

The logo features the word "KaShui" in a bold, italicized, dark red font. The year "1980" is positioned above the "ui" in a smaller, gold-colored font. The background of the entire page is a warm, golden-yellow gradient with a stylized world map and glowing white lines representing global connectivity.

*KaShui*¹⁹⁸⁰

Ka Shui International Holdings Limited
嘉瑞國際控股有限公司

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：822

ANNUAL REPORT
年報

專業服務源自持續創新
Professional Services
Come from
Continuous Innovation

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)
Dr. Keung Wing Ching (*Vice Chairman and Chief Executive Officer*)
Mr. Wong Wing Chuen
Mr. Chan Tat Cheong, Alan

Independent Non-Executive Directors

Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok BBS, MH, JP
Mr. Yeow Hoe Ann John
Mr. Andrew Look

AUTHORISED REPRESENTATIVES

Dr. Keung Wing Ching
Mr. Chan Tat Cheong, Alan

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Chan Tat Cheong, Alan

AUDIT COMMITTEE

Mr. Yeow Hoe Ann John
Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok BBS, MH, JP
Mr. Andrew Look

NOMINATION COMMITTEE

Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok BBS, MH, JP
Mr. Yeow Hoe Ann John
Mr. Andrew Look
Dr. Keung Wing Ching

REMUNERATION COMMITTEE

Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok BBS, MH, JP
Mr. Yeow Hoe Ann John
Mr. Andrew Look
Dr. Keung Wing Ching

董事

執行董事

李遠發先生(主席)
姜永正博士(副主席兼行政總裁)
黃永銓先生
陳達昌先生

獨立非執行董事

孫啟烈先生BBS,太平紳士
盧偉國博士BBS, MH,太平紳士
姚和安先生
陸東先生

授權代表

姜永正博士
陳達昌先生

公司秘書及合資格會計師

陳達昌先生

審核委員會

姚和安先生
孫啟烈先生BBS,太平紳士
盧偉國博士BBS, MH,太平紳士
陸東先生

提名委員會

孫啟烈先生BBS,太平紳士
盧偉國博士BBS, MH,太平紳士
姚和安先生
陸東先生
姜永正博士

薪酬委員會

孫啟烈先生BBS,太平紳士
盧偉國博士BBS, MH,太平紳士
姚和安先生
陸東先生
姜永正博士

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

REGISTERED OFFICE

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman, Cayman Islands

註冊辦事處

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1210, Exchange Tower
33 Wang Chiu Road, Kowloon Bay
Kowloon, Hong Kong

香港主要營業地點

香港九龍
九龍灣宏照道33號
國際交易中心1210室

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Fenghuang Road East Section
Pinghu Town, Longgang District
Shenzhen, the PRC

中華人民共和國(「中國」)主要 營業地點

中國深圳市
龍崗區平湖鎮
鳳凰路東段

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman)
Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

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

AUDITOR

RSM Nelson Wheeler

核數師

中瑞岳華(香港)會計師事務所

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited
Australia and New Zealand Banking Group Limited

主要往來銀行

渣打銀行(香港)有限公司
恒生銀行有限公司
星展銀行(香港)有限公司
澳盛銀行集團有限公司

WEBSITE

www.kashui.com

網址

www.kashui.com

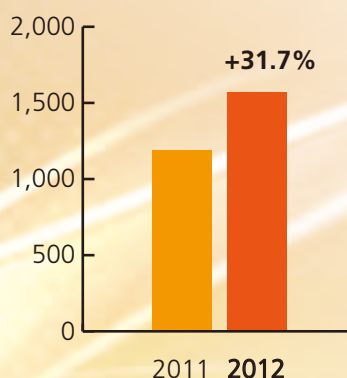
FINANCIAL HIGHLIGHTS

財務概要

		2012	2011
		HK\$'000	HK\$'000
Turnover	營業額	1,568,958	1,191,698
Net profit attributable to equity holders of the Company	權益持有人應佔溢利	125,894	62,820
Basic earnings per share (HK cents)	每股基本盈利(港仙)	14.16	7.09
Total dividends per share (HK cents)	每股總股息(港仙)	9.90	4.96
Interim dividend paid per share (HK cents)	已付每股中期股息(港仙)	1.60	0.66
Proposed final dividend per share (HK cents)	建議派發末期股息(港仙)	8.30	4.30
Dividend payout ratio	派息比率	70.0%	70.2%

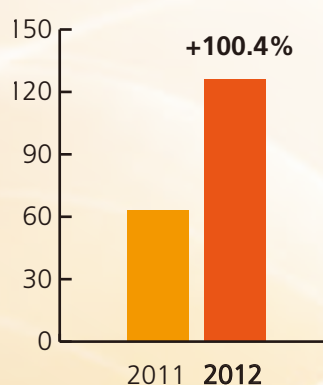
Turnover (HK\$million)

收入 (百萬港元)



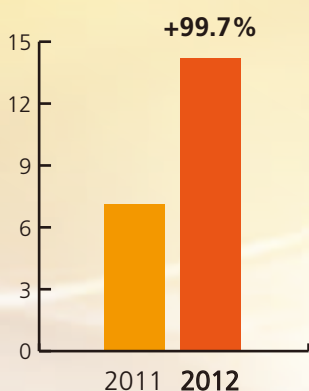
Profit attributable to equity holders (HK\$million)

權益持有人應佔溢利 (百萬港元)



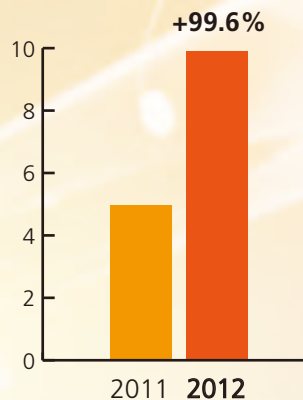
Basic earnings per share (HK cents)

每股基本盈利 (港仙)



Total dividends per share (HK cents)

每股總股息 (港仙)



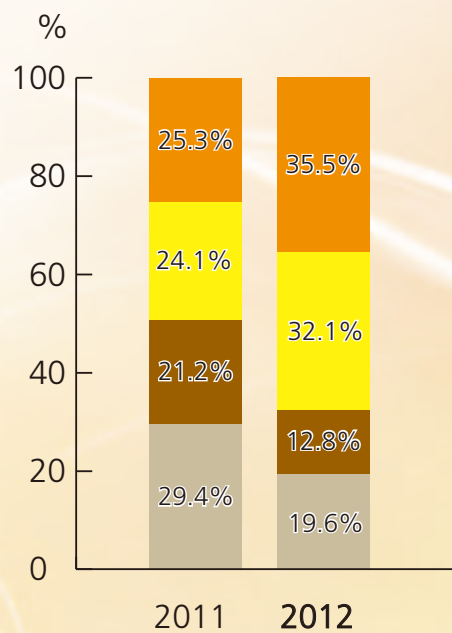
FINANCIAL HIGHLIGHTS (CONTINUED)

財務概要(續)

Turnover percentage by business segments

按業務分部的營業額百分率

- Zinc alloy die casting
鋅合金壓鑄
- Magnesium alloy die casting
鎂合金壓鑄
- Aluminium alloy die casting
鋁合金壓鑄
- Plastic injection
塑膠注塑



KEY INFORMATION FOR SHAREHOLDERS

股東主要資料

FINANCIAL CALENDAR

Announcement of 2012 Annual Results
18 March 2013

Annual General Meeting
6 May 2013

Ex-dividend Date for 2012 Final Dividend
9 May 2013

2012 Final Dividend Payment Date
27 May 2013

STOCK CODE

822

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

Ms. Celia Yam
Ka Shui International Holdings Limited
Room 1210, Exchange Tower
33 Wang Chiu Road, Kowloon Bay
Hong Kong
Tel: (852) 2414 0456
Fax: (852) 2412 1743
Email: celia.yam@kashui.com

財務日誌

二零一二年全年業績公佈
二零一三年三月十八日

股東週年大會
二零一三年五月六日

二零一二年末期股息除淨日期
二零一三年五月九日

二零一二年末期股息派發日期
二零一三年五月二十七日

股份編號

822

每手股數

2,000股

投資者關係

任淑儀小姐
嘉瑞國際控股有限公司
香港九龍灣
宏照道33號
國際交易中心1210室
電話：(852) 2414 0456
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CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the Board of Directors of Ka Shui International Holdings Limited (the "Company"), I am pleased to present you the audited annual results of the Company and its subsidiaries (collectively "the Group") for the year ended 31 December 2012.

