



CHIHO-TIANDE GROUP LIMITED
齊合天地集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 976

中期報告 **2011**
Interim Report





Contents

目錄

| | | Page/頁次 |
|--|------------|---------|
| Corporate Information | 公司資料 | 2 |
| Chairman's Statement | 主席報告 | 5 |
| Management Discussion and Analysis | 管理層討論及分析 | 9 |
| Disclosure of Interests | 權益披露 | 18 |
| Corporate Governance and Other Information | 企業管治及其他資料 | 27 |
| Report on Review of Interim Financial Information | 中期財務資料審閱報告 | 29 |
| Condensed Consolidated Statement of Comprehensive Income | 簡明綜合全面收益表 | 31 |
| Condensed Consolidated Statement of Financial Position | 簡明綜合財務狀況表 | 32 |
| Condensed Consolidated Statement of Changes in Equity | 簡明綜合權益變動表 | 34 |
| Condensed Consolidated Statement of Cash Flows | 簡明綜合現金流量表 | 36 |
| Notes to the Condensed Consolidated Financial Statements | 簡明綜合財務報表附註 | 38 |



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Fang Ankong (*Chairman and Chief Executive Officer*)

Mr. Stephanus Maria van Ooijen (*Vice President*)

Mr. Gu Liyong (*Vice President*)

Non-Executive Director

Mr. Ralph Sytze Ybema

Independent Non-Executive Directors

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Li Xikui

AUDIT COMMITTEE

Dr. Loke Yu (*Chairman*)

Ms. Zhang Jingdong

Mr. Li Xikui

REMUNERATION COMMITTEE

Mr. Fang Ankong (*Chairman*)

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Li Xikui

Mr. Stephanus Maria van Ooijen

NOMINATION COMMITTEE

Mr. Stephanus Maria van Ooijen (*Chairman*)

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Li Xikui

Mr. Fang Ankong

AUTHORISED REPRESENTATIVES

Mr. Gu Liyong

Ms. Yu Miu Cheung

董事會

執行董事

方安空先生 (*主席兼行政總裁*)

Stephanus Maria van Ooijen 先生 (*副總裁*)

顧李勇先生 (*副總裁*)

非執行董事

Ralph Sytze Ybema 先生

獨立非執行董事

陸海林博士

章敬東女士

李錫奎先生

審核委員會

陸海林博士 (*主席*)

章敬東女士

李錫奎先生

薪酬委員會

方安空先生 (*主席*)

陸海林博士

章敬東女士

李錫奎先生

Stephanus Maria van Ooijen 先生

提名委員會

Stephanus Maria van Ooijen 先生 (*主席*)

陸海林博士

章敬東女士

李錫奎先生

方安空先生

授權代表

顧李勇先生

余妙章女士



Corporate Information (continued)

公司資料(續)

QUALIFIED ACCOUNTANT AND CHIEF FINANCIAL OFFICER

Mr. Chow Wan Hoi Paul

合資格會計師兼財務總監

周雲海先生

COMPANY SECRETARY

Ms. Yu Miu Cheung

公司秘書

余妙章女士

AUDITOR

Deloitte Touche Tohmatsu

核數師

德勤 • 關黃陳方會計師行

LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)

Richards Butler (Hong Kong)

Stephenson Harwood (Hong Kong)

Van den Boomen Advocaten B.V. (Dutch)

Zhong Lun Law Firm (PRC)

法律顧問

Conyers Dill & Pearman (開曼群島)

齊伯禮律師行(香港)

羅夏信律師事務所(香港)

Van den Boomen Advocaten B.V. (荷蘭)

中倫律師事務所(中國)

PRINCIPAL BANKERS

Agriculture Bank of China

Bank of China

DBS Bank (Hong Kong) Limited

Industrial and Commercial Bank of China

Shanghai Pudong Development Bank

Standard Chartered Bank (Hong Kong) Limited

Wing Hang Bank Limited

Zhejiang Tailong Commercial Bank

主要往來銀行

中國農業銀行

中國銀行

星展銀行(香港)有限公司

中國工商銀行

上海浦東發展銀行

渣打銀行(香港)有限公司

永亨銀行有限公司

浙江泰隆商業銀行

COMPLIANCE ADVISOR

CCB International Capital Limited

合規顧問

建銀國際金融有限公司

REGISTERED OFFICE

Cricket Square, Hutchins Drive

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KY1-1111, Cayman Islands

註冊辦事處

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P.O. Box 2681, Grand Cayman

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HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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168-200 Connaught Road Central

Hong Kong

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信德中心西座 14 樓 1410 室



Corporate Information (continued)

公司資料(續)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Taizhou Industrial Zone of Metal Recycling
Fengjiang, Luqiao, Taizhou
Zhejiang
The PRC
Post Code 318054

HONG KONG SHARE REGISTRAR

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.chiho-tiande.com

STOCK CODE

976

中國總公司及主要營業地點

中國
浙江省
台州市路橋區峰江鎮
台州金屬再生工業園區
郵編：318054

香港證券登記處

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

開曼群島主要股份過戶登記處

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

公司網站

www.chiho-tiande.com

股份代號

976



Chairman's Statement

主席報告

On behalf of the Board of Directors (the "Board") of Chiho-Tiande Group Limited (齊合天地集團有限公司) (the "Company"), I am pleased to present the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011 (the "period"). General consensus has indicated that future supply of mining resources will not be able to keep up with future demand and scrap metal recycling is regarded as a key solution to satisfying future demands and environmental concerns. To capitalise on such market opportunities, the Group continued to place strong emphasis on capturing and securing supply of raw materials from proven sources of scrap metal through its well established overseas procurement network. We believe our current strategy will allow our Group to build on its solid foundation to be a leading player in the rapidly expanding scrap metal recycling business and also establish our position as a leading scrap metal recycler in the PRC.

Business Review

With improved market conditions in the PRC, the Group continued to record strong growth in revenue and exceptional overall profitability for the period as compared to 2010. During the period, the Group's revenue increased from HK\$2.4 billion in the same period of 2010 to HK\$4.5 billion, this represents an increase of 85.1% over the same period last year. Similar to those in the past, the gross margin of 10.0% achieved during the period is within the range expected by the Group's management. As for the net profit, the Group achieved a net profit of HK\$305.3 million representing a net profit margin of 6.7%, compared to the net profit of HK\$156.9 million recorded in the same period last year. This represents an overall increase of net profit by 94.6%.

With the relatively stable pricing environment of world metal prices experienced in the period, the Group continued to increase procurement volume to cater for its processing needs through its well established overseas procurement network. During the period, the Group sold over 370,000 tonnes of its processed products within its three business segments combined. This represents an increase of 60.9% when compared with just over 230,000 tonnes in the same period of 2010.

During the period, the Group continued to follow its usual practices of consistently buying mixed metal scrap and selling its recycled products in accordance with its processing ability so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

Basic earnings per share amounted to HK\$0.30 representing an increase of 42.9% when compared with HK\$0.21 in the same period of 2010.

本人謹代表齊合天地集團有限公司(「本公司」)董事會(「董事會」)，欣然提呈本公司及其附屬公司(「本集團」)截至二零一一年六月三十日止六個月(「期內」)的未經審核中期業績。一般分析指出，由於未來天然礦物資源將會出現供不應求的情況，故廢金屬再生被視為滿足未來需求及解決環境問題的主要方法。為充份把握上述市場良機，本集團透過其完善的海外採購網絡，將重點投放於從認可的廢金屬來源爭取及獲得原材料供應。我們相信，我們現有的策略可令本集團於快速擴張的廢金屬回收業務中奠下鞏固基石，以成為業內領先的營運商，同時確立我們作為中國領先廢金屬再生商的地位。

業務回顧

隨著中國的市場狀況持續改善，相比二零一零年，本集團於期內繼續錄得強勁的收益增長，並顯示超卓的整體盈利能力。期內，本集團的收益由二零一零年同期的2,400,000,000港元增至4,500,000,000港元，較去年同期增長85.1%。與往績相若，期內所獲取的10.0%毛利率正符合本集團管理層的預期。在純利方面，本集團純利由上年同期的156,900,000港元增長至305,300,000港元，純利率為6.7%，純利整體增長94.6%。

由於期內全球金屬價格的定價環境相對穩定，本集團透過其完善的海外採購網絡繼續增加採購量以應付加工所需。期內，本集團合共售出旗下三個業務分部的加工產品超過370,000噸，而二零一零年同期則僅超過230,000噸，增幅達60.9%。

期內，本集團秉承一貫做法，根據自身的加工能力，買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

每股基本盈利為0.30港元，較二零一零年同期的0.21港元上升42.9%。



Chairman's Statement (continued)

主席報告(續)

Our Procurement Network

We are the largest importer of mixed metal scrap used for recycling, reuse and processing in terms of the total import volume as approved by the Ministry of Environmental Protection in the PRC. We import nearly all of our mixed metal scrap and have, over the years, developed a strong international procurement network which covers Europe, North America, Oceania and Asia. Our network of suppliers was mostly established and developed by us leveraging on our experience in the industry. With our good business practices, we have enjoyed good business relationship with our suppliers over the years.

Corporate and Business Development

In April 2011, the Company successfully placed 60,000,000 new ordinary shares to not less than six Placees at the placing price of HK\$6.6 per share. The net proceeds of approximately HK\$385.7 million were raised and were used for general working capital of the Group. The placing exercise was completed with 2 times oversubscribed by a number of reputable Placees.

With regard to our joint venture operations established in Hong Kong and Shanghai at the end of 2010, both facilities are in their early phase of development with expected annual processing capacities in 2011 reaching approximately 150,000 tonnes of ferrous and non-ferrous scrap metals and 300,000 tonnes of ferrous scrap metal in Hong Kong and Shanghai respectively. As for the Hong Kong joint venture, we plan to build an advance recycling facility capable of handling more diverse scrap materials. As for our main facilities in both Taizhou and Ningbo, their capacities are expected to increase to 630,000 tonnes and 210,000 tonnes by the end of this year for Taizhou and Ningbo respectively. For the second half of 2011, management expects continuing growth in both volume and profitability.

With regard to the developments of the possible joint venture operations in Beijing and Tianjin, the due diligence work for Beijing takes longer than expected and is at its final stage, and the outcome of which will give rise to a decision whether to proceed or not in the next few months. As for Tianjin, a joint venture company has just been established and operation will start in the second half of this year. Management expects that contribution from the Tianjin operation will be minimal for the remaining part of this year.

本集團的採購網絡

按中國環境保護部批准的進口總量計算，本集團為將混合廢金屬進口作回收、循環再用及加工用途之最大進口商。本集團的絕大部分混合廢金屬均來自進口，且於多年來已建立強大的國際採購網絡，遍及歐洲、北美、大洋洲及亞洲。供應商網絡乃憑藉本身的行業經驗，自行建立及發展。因著我們奉行良好的營商守則，我們與供應商有多年良好的業務關係。

企業及業務發展

於二零一一年四月，本公司成功向不少於六名承配人以每股6.6港元之配售價配售60,000,000股新普通股份。籌集之所得款項淨額約為385,700,000港元，用作本集團之一般營運資本。配售於若干具聲譽的承配人超額認購兩倍的情況下完成。

就於二零一零年末在香港及上海成立之合資企業營運而言，於香港及上海的設施正處於發展初段，預期於二零一一年之加工年產量分別達約150,000噸黑色廢金屬及有色廢金屬及300,000噸黑色廢金屬。至於香港合資企業方面，我們計劃興建可處理各類廢料的先進回收設施。而在台州及寧波的主要設施方面，預期台州及寧波的產量於年末可分別增加至630,000噸及210,000噸。管理層預期二零一一年下半年度，產量及盈利能力將持續增長。

在北京及天津的潛在合資企業營運的發展方面，北京的盡職調查工作比預期需要更多時間並處於最後階段，於未來數月內將可憑其結果決定是否繼續進行。在天津方面，合資公司剛成立及將於本年下半年度開始營運。管理層預期天津的營運於本年度餘下時間的貢獻有限。



Chairman's Statement (continued)

主席報告(續)

Corporate and Business Development (continued)

As announced on 11 August 2011, the Company entered into an investment agreement with Yantai Economic and Technological Development Zone Administration Committee ("Yantai Committee") for the purpose of developing and operating an integrated processing facility for recycling, processing and sales of imported mixed metal scrap in Yantai (the "Project"). The Project is expected to have an annual processing capacity of 500,000 tonnes. The total investment of the Project is US\$99,980,000 (equivalent to approximately HK\$779,844,000).

Moving forward, the Group continues to increase purchase of raw materials, to further enhance the existing procurement network and to develop the current capabilities of our existing facilities. In addition, the management continues to actively look for potential opportunities including merger and acquisition opportunities to enhance the development of the Group. We have not identified any targets to enter into any such transactions to date.

Social Responsibilities

On the environmental protection front, we continued placing great emphasis on ensuring that all of our processing facilities are in line with local and national environmental protection standards.

As announced by the Environmental Protection Department of Zhejiang Province (浙江省環境保護廳), we have obtained the highest verification result among the designated processing units for imported hardware and electrical appliance scrap, electric wire and cable scrap, as well as motor scrap in Zhejiang Province. Our production processes do not consume large volumes of electricity and water and therefore produce very small volumes of waste materials. We consider that we have adopted sufficient environmental protection measures and controls against air, water, solids and noise pollutions produced during the course of our production process.

企業及業務發展(續)

誠如日期為二零一一年八月十一日之公告所述，本公司與煙台經濟技術開發區管理委員會(「煙台管委會」)訂立投資協議，以於煙台開發及營運回收、加工及銷售進口混合廢金屬之綜合加工工廠(「該項目」)。該項目每年產能預期為500,000噸。該項目總投資額為99,980,000美元(相等於約779,844,000港元)。

至於未來的發展，本集團持續增購原材料，並進一步加強現有採購網絡及提升本集團現有設施的能力。此外，管理層繼續積極尋求併購及收購等潛在機遇，以促進本集團的發展。至今，我們仍未物色任何目標以訂立任何該等交易。

社會責任

在環保方面，我們繼續把重點放在確保旗下所有加工設施均符合當地及國家的環保標準。

根據浙江省環境保護廳的公告，本集團取得浙江省進口廢五金電器、廢電線電纜及廢電機指定加工單位中的最高考核分數。本集團的生產流程不會耗用大量水電，故產生的廢料極少。本集團認為，其已採取足夠環境保護措施及監控，以減少生產工序產生的空氣、水、固體及噪音污染。



Chairman's Statement (continued)

主席報告 (續)

Prospects

With encouraging signs indicating the world economy is gradually recovering, and the increasing support from the PRC Government to develop the recycling industry, especially with reference to the latest PRC Government policies stated in its "12th Five-Year Plan", we are confident that our current position and business strategy will allow the Group to be benefited in such policies going forward. We believe the metal recycling industry in the PRC will continue to grow and will become an important source and an integral part of the metal resource supply chain of the PRC in the foreseeable future.

