2010</b>     | 2009     |
|-----------------|----------|
| <b>二零一零年</b>    | 二零零九年    |
| <b>HK\$'000</b> | HK\$'000 |
| <b>千港元</b>      | 千港元      |
| <b>181,101</b>  | 200,208  |
| <b>68,852</b>   | 3,311    |
| <b>2,181</b>    | 3,174    |
| <b>252,134</b>  | 206,693  |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 5. Segment information (cont'd)

The Group's non-current assets (excluding financial assets and deferred tax assets) by geographical location are detailed below:

|                |      |
|----------------|------|
| Hong Kong      | 香港   |
| Mainland China | 中國大陸 |
| Others         | 其他   |

### 5. 分類資料(續)

本集團按地區分類的非流動資產(不包括財務資產及遞延稅項資產):

| Unaudited<br>未經審核<br>30th June<br>2010<br>二零一零年<br>六月三十日<br>HK\$'000<br>千港元 | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|---|--|
| 2,979   | 2,835  |
| 333,179   | 354,161  |
| 32  | 42   |
| <b>336,190</b>  | <b>357,038</b>   |

### 6. Other (losses)/gains, net

### 6. 其他(虧損)/收益淨額

|  |                           | Unaudited<br>未經審核<br>For the six months<br>ended 30th June<br>截至六月三十日止六個月<br>2010<br>二零一零年<br>HK\$'000<br>千港元 | 2009<br>二零零九年<br>HK\$'000<br>千港元 |
|--|---------------------------|---|----------------------------------|
| Fair value (losses)/gains on investment properties (Note 12)             | 投資物業公允值之(虧損)/收益(附註12)     | (18,352)  | 25,082                           |
| Financial assets at fair value through profit or loss – fair value gains | 按公允價值透過損益列賬的財務資產 – 公允價值收益 | –   | 5,728                            |
| Net exchange gains/(losses)  | 匯兌收益/(虧損)淨額               | 642   | (117)                            |
| Net loss on disposal of property, plant and equipment                    | 出售物業、廠房及設備之虧損淨額           | (9)   | –                                |
|  |                           | <b>(17,719)</b>   | <b>30,693</b>                    |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 7. Expenses by nature

Operating (loss)/profit is arrived at after charging/  
(crediting):

### 7. 開支性質

經營(虧損)/溢利乃扣除/(計入)下列項目後達  
至：

|   |                    | <b>Unaudited</b>          |          |
|---|--------------------|---------------------------|----------|
|   |                    | <b>未經審核</b>               |          |
|   |                    | <b>For the six months</b> |          |
|   |                    | <b>ended 30th June</b>    |          |
|   |                    | <b>截至六月三十日止六個月</b>        |          |
|   |                    | <b>2010</b>               | 2009     |
|   |                    | <b>二零一零年</b>              | 二零零九年    |
|   |                    | <b>HK\$'000</b>           | HK\$'000 |
|   |                    | <b>千港元</b>                | 千港元      |
| Cost of inventories sold  | 已出售之存貨成本           | <b>202,194</b>            | 162,107  |
| Auditor's remuneration  | 核數師酬金              | <b>720</b>                | 553      |
| Depreciation of property,<br>plant and equipment                  | 物業、廠房及<br>設備折舊     | <b>5,911</b>              | 1,481    |
| Amortisation of land use right                                    | 土地使用權攤銷            | <b>326</b>                | -        |
| Employee benefit expenses<br>(including directors'<br>emoluments) | 員工福利開支<br>(包括董事酬金) | <b>27,600</b>             | 22,098   |
| Operating lease on land<br>and buildings                          | 土地及樓宇經營租約          | <b>8,130</b>              | 8,162    |
| Reversal for impairment of<br>trade and other receivables         | 貿易及其他應收款<br>項減值回撥  | <b>-</b>                  | (225)    |
| (Reversal)/provision for<br>impairment of inventories             | 存貨減值(回撥)/<br>撥備    | <b>(6,375)</b>            | 6,677    |
| Other expenses  | 其他開支               | <b>17,482</b>             | 12,459   |
|   |                    | <b>255,988</b>            | 213,312  |
| Representing:   | 代表：                |                           |          |
| Cost of sales   | 銷售成本               | <b>204,985</b>            | 169,752  |
| Selling and distribution costs                                    | 銷售及分銷成本            | <b>6,753</b>              | 5,413    |
| General and administrative<br>expenses                            | 一般及行政費用            | <b>44,250</b>             | 38,147   |
|   |                    | <b>255,988</b>            | 213,312  |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 8. Finance costs, net

### 8. 財務費用淨額

|  |                              | Unaudited<br>未經審核                     |              |
|--|------------------------------|---------------------------------------|--------------|
|  |                              | For the six months<br>ended 30th June |              |
|  |                              | 截至六月三十日止六個月                           |              |
|  |                              | 2010                                  | 2009         |
|  |                              | 二零一零年                                 | 二零零九年        |
|  |                              | HK\$'000                              | HK\$'000     |
|  |                              | 千港元                                   | 千港元          |
| Bank interest income   | 銀行利息收入                       | (99)                                  | (44)         |
| Interest expense on loan<br>from a shareholder                                   | 股東貸款利息<br>支出                 | 2,612                                 | 2,152        |
| Interest expense on amount<br>due to related companies                           | 應付關連公司款項<br>利息支出             | 604                                   | 34           |
| Interest expense on bank<br>borrowings wholly repayable<br>within five years     | 須於五年內悉數償還<br>之銀行借貸之<br>利息支出  | 4,256                                 | 647          |
| Interest expense on bank<br>borrowings not wholly<br>repayable within five years | 無須於五年內悉數償還<br>之銀行借貸之<br>利息支出 | 1,497                                 | 2,870        |
| Interest expense on other loan   | 其他借款利息支出                     | 32                                    | -            |
|  |                              | <b>8,902</b>                          | <b>5,659</b> |

### 9. Tax expense

### 9. 稅項支出

|                                   |             | Unaudited<br>未經審核                     |              |
|-----------------------------------|-------------|---------------------------------------|--------------|
|                                   |             | For the six months<br>ended 30th June |              |
|                                   |             | 截至六月三十日止六個月                           |              |
|                                   |             | 2010                                  | 2009         |
|                                   |             | 二零一零年                                 | 二零零九年        |
|                                   |             | HK\$'000                              | HK\$'000     |
|                                   |             | 千港元                                   | 千港元          |
| Current taxation:                 | 即期稅項:       |                                       |              |
| Hong Kong profits tax             | 香港利得稅       | 635                                   | 308          |
| Overseas tax                      | 海外稅項        | 17                                    | 41           |
| Over-provision in prior years     | 以前年度多提      | (98)                                  | (26)         |
| Deferred taxation (credit)/charge | 遞延稅項(抵免)/支出 | (210)                                 | 4,851        |
|                                   |             | <b>344</b>                            | <b>5,174</b> |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 9. Tax expense (cont'd)

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

### 10. (Loss)/earning per share

The calculation of the basic and diluted (loss)/earning per share is based on the (loss)/profit attributable to equity holders and weighted average number of shares with adjustments where applicable as follows:

(Loss)/profit attributable to equity holders for the purpose of basic (loss)/earning per share 計算每股基本(虧損)/盈利之股權持有人應佔(虧損)/溢利

**Number of shares** **股份數目**  
Weighted average number of ordinary shares for the purpose of basic (loss)/earning per share 計算每股基本(虧損)/盈利之普通股份之加權平均股數

The share options have no potential dilutive effect on basic (loss)/earning per share for 2009 and 2010.