2012 was a fruitful year for the Group as turnover and net profit had both attained a record high performance. Notwithstanding the uncertain global economic environment, the Group's turnover has recorded a significant growth of 31.7% to HK\$1,568,958,000 (2011: HK\$1,191,698,000) and profit attributable to owners of the Company has also reached HK\$125,894,000 (2011: HK\$62,820,000), representing a substantial increase of 100.4% over the previous year.

致各位股東：

本人謹代表嘉瑞國際控股有限公司（「本公司」）董事會，欣然向閣下提呈本公司及其附屬公司（統稱為「本集團」）截至二零一二年十二月三十一日止年度之經審核全年業績。

二零一二年本集團之營業額及淨利潤創新高，對本集團而言是豐收之一年。儘管全球經濟環境不穩，本集團之營業額錄得31.7%之顯著上升至1,568,958,000港元（二零一一年：1,191,698,000港元），同時，本公司權益持有人應佔溢利達125,894,000港元（二零一一年：62,820,000港元），較去年大幅增加100.4%。



CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

Following the growing popularity of the Ultrabook in the notebook computer market because of its ultra slim and light weight features, the Group has benefited from this change in market trend and achieved a remarkable sales growth of 75.5% in its magnesium alloy die casting business segment during the year under review. This business segment has become a major sales growth driver for the Group in 2012, contributing to 32.1% of the Group's overall turnover. In becoming the main stream of personal computer, we expect the penetration rate of the Ultrabook to rise persistently in the market for the next few years and as a result, the demand for magnesium alloy metal casings will grow at a fast pace. As a leading magnesium alloy die casting manufacturer, the Group is set to benefit from this fast rising industry trend. Apart from serving one of the world's largest makers of personal computers already, the Group has also successfully expanded its customer base to other branded notebook computer manufacturers. This underpins the Group's confidence in achieving a rapid growth in production capacity for our magnesium alloy business segment in 2013. With our strong research and development capabilities in metal notebook computer casings, the Group will strengthen its leading position in the industry through close cooperation with all the top brands' notebook computer manufacturers, with an aim to enhance its market share and earnings.

In addition to its magnesium alloy die casting business, the Group's plastic injection moulding business had also recorded a boosting sales growth of 84.4% during the year of 2012. This was resulted from the continuous increase in the shipment of smartphone, which led to a persistent rise in the demand for plastic protective cases. It is expected that this business segment will remain as one of the strong growth drivers for the Group in the forthcoming future. Smartphone shipment volume in 2012 was over 700 million units and according to an industry research, smartphones are expected to take the lead in the mobile phone market, accounting for the majority of global mobile phone shipments in 2013. Smartphone prices are also becoming increasingly affordable and will lead to a faster replacement demand. Together, such factors will further boost the demand for smartphones in the forthcoming future. With our strong expertise in the development and production of plastic protective cases for smartphones, the Group is set to benefit tremendously from this growing market trend.

隨著超級本筆記本電腦(「超級本筆電」)之超薄及輕量特質導致超級本筆電於筆記本電腦市場日益普及，本集團受惠於此市場趨勢之轉變，鎂合金壓鑄業務分部之銷售額於回顧年內錄得75.5%之顯著增長。此業務分部於二零一二年內成為本集團銷售之主要增長動力之一，佔本集團整體營業額之32.1%。超級本筆電已成為個人電腦之主流，我們預期其市場滲透率於未來數年將會持續上升；因此，鎂合金金屬外殼之需求亦將會快速增長。作為領先之鎂合金壓鑄生產商，本集團將會受惠於此行業之快速增長。除了早已為全球其中一個最大的個人電腦生產商提供產品外，本集團亦已成功擴展其客戶基礎至其他品牌筆記本電腦製造商。此舉加強了本集團於二零一三年步署快速增長鎂合金業務產能的信心。藉著其於筆記本電腦金屬外殼之強大研發能力，本集團將會與眾多頂尖筆記本電腦生產商維持緊密合作以加強其行業領導地位，目標為提升其市場份額及盈利。

除了鎂合金壓鑄業務外，本集團之塑膠注塑業務的銷售於二零一二年亦錄得84.4%之大幅增長。此乃由於智能電話之付運量持續上升，因應塑膠保護外殼之需求亦相繼增加。預期此部分業務將會繼續成為本集團未來其中一個強大的增長動力。於二零一二年，智能電話之付運量已超過七億台；根據一項行業調查顯示，智能電話預期將會領導流動電話市場，並佔據二零一三年全球流動電話付運量的絕大部份。並且，由於智能電話的價格越來越大眾化因此引致加快更換的意慾。此等原因將會推高智能電話未來的需求。憑藉本集團於智能電話塑膠保護外殼開發及生產的專長，本集團將會大幅受惠於此市場的增長趨勢。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

As 3C (communication, computer and consumer electronics) products have become increasingly popular in the market, it is expected that the demand for 3C products will surge substantially in the forthcoming future. Riding on this fast growing market trend, the Group will endeavor to focus all its effort on the research and development with regard to the applications of different alloys, production technology and surface finishing solutions with an aim to become a market leader of the 3C products' industries in China.

In view of the flourishing development of notebook computer casings, the Group has committed to expand its production capacity to meet customers' surging demand. As a result, the Group has embarked its construction on the second phase of the industrial complex in Daya Bay, Huizhou, the PRC comprising a gross floor area of approximately 23,000 sq.m. We expect the new production facility to commence operation by the third quarter of 2013.

由於3C(通訊、電腦及消費者電子)產品於市場上日漸普及，預期3C產品於未來之需求將會持續急升。鑑於此快速增長之市場趨勢，本集團將會全面專注各種合金材料之應用、生產技術及表面處理方案等研發，目標為成為中國3C產品行業之市場領導者。

鑑於筆記本電腦外殼之蓬勃發展，本集團已致力啟動擴充其產能以滿足客戶之殷切需求。因此，本集團已展開其位於中國惠州大亞灣工業園區第二期的建築工程。是項工程佔地約23,000平方米並預計此新生產設施將於二零一三年第三季開始營運。



The Group has always committed to generating attractive returns for its shareholders and implementing a high dividend payout policy. In recognition of our shareholders' continuous support, the Board of Directors recommended the payment of a final dividend of HK8.3 cents (2011: HK4.3 cents) per share for the year ended 31 December 2012. Taking into account the interim dividend of HK1.6 cents (2011: 0.66 cents) per share paid in September 2012, total dividends for the year will be HK9.9 cents (2011: HK4.96 cents) per share, which represents an increase of approximately 99.6% over that of the previous year and representing a dividend payout of 70.0% (2011: 70.2%). Notwithstanding its high dividend payout ratio, the Group is convinced that it can sustain a rapid business growth and maximize its return to the shareholders over the years.

本集團一貫承諾為股東帶來具吸引力之回報，並實施高派息之股息政策。為了回饋股東之持續支持，董事會建議派發截至二零一二年十二月三十一日止年度每股8.3港仙(二零一一年：4.3港仙)之末期股息。連同於二零一二年九月已派發之中期股息每股1.6港仙(二零一一年：0.66港仙)，全年股息總數為每股9.9港仙(二零一一年：4.96港仙)，較去年增加99.6%，派息比率為70.0%(二零一一年：70.2%)。儘管保持高派息比率，本集團確信有能力維持業務高速度增長及於未來把股東之回報推至最高。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

Global quantitative easing policy has artificially depressed the cost of capital. As a result, immoderate cash holding might not be a wise option for our shareholders as the deposit rate is very minimal and in turn, pulls down the return on equity. Seizing the opportunity of persisting low interest rate in the market, the Group will strategically take full advantage of external financing as the low cost of capital provides the opportunity to diversify its business through investments in related and promising new businesses and a reasonable gearing level is suitable for the Group's long term business development and will give a better return to our shareholders.

To cope with market challenges and achieve sustainable development, the Group has always been emphasizing and supporting technology enhancement and innovation, and devoting to enhance the application, research and development of new technology, materials and production techniques. Through innovation of technology and combining integrated production techniques to add value to its products constantly, and together with its ability to respond quickly to changes for which the Group has always been proud of, the Group will look to build on the achievements realized over the past years and elevate the Group to the next height.

Finally, I would like to express my sincere gratitude to our shareholders, customers, bankers and suppliers for their continuing support; our fellow board members for their proactive direction; and our management and employees for their dedicated contribution towards the continual progress of the Group.