We also strongly believe in the importance of building a sustainable and environmentally responsible business. The metal recycling industry is in the forefront and plays a vital role in ensuring that the future production and supply of ferrous and non-ferrous metals are conducted in a sustainable and environmentally responsible manner. Metal recycling contributes significantly to the protection of the environment and to the preservation of valuable natural resources, including the use of energy, which are consumed in large quantities during primary metal production processes. On the basis of the above stated fundamental belief, we continued focusing on increasing our procurement and processing volumes substantially in the future to cater for the rapidly increasing demand for scrap raw materials in the PRC. We strongly believe in our ability to capitalise on a rapidly growing industry and to achieve good returns to Shareholders in a sustainable and environmentally responsible manner.

Interim Results

The Board is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2011, together with the comparative figures for the corresponding period in 2010. These results have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, by Deloitte Touche Tohmatsu, certified public accountants in Hong Kong, and the Audit Committee with no disagreement.

Fang Ankong

Chairman

Hong Kong, 17 August 2011

前景

鑑於有令人鼓舞的跡象顯示全球經濟正逐步復甦，加上中國政府不斷支持回收行業的發展，尤其是「十二五規劃」內所述的最新中國政府政策。我們有信心我們目前的地位及業務策略將使本集團未來受惠於有關政策。我們相信中國金屬再生行業將會繼續增長，並於可見未來成為中國金屬資源供應鏈的重要來源及部分。

我們亦深信建立可持續發展及對環境負責任的業務至為重要，而金屬再生行業正位處最前線，於確保未來以可持續發展及對環境負責任的方式生產及供應黑色及有色金屬方面扮演重要角色。金屬再生對環境保護及保存珍貴天然資源，包括於原生金屬生產過程中大量使用的能源方面有著重大貢獻。基於上述的重要信念，我們於未來持續專注於大幅增加採購及加工量以滿足於中國對廢舊原材料的正在急速上升的需求。我們深信我們有能力立足於正快速增長的行業以可持續發展及對環境負責任的方式為股東帶來良好的回報。

中期業績

董事會欣然呈列本集團截至二零一一年六月三十日止六個月之未經審核簡明綜合業績，連同二零一零年同期之比較數字。該業績已由香港執業會計師—德勤•關黃陳方會計師行根據香港會計師公會頒布的《香港審閱工作準則》第2410號「獨立核數師對中期財務資料的審閱」進行審閱，並經審核委員會審閱，且無不同意見。

方安空

主席

香港，二零一一年八月十七日



Management Discussion and Analysis

管理層討論及分析

Business Review and Outlook

With improved market conditions in the PRC, the Group continued to record strong growth in revenue and exceptional overall profitability for the period as compared to 2010. During the period, the Group's revenue increased from HK\$2.4 billion in the same period of 2010 to HK\$4.5 billion, this represents an increase of 85.1% over the same period last year. As for the net profit, the Group achieved a net profit of HK\$305.3 million representing a net profit margin of 6.7%, compared to the net profit of HK\$156.9 million recorded in the same period last year. This represents an overall increase of net profit by 94.6%.

With the relatively stable pricing environment of world metal prices experienced in the period, the Group continued to increase procurement volume to cater for its processing needs through its well established overseas procurement network. During the period, the Group sold over 370,000 tonnes of its processed products within its three business segments combined. This represents an increase of 60.9% when compared with just over 230,000 tonnes in the same period of 2010.

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In April 2011, the Company successfully placed 60,000,000 new ordinary shares to not less than six Placees at the placing price of HK\$6.6 per share. The net proceeds of approximately HK\$385.7 million were raised and were used for general working capital of the Group. The placing exercise was completed with 2 times oversubscribed by a number of reputable Placees.

業務回顧及展望

隨著中國的市場狀況持續改善，相比二零一零年，本集團於期內繼續錄得強勁的收益增長，並顯示超卓的整體盈利能力。期內，本集團的收益由二零一零年同期的2,400,000,000港元增至4,500,000,000港元，較去年同期增長85.1%。在純利方面，本集團純利由上年同期的156,900,000港元增長至305,300,000港元，純利率為6.7%，純利整體增長94.6%。

由於期內全球金屬價格的定價環境相對穩定，本集團透過其完善的海外採購網絡繼續增加採購量以應付加工所需。期內，本集團合共售出旗下三個業務分部的加工產品超過370,000噸，而二零一零年同期則僅超過230,000噸，增幅達60.9%。

期內，本集團秉承一貫做法，根據自身的加工能力，買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

每股基本盈利為0.30港元，較二零一零年同期的0.21港元上升42.9%。

於二零一一年四月，本公司成功向不少於六名承配人以每股6.6港元之配售價配售60,000,000股新普通股份。籌集之所得款項淨額約為385,700,000港元，用作本集團之一般營運資本。配售於若干具聲譽的承配人超額認購兩倍的情況下完成。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Business Review and Outlook (continued)

With regard to our joint venture operations established in Hong Kong and Shanghai at the end of 2010, both facilities are in their early phase of development with expected annual processing capacities in 2011 reaching approximately 150,000 tonnes of ferrous and non-ferrous scrap metals and 300,000 tonnes of ferrous scrap metal in Hong Kong and Shanghai respectively. As for the Hong Kong joint venture, we plan to build an advance recycling facility capable of handling more diverse scrap materials. As for our main facilities in both Taizhou and Ningbo, their capacities are expected to increase to 630,000 tonnes and 210,000 tonnes by the end of this year for Taizhou and Ningbo respectively. For the second half of 2011, management expects continuing growth in both volume and profitability.

With regard to the developments of the possible joint venture operations in Beijing and Tianjin, the due diligence work for Beijing takes longer than expected and is at its final stage, and the outcome of which will give rise to a decision whether to proceed or not in the next few months. As for Tianjin, a joint venture company has just been established and operation will start in the second half of this year. Management expects that contribution from the Tianjin operation will be minimal for the remaining part of this year.

As announced on 11 August 2011, the Company entered into an investment agreement with Yantai Economic and Technological Development Zone Administration Committee (“Yantai Committee”) for the purpose of developing and operating an integrated processing facility for recycling, processing and sales of imported mixed metal scrap in Yantai (the “Project”). The Project is expected to have an annual processing capacity of 500,000 tonnes. The total investment of the Project is US\$99,980,000 (equivalent to approximately HK\$779,844,000).

Moving forward, the Group continues to increase purchase of raw materials, to further enhance the existing procurement network and to develop the current capabilities of our existing facilities. In addition, the management continues to actively look for potential opportunities including merger and acquisition opportunities to enhance the development of the Group. We have not identified any targets to enter into any such transactions to date.

業務回顧及展望(續)

就於二零一零年末在香港及上海成立之合資企業營運而言，於香港及上海的設施正處於發展初段，預期於二零一一年之加工年產量分別達約150,000噸黑色廢金屬及有色廢金屬及300,000噸黑色廢金屬。至於香港合資企業方面，我們計劃興建可處理各類廢料的先進回收設施。而在台州及寧波的主要設施方面，預期台州及寧波的產量於年末可分別增加至630,000噸及210,000噸。管理層預期二零一一年下半年度，產量及盈利能力將持續增長。

在北京及天津的潛在合資企業營運的發展方面，北京的盡職調查工作比預期需要更多時間並處於最後階段，於未來數月內將可憑其結果決定是否繼續進行。在天津方面，合資公司剛成立及將於本年下半年度開始營運。管理層預期天津的營運於本年度餘下時間的貢獻有限。

誠如日期為二零一一年八月十一日之公告所述，本公司與煙台經濟技術開發區管理委員會（「煙台管委會」）訂立投資協議，以於煙台開發及營運回收、加工及銷售進口混合廢金屬之綜合加工工廠（「該項目」）。該項目每年產能預期為500,000噸。該項目總投資額為99,980,000美元（相等於約779,844,000港元）。

至於未來的發展，本集團持續增購原材料，並進一步加強現有採購網絡及提升本集團現有設施的能力。此外，管理層繼續積極尋求併購及收購等潛在機遇，以促進本集團的發展。至今，我們仍未物色任何目標以訂立任何該等交易。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Business Review and Outlook (continued)

With encouraging signs indicating the world economy is gradually recovering, and the increasing support from the PRC Government to develop the recycling industry, especially with reference to the latest PRC Government policies stated in its “12th Five-Year Plan”, we are confident that our current position and business strategy will allow the Group to be benefited in such policies going forward. We believe the metal recycling industry in the PRC will continue to grow and will become an important source and an integral part of the metal resource supply chain of the PRC in the foreseeable future.

We also strongly believe in the importance of building a sustainable and environmentally responsible business. The metal recycling industry is in the forefront and plays a vital role in ensuring that the future production and supply of ferrous and non-ferrous metals are conducted in a sustainable and environmentally responsible manner. Metal recycling contributes significantly to the protection of the environment and to the preservation of valuable natural resources, including the use of energy, which are consumed in large quantities during primary metal production processes. On the basis of the above stated fundamental belief, we continued focusing on increasing our procurement and processing volumes substantially in the future to cater for the rapidly increasing demand for scrap raw materials in the PRC. We strongly believe in our ability to capitalise on a rapidly growing industry and to achieve good returns to Shareholders in a sustainable and environmentally responsible manner.

The management also believes that the metal recycling industry plays a vital role in the production and the supply of ferrous and non-ferrous metals. It contributes significantly to the protection of the environment and to the preservation of valuable natural resources, including energy, which are consumed in large quantities during primary metal production processes. With this in mind and in accordance with our expansion strategy, the Group is aiming to procure 55,000 to 65,000 tonnes of mixed metal scrap materials a month to cater for its processing needs. Such purchase volume is expected to increase as the Group continues to expand. The management will continue making efforts to capitalize on such direction in achieving satisfactory returns to the Shareholders.

業務回顧及展望(續)

鑑於有令人鼓舞的跡象顯示全球經濟正逐步復甦，加上中國政府不斷支持回收行業的發展，尤其是「十二五規劃」內所述的最新中國政府政策，我們有信心我們目前的地位及業務策略將使本集團未來受惠於有關政策。我們相信中國金屬再生行業將會繼續增長，並於可見未來成為中國金屬資源供應鏈的重要來源及部分。

我們亦深信建立可持續發展及對環境負責任的業務至為重要，而金屬再生行業正位處最前線，於確保未來以可持續發展及對環境負責任的方式生產及供應黑色及有色金屬方面扮演重要角色。金屬再生對環境保護及保存珍貴天然資源，包括於原生金屬生產過程中大量使用的能源方面有著重大貢獻。基於上述的重要信念，我們於未來持續專注於大幅增加採購及加工量以滿足於中國對廢舊原材料的正在急速上升的需求。我們深信我們有能力立足於正快速增長的行業以可持續發展及對環境負責任的方式為股東帶來良好的回報。

此外，管理層亦相信，金屬再生行業於黑色及有色金屬生產及供應方面擔當重要角色，對環境保護及保存珍貴天然資源有重大貢獻，包括保存原生金屬生產過程大量使用的能源。有鑑於此，並根據本公司的擴充策略，本集團的目標是每月採購55,000至65,000噸混合廢金屬原料，以應付加工所需。預期上述採購量將會隨著本公司的不斷擴充而相應增加。管理層將繼續利用上述策略，致力為股東爭取理想回報。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Financial Review

Revenue

During the period, revenue increased by approximately HK\$2.1 billion, or 85.1%, from HK\$2.4 billion in the same period in 2010 to HK\$4.5 billion in this period. The increase was mainly contributed by an increase in sales volume as well as average selling prices for our Recycled Metal Products and Foundry Products.

Cost of sales

Cost of sales increased by approximately HK\$1.9 billion, or 87.8%, from HK\$2.2 billion in the same period last year to HK\$4.1 billion in this period. Cost of sales increased in line with the increase of the Group's revenue and primarily due to an increase in sales volume and in the average purchase prices relating to the Group's raw materials.

Gross profit and gross profit margin

Our gross profit increased by approximately HK\$176.5 million, or 63.9%, from HK\$276.2 million in the same period last year to HK\$452.7 million in this period. The increase in gross profit was mainly contributed by the increase in sales revenue.

The overall gross profit margin decreased from 11.3% in the same period last year to 10.0% in this period. The decrease was mainly due to the proportion difference in sales mix.

Distribution and selling expenses

Distribution and selling expenses increased by approximately HK\$4.4 million, or 258.8%, from HK\$1.7 million in the same period last year to HK\$6.1 million in this period. This was mainly due to increase in sales volume especially wholesales segment and also the enlargement of the sales department.

General and administrative expenses

General and administrative expenses increased by approximately HK\$52.1 million, or 292.7%, from HK\$17.8 million in the same period last year to HK\$69.9 million in this period. This was mainly due to additional expenses for professional and consultancy fees, share option expense incurred and increase in salaries and allowances during this period.

財務回顧

收益

期內收益增加約2,100,000,000港元或85.1%，由二零一零年同期的2,400,000,000港元增至本期間的4,500,000,000港元，主要是由於再生金屬產品及鑄造產品的銷量及平均售價均告上升所致。

銷售成本

銷售成本增加約1,900,000,000港元或87.8%，由去年同期的2,200,000,000港元增至本期間的4,100,000,000港元。銷售成本的增幅與本集團收益的增幅一致，主要是由於銷量增加及本集團的原材料平均採購價上升所致。

毛利及毛利率

毛利增加約176,500,000港元或63.9%，由去年同期的276,200,000港元增至本期間的452,700,000港元。毛利增加主要由於銷售收益上升所致。

整體毛利率由去年同期的11.3%下跌至本期間的10.0%。有關下跌主要由於銷售組合比例上的差異所致。

分銷及銷售開支

分銷及銷售開支增加約4,400,000港元或258.8%，由去年同期的1,700,000港元增至本期間的6,100,000港元，主要由於銷量增加(尤其是批發分部)及銷售部門擴展所致。

一般及行政開支

一般及行政開支增加約52,100,000港元或292.7%，由去年同期的17,800,000港元增至本期間的69,900,000港元，額外開支主要來自期內所產生的專業及顧問費用、購股權開支及薪金及津貼增加。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Financial Review (continued)

Other income

Other income increased by approximately HK\$1.3 million, or 24.5%, from HK\$5.3 million in the same period last year to HK\$6.6 million in this period. This was mainly due to increase in interest income during the period.

Other gains and losses

Other gains increased by approximately HK\$58.3 million, or 896.9%, from HK\$6.5 million in the same period last year to HK\$64.8 million in this period. This was mainly due to the significant exchange gain incurred during the period and the increasing position in the commodities derivative.

Other expenses

Other expenses decreased by approximately HK\$24.5 million mainly due to one-off listing expenses incurred in the same period last year.

Finance costs

Finance costs increased by approximately HK\$16.0 million, or 85.1%, from HK\$18.8 million in the same period last year to HK\$34.8 million in this period. This was mainly due to the increasing in bank borrowings during the period.

Profit for the period and net profit margin

As a result of the factors discussed above, the net profit for the period increased by approximately HK\$148.4 million, or 94.6%, from HK\$156.9 million in the same period last year to HK\$305.3 million in this period. The increase was mainly due to increase in sales coupled with additional gains in foreign exchange and hedging positions in the commodities derivative market in this period.