### 9. 稅項支出(續)

香港利得稅以期內估計應課稅溢利按稅率16.5%(二零零九年:16.5%)計提。海外稅項乃根據期內之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

### 10. 每股(虧損)/盈利

下表列示計算每股基本(虧損)/盈利及攤薄(虧損)/盈利乃根據股權持有人應佔(虧損)/溢利及已發行普通股之加權平均股數(需要時予以調整):

| Unaudited<br>未經審核                     |                                  |
|---------------------------------------|----------------------------------|
| For the six months<br>ended 30th June |                                  |
| 截至六月三十日止六個月                           |                                  |
| 2010<br>二零一零年<br>HK\$'000<br>千港元      | 2009<br>二零零九年<br>HK\$'000<br>千港元 |
| <b>(28,601)</b>                       | 13,241                           |
| <b>Thousands<br/>千股</b>               | Thousands<br>千股                  |
| <b>13,332,700</b>                     | 12,532,700                       |

二零零九年及二零一零年購股權沒有對每股基本(虧損)/盈利潛在攤薄影響。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 11. Dividend

No dividend was paid or declared during the period (2009: nil).

The Board of Directors does not declare the payment of interim dividend for 2010 (2009: nil).

### 11. 股息

本期間內概無派付或宣派股息(二零零九年: 無)。

董事會不宣派二零一零年中期股息(二零零九年: 無)。

### 12. Capital expenditure

### 12. 資本開支

|                           |             | Unaudited<br>未經審核                            |                            |                                  |
|---------------------------|-------------|--|----------------------------|----------------------------------|
|                           |             | Property, plant<br>and equipment<br>物業、廠房及設備 | Land use<br>right<br>土地使用權 | Investment<br>properties<br>投資物業 |
|                           |             | HK\$'000<br>千港元                              | HK\$'000<br>千港元            | HK\$'000<br>千港元                  |
| Net book value at         | 於二零零九年一月一日  |  |                            |                                  |
| 1st January 2009          | 賬面淨值        | 11,791                                       | -                          | 295,498                          |
| Translation differences   | 匯兌差異        | 40   | -                          | 1,060                            |
| Additions                 | 添置          | 71   | -                          | -                                |
| Depreciation              | 折舊          | (1,481)                                      | -                          | -                                |
| Fair value gains (Note 6) | 公允值之收益(附註6) | -  | -                          | 25,082                           |
|                           |             | <u>          </u>                            | <u>          </u>          | <u>          </u>                |
| Net book value at         | 於二零零九年六月三十日 |  |                            |                                  |
| 30th June 2009            | 賬面淨值        | 10,421                                       | -                          | 321,640                          |
|                           |             | <u>          </u>                            | <u>          </u>          | <u>          </u>                |
| Net book value at         | 於二零一零年一月一日  |  |                            |                                  |
| 1st January 2010          | 賬面淨值        | <b>118,485</b>                               | <b>30,535</b>              | <b>185,231</b>                   |
| Translation differences   | 匯兌差異        | <b>991</b>                                   | <b>267</b>                 | <b>1,532</b>                     |
| Additions                 | 添置          | <b>1,188</b>                                 | -                          | -                                |
| Depreciation              | 折舊          | <b>(5,911)</b>                               | -                          | -                                |
| Amortisation              | 攤銷          | -  | <b>(326)</b>               | -                                |
| Disposals                 | 出售          | <b>(438)</b>                                 | -                          | -                                |
| Fair value loss (Note 6)  | 公允值之虧損(附註6) | -  | -                          | <b>(18,352)</b>                  |
|                           |             | <u>          </u>                            | <u>          </u>          | <u>          </u>                |
| Net book value at         | 於二零一零年六月三十日 |  |                            |                                  |
| 30th June 2010            | 賬面淨值        | <b>114,315</b>                               | <b>30,476</b>              | <b>168,411</b>                   |
|                           |             | <u>          </u>                            | <u>          </u>          | <u>          </u>                |



# Notes to the Interim Financial Information

## 中期財務資料附註

### 12. Capital expenditure (cont'd)

The investment properties were revalued at 30th June 2010 by Vigers Appraisal & Consulting Limited, independent professional valuer. Valuation was based on prevailing prices in an open market for all properties.

At 30th June 2010, buildings and machineries with carrying values of approximately HK\$102,776,000 (31st December 2009: HK\$73,084,000) have been pledged for banking facilities.

At 30th June 2010, land use rights with carrying values of approximately HK\$28,780,000 (31st December 2009: HK\$28,837,000) have been pledged for banking facilities.

At 30th June 2010, investment properties with carrying values of HK\$168,411,000 (31st December 2009: HK\$185,231,000) have been pledged for banking facilities.

### 12. 資本開支(續)

獨立專業估值師威格斯資產評估顧問有限公司已對投資物業於二零一零年六月三十日之價值進行重估。估值以物業於市場之當前市價為基準。

於二零一零年六月三十日，賬面值約為102,776,000港元(二零零九年十二月三十一日：73,084,000港元)之樓宇及機器設備已因銀行融資而予以抵押。

於二零一零年六月三十日，賬面值約為28,780,000港元(二零零九年十二月三十一日：28,837,000港元)之土地使用權已因銀行融資而予以抵押。

於二零一零年六月三十日，賬面值為168,411,000港元(二零零九年十二月三十一日：185,231,000港元)之投資物業已因銀行融資而予以抵押。

### 13. Trade and other receivables

|                                   |             |
|-----------------------------------|-------------|
| Trade receivables                 | 貿易貨款        |
| Less: provision for impairment    | 減：減值撥備      |
| Trade receivables – net           | 貿易貨款 – 淨額   |
| Prepayments                       | 預付款         |
| Other receivables and assets, net | 其他應收款項及資產淨額 |
| Rental deposits and other assets  | 租約按金及其他資產   |
| Less: non-current portion         | 減：非流動部份     |

### 13. 貿易及其他應收款項

| Unaudited<br>未經審核<br>30th June<br>2010<br>二零一零年<br>六月三十日<br>HK\$'000<br>千港元 | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|---|--|
| 138,459   | 135,773  |
| (2,622)   | (2,612)  |
| <b>135,837</b>  | 133,161  |
| 14,140  | 7,608  |
| 21,732  | 23,206   |
| 3,681   | 2,526  |
| <b>175,390</b>  | 166,501  |
| (3,486)   | (3,061)  |
| <b>171,904</b>  | 163,440  |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 13. Trade and other receivables (cont'd)

The Group generally granted credit term of 90-120 days under the segment of trading of pipes and fittings and 60-90 days under the segment of seamless pipes. The ageing analysis of the debtors, based on the due date is as follows:

|                      |          |
|----------------------|----------|
| Within credit period | 信貸期內     |
| 1 to 30 days         | 1天至30天   |
| 31 to 60 days        | 31天至60天  |
| 61 to 90 days        | 61天至90天  |
| 91 to 120 days       | 91天至120天 |
| Over 120 days        | 超過120天   |

### 13. 貿易及其他應收款項(續)

本集團一般給予喉管及管件貿易分類90至120天及無縫鋼管分類60至90天之信貸期。貿易應收款按到期日之賬齡分析如下：

| Unaudited<br>未經審核<br>30th June<br>2010<br>二零一零年<br>六月三十日<br>HK\$'000<br>千港元 | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|---|--|
| 68,999  | 90,986   |
| 23,364  | 25,447   |
| 10,390  | 4,734  |
| 2,582   | 2,290  |
| 23,586  | 487  |
| 9,538   | 11,829   |
| <b>138,459</b>  | <b>135,773</b>   |

### 14. Assets held-for-sale

The disposals of investment properties held in Hong Kong were completed in January and February 2010. Net proceeds from the disposals amounted to HK\$113,474,000. There was no gain or loss arising from the disposals since the properties were realised at amounts equal to the fair value as at 31st December 2009.