Lee Yuen Fat

Chairman

Hong Kong, 18 March 2013

全球經濟量化政策把融資成本人為地壓低。因此，由於存款利率極低導致股本回報率被拉低，對我們的股東而言，手持過多現金未必是一個明智的選擇。本集團策略上把握市場持續低利率之機會充分利用外圍融資投資於有關及有前景之新業務上以達致業務多元化。因此，合理的借貸水平對本集團長遠之業務發展是合適的並且將為我們的股東帶來更佳的回報。

為了應付市場挑戰及達致持續發展，本集團時刻強調及支援技術提昇及創新，以及致力促進新科技、材料和生產技術之應用和研發。透過創新科技和綜合生產技術的整合，不斷提高產品的附加值，加上集團一直引以為傲的快速應變能力，本集團可以基於過去建立的成就繼續發展，並提升至更高層次。

最後，本集團之持續進步全靠股東、客戶、銀行及供應商的不斷支持；我們董事會成員同仁的前瞻性指導與及管理層與員工的全情投入。本人對以上人士表示萬分謝意。

李遠發

主席

香港，二零一三年三月十八日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(A) FINANCIAL REVIEW

Driven by the buoyant demand for magnesium alloy notebook computer casings as well as plastic protective cases for smartphones, the Group's turnover for the year ended 31 December 2012 surged by 31.7% to HK\$1,568,958,000 (2011: HK\$1,191,698,000) when compared with that of last year. Meanwhile, gross profit as well as profit attributable to owners of the Company has also recorded a remarkable increase of 53.2% to HK\$353,705,000 (2011: HK\$230,808,000) and 100.4% to HK\$125,894,000 (2011: HK\$62,820,000) respectively as compared with that of last year. Resulting from the economy of scale in production caused by the increase in turnover coupled with a favourable change in product mix, the Group's gross profit margin for the year has improved significantly from 19.4% to 22.5%.

During the year, the Group recorded an increase of approximately 33.4% in operating costs and other operating expenses which included selling and distribution expenses, general and administrative expenses and other expenses to approximately HK\$195,138,000 (2011: HK\$146,327,000), accounting for approximately 12.4% (2011: 12.3%) of the Group's total turnover. The overall increase was mainly attributable to the increased expenditure on research and development for new products and production technologies as well as staff costs to support the demand for rapid growth of the Group's new lines of business.

(B) BUSINESS REVIEW

Zinc alloy die casting business

The turnover of zinc alloy die casting business dropped by 12.1% to HK\$307,603,000 (2011: HK\$349,859,000), accounting for approximately 19.6% (2011: 29.4%) of the Group's overall turnover. This was mainly due to the slowdown in the global economy which had a negative impact on the demand for household products. As a result, the turnover of this business segment has inevitably experienced a decline. Following the gradual recovery of the global economy, the Group anticipates that the market demand for zinc alloy die casting products will be revitalized in the forthcoming future.

(A) 財務回顧

受到鎂合金筆記本電腦外殼及智能電話塑膠保護外殼銷售之強勁需求所帶動，本集團截至二零一二年十二月三十一日止年度之營業額較去年急升31.7%至1,568,958,000港元（二零一一年：1,191,698,000港元）。與此同時，毛利及本公司權益持有人應佔溢利較去年分別錄得53.2%及100.4%之顯著增長至353,705,000港元（二零一一年：230,808,000港元）及125,894,000港元（二零一一年：62,820,000港元）。由於營業額上升帶來生產經濟效益及產品組合之有利轉變，本集團年內之毛利率由19.4%大幅改善至22.5%。

年內，本集團之營運成本及其他營運開支（包括銷售及分銷費用、一般及行政費用及其他開支）增加33.4%至195,138,000港元（二零一一年：146,327,000港元），佔本集團整體營業額12.4%（二零一一年：12.3%）。整體增加主要在於新產品及新生產技術研發費用之上升以及員工開支增加，此乃用以支援本集團之新業務急速發展之需求。

(B) 業務回顧

鋅合金壓鑄業務

鋅合金壓鑄業務之營業額下跌12.1%至307,603,000港元（二零一一年：349,859,000港元），佔總營業額19.6%（二零一一年：29.4%），主要是由於全球經濟放緩對家居產品的需求帶來負面影響。因此，此業務分部之營業額無可避免地下跌。隨著環球經濟逐漸復甦，本集團預計鋅合金壓鑄產品之市場需求將會於未來復甦。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Magnesium alloy die casting business

Following the growing popularity of the Ultrabook, the Group's magnesium alloy die casting business has recorded a robust growth and the turnover of this business segment has reached HK\$503,326,000 (2011: HK\$286,873,000) during the year, representing an increase of 75.5% when compared with that of last year. The contribution of this business segment to the Group's turnover also grew from 24.1% to 32.1%. Riding on the widely application of magnesium alloy for notebook computer casings, the Group has successfully gained a larger market share during the year. The Group will further capitalize on its competitive advantages in this notebook computer casing industry by expanding its production capacity, with an aim to become a leading one-stop solution provider in the notebook computer casing manufacturing industry.

鎂合金壓鑄業務

隨著超級本筆記本電腦逐漸普及，本集團之鎂合金壓鑄業務錄得強勁增長，本年度此業務分部之營業額增長至503,326,000港元（二零一一年：286,873,000港元），較去年增加了75.5%。此業務分部對本集團營業額之貢獻由去年之24.1%上升至32.1%。隨著鎂合金廣泛應用於筆記本電腦外殼，本集團於年內已成功獲取較大的市場份額。本集團將會繼續利用其於筆記本電腦外殼上之競爭優勢擴充其產能，目標為成為筆記本電腦外殼行業中領先之一站式解決方案提供者。



Aluminium alloy die casting business

The turnover of aluminium alloy die casting business eroded to HK\$201,126,000 (2011: HK\$253,035,000) for the year, representing a decline of 20.5% as compared with that of 2011. Its contribution to the Group's turnover also decreased from approximately 21.2% in 2011 to 12.8% in 2012. Resulting from the uncertainties inherent in the global economy which affected consumer confidence and sales of household products, the Group's aluminium alloy die casting business had taken the hit. With the economy of the United States, as well as other regions, already showing signs of gradual recovery, the Group expects the demand for household products to recover steadily in the forthcoming future.

鋁合金壓鑄業務

年內，鋁合金壓鑄業務之營業額倒退至201,126,000港元（二零一一年：253,035,000港元），相比二零一一年下跌20.5%，佔集團營業額亦由二零一一年之21.2%下降至二零一二年之12.8%。此亦基於全球經濟不穩，消費者信心及家居產品之銷售受到影響，本集團之鋁合金壓鑄業務因應受到打擊。隨著美國及其他地區之經濟出現逐漸復甦跡象，本集團預期家居產品之需求亦於將來逐漸穩定地回復。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Plastic injection moulding business

Benefiting from the booming smartphone market, the Group's plastic injection moulding business continued to be a strong growth driver for the Group during the year. The turnover of this business segment recorded a remarkable growth of 84.4% to HK\$556,903,000 (2011: HK\$301,931,000) when compared with that of last year. This business segment has become one of the larger sales contributor to the Group during the year, accounting for 35.5% (2011: 25.3%) of the overall turnover. As shipments of smartphone continue to increase, the demand for plastic protective cases will also rise persistently. It is expected that this business segment will remain as one of the strong growth drivers for the Group in the forthcoming future.

(C) PROSPECTS

The slowdown in the global economy has lasted longer than what most expected. Against the backdrop of a stagnant market situation, consumer confidence is expected to be persistently dampened. To maintain our competitive position in this difficult market environment, the Group will continue to improve its productivity and operational efficiency with a strong focus on value-added products and services.