財務回顧(續)

其他收入

其他收入增加約1,300,000港元或24.5%，由去年同期的5,300,000港元增至本期間的6,600,000港元，主要是由於期內利息收入增加所致。

其他收益及虧損

其他收益增加約58,300,000港元或896.9%，由去年同期的6,500,000港元增至本期間的64,800,000港元，主要是由於期內產生巨額匯兌收益及增加商品衍生工具的持倉所致。

其他開支

其他開支減少約24,500,000港元，主要是由於去年同期產生的一次性上市開支所致。

財務成本

財務成本增加約16,000,000港元或85.1%，由去年同期的18,800,000港元增至本期間的34,800,000港元，主要由於期內銀行借貸增加所致。

期內溢利及純利率

基於上述因素，期內純利增加約148,400,000港元或94.6%，由去年同期的156,900,000港元增至本期間的305,300,000港元，有關增幅主要是由於本期間的銷售增加連同外匯及於商品衍生工具市場作對沖持倉的額外收益所致。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Financial Review (continued)

Key Financial Ratios

The following table sets forth certain of our financial ratios as of the date for the periods indicated:

財務回顧(續)

關鍵財務比率

下表載列於所示期間日期本公司的若干財務比率：

| | | At 30 June 2011 於二零一一年 六月三十日 | At 31 December 2010 於二零一零年 十二月三十一日 |
|--------------------------|---------------|--|--|
| Liquidity Ratios | 流動資金比率 | | |
| Current ratio | 流動比率 | 1.62 | 1.75 |
| Quick ratio | 速動比率 | 0.57 | 0.54 |
| Gearing ratio (%) | 資產負債比率(%) | 45.7 | 41.8 |
| | | | |
| | | Six months ended 30 June 截至六月三十日止六個月 | |
| | | 2011 二零一一年 | 2010 二零一零年 |
| Inventory turnover days | 存貨周轉日數 | 127 | 120 |
| Debtor's turnover days | 應收賬周轉日數 | 6 | 4 |
| Creditor's turnover days | 應付賬周轉日數 | 8 | 8 |



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Financial Review (continued)

Liquidity and Financial Resources and Capital Structure

Included in net current assets were cash and various bank deposits totaling HK\$1.2 billion (31 December 2010: HK\$0.6 billion). Total bank borrowings were HK\$2.5 billion (31 December 2010: HK\$1.5 billion), and these were mainly used to finance the purchases of mixed metal scrap from overseas. Such borrowings are mainly denominated in US Dollar and Renminbi.

The gearing ratio of the Group as at 30 June 2011 was 45.7% (31 December 2010: 41.8%). The increase was mainly due to increase in bank borrowings during the period.

Debtor's turnover days increased to 6 days for this period from 4 days for the same period in 2010. Creditor's turnover days for this period remained at 8 days.

Inventory turnover days slightly increased to 127 days for this period as compared to 120 days for the same period in 2010.

Capital Commitments and Contingent Liabilities

As at 30 June 2011, the Group had pledged certain buildings, land use rights and bank deposits with an aggregate carrying value of approximately HK\$1,047.8 million (31 December 2010: approximately HK\$491.5 million) to secure bank borrowings.

As at 30 June 2011, the Group had capital commitments in respect of acquisition of property, plant and equipment but not provided for in the condensed consolidated financial statements amounted to HK\$24.0 million (31 December 2010: HK\$10.4 million).

As at the date of this report, the Board is not aware of any material contingent liabilities.

財務回顧(續)

流動資金及財務資源及資本架構

包括於流動資產淨值中為現金及多項銀行存款共1,200,000,000港元(二零一零年十二月三十一日: 600,000,000港元)。銀行借貸總額為2,500,000,000港元(二零一零年十二月三十一日: 1,500,000,000港元), 主要用於為向海外採購混合廢金屬提供資金。該等借貸主要以美元及人民幣計值。

本集團於二零一一年六月三十日的資產負債比率為45.7%(二零一零年十二月三十一日: 41.8%), 有關增幅主要由於期內銀行借貸增加所致。

應收賬周轉日數由二零一零年同期的4日增加至本期間的6日。本期間的應付賬周轉日數仍為8日。

存貨周轉日數由二零一零年同期的120日輕微增加至本期間的127日。

資本承擔及或然負債

於二零一一年六月三十日, 本集團抵押賬面總值約1,047,800,000港元的若干樓宇、土地使用權及銀行存款(二零一零年十二月三十一日: 約491,500,000港元), 以為銀行借貸作擔保。

於二零一一年六月三十日, 本集團有關收購物業、廠房及設備但並無於簡明綜合財務報表計提的資本承擔為24,000,000港元(二零一零年十二月三十一日: 10,400,000港元)。

截至本報告日期, 就董事會所知, 概無任何重大或然負債。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Financial Review (continued)

Risk Management

The Group in its ordinary course of business is exposed to market risk such as commodities price risk, foreign currencies risk, interest rate risk, credit risk and liquidity risk. The Group's risk management strategy aims to minimize the adverse effects of these risks on its financial performance.

With the establishment of the Pricing Committee, a new formal hedging policy took effect on 23 June 2010 which aimed to enhance the Group's risk management of commodity price fluctuations.

As part of its foreign currency hedging strategy, the Group bought US Dollar forward contracts since the second half of 2009 primarily to mitigate our exposure to fluctuation of the exchange rate between US Dollar and Renminbi whilst taking advantage of the favourable forward contract exchange rates. The Group will continue to adhere to this hedging strategy so long as the forward contracts rate justifies it.

With the current interest rates staying at relatively low levels, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instrument. However, the Group continues to monitor its related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

As for credit risk, the Group continues to follow the trade practices of cash on collection from sales of all of its Metal Recycling Products in order to minimize the carrying amounts of the financial assets in the Group's financial statements. In addition, the Group will continue to monitor closely the trade debtors for the Foundry business to minimize potential impairment losses.

With the liquidity risk, the Group will continue maintaining a balance between continuity of funding and the flexibility through the use of bank borrowings.

財務回顧(續)

風險管理

在日常業務過程中，本集團面對的市場風險包括商品價格風險、外匯風險、利率風險、信貸風險及流動資金風險等。本集團的風險管理策略旨在減低該等風險對本集團財務表現的不利影響。

成立定價委員會後，本集團新訂的正式對沖政策自二零一零年六月二十三日起生效，旨在提升本集團對商品價格波動的風險管理。

根據本集團的外幣對沖策略，本集團於二零零九年下半年購入美元遠期合約，主要用於減低美元與人民幣匯率波動的風險，同時受惠於有利的遠期合約匯率。在遠期合約匯率證實為有利的情況下，本集團將會繼續依循此對沖策略。

由於現行利率處於相對較低水平，故本集團並無訂立任何利率對沖合約或任何其他利率相關衍生金融工具。然而，本集團將繼續密切監察其所面對的相關利率風險，有需要時會考慮對沖重大利率風險。

信貸風險方面，本集團所有金屬再生產品的銷售交易一直奉行貨到付現的貿易慣例，旨在減低集團財務報表中的金融資產賬面值。此外，本集團亦將繼續密切監察鑄造業務的應收賬情況，以減低潛在減值虧損。

至於流動資金風險方面，本集團將繼續透過利用銀行借貸，在持續獲取資金與保持靈活程度之間維持平衡。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Financial Review (continued)

Employees

As at 30 June 2011, the Group had a workforce of 583 employees. In addition, the Group engaged approximately 4,200 separation and selection workers through local contractors. The Group has not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past and it has not experienced any significant difficulties in recruiting and retaining qualified staff. The Group continues to maintain good relationships with its employees.

Investor Relations

The Group considers that investor relations are important to a listed company. Maintaining good relationships with investors and keeping them up-to-date on latest corporate communications and business development in a timely fashion would enhance transparency and strengthen corporate governance of the Group. With the support of the Board, Mr. Gu Liyong, an Executive Director of the Company, has been assigned to take responsibility for all matters relating to investor relations of the Company and the Group.

Going forward, we will make special effort to keep our investors abreast of the corporate and business development, and to introduce the Group's strengths and strategies in order to gain support and recognition from them and also the market in general.

財務回顧(續)

僱員

於二零一一年六月三十日，本集團共有583名僱員。此外，本集團透過當地工頭僱用約4,200名拆解及選料工人。本集團過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛，在招聘及挽留合資格僱員方面亦無遇到重大困難。本集團與僱員一直維持良好的關係。

投資者關係

本集團認為，投資者關係對上市公司十分重要。與投資者建立良好的關係，並適時為投資者更新公司資訊及業務發展，將能提高本集團的透明度及加強企業管治。在董事會的全力支持下，本公司執行董事顧李勇先生已獲委派專責處理本公司及本集團的所有投資者關係相關事宜。

展望將來，本公司將作出更大努力，讓投資者了解公司及業務發展情況，並向投資者講解本集團的實力及策略，藉以贏取投資者及整體市場的支持及認同。

Disclosure of Interests

權益披露

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation

As at 30 June 2011, the Directors and chief executives of the Company and their associates had the following interests in the shares and underlying shares of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, or were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO:

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一一年六月三十日，本公司董事及主要行政人員及彼等的聯繫人擁有根據《證券及期貨條例》（「證券及期貨條例」）第XV部第7及第8分部、或根據上市發行人董事證券交易標準守則、或須記入根據證券及期貨條例第352條所載本公司存置之登記冊，須知會本公司及香港聯合交易所有限公司（「聯交所」）之本公司及其相聯法團（具有證券及期貨條例第XV部賦予之涵義）之股份及相關股份之權益（包括根據證券及期貨條例有關條文彼等所擁有或被視作擁有之權益及淡倉）如下：

| Name of Director 董事姓名 | Capacity/Nature of Interest 身份／權益性質 | Number of issued shares 已發行股份數目 | Number of underlying shares (in respect of share options) 相關股份 (有關購股權) 數目 | Approximate percentage of total number of shareholdings 佔全部股權的 概約百分比 |
|--|---|---------------------------------------|--|---|
| Mr. Fang Ankong 方安空先生 | Interest in controlled corporation 於受控制法團之權益 | 406,528,000 (Note 1) (附註1) | — | 38.34% |
| | Beneficial owner 實益擁有人 | 8,626,000 | 20,000,000 (Note 2) (附註2) | 2.70% |
| Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen先生 | Interest in controlled corporation 於受控制法團之權益 | 405,000,000 (Note 3) (附註3) | — | 38.20% |
| | Beneficial owner 實益擁有人 | — | 2,000,000 (Note 4) (附註4) | 0.19% |

Disclosure of Interests (continued)

權益披露 (續)

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation (continued)

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉 (續)

| Name of Director 董事姓名 | Capacity/Nature of Interest 身份/權益性質 | Number of issued shares 已發行股份數目 | Number of underlying shares (in respect of share options) 相關股份 (有關購股權) 數目 | Approximate percentage of total number of shareholdings 佔全部股權的 概約百分比 |
|---|--|---------------------------------------|--|---|
| Mr. Gu Liyong 顧李勇先生 | Beneficial owner 實益擁有人 | – | 1,300,000 (Note 5) (附註5) | 0.12% |
| Mr. Ralph Sytze Ybema Ralph Sytze Ybema 先生 | Beneficial owner 實益擁有人 | – | 150,000 (Note 6) (附註6) | 0.01% |
| Dr. Loke Yu 陸海林博士 | Beneficial owner 實益擁有人 | – | 150,000 (Note 7) (附註7) | 0.01% |
| Ms. Zhang Jingdong 章敬東女士 | Beneficial owner 實益擁有人 | – | 150,000 (Note 8) (附註8) | 0.01% |
| Mr. Li Xikui 李錫奎先生 | Beneficial owner 實益擁有人 | – | 150,000 (Note 9) (附註9) | 0.01% |

Disclosure of Interests (continued)

權益披露 (續)

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation (continued)

Notes:

- 346,528,000 shares are directly held by HWH Holdings Limited ("HWH") which is wholly owned by Mr. Fang Ankong ("Mr. Fang"). Green Elite Limited ("Green Elite") holds 60,000,000 shares in the Company and is equally owned by HWH and Delco Participation B.V. ("Delco"). Therefore, Mr. Fang is deemed to have interest of 406,528,000 shares in the Company.
- Mr. Fang was granted options under the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme to subscribe for 20,000,000 shares of the Company.
- 345,000,000 shares are directly held by Delco. Green Elite holds 60,000,000 shares in the Company and is equally owned by HWH and Delco. Delco is equally owned by SVO Company B.V. ("SVO") (which is wholly owned by Mr. Stephanus Maria van Ooijen ("Mr. van Ooijen")) and H.P.L. Metals B.V. ("HPL") (which is wholly owned by Stichting Beheer Aandelen H.P.L. Metals, a foundation for the sole benefit of Mr. Herman Maurits de Leeuw). Therefore, Mr. van Ooijen is deemed to have interest of 405,000,000 shares in the Company.
- Mr. van Ooijen was granted options under the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme to subscribe for 2,000,000 shares of the Company.
- Mr. Gu Liyong was granted option under the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme to subscribe for 1,300,000 shares of the Company.
- Mr. Ralph Sytze Ybema was granted option under the Post-IPO Share Option Scheme to subscribe for 150,000 shares of the Company.
- Dr. Loke Yu was granted option under the Post-IPO Share Option Scheme to subscribe for 150,000 shares of the Company.
- Ms. Zhang Jingdong was granted option under the Post-IPO Share Option Scheme to subscribe for 150,000 shares of the Company.
- Mr. Li Xikui was granted option under the Post-IPO Share Option Scheme to subscribe for 150,000 shares of the Company.

Saved as disclosed above, none of the Directors and chief executives of the Company or any of their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation as at 30 June 2011.