### 14. 持作出售資產

出售香港持有之投資物業於二零一零年一月及二月份完成，出售所得款項淨額為113,474,000港元。由於持作出售物業於二零零九年十二月三十一日已按公允值入賬，而出售之代價等同於該公允值，因此，出售物業並無產生收益或虧損。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 15. Share capital

|                                      |                      |
|--------------------------------------|----------------------|
| At 1st January and<br>30th June 2009 | 於二零零九年一月一日及<br>六月三十日 |
| At 1st January and<br>30th June 2010 | 於二零一零年一月一日及<br>六月三十日 |

The authorised share capital of the Company is HK\$500,000,000, comprising 250,000 million shares (31st December 2009: 250,000 million shares) with a par value of HK\$0.002 per share (31st December 2009: HK\$0.002 per share). All issued shares are fully paid.

### 16. Borrowings

|  |             |
|--|-------------|
| <b>Non-current</b>                           | <b>非流動</b>  |
| Long term bank borrowings                    | 長期銀行借貸      |
| <b>Current</b>                               | <b>流動</b>   |
| Current portion of long term bank borrowings | 長期銀行借貸之即期部分 |
| Short term bank borrowings                   | 短期銀行借貸      |
| Trust receipt loans                          | 信託收據貸款      |
| Other loan                                   | 其他借貸        |
| Representing:                                | 其中:         |
| Unsecured                                    | 無抵押         |
| Secured                                      | 有抵押         |

### 15. 股本

| Number of shares<br>股份數目 | HK\$'000<br>千港元 |
|--------------------------|-----------------|
| Thousands<br>千股          |                 |
| 12,532,700               | 25,065          |
| <b>13,332,700</b>        | <b>26,665</b>   |

本公司之法定股本為500,000,000港元，由每股面值0.002港元(二零零九年十二月三十一日：每股面值0.002港元)共250,000,000,000股(二零零九年十二月三十一日：250,000,000,000股)組成。所有已發行股份皆已繳足。

### 16. 借貸

| Unaudited<br>未經審核<br>30th June<br>2010<br>二零一零年<br>六月三十日<br>HK\$'000<br>千港元 | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|---|--|
| <b>37,004</b>   | 39,973   |
| <b>6,644</b>  | 6,586  |
| <b>92,280</b>   | 143,381  |
| <b>92,262</b>   | 88,184   |
| <b>1,730</b>  | -  |
| <b>192,916</b>  | 238,151  |
| <b>229,920</b>  | 278,124  |
| <b>8,306</b>  | 6,367  |
| <b>221,614</b>  | 271,757  |
| <b>229,920</b>  | 278,124  |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 16. Borrowings (cont'd)

Movements in borrowings is analysed as follows:

### 16. 借貸(續)

借貸變動分析如下：

|                         |        | Unaudited<br>未經審核                     |             |
|-------------------------|--------|---------------------------------------|-------------|
|                         |        | For the six months<br>ended 30th June |             |
|                         |        | 截至六月三十日止六個月                           |             |
|                         |        | 2010                                  | 2009        |
|                         |        | 二零一零年                                 | 二零零九年       |
|                         |        | HK\$'000                              | HK\$'000    |
|                         |        | 千港元                                   | 千港元         |
| At 1st January          | 於一月一日  | 278,124                               | 292,005     |
| Translation differences | 匯兌差異   | 1,461                                 | 276         |
| Drawdown of borrowings  | 提用借貸   | 146,689                               | 98,058      |
| Repayment of borrowings | 償還借貸   | (196,354)                             | (229,360)   |
|                         |        | <hr/>                                 | <hr/>       |
| At 30th June            | 於六月三十日 | <b>229,920</b>                        | 160,979     |
|                         |        | <hr/> <hr/>                           | <hr/> <hr/> |

### 17. Trade and other payables

### 17. 貿易及其他應付款項

|  |                | Unaudited<br>未經審核 | Audited<br>經審核 |
|--|----------------|-------------------|----------------|
|  |                | 30th June         | 31st December  |
|  |                | 2010              | 2009           |
|  |                | 二零一零年             | 二零零九年          |
|  |                | 六月三十日             | 十二月三十一日        |
|  |                | HK\$'000          | HK\$'000       |
|  |                | 千港元               | 千港元            |
| Trade payables                         | 貿易應付款          | 63,039            | 56,485         |
| Accrued expenses<br>and other payables | 預提費用<br>及其他應付款 | 40,528            | 39,206         |
|  |                | <hr/>             | <hr/>          |
|  |                | <b>103,567</b>    | 95,691         |
|  |                | <hr/> <hr/>       | <hr/> <hr/>    |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 17. Trade and other payables (cont'd)

The ageing analysis of the Group's trade payables is as follows:

|                |         |
|----------------|---------|
| Within 30 days | 30天以內   |
| 31 to 60 days  | 31天至60天 |
| 61 to 90 days  | 61天至90天 |
| Over 90 days   | 超過90天   |

### 17. 貿易及其他應付款項(續)

本集團貿易應付款的賬齡分析如下：

| Unaudited<br>未經審核<br>30th June<br>2010<br>二零一零年<br>六月三十日<br>HK\$'000<br>千港元 | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|---|--|
| 29,316  | 18,619   |
| 2,179   | 3,854  |
| 5,558   | 5,588  |
| 25,986  | 28,424   |
| <b>63,039</b>   | <b>56,485</b>  |

### 18. Operating lease commitments

|  |                |
|--|----------------|
| Land and buildings                                   | 土地及樓宇          |
| Not later than one year                              | 不超過一年          |
| Later than one year and<br>not later than five years | 超過一年但<br>不超過五年 |
| Later than five years                                | 超過五年           |
| Equipments   | 設備             |
| Not later than one year                              | 不超過一年          |
| Later than one year and<br>not later than five years | 超過一年但<br>不超過五年 |

### 18. 經營租約承擔

| Unaudited<br>未經審核<br>30th June<br>2010<br>二零一零年<br>六月三十日<br>HK\$'000<br>千港元 | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|---|--|
| 15,417  | 15,456   |
| 18,695  | 25,640   |
| 565   | 967  |
| <b>34,677</b>   | <b>42,063</b>  |
| 378   | —  |
| 1,439   | —  |
| <b>1,817</b>  | <b>—</b>   |
| <b>36,494</b>   | <b>42,063</b>  |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 19. Contingent liability

As at 30th June 2010, a subsidiary of the Group in mainland China has provided a corporate guarantee in favor of a bank to support the banking facilities of HK\$29.4 million (31st December 2009: HK\$29.2 million) obtained by an independent third party. This guarantee is provided as part of counter security arrangement entered into by the subsidiary with independent third party, whereby the independent third party also provides corporate guarantee in favor of the subsidiary for banking facilities up to approximately HK\$46.1 million.