The launch of the Ultrabook, together with the release of the new Windows 8 operating system, will certainly stimulate the replacement demand of notebook computers. The powerful functionality features together with the sleek and compact design of the Ultrabook will undoubtedly lead the trend of notebook computers entering into a new era. In addition, the Group believes that conventional notebook computer manufacturers will be inclined to shift from plastic to metal casings, because of the latter's ultra slimness feature and superior heat dissipation. Meanwhile, the Group also anticipates that the upcoming market trend will place more focus on the surface finishing of these metal notebook computer casings. As such, the Group will emphasize its research and development on the provision of various surface finishing solutions so as to satisfy the needs from different customers. Other than notebook computer casings, the application of magnesium alloy can also be extended to telecommunication and consumer electronics products. To fully leverage on its expertise in magnesium alloy die casting, the Group will actively search for new 3C (communication, computer and consumer electronics) products' customers with an aim to

塑膠注塑業務

受惠於智能手機的持續良好發展，本集團之塑膠注塑業務於本年度繼續成為本集團之強勁增長動力。此業務分部之營業額較去年錄得84.4%之顯著上升至556,903,000港元(二零一一年：301,931,000港元)，此業務分部為本集團年內高營業額貢獻者之一，佔本集團營業額約35.5%(二零一一年：25.3%)。由於智能電話之付運量持續上升，塑膠保護外殼之需求將會繼續增加。預期此業務分部將會繼續成為本集團未來其中一個強勁增長動力。

(C) 展望

全球經濟放緩比預期持久。於此停滯之市場情況下，預期消費者信心將持續受到打擊。在此困難之市場環境下，本集團將持續專注改善其生產力及營運效率，致力開展增值產品及服務以保持其競爭力。

超級本筆記本電腦及新視窗8作業系統推出市場將必定刺激筆記本電腦之更換意慾。超級本筆記本電腦之強大功能及輕巧設計將毫無疑問地帶領筆記本電腦進入一個新時代。再者，本集團預料傳統筆記本電腦生產商將會逐漸傾向由塑膠外殼轉移至具超薄特性及散熱較佳的金屬外殼。同時，本集團預期未來的市場趨勢將會把重點放在此等金屬筆記本電腦外殼之表面裝飾上。因此，本集團將會加強其多種表面處理方案之研發，以滿足不同客戶之需求。除了筆記本電腦外殼外，鎂合金之應用也可以擴展至通訊及消費者電子產品上。憑藉其於鎂合金壓鑄之專業，本集團將會積極尋找3C(通訊、電腦及消費者電子)產品之新客戶，藉以進一步提升其營業額及盈利。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

further enhance its turnover and profitability. In view of its future business development trend, the Group expects this business segment will gradually become the biggest sales contributor to the Group in the years to come.



Global shipment of smartphone will continue to rise in the coming future and the launch of new smartphones and tablets will motivate the demand for plastic protective cases. Protective cases have currently accounted for the majority of smartphone accessory sales and represented a reflection of a user's style and character. As such, the Group, as a professional one-stop solution provider, will leverage on its competitive advantages and prepare itself to meet the enormous market demand.

Apart from focusing on its original equipment manufacturing ("OEM"), the Group has also been striving to enhance its business to a higher level by developing original design manufacturing ("ODM") and original brand manufacturing ("OBM") businesses. The Group believes that these new lines of business can enhance its turnover and profitability. To this end, the Group has been actively involved in the development and marketing of its own light emitting plasma ("LEP") lighting products. Under the pressure of global warming and high energy costs, the demand for various forms of new energy products is expected to increase significantly. Meanwhile, the requirement for replacing traditional lighting by energy-saving lights has attracted intensive interests amongst consumers. The Group has participated in several major light fairs held in the United States, Hong Kong and China in 2012 in order to promote its LEP lighting technology and products and has since received many enquiries for such products. During the year, orders for LEP product samples including street light, car parking light, grow light and industrial light have been

基於其未來業務發展之趨勢，本集團預期此業務分部於未來數年將會逐漸成為本集團最大之營業額貢獻者。



預期未來全球智能電話之付運量將會持續上升及新型號智能電話和平板電腦之推出將會帶動塑膠保護外殼之殷切需求。現時保護外殼已成為智能電話配件銷售之主要部份，此亦同時反映使用者之風格及個性。於此，本集團作為一站式解決方案提供者，將會憑藉其競爭優勢以迎合此巨大市場之需求。

除了專注其原設備生產（「OEM」）業務外，本集團透過發展原創設計生產（「ODM」）及品牌生產（「OBM」）業務積極提升其業務至更高層面。本集團相信此等新業務能夠提升其營業額及盈利。於此，本集團積極發展及推廣其light emitting plasma（「LEP」）照明產品。在全球暖化及能源價格高企的壓力下，預期不同類型之新能源產品的需求將會日益增加。與此同時，以節能照明取代傳統照明已引起消費者的濃厚興趣。本集團於二零一二年參加數個在美國、香港及中國舉行之主要燈飾展覽會，以推廣其LEP照明技術及產品，並獲得大量有關LEP產品之查詢。年內，集團接獲LEP產品樣板（包括路燈、停車場燈、種植燈及工程用燈）之訂單，客戶主要來自美國及歐洲國家。由於LEP照明技術對市場而言

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

received from customers essentially from the United States and European countries. Since LEP lighting technology is still new to the market, the Group will devote more resources to promote these LEP products in North America, Europe and South America. It is expected that LEP lighting technology and products will eventually win the market's recognition and open up a new source of revenue for the Group.



The Group is also active in pursuit of potential strategic partnerships as well as merger and acquisition opportunities so as to add higher value to its existing business through synergy. As such, the Group has recently set up a joint venture in Anhui Province, China in March 2013 for the research and development, sale and production of computer and communication related products and components primarily using magnesium alloy as the production material. Strategically located in Anhui Province, where a number of renowned international and domestic players in the electronics and computer industry cluster, this joint venture aims to utilize its geographical advantage to better serve the nearby technological products' manufacturing bases and provide timely support to customers during their early stage of design and development for new products. In addition, the joint venture will also expand into other related businesses in order to capture the new market needs. The overall market of the computer and communication related peripheral products have been growing

仍然是新技術，本集團將會投入較多資源在北美、歐洲及南美推廣LEP產品。預期LEP照明技術及產品最終可以贏得市場認同並為本集團開拓新的收入來源。



本集團並且積極地尋求潛在的策略性合作夥伴與及收購合併機會，藉著協同效益之影響下為其現有業務創造更高價值。於此，本集團於二零一三年三月在中國安徽省成立一家合資公司，從事以鎂合金作為主要生產材料的電腦及通訊有關產品及零部件的研發與配套產銷業務。由於眾多國際及當地知名之電腦及電子產業集群位於安徽省，集團合資公司設立於此戰略位置上，可利用其地理優勢為周邊之科技產品生產基地提供更佳服務，並為客戶於早期之新產品設計及開發過程中提供瞬時之支援。此外，合資公司亦會捕捉市場之新需求而拓展其他相關業務。近年，電腦及通訊相關配套產品之綜合市場一直迅速增長。憑著合資夥伴在這業務範疇方面擁有專業

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

rapidly in recent years. Having acquired the requisite knowledge and extensive market network from our joint venture partners, the set-up of this joint venture will not only strengthen the Group's existing business development capability, but also provide a platform for the Group to explore and develop in other new business sectors. The operation of this joint venture is expected to commence by the third quarter of 2013.

Resulting from the third quantitative easing launched by the United States back in September 2012, cost of capital has been maintained at its historical low and is expected to continue for another year. Taking advantage of this low interest cost environment, the Group will strategically make use of external financing to look for promising business expansion and joint venture investment opportunities which will have a synergy effect with the Group as this will give a better return to its shareholders from the financial perspective.

Moving forward, the Group is optimistic on its future business development and growth. The Group will continuously enhance its core business by the effective use of resources while at the same time, seize suitable opportunities to sustain its market leadership in an ever-changing business environment.

(D) LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2012, the Group had pledged bank deposits, restricted bank balances as well as bank and cash balances of approximately HK\$135,243,000 (2011: HK\$179,433,000), most of which were either denominated in US dollars, Renminbi or Hong Kong dollars.

Total interest-bearing borrowings of the Group as at 31 December 2012 were approximately HK\$330,883,000 (2011: HK\$269,190,000), comprising bank loans and overdrafts of approximately HK\$325,575,000 (2011: HK\$256,796,000) and obligations under finance leases of approximately HK\$5,308,000 (2011: HK\$12,394,000). All of these borrowings were either denominated in US dollars or Hong Kong dollars to which the interest rates applied were primarily subject to floating interest rate.