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉 (續)

附註：

- 346,528,000 股股份由方安空先生(「方先生」)全資擁有之 HWH Holdings Limited(「HWH」)直接持有。Green Elite Limited(「Green Elite」)持有本公司 60,000,000 股股份，而 Green Elite 由 HWH 及 Delco Participation B.V.(「Delco」)平均擁有。因此方先生被視為擁有本公司 406,528,000 股股份之權益。
- 方先生根據首次公開發售前購股權計劃及首次公開發售後購股權計劃獲授予購股權認購本公司 20,000,000 股股份。
- 345,000,000 股股份由 Delco 直接持有。Green Elite 持有本公司 60,000,000 股股份，而 Green Elite 由 HWH 及 Delco 平均擁有。Delco 由 Stephanus Maria van Ooijen 先生(「van Ooijen 先生」)全資擁有之 SVO Company B.V.(「SVO」)及 Stichting Beheer Aandelen H.P.L. Metals(由 Herman Maurits de Leeuw 先生獨資擁有的基金)全資擁有之 H.P.L. Metals B.V.(「HPL」)平均擁有。因此 van Ooijen 先生被視為擁有本公司 405,000,000 股股份之權益。
- van Ooijen 先生根據首次公開發售前購股權計劃及首次公開發售後購股權計劃獲授予購股權認購本公司 2,000,000 股股份。
- 顧李勇先生根據首次公開發售前購股權計劃及首次公開發售後購股權計劃獲授予購股權認購本公司 1,300,000 股股份。
- Ralph Sytze Ybema 先生根據首次公開發售後購股權計劃獲授予購股權認購本公司 150,000 股股份。
- 陸海林博士根據首次公開發售後購股權計劃獲授予購股權認購本公司 150,000 股股份。
- 章敬東女士根據首次公開發售後購股權計劃獲授予購股權認購本公司 150,000 股股份。
- 李錫奎先生根據首次公開發售後購股權計劃獲授予購股權認購本公司 150,000 股股份。

除上文所披露外，於二零一一年六月三十日，本公司董事及主要行政人員或彼等的聯繫人概無在本公司或任何相聯法團的股份、相關股份或債券中擁有權益或淡倉。

Disclosure of Interests (continued)

權益披露(續)

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation

As at 30 June 2011, other than the Directors and chief executives of the Company had interests in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, the following persons had interests or short positions in the shares or underlying shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or otherwise notified to the Company and the Stock Exchange:

主要股東於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一一年六月三十日，以下人士(並非於根據證券及期貨條例第336條存置之登記冊所載於本公司之股份及相關股份中擁有權益之本公司董事及主要行政人員)於本公司股份及相關股份中根據證券及期貨條例第XV部份第2及3分部之條文，或根據證券及期貨條例第336條記錄於本公司存置之登記冊或在其他情況下須知會本公司及聯交所擁有之權益或淡倉：

| Name 名稱 | Capacity/Nature of Interest 身份/權益性質 | Number of shares of the Company held 所持本公司股份數目 | Approximate percentage of shareholdings 概約持股百分比 |
|---|---|---|--|
| HWH Holdings Limited (Note 1) HWH Holdings Limited (附註1) | Beneficial owner, interest in controlled corporation 實益擁有人、於受控制法團之權益 | 406,528,000 (L) | 38.34% |
| Delco Participation B.V. (Note 2) Delco Participation B.V. (附註2) | Beneficial owner, interest in controlled corporation 實益擁有人、於受控制法團之權益 | 405,000,000 (L) | 38.20% |
| Herman Maurits de Leeuw (Note 2) Herman Maurits de Leeuw (附註2) | Interest in controlled corporation 於受控制法團之權益 | 405,000,000 (L) | 38.20% |
| H.P.L. Metals B.V. (Note 2) H.P.L. Metals B.V. (附註2) | Interest in controlled corporation 於受控制法團之權益 | 405,000,000 (L) | 38.20% |
| Stichting Beheer Aandelen H.P.L. Metals (Note 2) Stichting Beheer Aandelen H.P.L. Metals (附註2) | Interest in controlled corporation 於受控制法團之權益 | 405,000,000 (L) | 38.20% |
| SVO Company B.V. (Note 2) SVO Company B.V. (附註2) | Interest in controlled corporation 於受控制法團之權益 | 405,000,000 (L) | 38.20% |
| Green Elite Limited (Note 3) Green Elite Limited (附註3) | Beneficial owner 實益擁有人 | 60,000,000 (L) | 5.66% |

The Letter "L" denotes a long position.

[L] 字母代表本公司之好倉。



Disclosure of Interests (continued)

權益披露 (續)

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation (continued)

Notes:

1. 346,528,000 shares are directly held by HWH Holdings Limited ("HWH") which is wholly owned by Mr. Fang Ankong ("Mr. Fang"). Green Elite Limited ("Green Elite") holds 60,000,000 shares in the Company and is equally owned by HWH and Delco Participation B.V. ("Delco").
2. 345,000,000 shares are directly held by Delco. Green Elite holds 60,000,000 shares in the Company and is equally owned by HWH and Delco. Delco is equally owned by SVO Company B.V. ("SVO") (which is wholly owned by Mr. Stephanus Maria van Ooijen ("Mr. van Ooijen")) and H.P.L. Metals B.V. ("HPL") (which is wholly owned by Stichting Beheer Aandelen H.P.L. Metals, a foundation for the sole benefit of Mr. Herman Maurits de Leeuw). Therefore, Delco, Mr. Herman Maurits de Leeuw, HPL, Stichting Beheer Aandelen H.P.L. Metals and SVO are deemed to have interest of 405,000,000 shares in the Company.
3. 60,000,000 shares are directly held by Green Elite and Green Elite is equally owned by HWH and Delco.

Save as disclosed above, the Directors and chief executives of the Company are not aware that there is any party who, as at 30 June 2011, had an interest or short position in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉 (續)

附註：

1. 346,528,000 股股份由方安空先生(「方先生」)全資擁有之 HWH Holdings Limited(「HWH」)直接持有。Green Elite Limited(「Green Elite」)持有本公司 60,000,000 股股份，而 Green Elite 由 HWH 及 Delco Participation B.V.(「Delco」)平均擁有。
2. 345,000,000 股股份由 Delco 直接持有。Green Elite 持有本公司 60,000,000 股股份，而 Green Elite 由 HWH 及 Delco 平均擁有。Delco 由 Stephanus Maria van Ooijen 先生(「van Ooijen 先生」)全資擁有之 SVO Company B.V.(「SVO」)及 Stichting Beheer Aandelen H.P.L. Metals(由 Herman Maurits de Leeuw 先生獨資擁有的基金)全資擁有之 H.P.L. Metals B.V.(「HPL」)平均擁有。因此 Delco、Herman Maurits de Leeuw 先生、HPL、Stichting Beheer Aandelen H.P.L. Metals 及 SVO 被視為擁有本公司 405,000,000 股股份之權益。
3. 60,000,000 股股份由 Green Elite 直接持有，而 Green Elite 由 HWH 及 Delco 平均擁有。

除上文所披露外，於二零一一年六月三十日，本公司董事及主要行政人員並不知悉任何人士根據證券及期貨條例第 336 條所存置登記冊中所載於本公司股份及相關股份中擁有權益或淡倉。

Disclosure of Interests (continued)

權益披露 (續)

Share Option Scheme

The Company has two share option schemes namely, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme which were adopted on 23 June 2010.

購股權計劃

本公司於二零一零年六月二十三日採納兩項購股權計劃，即首次公開發售前購股權計劃及首次公開發售後購股權計劃。

(a) Pre-IPO Share Option Scheme

As at 30 June 2011, details of the share option granted under the Pre-IPO Share Option Scheme are as follows:

(a) 首次公開發售前購股權計劃

於二零一一年六月三十日，根據首次公開發售前購股權計劃所授出的購股權詳情如下：

| Grantees 承授人 | Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1) | Exercise price per share (HK\$) 每股行使價 (港元) (附註1) | Exercisable period (dd/mm/yyyy) (Note 2) 行使期 (日/月/年) (附註2) | Number of shares subject to outstanding options as at 1 January 2011 於二零一一年一月一日尚未行使之購股權涉及之股份數目 | Number of options granted during the period 期內授出購股權數目 | Number of options exercised during the period 期內行使購股權數目 | Number of options lapsed during the period 期內失效購股權數目 | Number of shares subject to outstanding options as at 30 June 2011 於二零一一年六月三十日尚未行使之購股權涉及之股份數目 | Approximate percentage of total shareholdings 佔全部股權的概約百分比 |
|--|---|--|---|---|--|--|---|--|--|
| | | | | | | | | | |
| (i) Directors 董事 | | | | | | | | | |
| Mr. Fang Ankong 方安空先生 | 23/06/2010 二零一零年六月二十三日 | 2.43 | 12/07/2011 – 12/07/2014 二零一一年七月十二日至二零一四年七月十二日 | 3,500,000 | 0 | 0 | 0 | 3,500,000 | 0.33% |
| Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen先生 | 23/06/2010 二零一零年六月二十三日 | 2.43 | 12/07/2011 – 12/07/2014 二零一一年七月十二日至二零一四年七月十二日 | 1,000,000 | 0 | 0 | 0 | 1,000,000 | 0.09% |
| Mr. Gu Lijong 顧李勇先生 | 23/06/2010 二零一零年六月二十三日 | 2.43 | 12/07/2011 – 12/07/2014 二零一一年七月十二日至二零一四年七月十二日 | 425,000 | 0 | 0 | 0 | 425,000 | 0.04% |
| (ii) Employees 僱員 | | | | | | | | | |
| | 23/06/2010 二零一零年六月二十三日 | 2.43 | 12/07/2011 – 12/07/2014 二零一一年七月十二日至二零一四年七月十二日 | 7,215,000 | 0 | 0 | 0 | 7,215,000 | 0.68% |
| Total 合計 | | | | 12,140,000 | | | | 12,140,000 | |

Disclosure of Interests (continued)

權益披露 (續)

Share Option Scheme (continued)

(a) Pre-IPO Share Option Scheme (continued)

Notes:

- (1) It was the date when the Company offered to the grantees the options under the Pre-IPO Share Option Scheme.
- (2) Each of the grantees to whom options have been conditionally granted under the Pre-IPO Share Option Scheme will be entitled to exercise:
 - (i) up to 30% of the total number of options granted at any time during the period commencing from the date of the first anniversary of the Listing Date to the date of the second anniversary of the Listing Date (both days inclusive);
 - (ii) up to 30% of the total number of options granted at any time during the period commencing from the date immediately following the date of the second anniversary of the Listing Date to the date of the third anniversary of the Listing Date (both days inclusive); and
 - (iii) up to 40% of the total number of options granted, at any time during the period commencing from the date immediately following the date of the third anniversary of the Listing Date to the date of the fourth anniversary of the Listing Date (both days inclusive).

(b) Post-IPO Share Option Scheme

As at 30 June 2011, details of the share option granted under the Post-IPO Share Option Scheme are as follows:

購股權計劃 (續)

(a) 首次公開發售前購股權計劃 (續)

附註：

- (1) 此為本公司根據首次公開發售前購股權計劃向承授人授出購股權的日期。
- (2) 根據首次公開發售前購股權計劃獲得有條件授予購股權的各承授人，將有權：
 - (i) 自上市日期獲授有關購股權後一週年之日起至第二週年當日止（包括首尾兩天在內），隨時行使所獲購股權認購相關股份總數不超過30%；
 - (ii) 自上市日期獲授有關購股權後第二週年之日起至第三週年當日止（包括首尾兩天在內），隨時行使所獲購股權認購相關股份總數不超過30%；及
 - (iii) 自上市日期獲授有關購股權後第三週年之日起至第四週年當日止（包括首尾兩天在內），隨時行使所獲購股權認購相關股份總數不超過40%。

(b) 首次公開發售後購股權計劃

於二零一一年六月三十日，根據首次公開發售後購股權計劃所授出的購股權詳情如下：

| Grantees 承授人 | Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1) | Exercise price per share (HK\$) 每股行使價 (港元) | Exercisable period (dd/mm/yyyy) (Note 2) 行使期 (日/月/年) (附註2) | Number of shares subject to outstanding options as at January 2011 於二零一一年一月一日尚未行使之購股權涉 及之股份數目 | Number of shares subject to outstanding options as at 30 June 2011 於二零一一年六月三十日尚未行使之購股權涉 及之股份數目 | | | Approximate percentage of total shareholdings 佔全部股權 的概約百分比 | |
|--|---|---|---|---|--|--|---|--|-------|
| | | | | | Number of options granted during the period 期內授出 購股權數目 | Number of options exercised during the period 期內行使 購股權數目 | Number of options lapsed during the period 期內失效 購股權數目 | | |
| (i) Directors 董事 | | | | | | | | | |
| Mr. Fang Ankong 方安空先生 | 03/05/2011 二零一一年 五月三日 | 6.388 | 03/05/2012 – 03/05/2015 二零一二年五月三日至 二零一五年五月三日 | 0 | 16,500,000 | 0 | 0 | 16,500,000 | 1.56% |
| Mr. Stephanus Maria van Ooijen Stephanus Maria Van Ooijen先生 | 03/05/2011 二零一一年 五月三日 | 6.388 | 03/05/2012 – 03/05/2015 二零一二年五月三日至 二零一五年五月三日 | 0 | 1,000,000 | 0 | 0 | 1,000,000 | 0.09% |

Disclosure of Interests (continued)

權益披露 (續)

Share Option Scheme (continued)

(b) Post-IPO Share Option Scheme (continued)

購股權計劃 (續)

(b) 首次公開發售後購股權計劃 (續)

| Grantees 承授人 | Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1) | Exercise price per share (HK\$) 每股行使價 (港元) | Exercisable period (dd/mm/yyyy) (Note 2) 行使期 (日/月/年) (附註2) | Number of shares subject to outstanding options as at 1 January 2011 於二零一一年一月一日尚未行使之購股權涉 及之股份數目 | Number of options granted during the period 期內授出 購股權數目 | Number of options exercised during the period 期內行使 購股權數目 | Number of options lapsed during the period 期內失效 購股權數目 | Number of shares subject to outstanding options as at 30 June 2011 於二零一一年六月三十日尚未行使之購股權涉 及之股份數目 | Approximate percentage of total shareholdings 佔全部股權 的概約百分比 |
|--|---|---|---|---|--|--|---|--|--|
| | Mr. Gu Liyong 顧李勇先生 | 03/05/2011 二零一一年 五月三日 | 6.388 | 03/05/2012 – 03/05/2015 二零一二年五月三日至 二零一五年五月三日 | 0 | 875,000 | 0 | 0 | 875,000 |
| Mr. Ralph Sytze Ybema Ralph Sytze Ybema先生 | 03/05/2011 二零一一年 五月三日 | 6.388 | 03/05/2012 – 03/05/2015 二零一二年五月三日至 二零一五年五月三日 | 0 | 150,000 | 0 | 0 | 150,000 | 0.01% |
| Dr. Loke Yu 陸海林博士 | 03/05/2011 二零一一年 五月三日 | 6.388 | 03/05/2012 – 03/05/2015 二零一二年五月三日至 二零一五年五月三日 | 0 | 150,000 | 0 | 0 | 150,000 | 0.01% |
| Ms. Zhang Jingdong 章敬東女士 | 03/05/2011 二零一一年 五月三日 | 6.388 | 03/05/2012 – 03/05/2015 二零一二年五月三日至 二零一五年五月三日 | 0 | 150,000 | 0 | 0 | 150,000 | 0.01% |
| Mr. Li Xikui 李錫奎先生 | 03/05/2011 二零一一年 五月三日 | 6.388 | 03/05/2012 – 03/05/2015 二零一二年五月三日至 二零一五年五月三日 | 0 | 150,000 | 0 | 0 | 150,000 | 0.01% |
| Total 合計 | | | | | 18,975,000 | | | 18,975,000 | |
| (ii) Employees 僱員 | 22/09/2010 二零一零年 九月二十二日 | 3.38 | 22/09/2011 – 22/09/2014 二零一一年九月二十二日至 二零一四年九月二十二日 | 3,770,000 | 3,770,000 | 0 | 50,000 | 3,720,000 | 0.35% |
| | 03/05/2011 二零一一年 五月三日 | 6.388 | 03/05/2012 – 03/05/2015 二零一二年五月三日至 二零一五年五月三日 | 0 | 12,520,000 | 0 | 30,000 | 12,490,000 | 1.18% |
| Total 合計 | | | | | 16,290,000 | | | 16,210,000 | |

Disclosure of Interests (continued)

權益披露 (續)

Share Option Scheme (continued)

(b) Post-IPO Share Option Scheme (continued)

Notes:

- (1) It was the date when the Company offered to the grantees the options under the Post-IPO Share Option Scheme.
- (2) Each of the grantees to whom options have been conditionally granted under the Post-IPO Share Option Scheme will be entitled to exercise:
 - (i) up to 30% of the total number of options granted at any time during the period commencing from the first anniversary of the Date of Grant to the date of the second anniversary of the Date of Grant (both days inclusive);
 - (ii) up to 30% of the total number of options granted at any time during the period commencing from the date immediately following the second anniversary of the Date of Grant to the date of the third anniversary of the Date of Grant (both days inclusive); and
 - (iii) up to 40% of the total number of options granted, at any time during the period commencing from the date immediately following the third anniversary of the Date of Grant to the date of the fourth anniversary of the Date of Grant (both days inclusive).