### 20. Related party transactions

#### (a) Balances with related parties

|   |                      |
|---|----------------------|
| Amount due to related companies (note(i))               | 應付關連公司款項(附註(i))      |
| Loan from a shareholder (note(ii))                      | 股東貸款(附註(ii))         |
| Amount due to a non-controlling shareholder (note(iii)) | 應付一位非控制股東款項(附註(iii)) |

Notes:

- (i) The related companies include:
- An entity jointly and indirectly controlled by a director and his family member. The principal amount of HK\$23,070,000 were unsecured, bearing interest at 5.31% per annum (2009: 5.31%) and repayable on demand.
  - An entity beneficially owned by a director. The balance of approximately HK\$876,000 was unsecured and non-interest bearing.

### 19. 或然負債

於二零一零年六月三十日，本集團於中國大陸的一家附屬公司為一位獨立第三方取得銀行融資而向銀行提供之公司擔保約為29,400,000港元(二零零九年十二月三十一日：29,200,000港元)。該項擔保由附屬公司與獨立第三方訂立，為部份反擔保的安排，同時藉以獨立第三方為附屬公司提供公司擔保，以取得最高銀行融資額度約為46,100,000港元。

### 20. 關連人士交易

#### (a) 關連人士結餘

| <b>Unaudited</b><br><b>未經審核</b><br><b>30th June</b><br><b>2010</b><br><b>二零一零年</b><br><b>六月三十日</b><br><b>HK\$'000</b><br><b>千港元</b> | Audited<br>經審核<br>31st December<br>2009<br>二零零九年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|---|--|
| <b>25,139</b>   | 23,449   |
| <b>45,999</b>   | 59,881   |
| <b>196</b>  | 133  |

附註：

- (i) 關連公司包括：
- 一位董事及其家庭成員非直接共同持有之實體。有關23,070,000港元之本金為無抵押、按年年利率5.31%計息(二零零九年：5.31%)及乃按要求支付。
  - 一位董事實益擁有之實體。結餘約為876,000港元，為無抵押及無附帶利息。

# Notes to the Interim Financial Information

## 中期財務資料附註

### 20. Related party transactions (cont'd)

#### (a) Balances with related parties (cont'd)

Notes: (cont'd)

- (ii) The loan is from Mr. Lai Guanglin, also a director of the Company. As at 30th June 2010, the balance is unsecured, principal balance of approximately HK\$37,866,000 bears interest at HK Dollar prime rate plus 4.75% per annum and repayable within one year (31st December 2009: the balance was unsecured, approximately HK\$49,360,000 bears interest at HK Dollar prime rate plus 4.75% per annum and the remaining balance of HK\$5,000,000 bears interest at 1% per month and repayable within one year).
- (iii) Amount due to a non-controlling shareholder is unsecured and non-interest bearing.
- (iv) Interest expenses paid to related parties for the six months ended 30th June 2009 and 2010 are disclosed in Note 8.
- (v) During the period, a subsidiary purchased a motor vehicle from a related party amounting to approximately HK\$876,000.

#### (b) Key management compensation

### 20. 關連人士交易(續)

#### (a) 關連人士結餘(續)

附註：(續)

- (ii) 該等貸款來自本公司董事Lai Guanglin先生。於二零一零年六月三十日，該等結餘為無抵押、本金結餘約37,866,000港元按港元最優惠利率加4.75%年利率計算，及於未來1年內償還(二零零九年十二月三十一日：該等結餘為無抵押、當中約49,360,000港元按港元最優惠利率加4.75%年利率及餘下5,000,000港元按每月1%計息，及於未來1年內償還)。
- (iii) 應付一位非控制股東款項為無抵押及無附帶利息。
- (iv) 截至二零零九年及二零一零年六月三十日止六個月，付給關連公司之利息支出於附註8披露。
- (v) 期內，一家附屬公司從一家關連公司購買汽車，金額約為876,000港元。

#### (b) 主要管理人員報酬

**Unaudited**  
**未經審核**  
**For the six months ended**  
**30th June**  
**截至六月三十日止六個月**

|   | 2010<br>二零一零年<br>HK\$'000<br>千港元 | 2009<br>二零零九年<br>HK\$'000<br>千港元 |
|---|----------------------------------|----------------------------------|
| Salaries and other short term employee benefits | 6,442                            | 7,921                            |
| Pension costs – defined contribution plans      | 469                              | 52                               |
| Share based payment                             | 2,930                            | –                                |
|   | <b>9,841</b>                     | <b>7,973</b>                     |

# Notes to the Interim Financial Information

## 中期財務資料附註

### 21. Events after the balance sheet date

#### (i) Acquisition

On 6th August 2010, the Group entered into a subscription agreement with, among others, Dynamic Event Limited (the “Target Company”) and First Chance Limited (the “Sponsor”), pursuant to which the Group agreed to purchase or procure the purchase from the Target Company the subscription shares as referred to therein, subject to the terms and conditions contained therein. The Group also entered into a sale and purchase agreement with the Sponsor, pursuant to which the Group agreed to purchase or procure the purchase from the Sponsor the sale shares of the Target Company as referred to therein, subject to the terms and conditions contained therein. The total consideration for the subscription shares and purchase of sale shares is a maximum of the aggregate of HK\$10.7 billion and US\$99,900, which is to be satisfied by a combination of cash, issue of new ordinary shares and convertible preference shares of the Company, and issue of convertible notes and promissory note by the Company. The Target Company and its subsidiaries are involved or interested in the businesses of exploration, exploitation, processing, smelting and marketing of tin in the Bankga Belitung province of the Republic of Indonesia. The transaction has not been completed as at the date of issue of the interim financial information. According to the Listing Rules, the acquisition will constitute a very substantial acquisition for the Company and is subject to approval by the Stock Exchange. Details of the acquisition will be disclosed in the announcement of the Company to be released in due course.

### 21. 結算日後事項

#### (i) 收購事項

於二零一零年八月六日，本集團與Dynamic Event Limited (「目標公司」)及First Chance Limited (「發起人」)簽訂認購協議，據此本集團同意購買或安排向目標公司購買認購股份，惟須根據認購協議所載條款及條件進行。本集團與發起人還簽訂買賣協議，據此本集團同意向發起人購買或安排向發起人購買目標公司的待售股份，惟須根據買賣協議所載條款及條件進行。認購股份及購買待售股份之總代價最高為10,700,000,000港元及99,900美元，其中以現金、發行本公司的新普通股及可轉換優先股及本公司發行可換股票據及承兌票據的組合方式支付。目標公司及其附屬公司於印度尼西亞共和國邦加勿裏洞省從事或擁有錫之勘探、開採、加工、冶煉及營銷業務。於本中期財務資料發行日期，該交易尚未完成。根據上市規則，收購事項將構成本公司的非常重大收購事項，並需獲得聯交所批准。收購事項之詳情，本公司將盡快發出公告披露。



# Notes to the Interim Financial Information

## 中期財務資料附註

### 21. Events after the balance sheet date (cont'd)

#### (ii) Placing of new shares

On 5th and 6th August 2010, the Company and GF Securities (Hong Kong) Broker Limited entered into placing agreements, pursuant to which the placing agent agreed to place, on a best efforts basis, up to 1 billion new shares at the price of HK\$0.062 per placing share. The maximum net proceed of approximately HK\$58 million will be used for settlement of refundable deposit of the acquisition (as described in (i) above) and the Group's general working capital.

### 22. Approval of interim financial information

The interim financial information was approved by the board of directors on 23rd August 2010.