的知識及廣闊的市場網絡，成立合資公司不只有助本公司加強其現有業務發展之能力，也可為本公司提供一個開拓及發展其他新業務的平台。預期合資公司將於二零一三年第三季度投入營運。

由於二零一二年九月美國推出第三輪經濟量化政策，融資成本維持在歷史性低位並預期將會在來年延續。本集團策略性利用此低利息成本之環境優勢，將會採用外圍融資以開展有前景之業務擴張及合作之投資機會，務求為本集團帶來協同效應及在財務層面上為其股東帶來更佳的回報。

展望未來，本集團對其未來業務發展及增長保持樂觀。本集團將透過有效利用資源以持續提升其核心業務，同時爭取合適機會，於萬變之商業環境中持續其領導地位。

(D) 流動資金及財務資源

於二零一二年十二月三十一日，本集團擁有已抵押銀行存款、有限制銀行存款和銀行及現金結餘約135,243,000港元（二零一一年：179,433,000港元），當中大多數以美元、人民幣或港元計值。

本集團於二零一二年十二月三十一日的計息借款總額約為330,883,000港元（二零一一年：269,190,000港元），包括銀行貸款及透支約325,575,000港元（二零一一年：256,796,000港元）及融資租約承擔約5,308,000港元（二零一一年：12,394,000港元）。該等借款全部以美元或港元計值，所採用的利率主要為浮動利率。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As at 31 December 2012, the net gearing ratio (a ratio of the sum of total bank borrowings and obligations under finance leases less pledged bank deposits, restricted bank balances (if any) and bank and cash balances then divided by total equity) of the Group was approximately 24.0% (2011: 12.4%)

As at 31 December 2012, the net current assets of the Group were approximately HK\$174,966,000 (2011: HK\$195,428,000), which consisted of current assets of approximately HK\$934,083,000 (2011: HK\$676,071,000) and current liabilities of approximately HK\$759,117,000 (2011: HK\$480,643,000), representing a current ratio of approximately 1.2 (2011: 1.4).

(E) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Hong Kong dollars and Renminbi. In order to mitigate the risks due to fluctuation of foreign currency exchange rates, the Group had entered into foreign currency forward contracts to manage its foreign currency exposure during the year under review.

(F) CONTINGENT LIABILITIES

As at 31 December 2012, the Group had no material contingent liabilities.

(G) CHARGE ON ASSETS

As at 31 December 2012, the Group's banking facilities were secured by guarantees given by the following assets: (a) lessors' title to the leased assets under finance leases; and (b) a property situated in Hong Kong owned by the Group.

於二零一二年十二月三十一日，本集團的淨借貸比率(以計息借款及融資租約承擔的總和減已抵押銀行存款、有限制銀行存款(如有)和銀行及現金結餘除以權益總額)約為24.0%(二零一一年：12.4%)。

於二零一二年十二月三十一日，本集團流動資產淨值約為174,966,000港元(二零一一年：195,428,000港元)，包括流動資產約934,083,000港元(二零一一年：676,071,000港元)及流動負債約759,117,000港元(二零一一年：480,643,000港元)，流動比率約為1.2(二零一一年：1.4)。

(E) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。因此，本集團已注意到美元、港元及人民幣匯率的波動可能引起的潛在外匯風險。為了減低匯率波動引起的風險，本集團已利用遠期外匯合約，以管理本集團於回顧年內的外匯風險。

(F) 或然負債

於二零一二年十二月三十一日，本集團並無任何重大或然負債。

(G) 資產抵押

於二零一二年十二月三十一日，本集團抵押下列資產作為銀行借貸及信貸融資的擔保：(a)出租人按融資租約出租的資產業權；及(b)本集團擁有的香港物業。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

(H) HUMAN RESOURCES

As at 31 December 2012, the Group had approximately 5,400 full-time employees (2011: 4,800). The Group attributes its success to the hard work and dedication of its staff as a whole, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides competitive salary package, including retirement scheme, medical benefit and bonus. The Group's remuneration policy and structure is determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and share award scheme as incentive and reward for those qualifying staff who have made contribution to the Group.

The Group provides regular training courses for different level of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organizes different kinds of recreational activities, including New Year gathering, various sport competitions and interest groups. The aim is to promote interaction among staff, establish harmonious team spirit and promote healthy lifestyle.

(H) 人力資源

於二零一二年十二月三十一日，本集團約有5,400名全職僱員（二零一一年：4,800名）。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。

本集團定期舉辦多項針對不同階層員工的培訓課程，並與多間國內專上學院及外間培訓機構合辦各種培訓計劃。除學術和技術培訓外，本集團舉辦了不同種類的文娛康樂活動，其中包括新春聯誼活動、各種體育比賽和興趣班等，目的為促進各部門員工之間的關係，建立和諧團隊精神及提倡健康生活。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員

EXECUTIVE DIRECTORS

Mr. Lee Yuen Fat, aged 57, is the Chairman of the Board, an Executive Director of the Company and a director of certain subsidiaries of the Company. Mr. Lee is responsible for the formulation of the overall business strategies of the Group. He has over 30 years of experience in the die casting industry. Mr. Lee holds a master degree in engineering from the Yanshan University. He was conferred an award of Honorary Fellowship by the Professional Validation Council of Hong Kong Industries.

Mr. Lee was one of the founding members and was the Chairman of the Hong Kong Diecasting Association (now become the Hong Kong Diecasting and Foundry Association (the "HKDFA")) in 1989. He was elected as the first Chairman of the HKDFA and Hong Kong Federation of Innovative Technology and Manufacturing Industries (formerly known as Federation of Hong Kong Machinery and Metal Industries) in 2008 and 2011 respectively. Mr. Lee is also the Director of the China Foundry Association, the Deputy Director of the Plasticity Engineering Branch of China Machinery Engineering Association, Director of the Guangdong Foundry Industry Association, the Vice-Director General of the Guangdong Mechanical Engineering Association Die Casting Branch, the Chairman of Pinghu Chamber of Commerce, Shenzhen and the Vice President of Longgang District General Chamber of Commerce, Shenzhen, the PRC. Mr. Lee is currently a member of Hunan Provincial Committee of the Chinese People's Political Consultative Conference, a member of the Fourth Longgang District Committee of the Chinese People's Political Consultative Conference, Shenzhen, the Deputy Director of Sub-committee 4 on Die Casting of National Technical Committee 54 on Foundry of Standardization Administration of China, the Deputy Secretary General and member of Sub-committee 2 on Metal Hot-forming Branch of National Technical Committee 186 on Foundry Machinery of Standardization Administration of China and the Deputy Director of the Fourth Die Casting Technical Committee, Foundry Institution, Chinese Mechanical Engineering Society.

Dr. Keung Wing Ching, aged 61, is the Vice Chairman and the Chief Executive Officer, an Executive Director and a director of certain subsidiaries of the Company. He is primarily responsible for the overall management, as well as supervision of the execution of the overall business strategies of the Group. Dr. Keung graduated from the National Taiwan University with a bachelor degree in mechanical engineering. He obtained his master degree and doctorate degree in mechanical engineering from the University of Birmingham, the United Kingdom. Dr. Keung has over 25 years of experience in the fields of metal forming, mechanical processing and information technology. He is a Chartered Engineer, a professional member of the Institute of Materials, Minerals & Mining (UK) and a fellow member of the Hong Kong Institution of Engineers.

執行董事

李遠發先生，57歲，本公司董事會主席、執行董事兼本公司若干附屬公司之董事。李先生負責制定本集團整體業務策略。彼擁有逾30年壓鑄業經驗，持有燕山大學工程碩士學位。此外，李先生獲香港工業專業評審局頒授榮譽院士。

李先生為香港壓鑄學會（現時為香港壓鑄及鑄造業總會）創辦人之一，及後於一九八九年出任該會會長。彼分別於二零零八年及二零一一年被選為香港壓鑄及鑄造業總會和香港創新科技及製造業聯合總會（前稱香港機械金屬業聯合總會）首任會長。李先生現為中國鑄造協會理事、中國機械工程學會塑性工程分會副主任、廣東省鑄造行業協會理事、廣東省機械工程學會壓鑄分會副理事長、中國深圳市平湖街道商會（工商聯）會長及深圳市龍崗區總商會（工商聯）副會長。李先生現擔任中國人民政治協商會議湖南省委員會委員、中國人民政治協商會議深圳市龍崗區第四屆委員會委員、全國鑄造標準化技術委員會壓力鑄造分技術委員會（SAC/TC54/SC4）副主任委員、全國鑄造機械標準化技術委員會金屬熱成形分技術委員會（SAC/TC186/SC2）委員兼副秘書長及中國機械工程學會鑄造分會第四屆壓鑄技術委員會副主任委員。

姜永正博士，61歲，本公司副主席兼行政總裁、執行董事及本公司若干附屬公司之董事，主要負責本集團的整體管理及監督整體業務策略的執行。姜博士畢業於國立台灣大學，持有機械工程學士學位，並在英國伯明翰大學取得機械工程碩士及博士學位，擁有逾25年金屬成型、機械加工及資訊科技經驗。姜博士為特許工程師、英國材料、礦物及採礦學會專業會員以及香港工程師學會資深會員。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Prior to joining the Group in 2005, he worked with the Hong Kong Productivity Council for more than 25 years and his last position was the Branch Director, Information Technology and Services.