Saved as disclosed as above, no options were granted, cancelled or lapsed as at 30 June 2011. The consideration paid by each grantee for each grant of option is HK\$1.00.

購股權計劃 (續)

(b) 首次公開發售後購股權計劃 (續)

附註：

- (1) 此為本公司根據首次公開發售後購股權計劃向承授人授出購股權的日期。
- (2) 根據首次公開發售後購股權計劃獲得有條件授予購股權的各承授人，將有權：
 - (i) 自授出日期獲授有關購股權後一週年之日起至第二週年當日止（包括首尾兩天在內），隨時行使所獲購股權認購相關股份總數不超過30%；
 - (ii) 自授出日期獲授有關購股權後第二週年之日起至第三週年當日止（包括首尾兩天在內），隨時行使所獲購股權認購相關股份總數不超過30%；及
 - (iii) 自授出日期獲授有關購股權後第三週年之日起至第四週年當日止（包括首尾兩天在內），隨時行使所獲購股權認購相關股份總數不超過40%。

除上文所披露外，於二零一一年六月三十日並無購股權授出、註銷或失效。各承授人每次接納購股權時所付代價為1.00港元。



Corporate Governance and Other Information

企業管治及其他資料

Compliance With the Code on Corporate Governance Practices

Between 31 December 2010 and 30 June 2011, the Company adopted, applied and complied with the code provisions as set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) except the roles of the Chairman and Chief Executive Officer of the Company have not been segregated as required by the provision A.2.1 of the Code.

Mr. Fang Ankong is the Chairman and Chief Executive Officer of the Company. With extensive experience in the mixed metal scrap recycling business, Mr. Fang is responsible for the Group’s overall strategic planning and the management of our business. The Board considers that vesting the roles of Chairman and Chief Executive Officer in the same person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises three Executive Directors (including Mr. Fang), one Non-Executive Director and three Independent Non-Executive Directors and therefore has a fairly strong independence element in its composition.

Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period.

Compliance With the Model Code For Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as the guidelines for the Directors’ dealings in the securities of the Company. Upon specific enquiries of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the period in relation to their securities dealings, if any.

The Model Code has been extended to be applicable to senior management and relevant employees who likely possesses the non public price-sensitive information of the Company.

遵守企業管治常規守則

於二零一零年十二月三十一日至二零一一年六月三十日期間，本公司一直採用、應用及遵守香港聯合交易所有限公司之證券上市規則（「上市規則」）附錄十四的企業管治常規守則（「守則」）所載守則條文，惟本公司主席及行政總裁的職責並無根據守則條文A.2.1所要求予以區分除外。

方安空先生同時擔任本公司主席兼行政總裁。憑藉於混合廢金屬回收行業的豐富經驗，方先生負責本集團整體策略性規劃及業務管理。董事會認為由同一人出任主席兼行政總裁對本集團的業務前景及管理有利。由具豐富經驗及卓越能力人士組成的高級管理層及董事會的運作可確保權力得以平衡。董事會目前由三名執行董事（包括方先生）、一名非執行董事及三名獨立非執行董事組成，其組成具有充分的獨立成份。

購買、出售或贖回本公司上市證券

期內，本公司及其附屬公司均無購買、出售或贖回任何本公司上市證券。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十的上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事買賣本公司證券的指引。經向全體董事作出具體查詢後，各董事確認，彼等於期內進行的證券買賣（如有）已遵守標準守則所列明的規定準則。

標準守則已擴展至適用於高級管理層及有可能擁有本公司未經公佈而屬股價敏感資料之有關僱員。



Corporate Governance and Other Information (continued)

企業管治及其他資料(續)

Changes of Information of Director

Pursuant to Rule 13.51B of the Listing Rules, the changes of information of Directors of the Company subsequent to the date of the 2010 Annual Report of the Company are required to be disclosed.

Mr. Ralph Sytze Ybema, Non-Executive Director of the Company, ceased to be an Independent Non-Executive Director of China Resources Microelectronics Limited (Stock Code: 597) with effect from 24 June 2011, a Company listed on the main board of The Stock Exchange of Hong Kong Limited.

董事資料變動

根據上市規則第13.51B條，自二零一零年年報日期以來有關本公司董事資料之變動均需要作出披露。

Ralph Sytze Ybema先生，本公司非執行董事，於二零一一年六月二十四日起辭任華潤微電子有限公司(股份代號：597)的獨立非執行董事職務，該公司為一間於香港聯合交易所有限公司上市之公司。



Report on Review of Interim Financial Information

中期財務資料審閱報告

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF CHIHO-TIANDE GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

致齊合天地集團有限公司董事會
(於開曼群島註冊成立的有限公司)

Introduction

We have reviewed the interim financial information set out on pages 31 to 60, which comprises the condensed consolidated statement of financial position of Chiho-Tiande Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

引言

本核數師(以下簡稱「我們」)已審閱載於第三十一至六十頁之中期財務資料。此中期財務資料包括齊合天地集團有限公司(「本公司」)及其附屬公司(統稱為「本集團」)於二零一一年六月三十日之簡明綜合財務狀況表與截至該日止六個月期間之相關簡明綜合全面收益表、權益變動表和現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。本公司董事須對根據香港會計準則第34號編製及呈列該中期財務資料負責。我們之責任是根據審閱對該中期財務資料作出結論，並按照委聘之協定條款僅向作為實體之閣下報告結論，且並無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故不能令我們保證我們將知悉在審核中可能發現之所有重大事項。因此，我們不會發表審核意見。



Report on Review of Interim Financial Information (continued)

中期財務資料審閱報告(續)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

17 August 2011

結論

按照我們之審閱，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

德勤 • 關黃陳方會計師行

執業會計師

香港

二零一一年八月十七日

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|-------------------|---|--|
| | | 2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核) | 2010 二零一零年 HK\$'000 千港元 (Audited) (經審核) |
| | | NOTES 附註 | |
| Revenue | 收益 | 3 | 4,524,547 |
| Cost of sales | 銷售成本 | | (4,071,824) |
| Gross profit | 毛利 | | 452,723 |
| Other income | 其他收入 | | 6,640 |
| Other gains and losses | 其他收益及虧損 | 4 | 64,789 |
| Distribution and selling expenses | 分銷及銷售開支 | | (6,118) |
| General and administrative expenses | 一般及行政開支 | | (69,874) |
| Other expenses | 其他開支 | | - |
| Finance costs | 財務成本 | 5 | (34,790) |
| Profit before tax | 除稅前溢利 | | 413,370 |
| Income tax expense | 所得稅開支 | 6 | (108,022) |
| Profit for the period | 期內溢利 | 7 | 305,348 |
| Other comprehensive income | 其他全面收益 | | |
| Exchange difference arising on translation to the Group's presentation currency | 換算成本集團呈報貨幣產生的匯兌差額 | | 25,821 |
| Fair value loss on available-for-sale financial assets | 可供出售金融資產的公平值虧損 | | (2,058) |
| Total comprehensive income for the period | 期內全面收益總額 | | 329,111 |
| Profit for the period attributable to: | 以下各方應佔期內溢利： | | |
| Owners of the Company | 本公司擁有人 | | 309,175 |
| Non-controlling interests | 非控股權益 | | (3,827) |
| | | | 305,348 |
| Total comprehensive income for the period attributable to: | 以下各方應佔期內全面收益總額： | | |
| Owners of the Company | 本公司擁有人 | | 332,294 |
| Non-controlling interests | 非控股權益 | | (3,183) |
| | | | 329,111 |
| Earnings per share | 每股盈利 | | HK\$ |
| - basic | - 基本 | 9 | 0.30 |
| - diluted | - 攤薄 | 9 | 0.30 |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2011 於二零一一年六月三十日

| | | | At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | At 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|--|-------------|--------------------|--|---|
| | NOTES 附註 | | | |
| Non-current assets | | 非流動資產 | | |
| Property, plant and equipment | 10 | 物業、廠房及設備 | 253,560 | 203,735 |
| Prepaid lease payments | | 預付租金 | 36,706 | 36,435 |
| Available-for-sale investment | 11 | 可供出售投資 | 21,229 | - |
| Deposits paid for acquisition of , property plant and equipment | | 收購物業、廠房 及設備所付定金 | 25,690 | 7,587 |
| Deferred tax asset | | 遞延稅項資產 | 1,263 | - |
| | | | 338,448 | 247,757 |
| Current assets | | 流動資產 | | |
| Inventories | | 存貨 | 3,368,542 | 2,303,425 |
| Trade and other receivables | 12 | 貿易及其他應收款項 | 637,159 | 411,647 |
| Bills receivables | 13 | 應收票據 | 17,325 | 14,629 |
| Prepaid lease payments | | 預付租金 | 908 | 890 |
| Derivative financial instruments | 14 | 衍生金融工具 | 124 | - |
| Pledged bank deposits | | 已抵押銀行存款 | 907,619 | 351,684 |
| Restricted bank deposits | | 受限制銀行存款 | 3,101 | - |
| Bank balances and cash | | 銀行結餘及現金 | 248,967 | 251,335 |
| | | | 5,183,745 | 3,333,610 |
| Current liabilities | | 流動負債 | | |
| Trade and other payables | 15 | 貿易及其他應付款項 | 359,505 | 188,237 |
| Bills payables | 16 | 應付票據 | 244,791 | 149,150 |
| Amount due to non-controlling interests | | 應付關連方款項 | - | 23,976 |
| Derivative financial instruments | 14 | 衍生金融工具 | 686 | 205 |
| Tax payable | | 應付稅項 | 65,215 | 50,747 |
| Bank borrowings | 17 | 銀行借貸 | 2,522,804 | 1,496,672 |
| | | | 3,193,001 | 1,908,987 |
| Net current assets | | 流動資產淨值 | 1,990,744 | 1,424,623 |
| Total assets less current liabilities | | 總資產減流動負債 | 2,329,192 | 1,672,380 |

Condensed Consolidated Statement of Financial Position (continued)

簡明綜合財務狀況表(續)

At 30 June 2011 於二零一一年六月三十日

| | | NOTE 附註 | At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | At 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|--|--------------|------------|--|---|
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 18 | 10,602 | 10,000 |
| Share premium and reserves | 股份溢價及儲備 | | 2,235,897 | 1,601,801 |
| Equity attributable to owner of the Company | 本公司擁有人應佔權益 | | 2,246,499 | 1,611,801 |
| Non-controlling interests | 非控股權益 | | 54,084 | 34,880 |
| Total equity | 權益總額 | | 2,300,583 | 1,646,681 |
| Non-current liability | 非流動負債 | | | |
| Deferred tax liabilities | 遞延稅項負債 | | 28,609 | 25,699 |
| | | | 2,329,192 | 1,672,380 |

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

Attributable to owners of the Company

本公司擁有人應佔

| | | Share option reserve | Capital reserve | Statutory general reserve | Enterprise expansion fund | Investment revaluation reserve | Foreign currency translation reserve | Retained profits | Attributable to non- controlling interests | | Total | | |
|--|-----------------------|----------------------------|--------------------|---------------------------------|---------------------------------|--------------------------------------|---|---------------------|---|-------------|-----------|---------|-----------|
| | | | | | | | | | Total | interests | | | |
| Share capital | Share premium | Share option reserve | Capital reserve | Statutory general reserve | Enterprise expansion fund | Investment revaluation reserve | Foreign currency translation reserve | Retained profits | Total | interests | Total | | |
| 股本 | 溢價 | 購股權 儲備 | 資本 儲備 | 法定一 般儲備 | 企業發 展基金 | 投資重 估儲備 | 外幣匯 兌儲備 | 保留 溢利 | 總計 | 非控股 權益應佔 | 總計 | | |
| HK\$'000 | HK\$'000 | 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 | 千港元 | 千港元 | | |
| | | | (note i) (附註i) | (note ii) (附註ii) | (note ii) (附註ii) | | | | | | | | |
| At 1 January 2010 (audited) | 於二零一零年一月一日 (經審核) | - | - | 6,552 | 32,136 | 32,136 | - | 42,620 | 304,654 | 418,098 | - | 418,098 | |
| Profit for the period | 期內溢利 | - | - | - | - | - | - | 156,889 | 156,889 | 156,889 | - | 156,889 | |
| Exchange difference arising on translation to the Group's presentation currency | 換算成本集團呈報貨幣 產生的匯兌差額 | - | - | - | - | - | - | 5,654 | - | 5,654 | - | 5,654 | |
| Total comprehensive income for the period | 期內全面收入總額 | - | - | - | - | - | - | 5,654 | 156,889 | 162,543 | - | 162,543 | |
| Transfer of reserves | 儲備轉換 | - | - | - | 16,828 | 16,828 | - | - | (33,656) | - | - | - | |
| At 30 June 2010 (audited) | 於二零一零年 六月三十日(經審核) | - | - | 6,552 | 48,964 | 48,964 | - | 48,274 | 427,887 | 580,641 | - | 580,641 | |
| At 1 January 2011 (audited) | 於二零一一年一月一日 (經審核) | 10,000 | 578,540 | 2,500 | 222,760 | 67,623 | 67,623 | - | 76,277 | 586,478 | 1,611,801 | 34,880 | 1,646,681 |
| Profit for the period | 期內溢利 | - | - | - | - | - | - | - | 309,175 | 309,175 | (3,827) | 305,348 | |
| Exchange difference arising on translation to the Group's presentation currency | 換算成本集團呈報貨幣 產生的匯兌差額 | - | - | - | - | - | - | 25,177 | - | 25,177 | 644 | 25,821 | |
| Fair value loss on available-for- sales financial assets | 可供出售金融資產的 公平值虧損 | - | - | - | - | - | (2,058) | - | - | (2,058) | - | (2,058) | |
| Total comprehensive income for the period | 期內全面收入總額 | - | - | - | - | - | (2,058) | 25,177 | 309,175 | 332,294 | (3,183) | 329,111 | |

Condensed Consolidated Statement of Changes in Equity (continued)

簡明綜合權益變動表(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | | | |
|---|--------------------|---|---------------|----------------------|-------------------|---------------------------|---------------------------|--------------------------------|--------------------------------------|------------------|---|----------|-----------|
| | | Share capital | Share premium | Share option reserve | Capital reserve | Statutory general reserve | Enterprise expansion fund | Investment revaluation reserve | Foreign currency translation reserve | Retained profits | Attributable to non-controlling interests | Total | |
| | | 股份 | 溢價 | 購股權儲備 | 資本儲備 | 法定一般儲備 | 企業發展基金 | 投資重估儲備 | 外幣匯兌儲備 | 保留溢利 | 非控股權益 | 總計 | |
| | | HK\$'000 | 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 | 千港元 | |
| | | | | | (note i) (附註i) | (note ii) (附註ii) | (note ii) (附註ii) | | | | | | |
| Issue of new shares (Note 18) | 發行新股份(附註18) | 600 | 395,400 | - | - | - | - | - | - | - | 396,000 | 396,000 | |
| Transaction costs attributable to issue of new shares | 發行新股份交易成本 | - | (10,628) | - | - | - | - | - | - | (10,628) | - | (10,628) | |
| Capital contribution from non-controlling interests | 非控股權益注資 | - | - | - | - | - | - | - | - | - | 22,387 | 22,387 | |
| Cash dividend paid | 已付現金股息 | - | - | - | - | - | - | - | - | (88,449) | (88,449) | (88,449) | |
| Dividends recognised as distribution (Note 18) | 確認為分派之股息(附註18) | 2 | 1,190 | - | - | - | - | - | - | (1,192) | - | - | |
| Recognition of equity-settled share-based payments | 確認為以股權結算及以股份為基礎之付款 | - | - | 5,481 | - | - | - | - | - | - | 5,481 | 5,481 | |
| Transfer of reserves | 儲備轉換 | - | - | - | - | 29,108 | 29,108 | - | - | (58,216) | - | - | |
| At 30 June 2011 (unaudited) | 於二零一一年六月三十日(未經審核) | 10,602 | 964,502 | 7,981 | 222,760 | 96,731 | 96,731 | (2,058) | 101,454 | 747,796 | 2,246,499 | 54,084 | 2,300,583 |

notes:

(i) The capital reserve at 1 January 2010 represents the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange.