### 21. 結算日後事項(續)

#### (ii) 配售新股份

於二零一零年八月五日及六日，本公司與廣發證券(香港)經紀有限公司訂立配售協議，據此，配售代理同意按竭盡所能基準按每股配售股份0.062港元之價格配售最多10億股新股份。所得款最高淨額約58,000,000港元，用作收購事項(如上文(i)所述)的可退回按金結算及本集團一般營運資金。

### 22. 審批中期財務資料

董事會於二零一零年八月二十三日審批中期財務資料。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

For the period ended 30th June 2010, the Group recorded revenue of approximately HK\$252.1 million (2009: HK\$206.7 million), representing an increase of 22% as compared with the same period in 2009. The loss attributable to equity holders of the Company was approximately HK\$28.6 million for the first six months of 2010, as compared with the profit attributable to equity holders of the Company of approximately HK\$13.2 million for the same period in 2009. The basic loss per share was approximately HK0.21 cents (2009: basic earning per share of HK0.11 cents).

The increase in revenue was mainly attributable to contribution from the sale of seamless pipes by 煙臺金裕豐無縫鋼管有限公司 (“Jinyufeng”) which was acquired in November 2009.

Before taking into account corporate and other expenses, the loss attributable to equity holders of the Company was mainly due to loss on the revaluation of investment properties amounted to approximately HK\$18.4 million. (2009: gain of approximately HK\$25.1 million).

### REVIEW OF OPERATIONS

#### Trading of pipes and fittings

The trading of pipes and fittings reported revenue for the first six months (excluding inter-segment revenue) of approximately HK\$183.9 million (2009: HK\$205.8 million) and profit attributable to equity holders of the Company for the first six months of approximately HK\$11.4 million (2009: loss of approximately HK\$1.6 million).

The increase in profit attributable to equity holders of the Company was mainly attributable to improvement in profit margin and the write-back of provision for inventories amounted to approximately HK\$6.4 million.

### 財務業績

截至二零一零年六月三十日止六個月期間，本集團錄得收入約為252,100,000港元(二零零九年：206,700,000港元)，較二零零九年同期增加22%。於二零一零年首六個月內，本公司股權持有人應佔虧損約為28,600,000港元，對比二零零九年同期本公司股權持有人應佔溢利約為13,200,000港元。每股基本虧損約為0.21港仙(二零零九年：每股基本盈利0.11港仙)。

收入增加主要來自二零零九年十一月收購之煙臺金裕豐無縫鋼管有限公司(「金裕豐」)的無縫鋼管銷售收入所貢獻。

在計算公司及其他費用前，本公司股權持有人應佔虧損主要由於重估投資物業之虧損約為18,400,000港元(二零零九年：收益約為25,100,000港元)所致。

### 業務回顧

#### 喉管及管件貿易

喉管及管件貿易於首六個月錄得收入(不包括分類間收入)約183,900,000港元(二零零九年：205,800,000港元)，而於首六個月本公司股權持有人應佔溢利約為11,400,000港元(二零零九年：虧損約為1,600,000港元)。

本公司股權持有人應佔溢利增加主要歸因於邊際利潤改善及存貨減值回撥約6,400,000港元。

# Management Discussion and Analysis

## 管理層討論及分析

### Manufacturing and sale of seamless pipes

As Jinyufeng was acquired in November 2009, its results was consolidated into the Group accounts since then. The manufacturing and sales of seamless pipes reported revenue of approximately HK\$68.1 million for the first six months of this year and loss attributable to equity holders of the Company of approximately HK\$3.3 million.

The loss attributable to equity holders of the Company was mainly attributable to low gross profit margin as a result of higher cost of raw materials for the first six months of 2010.

### Investment properties

The investment in properties reported revenue for the period ended 30th June 2010 (excluding inter-segment revenue) of approximately HK\$0.1 million (2009: HK\$0.9 million) and loss attributable to equity holders of the Company for the first six months of approximately HK\$21.4 million (2009: profit of approximately HK\$17.3 million).

The Group recorded a loss attributable to equity holders of the Company which was mainly resulted from the loss on properties revaluation of approximately HK\$18.4 million on the investment properties held in Shanghai. However, there was a gain in investment properties revaluation amounted to approximately HK\$25.1 million for the same period in 2009.

### 生產及銷售無縫鋼管

由於於二零零九年十一月收購金裕豐，故其業績在收購後才綜合至本集團賬目。生產及銷售無縫鋼管於本年度首六個月錄得收入約68,100,000港元，而本公司股權持有人應佔虧損約為3,300,000港元。

本公司股權持有人應佔虧損主要由於二零一零年首六個月原材料成本較高導致毛利率下降所致。

### 投資物業

投資物業截至二零一零年六月三十日止六個月期間錄得收入(不包括分類間收入)約100,000港元(二零零九年：900,000港元)，而於首六個月本公司股權持有人應佔虧損約為21,400,000港元(二零零九年：溢利約為17,300,000港元)。

本集團錄得本公司股權持有人應佔虧損之主要原因來自位於上海投資物業之物業重估虧損約18,400,000港元。然而，二零零九年同期之投資物業重估收益約為25,100,000港元。

# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECTS

The Group will continue to develop our pipe trading business in Hong Kong through our wholly owned subsidiary Bun Kee (International) Limited, and our seamless steel pipe business in China through our 60% owned subsidiary Jinyufeng. We will focus our efforts on upgrading our products and services, developing new product lines, and strengthening our relationships with our customers. Through these initiatives, we aim at growing our top line sales and improving our bottom line profits of the Group.

In addition to the piping business, the management has been actively seeking investment opportunities in the Asia Pacific Region that can potentially bring significant returns to our shareholders. On 6th August 2010, the Group entered into a subscription agreement and a sale and purchase agreement in relation to a tin mining business in the Republic of Indonesia, which will constitute a very substantial acquisition for the Company. Completion of the agreements is subject to fulfillment of a number of conditions precedent. Details concerning the agreements will be disclosed in the announcement of the Company to be released.

### 前景

本集團將繼續透過全資擁有附屬公司，彬記(國際)有限公司於香港發展喉管貿易業務，以及透過持有60%權益之附屬公司，金裕豐於中國發展無縫鋼管業務。本集團將集中提升產品及服務，開發新的產品線，並加強與客戶的關係。通過這些行動，本集團以擴大銷售及改善利潤底線為目的。

除了喉管貿易，管理層正積極於亞太地區尋求投資機會作為進一步提升本集團股東之回報，於二零一零年八月六日，本集團簽訂有關在印度尼西亞共和國投資錫礦業務之認購協議和買賣協議，此為本公司之非常重大收購事項。完成協議有賴於達成若干先決條件。本公司將發出公告，披露有關協議詳情。

# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 30th June 2010, the cash and bank balances of the Group were approximately HK\$115.1 million (31st December 2009: HK\$94.4 million) including pledged bank deposit amounted to approximately HK\$81.9 million (31st December 2009: HK\$38.6 million). Basically the Group's working capital requirement has been financed by its internal resources. The Group believes that funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 30th June 2010, the Group had aggregate banking facilities of term loans and trade finance of approximately HK\$275.4 million (31st December 2009: HK\$392.5 million), approximately HK\$260.2 million (31st December 2009: HK\$308.1 million) was utilised. The Group's total borrowings stood at approximately HK\$229.9 million (31st December 2009: HK\$278.1 million) of which approximately HK\$192.9 million (31st December 2009: HK\$238.2 million) borrowings will mature within one year.

Of the total HK\$229.9 million borrowings outstanding at 30th June 2010 (31st December 2009: HK\$278.1 million), HK\$228.2 million (31st December 2009: HK\$243.8 million) was subject to floating rates and HK\$1.7 million (31st December 2009: HK\$34.3 million) was subject to fixed rate.