Dr. Keung is also the Permanent Honorary Chairman of the HKDFA, the Honorary Chairman of the board of directors of Hong Kong Critical Components Manufacturers Association, a committee member of the Hong Kong Q Mark Council of the Federation of Hong Kong Industries, Vice President of China Foundry Association and Standing Committee Member of the Foundry Institution of Chinese Mechanical Engineering Society. Dr. Keung is currently an advisor of the Guangzhou Science & Technology Association and a member of Shandong Provincial Committee of the Chinese People's Political Consultative Conference. Dr. Keung is also currently an independent non-executive director of Fong's Industries Company Limited, a company whose shares are listed on the Hong Kong Stock Exchange.

Mr. Wong Wing Chuen, aged 51, is an Executive Director of the Company and a director of certain subsidiaries of the Company. Joined the Group in 1988, Mr. Wong is now responsible for the Group's manufacturing activities. Mr. Wong has over 30 years' experience in die design and manufacturing and the die casting industry. He is an Associate of the Professional Validation Council of Hong Kong Industries.

Mr. Chan Tat Cheong, Alan, aged 52, is an Executive Director, Company Secretary and Qualified Accountant of the Company. He is primarily responsible for overseeing the Group's accounting and financial affairs. Prior to joining the Group in 2003, Mr. Chan held a senior financial position with a listed company in Hong Kong for over 8 years and has over 20 years' experience in accounting, auditing and financial management. Mr. Chan holds a bachelor degree in accounting and financial analysis from the University of Newcastle Upon Tyne, the United Kingdom. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Sun Kai Lit Cliff BBS, JP, aged 59, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the chairman of the remuneration committee as well as the nomination committee of the Company. Mr. Sun is an associate of the Institute of Industrial Engineers of Ohio and has over 30 years of experience in the household products manufacturing industry. Mr. Sun was appointed the Justice of the Peace in July 2003 and was awarded the Bronze Bauhinia Star by the Hong Kong Government in July 2006. He is a member of the 11th Zhejiang Committee of Chinese People's Political Consultative Conference. He is currently the Honorary President of the Federation of Hong Kong Industries, Honorary Chairman of The Hong Kong Exporters' Association, Honorary Chairman of the Hong Kong Q Mark Council, the President of the Hong Kong Plastics Manufacturers Association and the President of Shenzhen Overseas Chinese International Association. Mr. Sun is currently an independent non-executive director of Ming Fai International Holdings Limited and a non-executive director of China South City Holdings Limited, all of which are listed on the Hong Kong Stock Exchange.

於二零零五年加入本集團前，姜博士曾在香港生產力促進局工作逾25年，離職前為該局副總裁，負責資訊科技及服務。

姜博士亦為香港鑄造及鑄造業總會永遠名譽主席、香港關鍵性零部件製造業協會理事會榮譽主席、香港工業總會優質產品標誌局委員會成員、中國鑄造協會副理事長及中國機械工程學會鑄造分會常務委員。姜博士現時亦為廣州市科學技術協會顧問及中國人民政治協商會議山東省委員會成員。姜博士現為香港聯交所上市公司立信工業有限公司的獨立非執行董事。

黃永銓先生，51歲，本公司執行董事及本公司若干附屬公司之董事。黃先生於一九八八年加入本集團，現負責本集團之製造業務。黃先生擁有逾30年模具設計與製造及鑄造業經驗，為香港工業專業評審局的副院士。

陳達昌先生，52歲，本公司執行董事、公司秘書兼合資格會計師，主要負責監督本集團會計及財務事宜。於二零零三年加入本集團前，陳先生曾在一家香港上市公司擔任高級財務職位逾八年及擁有逾20年會計、審計及財務管理經驗。陳先生持有英國紐卡素大學會計及財務分析學士學位，現為香港會計師公會資深會員及美國執業會計師公會會員。

獨立非執行董事

孫啟烈先生 BBS, 太平紳士，59歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司薪酬委員會及提名委員會主席。孫先生為美國俄亥俄州工業工程師學會會員，於家居用品製造業擁有逾30年經驗。孫先生於二零零三年七月獲頒太平紳士榮譽，並於二零零六年七月獲香港政府頒發銅紫荊星章。彼為中國人民政治協商會議第十一屆浙江省委員會委員。彼現時為香港工業總會名譽會長、香港出口商會名譽主席、香港優質產品標誌局名譽主席、香港塑膠業廠商會會長及深圳僑商國際聯合會會長。孫先生現為香港聯交所上市之明輝國際控股有限公司的獨立非執行董事及華南城控股有限公司的非執行董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Ir Dr. Lo Wai Kwok BBS, MH, JP, aged 60, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. Ir Dr. Lo holds a doctorate degree in engineering, master degrees in engineering and business administration respectively and a bachelor degree in engineering. He is a Chartered Engineer and Fellow of the Hong Kong Institute of Engineers. Ir Dr. Lo was awarded with the “Young Industrial Awards of Hong Kong” and the “Ten Outstanding Young Persons Selection” in 1992, the “Medal of Honour” of the Hong Kong Government in July 2001, and was appointed “Justice of the Peace” of the Hong Kong Government in July 2004. Ir Dr. Lo was awarded the Bronze Bauhinia Star by the Hong Kong Government in July 2009.

Ir Dr. Lo is currently a member of the Legislative Council of Hong Kong, representing the Engineering Functional Constituency. He has over 30 years of experience in the electronic and power supply industry. He is an Adjunct Professor of the City University of Hong Kong, Visiting Professor of the Vocational Training Council and Guest Professor of the University of Electronic Science and Technology Zhongshan College.

Mr. Yeow Hoe Ann John, aged 72, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the chairman of the audit committee of the Company. Mr. Yeow is a fellow member of both CPA Australia and the Hong Kong Institute of Company Secretaries, and a member of both the Institute of Chartered Accountants in Australia and the Hong Kong Institute of Certified Public Accountants.

Mr. Yeow previously worked for Price Waterhouse & Co. in Australia from 1969 to 1974 and KPMG in Hong Kong from 1974 to 1976 and was the Chief Accountant of the Hong Kong Trade Development Council from 1976 to 1987. In 1988, Mr. Yeow joined the Hong Kong Productivity Council and became the general manager in finance until his retirement in 2005.

Mr. Andrew Look, aged 48, was appointed as an Independent Non-executive Director of the Company on 16 December 2009. Mr. Look holds a bachelor of commerce degree from the University of Toronto and has over 20 years' experience in the equity investment analysis of Hong Kong and China stock markets. From 2000 to 2008, Mr. Look served in Union Bank of Switzerland (“UBS”) as the head of Hong Kong research, strategy and product. He was rated as the best Hong Kong strategist and best analyst by the Asiamoney magazine, a leading monthly financial and capital markets publication for corporate and finance readers and investors, in 2001, 2002, 2003, 2005, 2006 and 2007. Mr. Look is currently the managing director and chief investment officer of Look's Asset Management Limited, a fund management company founded by him in April 2009. Mr. Look is also currently an independent non-executive director of TCL Communication Technology Holdings Limited, a company whose shares are listed on the Hong Kong Stock Exchange.