On 12 July 2010, shareholders' loans of HK\$223,708,000 was assigned to the Company. Upon completion of the assignment, the Company capitalised the same amount as reserve. 749,999,900 shares were issued and allotted on the same date under the capitalisation issue, credited as fully paid up at par out of the reserve which amounted to HK\$7,500,000, such shares ranked pari passu in all respects with the then existing shares.

(ii) Statutory general reserve and enterprise expansion fund represent the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the People's Republic of China (the "PRC") as required by the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory general reserve and enterprise expansion fund has reached 50% of the PRC subsidiaries' registered capital.

附註:

(i) 二零一零年一月一日的資本儲備指本公司於二零零八年集團重組時所收購附屬公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額。

於二零一零年七月十二日，股東貸款223,708,000港元已轉讓予本公司。於完成轉讓後，本公司將相同金額資本化為儲備。於同日，本公司根據資本化發行發行及配發749,999,900股股份，儲備中的7,500,000港元以按面值繳足入賬。該等股份於所有方面與當時的現有股份具同等地位。

(ii) 本公司中華人民共和國(「中國」)附屬公司的組織章程細則規定，須根據中國相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國附屬公司註冊資本的50%，則可終止撥備。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|----------------------|---|--|
| | | 2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核) | 2010 二零一零年 HK\$'000 千港元 (Audited) (經審核) |
| Operating activities | 經營活動 | | |
| Profit before tax | 除稅前溢利 | 413,370 | 225,261 |
| Adjustments for: | 對下列各項之調整： | | |
| Interest expenses | 利息開支 | 33,119 | 17,772 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 9,733 | 5,590 |
| Share-based payment expense | 以股份為基礎付款之開支 | 5,481 | – |
| Amortisation of prepaid lease payments | 預付租金攤銷 | 449 | 430 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備的虧損 | 116 | – |
| Interest income | 利息收入 | (6,052) | (2,929) |
| Operating cash flows before movements in working capital | 營運資金變動前的經營現金流量 | 456,216 | 246,124 |
| Increase in inventories | 存貨增加 | (1,019,271) | (499,957) |
| Increase in trade and other receivables | 貿易及其他應收款項增加 | (212,165) | (44,209) |
| Increase in bills receivables | 應收票據增加 | (2,405) | (3,486) |
| Increase in derivative financial instruments | 衍生金融工具增加 | 353 | 2,196 |
| Increase in trade and other payables | 貿易及其他應付款項增加 | 161,504 | 67,588 |
| Increase in bills payables | 應付票據增加 | 92,672 | 15,442 |
| Decrease in amount due to non- controlling interests – trade in nature | 應付非控股權益款項減少 – 貿易性質 | (24,453) | – |
| Cash used in operations | 經營所用現金 | (547,549) | (216,302) |
| Tax paid | 已付稅項 | (90,747) | (68,546) |
| Interest paid | 已付利息 | (27,102) | (13,696) |
| Net cash used in operating activities | 經營活動所用現金淨額 | (665,398) | (298,544) |
| Net cash used in investing activities: | 投資活動所用現金淨額 | | |
| Increase in pledged bank deposits | 已抵押銀行存款增加 | (548,935) | (22,865) |
| Purchases of and deposits paid for property, plant and equipment | 購置物業、廠房及設備 以及已付定金 | (73,928) | (6,404) |
| Purchase of available-for-sale investment | 購入可供出售投資 | (23,287) | – |
| Increase in restricted bank deposits | 受限制銀行存款增加 | (3,101) | (3,945) |
| Other investing activities | 其他投資活動 | 898 | 2,446 |
| | | (648,353) | (30,768) |

Condensed Consolidated Statement of Cash Flows (continued)

簡明綜合現金流量表(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|--------------------------------|---|--|
| | | 2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核) | 2010 二零一零年 HK\$'000 千港元 (Audited) (經審核) |
| Net cash from financing activities: | 融資活動所得現金淨額: | | |
| New bank and other borrowings raised | 新增銀行及其他借貸 | 3,375,470 | 1,513,880 |
| Issue of new shares | 發行新股份 | 396,000 | - |
| Increase in fundings from non-controlling interests | 非控股權益資金投入增加 | 22,387 | - |
| Advance from related parties | 關連方墊款 | - | 277,910 |
| Repayment of bank and other borrowings | 償還銀行及其他借貸 | (2,385,935) | (1,144,859) |
| Dividend paid | 已付股息 | (88,449) | - |
| Transaction costs of issue of new shares | 發行新股份交易成本 | (10,628) | - |
| Repayment to related parties | 向關連方還款 | - | (220,201) |
| | | 1,308,845 | 426,730 |
| Net (decrease) increase in cash and cash equivalents | 現金及現金等值項目淨值(減少)增加 | (4,906) | 97,418 |
| Cash and cash equivalents at 1 January | 於一月一日之現金及現金等值項目 | 251,335 | 69,428 |
| Effect of foreign exchange rate changes | 外匯匯率變動的影響 | 2,538 | 555 |
| Cash and cash equivalents at 30 June represented by bank balances and cash | 於六月三十日之現金及現金等值項目 (指銀行結餘及現金) | 248,967 | 167,401 |



Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

1. Basis Of Preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard 34 Interim Financial Reporting.

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010 except as described below.

Available-for-sale financial assets

In the current period, the Group acquired an equity security and the management intends to hold this investment for long term and has designated the investment as at available-for-sale financial assets on initial recognition (see Note 11).

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

1. 編製基準

本簡明綜合財務報表乃按照香港聯合交易所有限公司(「聯交所」)證券上市規則附錄十六之適用披露規定及香港會計準則第34號「中期財務報告」而編製。

2. 主要會計政策

除若干金融工具以公平值(如適用)計量外,該等簡明綜合財務報表按歷史成本法編製。

截至二零一一年六月三十日止六個月的簡明綜合財務報表所採用的會計政策及估算方法與編製截至二零一零年十二月三十一日止年度的本集團年度財務報表所遵循者一致,惟下述者則除外。

可供出售金融資產

於本期內,本集團購入股票抵押及管理層有意長期持有此項投資,並已於首次確認(見附註11)時列作可供出售金融資產。

於報告期末,可供出售金融資產乃按公平價值予以計量。公平價值變動乃於其他全面收益內予以確認並於投資重估儲備中累計,除非金融資產被出售或被釐定為出現減值,屆時,原先於投資重估儲備中累計之累積盈利或虧損將重新分類至損益賬。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

2. Principal Accounting Policies (continued)

In the current interim period, the Group has applied, for the first time, the following new and revised standards and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants.

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

The application of the above new and revised HKFRSs in the current interim period has had no material effect on amount reported in the condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

HKFRSs issued but not yet effective

The Group has not early applied other new and revised standards and interpretations that have been issued but are not yet effective.

The directors of the Company anticipate that the application of the other new and revised standards and interpretations will have no material impact on the results and the financial position of the Group.

2. 主要會計政策(續)

於本中期期間，本集團首次應用以下由香港會計師公會頒佈的多項新訂及經修訂準則及詮釋(「新訂及經修訂的香港財務報告準則」)。

| | |
|--------------------------------|-------------------|
| 香港財務報告準則 (修訂本) | 對二零一零年香港財務報告準則之改善 |
| 香港會計準則第24號(二零零九年經修訂) | 關連方披露 |
| 香港會計準則第32號(修訂本) | 供股的分類 |
| 香港(國際財務報告詮釋委員會) – 詮釋第14號 (修訂本) | 最低資金規定的預付款 |
| 香港(國際財務報告詮釋委員會) – 詮釋第19號 | 以權益工具消除金融負債 |

於本中期期間所適用的上述新訂及經修訂的香港財務報告準則對該簡明綜合財務報表及／或載於該簡明綜合財務報表所披露的呈報款額並無重大影響。

已頒佈但尚未生效的香港財務報告準則

本集團並未提早應用其他已頒佈但尚未生效的新訂及經修訂準則及詮釋。

本公司董事預期，應用其他新訂及經修訂準則及詮釋不會對本集團業績及財務狀況產生重大影響。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

3. Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”) in order to allocate resources to segments and to assess their performance. The executive directors of the Company are identified as the CODM and they regularly review the internal report on gross profit derived from different business activities and different products to assess performance and allocate resources of the Group.

The Group is mainly engaged in the principal business of metal recycling, involving the recycling of mixed metal scrap into copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap. The Group is also engaged in the foundry business which involves the production and sale of aluminium-alloy ingots and copper rod and wire, and wholesales business which involves trading of other metal scrap without processing. The operating segments are classified into three categories of business activities:

- (i) metal recycling business;
- (ii) foundry business; and
- (iii) wholesales business.

3. 分部資料

業務分部的劃分基準與首席營運決策者(「營運總裁」)定期審閱有關本集團業務結構以分配調資及評估分部表現的內部報告的基準一致。本公司執行董事擔任營運總裁角色，定期審閱關於各種業務活動及各類產品所得毛利的內部報告，評估本集團業績並分配資源。

本集團主要從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬，亦從事涉及生產及銷售鋁錠、銅桿及銅線等鑄造業務與涉及買賣其他未加工之廢金屬等批發業務。業務分部劃分為三類業務活動：

- (i) 金屬再生業務；
- (ii) 鑄造業務；及
- (iii) 批發業務。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

3. Segment information (continued)

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 30 June 2011

3. 分部資料(續)

以下為回顧期間本集團按可呈報及業務分部劃分的收益及業績分析。

截至二零一一年六月三十日止六個月

| | | Metal recycling business | | | | Foundry business | | | Wholesales business | | Total |
|-------------------------------------|-----------|--------------------------|-------------|-----------------|------------|-------------------|------------------|---------------------|--------------------------------------|-------------|-----------|
| | | 金屬再生業務 | | | | 鑄造業務 | | | 批發業務 | | |
| | | Copper scrap | Steel scrap | Aluminium scrap | Iron scrap | Other metal scrap | Aluminium-ingots | Copper rod and wire | Other metal scrap without processing | Elimination | |
| | | 廢銅 | 廢鋼 | 廢鋁 | 廢鐵 | 其他廢金屬 | 鋁錠 | 銅桿及銅線 | 其他未加工廢金屬 | 對銷 | 總計 |
| | | 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 |
| REVENUE | 收益 | | | | | | | | | | |
| External sales | 外部銷售 | 2,593,950 | 825,717 | 107,720 | 156,103 | 27,876 | 152,061 | 441,529 | 219,591 | - | 4,524,547 |
| Inter-segment sales | 分部間銷售 | 8,089 | 43,356 | 79,125 | - | 111 | 1,695 | - | 2,191,730 | (2,324,106) | - |
| Total segment revenue | 分部收益總額 | 2,602,039 | 869,073 | 186,845 | 156,103 | 27,987 | 153,756 | 441,529 | 2,411,321 | (2,324,106) | 4,524,547 |
| Segment profit | 分部溢利 | 231,935 | 63,579 | 18,219 | 14,790 | 2,320 | 7,957 | 61,419 | 52,504 | - | 452,723 |
| Other income | 其他收入 | | | | | | | | | | 6,640 |
| Other gains and losses | 其他收益及虧損 | | | | | | | | | | 64,789 |
| Distribution and selling expenses | 分銷及銷售開支 | | | | | | | | | | (6,118) |
| General and administrative expenses | 一般及行政開支 | | | | | | | | | | (69,874) |
| Finance costs | 財務成本 | | | | | | | | | | (34,790) |
| Profit before tax | 除稅前溢利 | | | | | | | | | | 413,370 |

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

3. Segment information (continued)

Six months ended 30 June 2010

3. 分部資料(續)

截至二零一零年六月三十日止六個月

| | | Metal recycling business | | | | | Foundry business | | Wholesales business | | Total |
|-------------------------------------|-----------|--------------------------|-------------|-----------------|------------|-------------------|------------------------|---------------------|--------------------------------------|-------------|-----------|
| | | 金屬再生業務 | | | | | 鑄造業務 | | 批發業務 | | |
| | | Copper scrap | Steel scrap | Aluminium scrap | Iron scrap | Other metal scrap | Aluminium-alloy ingots | Copper rod and wire | Other metal scrap without processing | Elimination | |
| | | 廢銅 | 廢鋼 | 廢鋁 | 廢鐵 | 廢金屬 | 鋁錠 | 銅桿及銅線 | 其他未加工廢金屬 | 對銷 | 總計 |
| | | 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 |
| REVENUE | 收益 | | | | | | | | | | |
| External sales | 外部銷售 | 1,526,585 | 449,808 | 20,858 | 114,672 | 12,096 | 152,123 | 119,643 | 48,647 | - | 2,444,432 |
| Inter-segment sales | 分部間銷售 | 5,919 | 8,684 | 133,085 | - | 329 | 22,217 | - | 656,411 | (826,645) | - |
| Total segment revenue | 分部收益總額 | 1,532,504 | 458,492 | 153,943 | 114,672 | 12,425 | 174,340 | 119,643 | 705,058 | (826,645) | 2,444,432 |
| Segment profit | 分部溢利 | 132,535 | 50,793 | 13,950 | 13,605 | 1,154 | 8,864 | 24,933 | 30,412 | - | 276,246 |
| Other income | 其他收入 | | | | | | | | | | 5,336 |
| Other gains and losses | 其他收益及虧損 | | | | | | | | | | 6,471 |
| Distribution and selling expenses | 分銷及銷售開支 | | | | | | | | | | (1,711) |
| General and administrative expenses | 一般及行政開支 | | | | | | | | | | (17,780) |
| Other expenses | 其他開支 | | | | | | | | | | (24,471) |
| Finance costs | 財務成本 | | | | | | | | | | (18,830) |
| Profit before tax | 除稅前溢利 | | | | | | | | | | 225,261 |

Segment profit represents the profit resulted in each segment without allocation of other income, other gains and losses, distribution and selling expenses, general and administrative expenses, other expenses and finance costs. This is the measure reporting to the executive directors of the Company for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market price.