As at 30th June 2010, the Group had unsecured shareholder loans amounted to approximately HK\$46.0 million including principal balance of approximately HK\$37.9 million bears interest at HK Dollar prime rate plus 4.75% per annum and repayable within one year.

The gearing ratio as measured by total debt to total equity was approximately 71% as at 30th June 2010 and approximately 81% as at 31st December 2009.

As at 30th June 2010, 28% (31st December 2009: 40%) of the Group's total borrowings was denominated in HK dollars, 72% (31st December 2009: 60%) was denominated in Renminbi.

### 流動資金及資本來源分析

於二零一零年六月三十日之現金及銀行結餘約為115,100,000港元(二零零九年十二月三十一日: 94,400,000港元)包括抵押銀行存款約為81,900,000港元(二零零九年十二月三十一日: 38,600,000港元)。基本上,本集團所需之營運資金來自內部資源。本集團相信由營運產生之資金及可用之銀行融資額度,足以應付本集團日後之流動資金需求。

於二零一零年六月三十日,本集團之貸款及貿易銀行融資額度合共約275,400,000港元(二零零九年十二月三十一日: 392,500,000港元),已動用之銀行融資額度約260,200,000港元(二零零九年十二月三十一日: 308,100,000港元)。本集團的貸款總額為229,900,000港元(二零零九年十二月三十一日: 278,100,000港元),其中約192,900,000港元(二零零九年十二月三十一日: 238,200,000港元)之貸款將於一年內到期。

於二零一零年六月三十日未償還貸款共約229,900,000港元(二零零九年十二月三十一日: 278,100,000港元),228,200,000港元(二零零九年十二月三十一日: 243,800,000港元)以浮動利率計息,1,700,000港元(二零零九年十二月三十一日: 34,300,000港元)以固定利率計息。

於二零一零年六月三十日,本集團之無抵押股東貸款約為46,000,000港元包括本金結餘約37,900,000港元按港元最優惠利率加4.75%年利率計息,及於未來1年內償還。

於二零一零年六月三十日,按借貸總額相對於總權益計算的資產負債比率約為71%,二零零九年十二月三十一日約為81%。

於二零一零年六月三十日,本集團貸款總額內28%(二零零九年十二月三十一日: 40%)以港元結算,72%(二零零九年十二月三十一日: 60%)以人民幣結算。

# Management Discussion and Analysis

## 管理層討論及分析

The Group conducts its business transactions mainly in Hong Kong dollar, Renminbi, United States dollar, Euro and Australian dollar. In order to manage foreign exchange risk, the Group has been closely monitoring its foreign currency exposure and the Group has entered into a foreign exchange forward contract for the period under review.

### CHARGE ON ASSETS

As at 30th June 2010, certain assets of the Group held by subsidiaries with an aggregate carrying value of approximately HK\$428.3 million (31st December 2009: HK\$479.3 million) were pledged to banks for banking facilities obtained.

### CONTINGENT LIABILITIES

As at 30th June 2010, a subsidiary of the Group in mainland China has provided a corporate guarantee in favor of a bank to support the banking facilities of approximately HK\$29.4 million (31st December 2009: HK\$29.2 million) obtained by an independent third party. This guarantee is provided as part of counter security arrangement entered into by the subsidiary with independent third party, whereby the independent third party also provides corporate guarantee in favor of the subsidiary for banking facilities up to approximately HK\$46.1 million.

### STAFF AND EMPLOYMENT

As at 30th June 2010, the Group employed a total of 528 (31st December 2009: 543) employees. Total employee benefit expenses for the period ended 30th June 2010 was approximately HK\$27.6 million (2009: HK\$22.1 million).

Remuneration schemes are reviewed annually and certain staff members are entitled to sales commission. In addition to the basic salaries and contributions to the mandatory provident fund, the Group also pays discretionary bonus and provides staff with other benefits including medical scheme for Hong Kong employees. The Group contributes to an employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in mainland China.

本集團之業務交易主要以港元、人民幣、美元、歐羅及澳元結算。為管理外幣風險，本集團一直密切監控外幣風險及規定，於回顧期間，本集團有訂立外幣期貨合約。

### 資產押記

於二零一零年六月三十日，本集團之附屬公司持有若干資產之賬面總值約為428,300,000港元(二零零九年十二月三十一日：479,300,000港元)，已抵押予銀行取得銀行融資。

### 或然負債

於二零一零年六月三十日，本集團於中國大陸的一家附屬公司為一位獨立第三方取得銀行融資而向銀行提供之公司擔保約為29,400,000港元(二零零九年十二月三十一日：29,200,000港元)。該項擔保由附屬公司與獨立第三方訂立，為部份反擔保的安排，同時藉以獨立第三方為附屬公司提供公司擔保，以取得最高銀行融資額度約為46,100,000港元。

### 員工及薪酬政策

於二零一零年六月三十日，本集團共僱用528名(二零零九年十二月三十一日：543名)僱員，截至二零一零年六月三十日止期間，員工福利開支共約27,600,000港元(二零零九年：22,100,000港元)。

薪酬政策每年檢討一次，部份員工享有銷售佣金收入。香港僱員除基本薪金及強積金供款外，本集團亦發放酌情花紅並提供醫療計劃等其他福利。本集團向一項由中國政府所設立的僱員退休金計劃供款，該退休金承諾承擔本集團現時及未來為中國大陸的退休職工提供退休福利的責任。

## Other Information 其他資料

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30th June 2010, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were set out below:

#### (i) Interest in the Company

| Name of Directors<br>董事姓名  | Personal interests<br>in shares<br>股份中之個人權益 | Number of underlying<br>shares held pursuant<br>to share options<br>根據購股權持有之<br>相關股份數目 | Total interests<br>總權益 | Approximate<br>percentage<br>of shares in issue<br>佔已發行股份<br>概約百分比 |
|----------------------------|---|--|------------------------|--|
| Lai Fulin 賴福麟              | —   | 50,000,000   | 50,000,000 (Note 附註)   | 0.375%   |
| Sam Ming Choy              | —   | 50,000,000   | 50,000,000 (Note 附註)   | 0.375%   |
| U Kean Seng 余建成            | —   | 30,000,000   | 30,000,000 (Note 附註)   | 0.225%   |
| Zhao Yue 趙越                | —   | 30,000,000   | 30,000,000 (Note 附註)   | 0.225%   |
| Wong Yee Shuen, Wilson 黃以信 | —   | 10,000,000   | 10,000,000 (Note 附註)   | 0.075%   |
| Wu Xiuru 吳秀茹               | —   | 10,000,000   | 10,000,000 (Note 附註)   | 0.075%   |
| Chen Wei Wen 陳偉文           | —   | 10,000,000   | 10,000,000 (Note 附註)   | 0.075%   |

Note: These interests are held in the capacity as a beneficial owner.

Details of the Directors' interests in share options granted by the Company are set out under the section "Share Option Scheme".