盧偉國博士BBS, MH, 太平紳士, 60歲, 於二零零七年六月二日獲委任為本公司獨立非執行董事。盧博士持有工程學博士學位、工程及工商管理碩士學位與工程學士學位, 並為特許工程師及香港工程師學會資深會員。盧博士為一九九二年「香港青年工業家獎」及「十大傑出青年選舉」與二零零一年七月香港政府「榮譽勳章」的得獎者, 更於二零零四年七月獲香港政府委任為「太平紳士」。盧博士於二零零九年七月獲香港政府頒發銅紫荊星章。

盧博士現為香港立法會議員, 代表工程界別。彼於電子及電源供應業積累超過30年經驗。彼於香港城市大學出任兼任教授, 及於職業訓練局和電子科技大學中山學院出任客席教授。

姚和安先生, 72歲, 於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席。姚先生為澳洲會計師公會及香港公司秘書公會資深會員, 並為澳洲特許會計師公會及香港會計師公會會員。

姚先生曾於一九六九年至一九七四年在澳洲羅兵咸會計師事務所及於一九七四年至一九七六年在香港畢馬威會計師事務所任職。於一九七六年至一九八七年, 姚先生擔任香港貿易發展局首席會計師。一九八八年, 姚先生加入香港生產力促進局, 擔任財務部總經理, 直至二零零五年退休。

陸東先生, 48歲, 於二零零九年十二月十六日獲委任為本公司獨立非執行董事。陸先生持有加拿大多倫多大學商科學士學位, 於香港及中國股票市場資產投資分析累積逾二十年經驗。由二零零零年至二零零八年, 陸先生於瑞士銀行(「瑞士銀行」)出任香港研究、策略及產品部主管。陸先生曾於二零零一、二零零二、二零零三、二零零五、二零零六及二零零七年獲得《亞洲貨幣》雜誌(一本以企業及財經讀者及投資者為對象之著名財經及資本市場月刊)頒發「最佳策略員」及「最佳分析師」殊榮。陸先生現為Look's Asset Management Limited(一間由彼於二零零九年四月創立的基金管理公司)之總經理及投資總監。陸先生現時亦為香港聯交所上市公司TCL通訊科技控股有限公司的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

SENIOR MANAGEMENT

Mr. Chan Sin Wing, aged 40, joined the Group in 2004 and is the director of sales and marketing of the Group. He is primarily responsible for overseeing the sales and marketing activities of the Group. Mr. Chan holds a master degree in industrial engineering and industrial management and a bachelor degree in engineering from the University of Hong Kong. Prior to joining the Group, he worked as a senior consultant of the Hong Kong Productivity Council for over 9 years.

Mr. Wong Wai Chung, Peter, aged 58, joined the Group in 2012 and is the director of operation. He is primarily responsible for overseeing the Group's overall operation. Mr. Wong holds a bachelor degree in engineering from the McGill University, Canada and has over 30 years' experience in plastic, metal and electronics manufacturing and management.

Mr. Lo Hin Fai, aged 50, joined the Group in 2012 and is the director of Group Investment and Financing. He is primarily responsible for overseeing the Group's investment, corporate development and capital market financing activities. Mr. Lo holds a MBA degree in Finance, Corporate Accounting and Organization from the University of Rochester, USA. He has over 20 years of experience in banking, corporate finance and investment. Prior to joining the Group, he has served finance, investment and management functions within both financial institution and corporate business, working closely with different multinational and local companies in Asia, covering mergers and acquisitions, equity and project investments.

高級管理人員

陳善榮先生，40歲，於二零零四年加入本集團，為本集團銷售及市場推廣總監，主要負責監督本集團的銷售及市場推廣工作。陳先生持有香港大學工業工程及工業管理碩士學位和工程學士學位。加入本集團前，陳先生曾任香港生產力促進局高級顧問逾九年。

黃維中先生，58歲，於二零一二年加入本集團，為本集團營運總監，主要負責監督本集團之整體運作。黃先生持有加拿大麥基爾大學工程學士學位，並在塑膠、金屬及電子製造及管理方面累積逾30年經驗。

羅顯輝先生，50歲，於二零一二年加入本集團，為本集團投資事務及資本運作總監，主要負責集團投資、企業發展及資本市場融資事宜。羅先生持有美國羅徹斯特大學工商管理碩士(財務、企業會計及組織)學位，在銀行、企業財務及投資範疇累積超過20年經驗。加入本集團前，彼皆於金融機構和企業專事財務、投資及管理工作，在亞洲地區與不同的跨國公司及當地企業緊密協作，涵蓋合併收購、股權及項目投資。

DIRECTORS' REPORT

董事會報告

The directors have pleasure in submitting their report together with the audited consolidated financial statements of Ka Shui International Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture of zinc, magnesium and aluminium alloy die casting and plastic injection products and components which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products and automotive parts industries. The activities of the subsidiaries are set out in note 16 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 41.

The board of directors (the "Board") of the Company recommends the payment of a final dividend of HK8.3 cents per share to the shareholders whose names appear on the register of members of the Company on 15 May 2013.

The register of members of the Company will be closed from Thursday, 2 May 2013 to Monday, 6 May 2013, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 30 April 2013.

The register of members will be closed from Monday, 13 May 2013 to Wednesday, 15 May 2013, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 10 May 2013.

RESERVES

Movements in reserves during the year are set out in the consolidated statement of changes in equity on page 46.

As at 31 December 2012, the Company's reserve available for distribution amounted to approximately HK\$344,429,000 (2011: HK\$263,132,000).

董事會欣然提呈嘉瑞國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一二年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

主要業務

本集團以生產鋅、鎂及鋁合金壓鑄及塑膠注塑產品及部件為主，主要售予從事家居用品、3C(通訊、電腦及消費者電子)產品及汽車零部件業的客戶。附屬公司之主要業務載於綜合財務報表附註16。

業績及分派

本集團於年內之業績載於第41頁之綜合損益表內。

本公司董事會(「董事會」)建議派付末期股息每股8.3港仙予於二零一三年五月十五日名列本公司股東名冊之股東。

本公司將於二零一三年五月二日(星期四)至二零一三年五月六日(星期一)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格出席應屆股東週年大會並於會上投票，所有股份過戶文件連同有關股票及過戶表格須於二零一三年四月三十日(星期二)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港皇后大道東183號合和中心17樓1712至1716室。

本公司將於二零一三年五月十三日(星期一)至二零一三年五月十五日(星期三)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格獲派末期股息，所有股份過戶文件連同有關股票及過戶表格須於二零一三年五月十日(星期五)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港皇后大道東183號合和中心17樓1712至1716室。

儲備

本年度內，儲備之變動情況載於第46頁之綜合權益變動表。

於二零一二年十二月三十一日，本公司之可供分派儲備約為344,429,000港元(二零一一年：263,132,000港元)。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the percentage of the Group's major customers and suppliers attributable to the Group's total sales and total purchases were as follows:

Sales	
– the largest customer	29.1%
– five largest customers combined	80.2%
Purchases	
– the largest supplier	8.2%
– five largest suppliers combined	30.1%

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

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2012 and assets and liabilities of the Group as at 31 December 2008, 2009, 2010, 2011 and 2012 are set out on page 132.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are shown in note 30 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities of the Company.

物業、機器及設備

本集團物業、機器及設備於本年度內之變動詳情載於綜合財務報表附註15。

主要客戶及供應商

於本年度內，本集團之主要客戶及供應商應佔總營業額及總採購額之百分比如下：

銷售	
–最大客戶	29.1%
–五大客戶合計	80.2%
採購	
–最大供應商	8.2%
–五大供應商合計	30.1%

概無任何本公司董事、聯繫人士或據董事所知擁有本公司股本5%以上權益之任何股東於本集團首五大客戶及供應商擁有權益。

財務概要

本集團於截至二零一二年十二月三十一日止過往五個財政年度之業績以及本集團於二零零八年、二零零九年、二零一零年、二零一一年及二零一二年十二月三十一日之資產及負債的概要載於第132頁。

股本

本公司之股本於本年度內之變動詳載於綜合財務報表附註30。

股份優先購買權

本公司之組織章程細則及開曼群島之公司法中並無股份優先購買權之條文，規定本公司必須按比例發售新股予現有股東。

購買、出售或贖回本公司之上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

THE BOARD

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

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)
Dr. Keung Wing Ching (*Vice Chairman and Chief Executive Officer*)
Mr. Wong Wing Chuen
Mr. Chan Tat Cheong, Alan

Independent non-executive directors

Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok BBS, MH, JP
Mr. Yeow Hoe Ann John
Mr. Andrew Look

The biographical details of the directors are set out on page 19 to 21 of this annual report.