分部溢利指各分部產生的溢利，未分配其他收入、其他收益及虧損、分銷及銷售開支、一般及行政開支、其他開支及財務成本，此乃向本公司執行董事報告以便分配資源及評估業績的措施。

分部間銷售以現行市價扣除。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

4. Other gains and losses

4. 其他收益及虧損

| | | Six months ended 30 June | |
|--|------------------------|--------------------------|--------------|
| | | 截至六月三十日止六個月 | |
| | | 2011 | 2010 |
| | | 二零一一年 | 二零一零年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Gain from changes in fair value of derivative financial instruments (note i) | 衍生金融工具 公平值變動收益(附註i) | 17,265 | 3,578 |
| Net foreign exchange gain (note ii) | 匯兌收益淨額(附註ii) | 47,524 | 3,096 |
| Impairment loss recognised on trade and other receivables | 就貿易及其他應收款項確認的 減值虧損 | - | (203) |
| | | 64,789 | 6,471 |

notes:

- (i) The amounts arose from aluminium and copper future contracts and foreign currency forward contracts. The increase in the current period was contributed by the increase in the number and volume of transactions.
- (ii) During the period, there was an increase in foreign sales transactions and pledged bank deposit that are denominated and settled in RMB. These factors constituted a net increase in foreign exchange gain.

附註：

- (i) 該等金額乃按銅鋁期貨合約及外幣遠期合約計算。本期內的增加乃由於交易數量及金額增加所致。
- (ii) 於期內，以人民幣計值及結算的國外銷售交易及已抵押銀行存款錄得增長。此等因素造成匯兌收益淨額增加。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

5. Finance Costs

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|----------------|---|----------------------------------|
| | | 2011 二零一一年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 |
| Interest on: | 以下各項的利息： | | |
| – bank borrowings wholly repayable within five years | – 須於五年內償清的銀行借貸 | 30,511 | 15,927 |
| – bills payables | – 應付票據 | 2,608 | 280 |
| – amounts due to related parties | – 應付關連方款項 | – | 1,565 |
| Bank charges | 銀行收費 | 1,671 | 1,058 |
| | | 34,790 | 18,830 |

5. 財務成本

6. Income Tax Expense

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|----------------------------------|-----------|---|----------------------------------|
| | | 2011 二零一一年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 |
| Current tax: | 即期稅項： | | |
| Hong Kong | 香港 | 9,146 | 3,941 |
| PRC Enterprises Income Tax | 中國企業所得稅 | 97,077 | 56,875 |
| | | 106,223 | 60,816 |
| Underprovision in prior periods: | 過往期間撥備不足： | | |
| PRC Enterprises Income Tax | 中國企業所得稅 | 152 | 1 |
| Deferred tax | 遞延稅項 | 1,647 | 7,555 |
| | | 108,022 | 68,372 |

6. 所得稅開支

The income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The Group's PRC subsidiaries were subject to PRC Enterprises Income Tax at the rate of 25% for the six months ended 30 June 2011 (six months ended 30 June 2010: 25%). All the Hong Kong subsidiaries are subject to Hong Kong Profits Tax at the rate of 16.5% on their respective estimated assessable profits. Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

所得稅開支乃按照管理層對整個財政年度的加權平均年度所得稅率所作出的最佳估計予以確認。截至二零一一年六月三十日止六個月，本集團的中國附屬公司須按25%的稅率(截至二零一零年六月三十日止六個月：25%)繳納中國企業所得稅。所有香港附屬公司均須就各自估計應課稅溢利按16.5%的稅率繳納香港利得稅。於其他司法權區產生的稅項乃按相關司法權區的現行稅率計算。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

7. Profit For The Period

7. 期內溢利

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|-------------------|---|----------------------------------|
| | | 2011 二零一一年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 |
| Profit for the period has been arrived at after charging (crediting) the following items: | 期內溢利已扣除(計入)下列各項: | | |
| Cost of inventories recognised as an expense | 確認為開支的存貨成本 | 4,071,824 | 2,168,186 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 9,733 | 5,590 |
| Share-based payment expense (Note 20) | 以股份為基礎付款之開支(附註20) | 5,481 | – |
| Amortisation of prepaid lease payments | 預付租金攤銷 | 449 | 430 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備的虧損 | 116 | – |
| Interest income | 利息收入 | (6,052) | (2,929) |

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

8. Dividends

8. 股息

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|--------------------|---|----------------------------------|
| | | 2011 二零一一年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 |
| Dividend recognised as distribution during the period: | 已確認期內分派股息： | | |
| 2010 final dividends paid – HK\$9 cents per share | 已派付二零一零年末期股息：每股9港仙 | 89,641 | – |

Cash alternative was offered to shareholders in lieu of scrip dividends. As a result, the 2010 final dividend was settled in the following manner:

股東獲給予現金代息選擇權代替以股股息。因此，二零一零年末期股息按以下方式清償：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-----------------------------|------------------|---|----------------------------------|
| | | 2011 二零一一年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 |
| 2010 final dividends | 二零一零年末期股息 | | |
| Cash alternative | 現金代替品 | 88,449 | – |
| Scrip share | 代息股份 | 1,192 | – |
| | | 89,641 | – |

The directors do not recommend the payment of an interim dividend for the period (six months ended 30 June 2010: Nil).

董事不建議派付期內中期股息(截至二零一零年六月三十日止六個月：無)。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

9. Earnings Per Share

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

9. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|--------------------------|---|----------------------------------|
| | | 2011 二零一一年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 |
| Earnings: | 盈利： | | |
| Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share | 計算每股基本及攤薄盈利的本公司擁有人應佔期內溢利 | 309,175 | 156,889 |
| Number of shares: | 股份數目： | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 計算每股基本盈利的普通股加權平均數目 | 1,020,894,381 | 750,000,000 |
| Effect of diluted potential ordinary shares-share options | 潛在普通股攤薄影響－購股權 | 8,196,371 | — |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 計算每股攤薄盈利的普通股加權平均數目 | 1,029,090,752 | 750,000,000 |

The weighted average number of ordinary shares used in the calculation of basic earnings per share for the period ended 30 June 2010 was adjusted for the 749,999,900 shares issued pursuant to the capitalisation issue in July 2010, which was assumed to occur at 1 January 2010.

No diluted earnings per share was presented for the period ended 30 June 2010 as there were no potential ordinary shares in issue.

用於計算截至二零一零年六月三十日止期間每股基本盈利的普通股加權平均數目已根據二零一零年七月資本化發行所發行的749,999,900股已發行股份作出調整，該資本化發行假設於二零一零年一月一日進行。

由於並無潛在已發行普通股，故並無呈列截至二零一零年六月三十日止期間每股攤薄盈利。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

10. Property, Plant and Equipment

During the period, the Group acquired plant and equipment of approximately HK\$55,976,000 (six months ended 30 June 2010: HK\$8,503,000).

11. Available-For-Sale Investment

It represents an investment of equity security listed in Hong Kong and is stated at fair value which is determined based on the bid price quoted in an active market.

12. Trade and Other Receivables

The Group allows a credit period of 30 to 90 days to its trade customers. A longer credit period may be granted to trade customers with good credit quality upon the approval of management.

The following is an analysis of the Group's trade receivables by age, presented based on the invoice date, net of allowance for doubtful debts:

10. 物業、廠房及設備

於期內，本集團購入約55,976,000港元(截至二零一零年六月三十日止六個月：8,503,000港元)的廠房及設備。

11. 可供出售投資

指於香港上市的股票投資，乃根據於活躍市場所報買入價所釐定的公平值列賬。

12. 貿易及其他應收款項

本集團給予貿易客戶30至90日的信貸期。在獲得管理層批准後，本集團可向信貸紀錄良好的貿易客戶授出更長的信貸期。

以下為本集團應收貿易賬款(扣除呆賬撥備)按發票日期呈列的賬齡分析：

| | | At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元 | At 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 千港元 |
|---|-----------|---|---|
| Trade receivables: | 貿易應收款項： | | |
| 0-30 days | 0至30日 | 129,917 | 110,310 |
| 31-60 days | 31至60日 | 15,313 | 4,270 |
| 61-90 days | 61至90日 | 7,342 | 10 |
| 91-180 days | 91至180日 | 10,331 | 484 |
| Over 180 days | 超過180日 | 1,536 | 596 |
| | | 164,439 | 115,670 |
| Other receivables | 其他應收款項： | | |
| Deposits and prepayments | 按金及預付款項 | 69,957 | 73,054 |
| Deposits paid for purchase of raw materials | 購買原材料所付按金 | 265,926 | 124,415 |
| VAT recoverable | 可退回增值稅 | 107,461 | 90,190 |
| Others | 其他 | 29,376 | 8,318 |
| | | 472,720 | 295,977 |
| | | 637,159 | 411,647 |

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

13. Bills Receivables

The following is an analysis of the Group's bills receivables by age, presented based on the invoice date:

| | | At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元 | At 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 千港元 |
|-------------|---------|---|---|
| 0-30 days | 0至30日 | 8,022 | 3,034 |
| 31-60 days | 31至60日 | 2,505 | 6,848 |
| 61-90 days | 61至90日 | 4,282 | 1,889 |
| 91-180 days | 91至180日 | 2,516 | 2,858 |
| | | 17,325 | 14,629 |

13. 應收票據

以下為本集團應收票據按發票日期呈列的賬齡分析：

14. Derivative Financial Instruments

| | | At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元 | At 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 千港元 |
|--|-------------------------------|---|---|
| Derivative financial asset (not under hedge accounting) | 衍生金融資產 (非按對沖會計法計算) | | |
| Aluminium future contracts (note i) | 鋁期貨合約(附註i) | 124 | - |
| Derivative financial liability (not under hedge accounting) | 衍生金融負債 (非按對沖會計法計算) | | |
| Aluminium and copper future contracts (note i) | 銅鋁期貨合約(附註i) | 248 | - |
| Foreign currency forward contracts (note ii) | 外幣遠期合約(附註ii) | 438 | 205 |
| | | 686 | 205 |

14. 衍生金融工具

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

14. Derivative Financial Instruments (continued)

notes:

(i) Aluminium and copper future contracts

During the period, the Group entered into aluminium and copper future contracts in order to manage its inventory level and its exposure to the price risk of aluminium and copper. These contracts were actively traded in an active market and were measured at fair values based on unadjusted quoted price at the end of the reporting period, with gain or loss recognised directly in the profit or loss.

(ii) Foreign currency forward contracts

During the period, the Group also entered into foreign currency forward contracts in order to minimise its exposure to the foreign currency risk. These contracts were measured at fair value using quoted forward exchange rates at the end of the reporting period, which gain or loss recognised directly in profit or loss.

14. 衍生金融工具(續)

附註：

(i) 銅鋁期貨合約

於期內，本集團已訂立銅鋁期貨合約，以管理銅鋁存貨水平及應對銅鋁價風險。於呈報期結算日，該等合約於活躍市場上成交活躍且基於未經調整報價以公平值計量，相關損益直接於損益賬中確認。

(ii) 遠期外匯合約

於期內，本集團亦訂立遠期外匯合約以減低外匯風險。該等合約以呈報期結算日的遠期報價匯率按公平值計量，相關損益直接於損益賬中確認。

15. Trade and Other Payables

The following is an analysis of the Group's trade payables by age, presented based on the invoice date:

15. 貿易及其他應付款項

以下為本集團貿易應付款項按發票日期呈列的賬齡分析：

| | | At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元 | At 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 千港元 |
|------------------------------------|-------------|---|---|
| Trade payables: | 貿易應付款項： | | |
| 0-30 days | 0至30日 | 195,851 | 101,086 |
| 31-60 days | 31至60日 | 45,556 | 325 |
| 61-90 days | 61至90日 | 5,327 | - |
| 91-180 days | 91至180日 | 10,644 | 1,933 |
| Over 180 days | 超過180日 | 937 | 81 |
| | | 258,315 | 103,425 |
| Other payables | 其他應付款項： | | |
| Other payables and accruals | 其他應付款項及應計費用 | 78,584 | 71,589 |
| Interest payable | 應付利息 | 11,351 | 5,335 |
| Receipts in advance from customers | 預收客戶款項 | 11,255 | 7,888 |
| | | 101,190 | 84,812 |
| | | 359,505 | 188,237 |

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

16. Bills Payables

The following is an analysis of the Group's bills payables by age, presented based on the invoice date:

| | | At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元 | At 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 千港元 |
|------------|--------|---|---|
| 0-30 days | 0至30日 | 105,916 | 40,985 |
| 31-60 days | 31至60日 | 131,495 | 23,614 |
| 61-90 days | 61至90日 | 7,380 | 84,551 |
| | | 244,791 | 149,150 |

16. 應付票據

以下為本集團應付票據按發票日期呈列的賬齡分析：

17. Bank Borrowings

During the period, the Group obtained new bank borrowings of approximately HK\$3,375,470,000 (six months ended 30 June 2010: HK\$1,513,880,000) and made repayments of approximately HK\$2,385,935,000 (six months ended 30 June 2010: HK\$1,144,859,000). The bank borrowings bear interest at market rates.

17. 銀行借貸

於期內，本集團獲得新銀行借貸約3,375,470,000港元(截至二零一零年六月三十日止六個月：1,513,880,000港元)及償還約2,385,935,000港元(截至二零一零年六月三十日止六個月：1,144,859,000港元)。銀行借貸乃以市場息率計息。

18. Share Capital

| | | Number of shares 股份數目 | Amounts 金額 HK\$ 港元 |
|---------------------------------------|---------------------------|-----------------------------|-----------------------------|
| Authorised: | 法定： | | |
| At 1 January 2011 and 30 June 2011 | 於二零一一年一月一日及 二零一一年六月三十日 | 5,000,000,000 | 50,000,000 |
| Issued and fully paid: | 已發行並繳足： | | |
| At 1 January 2011 | 於二零一一年一月一日 | 1,000,000,000 | 10,000,000 |
| Issue of new shares (note i) | 發行新股(附註i) | 60,000,000 | 600,000 |
| Issue of scrip dividend (note ii) | 發行以股代息(附註ii) | 209,206 | 2,092 |
| At 30 June 2011 | 於二零一一年六月三十日 | 1,060,209,206 | 10,602,092 |

18. 股本

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

18. Share Capital (continued)

notes:

- (i) On 15 April 2011, arrangements were made for a placement to independent investors of 60,000,000 shares of HK\$0.01 each in the Company held by HWH Holdings Limited and Delco Participation B.V., the controlling shareholders of the Company, at a price of HK\$6.60 per share, representing a discount of approximately 11.41% to the closing market price of the Company's shares on 15 April 2011.