### 董事於股份、相關股份或債權證之權益及淡倉

於二零一零年六月三十日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或須根據上市發行人董事進行證券交易的標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉如下：

#### (i) 於本公司之權益

附註：此等權益以實益擁有人身份持有。

有關董事於本公司購股權中擁有之權益，詳情載於「購股權計劃」一節。

(ii) Long positions in shares of the Company

(ii) 於本公司之股份擁有之好倉

| Name of Directors<br>董事姓名 | Capacity<br>身份            | Number of shares of the Company<br>本公司之股份數目 |                             |  |                            | Number of<br>shares held<br>所持有<br>股份數目 | Approximate<br>percentage<br>of Shares<br>in issue<br>佔已發行<br>股份概約<br>百分比 |
|---------------------------|---------------------------|---|-----------------------------|--|----------------------------|---|---|
|                           |                           | Personal<br>Interests<br>個人權益               | Family<br>Interests<br>家族權益 | Corporate<br>Interests<br>公司權益             | Other<br>Interests<br>其他權益 |   |   |
|                           |                           |   |                             |  |                            |   |   |
| Lai Guanglin              | Beneficial owner<br>實益擁有人 | -   | -                           | 7,705,521,207 <small>(note 1 附註 1)</small> | -                          | 7,705,521,207                           | 57.79%  |
| Yu Ben Ansheng<br>俞安生     | Beneficial owner<br>實益擁有人 | 30,000,000                                  | -                           | 1,460,000,000 <small>(note 2 附註 2)</small> | -                          | 1,490,000,000                           | 11.18%  |

Notes:

附註：

- These Shares are held by Singapore Zhongxin Investment Company Limited ("Singapore Zhongxin"), which is wholly and beneficially owned by Mr. Lai Guanglin, a non-executive Director and Chairman of the Company. Accordingly, Mr. Lai deemed to be interested in such shares under the SFO.
- These Shares are held by King Jade Holdings Limited ("King Jade"), which is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director of the Company. Accordingly, Mr. Yu deemed to be interested in such shares under the SFO.

- 該等股份由Singapore Zhongxin Investment Company Limited (「Singapore Zhongxin」)持有，該公司由Lai Guanglin先生(本公司之非執行董事兼主席)全資實益擁有。因此，根據證券及期貨條例，Lai先生被視為於該等股份中擁有權益。
- 該等股份由King Jade Holdings Limited (「King Jade」)持有，該公司由俞安生先生(本公司之執行董事)全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。

Save as disclosed above, as at 30th June 2010, none of the Directors or chief executive or their respective associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零一零年六月三十日，概無董事或最高行政人員或彼等各自之聯繫人士於本公司或其他任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或須根據標準守則知會本公司及聯交所之權益或淡倉。



## Other Information 其他資料

### SHARE OPTION SCHEME

At the annual general meeting of the Company held on 24th June 2004, a share option scheme (The "Scheme") of the Company was adopted by the shareholders of the Company. Details of the share options granted, exercised, lapsed and cancelled under the Scheme during the period and outstanding as at 30th June 2010 are as follows:

| Name of Directors<br>董事姓名        | Date of Grant<br>授出日期 | Exercise price<br>行使價<br>HK\$<br>港元 | Held as at                                  | Granted   | Exercised  | Lapsed/<br>cancelled                 | Held as at                                 | Exercise<br>Period<br>行使期間 |
|----------------------------------|-----------------------|-------------------------------------|---|---|--|--------------------------------------|--|----------------------------|
|                                  |                       |                                     | 1st January<br>2010<br>於二零一零年<br>一月一日<br>持有 | and accepted<br>during<br>the period<br>於期內<br>授出並接納<br>(Note 4)<br>(附註4) | during<br>the period<br>於期內<br>行使<br>(Note 5)<br>(附註5) | during<br>the period<br>於期內<br>失效/註銷 | 30th June<br>2010<br>於二零一零年<br>六月三十日<br>持有 |                            |
| Lai Fulin 賴福麟                    | 3/12/2009             | 0.071                               | 50,000,000                                  | -   | -  | -                                    | 50,000,000                                 | 3/12/2009-2/12/2019        |
| Sam Ming Choy                    | 3/12/2009             | 0.071                               | 50,000,000                                  | -   | -  | -                                    | 50,000,000                                 | 3/12/2009-2/12/2019        |
| U Kean Seng 余建成                  | 3/12/2009             | 0.071                               | 30,000,000                                  | -   | -  | -                                    | 30,000,000                                 | 3/12/2009-2/12/2019        |
| Zhao Yue 趙越                      | 3/12/2009             | 0.071                               | 30,000,000                                  | -   | -  | -                                    | 30,000,000                                 | 3/12/2009-2/12/2019        |
| Wong Yee Shuen, Wilson 黃以信       | 3/12/2009             | 0.071                               | 10,000,000                                  | -   | -  | -                                    | 10,000,000                                 | 3/12/2009-2/12/2019        |
| Lau Kwok Ting 劉國定 (Note 1) (附註1) | 3/12/2009             | 0.071                               | 10,000,000                                  | -   | -  | 10,000,000                           | -  | 3/12/2009-2/12/2019        |
| Wu Xiuru 吳秀茹                     | 3/12/2009             | 0.071                               | 10,000,000                                  | -   | -  | -                                    | 10,000,000                                 | 3/12/2009-2/12/2019        |
| Chen Wei Wen 陳偉文 (Note 2) (附註2)  | 5/5/2010              | 0.083                               | -   | 10,000,000  | -  | -                                    | 10,000,000                                 | 5/5/2010-4/5/2020          |
| Employees 僱員 (Note 3) (附註3)      | 3/12/2009             | 0.071                               | 402,000,000                                 | -   | -  | 21,000,000                           | 381,000,000                                | 3/12/2009-2/12/2019        |
|                                  | 5/5/2010              | 0.083                               | -   | 6,000,000   | -  | -                                    | 6,000,000                                  | 5/5/2010-4/5/2020          |
| <b>Total 合計</b>                  |                       |                                     | <b>592,000,000</b>                          | <b>16,000,000</b>   | <b>-</b>   | <b>31,000,000</b>                    | <b>577,000,000</b>                         |                            |

Notes:

- Mr. Lau Kwok Ting retired as independent non-executive Director of the Company with effect from 26th May 2010. Pursuant to the Scheme, the share options of Mr. Lau lapsed on 26th June 2010.
- Mr. Chen Wei Wen appointed as independent non-executive Director of the Company with effect from 21st April 2010.
- Vesting of options granted to certain employees are subject to achievement of profit target.
- The closing price of the shares immediately before the date on which the share options were granted was HK\$0.083.
- For the six months ended 30th June 2010, no share options were exercised.

### 購股權計劃

本公司於二零零四年六月二十四日舉行的股東週年大會上獲本公司股東批准採納一項本公司購股權計劃(「計劃」)。於期內，根據計劃授予、行使、失效及註銷及於二零一零年六月三十日尚未行使的購股權之詳情如下：

附註：

- 劉國定先生退任本公司之獨立非執行董事，自二零一零年五月二十六日起生效。根據計劃，劉先生的購股權於二零一零年六月二十六日失效。
- 陳偉文先生於二零一零年四月二十一日獲委任為本公司之獨立非執行董事。
- 授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。
- 股份於緊接購股權授出當日前收市價為0.083港元。
- 截至二零一零年六月三十日止六個月，沒有購股權被行使。

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme of the Company, at no time during the period was the Company or subsidiaries a party to any arrangements to enable the Directors of the Company including their spouses and minor children to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS

As at 30th June 2010, the interests or short positions of the following persons or corporations, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### Long position in share and underlying share of the Company

| Name of Shareholders<br>股東名稱                 | Capacity<br>身份          | Number of shares/underlying shares held<br>所持股份/相關股份數目 | Approximate percentage of Shares in issue<br>佔已發行股份概約百分比 |
|--|-------------------------|--|--|
| Singapore Zhongxin <sup>(note 2)</sup> (附註2) | Beneficial owners 實益擁有人 | 7,705,521,207(L)                                       | 57.79%   |
| Li Juan 李娟 <sup>(note 3)</sup> (附註3)         | Interest of spouse 配偶權益 | 7,705,521,207(L)                                       | 57.79%   |
| King Jade <sup>(note 4)</sup> (附註4)          | Beneficial owners 實益擁有人 | 1,460,000,000(L)                                       | 10.95%   |
| Zhang Lin <sup>(note 5)</sup> (附註5)          | Interest of spouse 配偶權益 | 1,490,000,000(L)                                       | 11.18%   |

### 董事收購股份或債權證的權利

除本公司之購股權計劃外，於期間內任何時間，本公司或其附屬公司概無參與訂立任何安排，致使本公司董事(包括彼等之配偶或未成年子女)可藉收購本公司或任何其他法團的股份或債權證獲益。

### 主要股東

於二零一零年六月三十日，以下人士或法團(上文所披露之本公司董事或最高行政人員除外)於本公司股份及相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉如下：

#### 於本公司股份及相關股份之好倉

## Other Information

### 其他資料

#### Notes:

1. “L” denotes a long position in shares.
2. Singapore Zhongxin is wholly and beneficially owned by Mr. Lai Guanglin, a non-executive Director and Chairman of the Company. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.
3. Ms. Li Juan, the spouse of Mr. Lai, is also deemed to be interested in Mr. Lai’s interest in the Company under the SFO.
4. King Jade is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.
5. Ms. Zhang Lin, the spouse of Mr. Yu, is also deemed to be interested in Mr. Yu’s interest in the Company under the SFO.

Save as disclosed above, as at 30th June 2010, the Company had not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) in Appendix 14 of the Rules Governing the Listing of Securities on Stock Exchange (the “Listing Rules”) throughout the period, except for the following deviations:

#### 附註：

1. 「L」表示於股份中的好倉。
2. Singapore Zhongxin 乃由 Lai Guanglin 先生(本公司之非執董事兼主席)全資實益擁有。因此，根據證券及期貨條例，Lai 先生被視為於該等股份中擁有權益。
3. 根據證券及期貨條例，李娟女士(Lai 先生之配偶)亦被視為擁有 Lai 先生於本公司之權益。
4. King Jade 乃由俞安生先生(本公司之執行董事)全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。
5. 根據證券及期貨條例，Zhang Lin 女士(俞先生之配偶)亦被視為擁有俞先生於本公司之權益。

除上文披露者外，於二零一零年六月三十日，本公司並無獲通知有任何其他人士或法團(本公司董事或最高行政人員除外)於本公司股份或相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

### 企業管治

本公司於期內已遵守聯交所證券上市規則(「上市規則」)附錄十四內所載之企業管治常規守則(「守則」)的守則條文，惟以下偏離除外：

### Code Provision A.4.1

As disclosed in the 2009 annual report of the Company, none of the existing non-executive directors of the Company (excluding the independent non-executive directors of the Company) is appointed for a specific term, which constitutes a deviation from code provision A.4.1. However, all directors of the Company are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to Company's by-law 99 which was amended on 15th June 2006. As such, the Board considered that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the provisions of the Code. Nevertheless, in view of good corporate governance practices, all non-executive directors of the Company have entered into a letter of appointment with the Company for a term until 31st December 2011 and that their term of appointment will be limited accordingly. As such, the Company has taken step to comply with the code provision A.4.1 of the Code.

### REVIEW BY AUDIT COMMITTEE

The condensed consolidated interim financial information for the six months ended 30th June 2010 have not been audited nor reviewed by the Company's auditor, PricewaterhouseCoopers, but this report has been reviewed by audit committee of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited condensed consolidated financial information for the period. The audit committee of the Company currently consists of three non-executive Directors, namely, Mr. Wong Yee Shuen, Wilson, Mr. U Kean Seng and Mr. Chen Wei Wen.

### 守則條文第A.4.1

誠如本公司二零零九年年報內所述，本公司現任非執行董事（不包括獨立非執行董事）並無指定任期，此舉構成偏離守則條文第A.4.1條。然而，根據於二零零六年六月十五日修訂之本公司細則第99條，本公司之所有董事須至少每三年輪值退任一次，並於本公司之股東週年大會上膺選連任。因此，董事會認為已採取足夠措施確保本公司之企業管治常規不遜於守則條文。然而，基於良好企業管治常規之考慮，本公司所有非執行董事與本公司已簽訂一份委任書至二零一一年十二月三十一日止，故彼等之任期受該等規則所限。因此，本公司已採取措施遵守守則內之守則條文第A.4.1。

### 審核委員會之審閱

截至二零一零年六月三十日止六個月之簡明綜合中期財務資料並未經本公司核數師「羅兵咸永道會計師事務所」審核或審閱，但本報告已經由本公司審核委員會審閱。審核委員會與管理層檢討本集團所採納之會計政策及實務準則，並討論財務匯報等事宜，包括審閱本期間之未經審核簡明綜合財務資料。本公司審核委員會目前由三名非執行董事，即黃以信先生、余建成先生及陳偉文先生所組成。

## Other Information

### 其他資料

#### COMPLIANCE WITH MODEL CODE OF LISTING RULES

The Company has adopted the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiry with the directors, all Directors confirmed that they have fully complied with the required standard as set out in the Model Code throughout the six months ended 30th June 2010.

#### CHANGES OF DIRECTOR'S INFORMATION

Changes of Directors' information since the date of the 2009 annual report of the Company, which are required to be disclosed pursuant to Rule 13.51(B) of the Listing Rules are set out below:

1. With effect from 1st January 2010, the directors' fee of Mr. Lai Guanglin and Mr. U Kean Seng, were increased to HK\$2,000,000 per annum and HK\$200,000 per annum respectively.

#### PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

#### BOARD OF DIRECTORS

As at the date of this report, the Board of the Company consists of Mr. Yu Ben Ansheng, Mr. Sam Ming Choy and Mr. Lai Fulin as executive directors; Mr. Lai Guanglin, Mr. U Kean Seng, Mr. Zhao Yue and Dr. Zia, Samuel as non-executive directors; and Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Ms. Wu Xiuru as independent non-executive directors.

By Order of the Board

**Lai Guanglin**

*Chairman*

Hong Kong, 23rd August 2010

#### 遵守上市規則之標準守則

本公司已採納上市規則附錄十所載的標準守則。經向董事作出特定查詢後，所有董事已確認彼等截至二零一零年六月三十日止六個月期間均全面遵守標準守則所載列之所規定的標準。

#### 董事資料之變更

自本公司二零零九年年報發出日起，須根據上市規則第13.51(B)條而作出有關董事資料之變更之披露詳列如下：

1. 追溯至二零一零年一月一日起，Lai Guanglin 先生及余建成先生之每年董事袍金分別增加至2,000,000港元及200,000港元。

#### 購買、出售或贖回股份

本公司及其任何附屬公司於期內概無買賣任何本公司股份。

#### 董事會

於本報告日期，董事會成員包括執行董事俞安生先生、Sam Ming Choy 先生及賴福麟先生；非執行董事 Lai Guanglin 先生、余建成先生、趙越先生及謝齊鋒博士；以及獨立非執行董事黃以信先生、陳偉文先生及吳秀茹女士。

承董事會命

主席

**Lai Guanglin**

香港，二零一零年八月二十三日



中國管業集團有限公司  
CHINA PIPE GROUP LIMITED