Pursuant to a subscription agreement of the same date, HWH Holdings Limited and Delco Participation B.V. subscribed for 60,000,000 new shares of HK\$0.01 each in the Company at a price of HK\$6.60 per share. The proceeds were used for general working capital. The completion date of subscription is 29 April 2011. These new shares were issued under the general mandate granted to the directors pursuant to the written resolutions of all shareholders passed on 23 June 2010.

- (ii) On 22 June 2011, the Company issued and allotted a total of 209,206 new shares of HK\$0.01 each in the Company at a market price of HK\$5.70 per share to shareholders who elected to receive new shares in lieu of cash final dividend for the year ended 31 December 2010.

The new shares allotted and issued ranked pari passu in all respects with the other shares then in issue.

18. 股本(續)

附註：

- (i) 於二零一一年四月十五日，本公司就向獨立投資者配售由本公司控股股東HWH Holdings Limited及Delco Participation B.V.於本公司持有之60,000,000股每股面值0.01港元之股份，配售價為每股6.60港元，相當於本公司股份於二零一一年四月十五日的收市價折讓約11.41%。

根據同日的認購協議，HWH Holdings Limited及Delco Participation B.V.以每股6.60港元認購60,000,000股每股面值0.01港元之本公司新股份。所得款項作一般營運資金用途。認購的完成日期為二零一一年四月二十九日。該等新股份乃根據全體股東於二零一零年六月二十三日通過書面決議案授予董事的一般授權而發行。

- (ii) 於二零一一年六月二十二日，本公司以每股5.70港元的市價向獲選收取新股份代替截至二零一零年十二月三十一日止年度的現金末期股息的股東發行及配發合共209,206股每股面值0.01港元的本公司新股份。

已配發及發行之新股份在所有方面與其他已發行股份具有同等地位。

19. Capital Commitments

19. 資本承擔

| | At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元 | At 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 千港元 |
|---|---|---|
| Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment | 23,952 | 10,446 |

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

20. Share-Based Payments

(a) Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme (the "Pre-IPO Scheme") on 23 June 2010. The purpose of the Pre-IPO Scheme was to recognise the contribution that eligible participants made or might have made to the growth of the Group.

The movements of the share options granted under Pre-IPO Scheme during the period are as follows:

Outstanding at 1 January 2011
and 30 June 2011

於二零一一年一月一日及二零一一年
六月三十日尚未行使

**Number of
share options
購股權數目**

12,140,000

During the six months ended 30 June 2011, the Group recognised an expense of HK\$2,192,000 in relation to share options granted by the Company under the Pre-IPO Scheme (six months ended 30 June 2010: Nil).

於截至二零一一年六月三十日止六個月，本集團就本公司根據首次公開發售前計劃授出的購股權確認開支2,192,000港元(截至二零一零年六月三十日止六個月：零)。

20. 以股份為基礎付款

(a) 首次公開發售前購股權計劃

本公司於二零一零年六月二十三日採納首次公開發售前購股權計劃(「首次公開發售前計劃」)。該首次公開發售前計劃旨在嘉許合資格參與者對本集團發展作出或可能已作出的貢獻。

根據首次公開發售前計劃授出的購股權於期內的變動如下：

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

20. Share-Based Payments (continued)

(b) Post-IPO Share Option Scheme

The Company also adopted a Post-IPO Share Option Scheme (the "Scheme") on 23 June 2010. The purpose of the Scheme is also to recognise the contribution made or may have made to the Group by eligible participants.

The movements of the share options granted under the Scheme during the period are as follows:

| | |
|-------------------------------|-----------------|
| Outstanding at 1 January 2011 | 於二零一一年一月一日尚未行使 |
| Granted during the period | 於期內授出 |
| Forfeited during the period | 於期內沒收 |
| Outstanding at 30 June 2011 | 於二零一一年六月三十日尚未行使 |

During the six months ended 30 June 2011, 13,995,000 and 17,500,000 share options were granted to eligible participants, both of directors of the Company and employees of the Group, on 3 May 2011 and on 24 June 2011, respectively. The closing price of the Company's shares immediately before the dates of grant was HK\$5.97 and HK\$5.68, respectively.

20. 以股份為基礎付款(續)

(b) 首次公開發售後購股權計劃

本公司亦於二零一零年六月二十三日採納首次公開發售後購股權計劃(「該計劃」)。該計劃亦旨在嘉許合資格參與者對本集團作出或可能已作出的貢獻。

根據該計劃授出的購股權於期內的變動如下：

Number of share options 購股權數目

| |
|-------------------|
| 3,770,000 |
| 31,495,000 |
| (80,000) |
| <u>35,185,000</u> |

於截至二零一一年六月三十日止六個月內，分別於二零一一年五月三日及二零一一年六月二十四日向合資格參與者，即本公司董事及本集團僱員授出13,995,000及17,500,000股購股權。本公司股份於緊接授出日期前的收市價分別為5.97港元及5.68港元。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

20. Share-Based Payments (continued)

(b) Post-IPO Share Option Scheme (continued)

On 3 May 2011, the following share options were granted:

- (a) 4,198,500 share options exercisable commencing 3 May 2012 to 3 May 2013, with vesting period from 3 May 2011 to 2 May 2012. The fair value of each option at the date of grant is approximately HK\$1.1465;
- (b) 4,198,500 share options exercisable commencing 4 May 2013 to 3 May 2014, with vesting period from 3 May 2011 to 3 May 2013. The fair value of each option at the date of grant is approximately HK\$1.8681;
- (c) 5,598,000 share options exercisable commencing 4 May 2014 to 3 May 2015, with vesting period from 3 May 2011 to 3 May 2014. The fair value of each option at the date of grant is approximately HK\$2.1032;

20. 以股份為基礎付款(續)

(b) 首次公開發售後購股權計劃(續)

於二零一一年五月三日，授出以下購股權：

- (a) 4,198,500 股自二零一二年五月三日至二零一三年五月三日期間可行使而歸屬期為二零一一年五月三日至二零一二年五月二日之購股權。各購股權於授出日期的公平值為約1.1465 港元；
- (b) 4,198,500 股自二零一三年五月四日至二零一四年五月三日期間可行使而歸屬期為二零一一年五月三日至二零一三年五月三日之購股權。各購股權於授出日期的公平值為約1.8681 港元；
- (c) 5,598,000 股自二零一四年五月四日至二零一五年五月三日期間可行使而歸屬期為二零一一年五月三日至二零一四年五月三日之購股權。各購股權於授出日期的公平值為約2.1032 港元；

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

20. Share-Based Payments (continued)

(b) Post-IPO Share Option Scheme (continued)

On 24 June 2011, the following share options were granted:

- (a) 5,250,000 share options exercisable commencing 3 May 2012 to 3 May 2013, with vesting period from 24 June 2011 to 2 May 2012. The fair value of each option at the date of grant is approximately HK\$0.9508;
- (b) 5,250,000 share options exercisable commencing 4 May 2013 to 3 May 2014, with vesting period from 24 June 2011 to 3 May 2013. The fair value of each option at the date of grant is approximately HK\$1.5724;
- (c) 7,000,000 share options exercisable commencing 4 May 2014 to 3 May 2015, with vesting period from 24 June 2011 to 3 May 2014. The fair value of each option at the date of grant is approximately HK\$1.9996;

The aggregate fair value of the share options granted during the six months ended 30 June 2011 determined at the dates of grant using the Binomial model was HK\$51,675,000. The following assumptions were used to calculate the fair value:

20. 以股份為基礎付款(續)

(b) 首次公開發售後購股權計劃(續)

於二零一一年六月二十四日，授出以下購股權：

- (a) 5,250,000 股自二零一二年五月三日至二零一三年五月三日期間可行使而歸屬期為二零一一年六月二十四日至二零一二年五月二日之購股權。各購股權於授出日期的公平值為約0.9508港元；
- (b) 5,250,000 股自二零一三年五月四日至二零一四年五月三日期間可行使而歸屬期為二零一一年六月二十四日至二零一三年五月三日之購股權。各購股權於授出日期的公平值為約1.5724港元；
- (c) 7,000,000 股自二零一四年五月四日至二零一五年五月三日期間可行使而歸屬期為二零一一年六月二十四日至二零一四年五月三日之購股權。各購股權於授出日期的公平值為約1.9996港元；

截至二零一一年六月三十日止六個月，已授出購股權於授出日期按二項式模式計算的合計公平值為51,675,000港元。於計算公平值時採用以下假設：

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

20. Share-Based Payments (continued)

(b) Post-IPO Share Option Scheme (continued)

Share options granted on 3 May 2011:

| | Share options exercisable commencing on 3 May 2012 自二零一二年 五月三日起 可行使的購股權 | Share options exercisable commencing on 4 May 2013 自二零一三年 五月四日起 可行使的購股權 | Share options exercisable commencing on 4 May 2014 自二零一四年 五月四日起 可行使的購股權 |
|------------------------------------|---|---|---|
| Grant date share price 授出日期股價 | HK\$6.20 6.20 港元 | HK\$6.20 6.20 港元 | HK\$6.20 6.20 港元 |
| Exercise price 行使價 | HK\$6.388 6.388 港元 | HK\$6.388 6.388 港元 | HK\$6.388 6.388 港元 |
| Expected volatility 預期波幅 | 42.747% | 53.510% | 51.323% |
| Expected option period 預期購股權期限 | 1.503 years 1.503 年 | 2.503 years 2.503 年 | 3.503 years 3.503 年 |
| Risk-free rate 無風險利率 | 0.406% | 0.778% | 1.195% |
| Expected dividend yield 預期股息收益率 | 1.448% | 1.448% | 1.448% |

20. 以股份為基礎付款(續)

(b) 首次公開發售後購股權計劃(續)

於二零一一年五月三日授出的購股權：

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

20. Share-Based Payments (continued)

(b) Post-IPO Share Option Scheme (continued)

Share options granted on 24 June 2011:

| | Share options exercisable commencing on 3 May 2012 自二零一二年 五月三日起 可行使的購股權 | Share options exercisable commencing on 4 May 2013 自二零一三年 五月四日起 可行使的購股權 | Share options exercisable commencing on 4 May 2014 自二零一四年 五月四日起 可行使的購股權 |
|------------------------------------|---|---|---|
| Grant date share price 授出日期股價 | HK\$6.09 6.09 港元 | HK\$6.09 6.09 港元 | HK\$6.09 6.09 港元 |
| Exercise price 行使價 | HK\$6.388 6.388 港元 | HK\$6.388 6.388 港元 | HK\$6.388 6.388 港元 |
| Expected volatility 預期波幅 | 38.291% | 47.572% | 51.216% |
| Expected option period 預期購股權期限 | 1.503 years 1.503 年 | 2.503 years 2.503 年 | 3.503 years 3.503 年 |
| Risk-free rate 無風險利率 | 0.260% | 0.486% | 0.803% |
| Expected dividend yield 預期股息收益率 | 1.482% | 1.482% | 1.482% |

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

During the six months ended 30 June 2011, the Group recognised an expense of HK\$3,289,000 in relation to share options granted by the Company under the Scheme (six months ended 30 June 2010: Nil).

20. 以股份為基礎付款(續)

(b) 首次公開發售後購股權計劃(續)

於二零一一年六月二十四日授出的購股權：

計算購股權公平值所用變量及假設按董事的最佳估計而定。購股權價值因若干主觀假設的不同變數而有所不同。

於截至二零一一年六月三十日止六個月，本集團就本公司根據該計劃授出的購股權確認開支3,289,000港元(截至二零一零年六月三十日止六個月：零)。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

21. Related Party Disclosures

During the six months ended 30 June 2011, the Group had the following transactions with related parties:

21. 關連方披露

於截至二零一一年六月三十日止六個月，本集團與關連方有以下交易：

| Name of related party 關連方名稱 | Nature of transaction 交易性質 | Six months ended 30 June 截至六月三十日止六個月 | |
|---|--|---|----------------------------------|
| | | 2011 二零一一年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 |
| Delco Asia Company Limited (note i) | Interest expense | | |
| Delco Asia Company Limited (附註i) | 利息開支 | - | 951 |
| Mr. Fang and/or his close family members and entities controlled by him (note ii) | Interest expense | | |
| 方先生及／或其近親 家族成員及其控制的 公司(附註ii) | 利息開支 | - | 614 |
| 上海路永金屬物資有限公司 (note iii) | Purchase of property, plant and equipment | | |
| 上海路永金屬物資 有限公司(附註iii) | 購買物業、廠房及設備 | 6,637 | - |
| | Purchase of scrap metal | | |
| | 購買廢金屬 | 1,254 | - |
| H.P.L. Metals B.V. ("HPL") and SVO Company B.V. ("SVO") (note iv) | Acquisition of Delco Europe B.V.(note v) | | |
| H.P.L. Metals B.V. (「HPL」) and SVO Company B.V. (「SVO」)(附註iv) | 收購 Delco Europe B.V. (附註v) | - | 1 |

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

21. Related Party Disclosures (continued)

notes:

- (i) Delco Asia Company Limited is held in equal shares by SVO and HPL respectively. HPL and SVO are the shareholders of a shareholder of the Company.
- (ii) Mr. Fang is a director and one of the shareholders of the Company.
- (iii) 上海路永金屬物資有限公司 is a non-controlling shareholder of one of the Group's PRC non-wholly-owned subsidiaries and held 49% equity interest in that PRC subsidiary.
- (iv) HPL and SVO are the shareholders of a shareholder of the Company.
- (v) On 1 January 2010, the Group acquired 100% equity interest in Delco Europe from HPL and SVO, the holding companies of a shareholder of the Company, for a consideration of EUR100 in cash which was equivalent to its net asset value at that date.

22. Event after the Reporting Period

On 11 August 2011, the Group entered into an investment agreement with Yantai Economic and Technological Development Zone Administration Committee, an independent party, and agreed to invest US\$99,980,000 for development of metal recycling business in the Yantai zone of the PRC. Details of the arrangement are set out in the announcements of the Company dated on 11 August 2011.

21. 關連方披露(續)

附註:

- (i) Delco Asia Company Limited 分別由 SVO 及 HPL 均等持有。HPL 及 SVO 為本公司股東的股東。
- (ii) 方先生為本公司董事及股東。
- (iii) 上海路永金屬物資有限公司為本集團於中國的非全資擁有附屬公司的非控股股東，並於該中國附屬公司持有 49% 權益。
- (iv) HPL 及 SVO 為本公司股東的股東。
- (v) 於二零一零年一月一日，本集團向本公司一名股東的控股公司 HPL 及 SVO 收購 Delco Europe 全部股權，代價為 100 歐元現金（相當於 Delco Europe 於該日的資產淨值）。

22. 報告期後事項

於二零一一年八月十一日，本集團與獨立方煙台經濟技術開發區管理委員會訂立投資協議，並同意投資 99,980,000 美元作為於中國煙台區開發金屬回收業務之用。有關安排之詳情載列於本公司日期為二零一一年八月十一日之公告。

This report is published in both English and Chinese Languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

本報告以英文及中文刊發。中英文版本間如有任何歧異，概以英文版本為準。



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