In accordance with the Company's Articles of Association, Mr. Wong Wing Chuen, Mr. Sun Kai Lit Cliff BBS, JP and Mr. Yeow Hoe Ann John will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

The directors being proposed for re-election at the forthcoming annual general meeting do not have any service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under the section headed "Continuing Connected Transactions" set out on page 31 of this annual report, there was no contract of significance, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

MANAGEMENT CONTRACTS

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

董事會

於本年度內及截至本報告日期止，本公司之董事為：

執行董事

李遠發先生(*主席*)
姜永正博士(*副主席兼行政總裁*)
黃永銓先生
陳達昌先生

獨立非執行董事

孫啟烈先生BBS, 太平紳士
盧偉國博士BBS, MH, 太平紳士
姚和安先生
陸東先生

董事之履歷詳情載列於本年報之第19至第21頁。

根據本公司組織章程細則，黃永銓先生、孫啟烈先生BBS, 太平紳士及姚和安先生於即將舉行之股東週年大會上退任，惟彼等均符合資格並願意膺選連任。

董事之服務合約

擬於即將召開之股東週年大會上膺選連任之董事，概無與本公司訂立本集團不可於一年內毋須賠償(法定補償除外)而終止之服務合約。

董事之合約權益

除列載於本年報之第31頁有關於「持續關連交易」一節所披露者外，本公司、其控股公司、任何附屬公司或同系附屬公司概無參與訂立本公司董事直接或間接擁有重大權益，而於年內或年終仍屬有效之重大合約。

管理合約

本年度內，本公司並無訂立或進行任何與本公司全部或重要業務有關之管理及行政合約。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2012, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (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 in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing on Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一二年十二月三十一日，本公司董事及主要行政人員，於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及短倉(包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及短倉)；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及短倉；或根據聯交所證券上市規則(「上市規則」)上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及短倉如下：

Long Positions in the Shares

股份之長倉

Name of Director 董事姓名	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest in the Company 佔本公司權益概約百分比
Executive Directors 執行董事			
Mr. Lee Yuen Fat ("Mr. Lee") 李遠發先生(「李先生」)	Interest in controlled company ⁽¹⁾ 受控制公司權益 ⁽¹⁾	607,200,000	68.28%
	Beneficial owner 實益擁有人	780,000 ⁽²⁾	0.09%
Dr. Keung Wing Ching 姜永正博士	Beneficial owner 實益擁有人	20,842,000	2.34%
Mr. Wong Wing Chuen 黃永銓先生	Beneficial owner 實益擁有人	18,480,000	2.08%
		570,000 ⁽²⁾	0.06%
Mr. Chan Tat Cheong, Alan 陳達昌先生	Beneficial owner 實益擁有人	7,147,000	0.80%
Independent Non-Executive Directors 獨立非執行董事			
Mr. Andrew Look 陸東先生	Beneficial owner 實益擁有人	7,000,000	0.79%
Ir Dr. Lo Wai Kwok BBS, MH, JP 盧偉國博士BBS·MH·太平紳士	Beneficial owner 實益擁有人	1,000,000	0.11%

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Notes:

1. Mr. Lee holds the entire issued share capital of Precisefull Limited ("Precisefull"). As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
2. Such interest in shares was held pursuant to options granted under the share option scheme, details of which are described in the section headed "Share Option Scheme" in this report set out on page 28 to 30.

Save as disclosed above, as at 31 December 2012, none of the directors and chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code in the Listing Rules. In addition, save as disclosed above, at no time during the year ended 31 December 2012 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2012, the following persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Long Positions in the Shares

Name	Capacity	Number of Shares	Approximate percentage of interest in the Company
名稱	身份	股份數目	佔本公司權益概約百分比
Precisefull	Beneficial owner 實益擁有人	607,200,000 ⁽¹⁾	68.28%

附註:

1. 李先生持有Precisefull Limited(「Precisefull」)全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。
2. 該等股份權益乃根據購股權計劃所授出購股權持有，有關詳情載於本報告第28至第30頁之「購股權計劃」一節。

除上文所披露者外，於二零一二年十二月三十一日，概無本公司董事及主要行政人員於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或短倉(包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及短倉);或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及短倉;或根據標準守則須知會本公司及聯交所之權益及短倉。此外，除上述披露外，本公司或其任何附屬公司於截至二零一二年十二月三十一日止整年內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

主要股東於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一二年十二月三十一日，下列人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或短倉，或直接或間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上之權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉：

股份之長倉

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Note:

1. Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.

Save as disclosed above, at no time during the year, the directors and the chief executive of the Company were aware of any other persons (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted pursuant to the written resolutions passed by the shareholders of the Company on 2 June 2007. The purpose of the Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group. The Share Option Scheme will remain valid until 1 June 2017 and each option will be granted at a consideration for HK\$10.

The participants of the Share Option Scheme may include directors, employees, consultants, professionals, customers, suppliers, agents, partners, advisors and contractors of the Group or a company in which the Group holds an interest or a subsidiary of such company.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and under any other share option scheme(s) adopted by the Company must not in aggregate exceed 10% of the aggregate of the shares at the time of listing. In addition, the maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes involving the issue or grant of share options by the Company must not, in aggregate, exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options already granted or to be granted to each participant under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised and outstanding share options) in any 12-month period up to and including the date of such grant should not exceed 1% aggregate of the shares in issue as at the date of such grant. Any grant of further options above this 1% limit shall be subject to approval of the shareholders of the Company at general meetings, with such participant and his associates abstaining from voting.

附註：

1. 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。

除上文所披露者外，於本年度內，本公司董事及主要行政人員並不知悉任何其他人士(本公司董事或主要行政人員除外)於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部披露之權益或短倉，或直接或間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上權益，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉。

購股權計劃

一項購股權計劃(「購股權計劃」)於二零零七年六月二日根據本公司股東通過之書面決議案獲採納。購股權計劃旨在向選定人士提供作為彼等對本集團所作出貢獻之獎勵及獎賞。購股權計劃將一直有效至二零一七年六月一日及每一購股權將以代價10港元授出。

購股權計劃之參與者包括本集團或本集團持有權益公司或該公司的附屬公司之董事、僱員、顧問、專業人士、客戶、供應商、代理商、合作夥伴、諮詢人及承辦商。

根據購股權計劃及本公司所採納之其他購股權計劃將予授出之購股權獲悉數行使時可能發行之股份數目，最高不得超過於上市時股份總數之10%。此外，根據購股權計劃及任何涉及發行或授出本公司購股權的購股權計劃已授出但尚未行使或將予行使之購股權獲行使時可能發行之股份數目，合共不得超過本公司不時已發行股本之30%。

根據購股權計劃及本公司所採納之其他購股權計劃向各參與者已授出或將予授出之購股權(包括已行使及尚未行使之購股權)獲行使而於任何12個月期間(包括授予當日)已發行及將予發行之股份總數，不得超過授出日期已發行股份總數之1%。任何進一步授予超過1%上限之購股權必須於股東大會上獲股東批准，而有關參與者及其聯繫人士須放棄投票。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

The total number of shares in respect of which options may be granted under the Share Option Scheme shall be 74,304,000 shares, representing approximately 8.3% of the issued share capital of the Company as at the date of this annual report.

The period within which the options must be exercised will be specified by the Board at the time of the offer of grant, and must expire no later than 10 years from the effective date of the Share Option Scheme. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Share Option Scheme.

The subscription price for any share under the Share Option Scheme will be a price determined by the Board and will be not less than the highest of:

- (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a share on the date of the grant.

根據購股權計劃可能授出的購股權所涉及的股份總數為74,304,000股，相當於本年報日期本公司已發行股本約8.3%。

董事會將於授出購股權要約時指明購股權須予行使的期限，必須不遲於購股權計劃生效日期起計十年內屆滿。購股權計劃之條款下並無有關必須持有購股權之最短期限或可行使購股權而必須達到之表現目標之一般規定。

購股權計劃項下股份的認購價將由董事會決定，惟該價格不得低於以下最高者：

- (i) 授出有關購股權日期(須為營業日)聯交所每日報價表所列股份收市價；
- (ii) 緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價；及
- (iii) 授出日期股份之面值。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

On 13 March 2008, the Company granted 20,102,000 share options to the Group's employees under the Share Option Scheme at an exercise price of HK\$0.415 per share. A summary of movements of share options of the Company during the year is set out as below:

於二零零八年三月十三日，本公司根據購股權計劃向本集團僱員授出20,102,000份購股權，行使價為每股0.415港元。於本年度內，本公司購股權之變動概述如下：

Category of Grantee/Name	Date of grant	Exercise Price (HK\$)	Exercise Period	Number of share options 購股權數目				
				As at 01/01/2012	Granted during the year	Exercised during the year	Lapsed/Cancelled during the year	Outstanding as at 31/12/2012
承授人類別/姓名	授出日期	行使價(港元)	行使期	於二零一二年一月一日	於年內授出	於年內行使	於年內失效/註銷	於二零一二年十二月三十一日尚未行使
Executive Directors								
執行董事								
Mr. Lee 李先生	13/03/2008	0.415	13/03/2009– 12/03/2018	780,000	-	-	-	780,000
Dr. Keung Wing Ching 姜永正博士	13/03/2008	0.415	13/03/2009– 12/03/2018	-	-	-	-	-
Mr. Wong Wing Chuen 黃永銓先生	13/03/2008	0.415	13/03/2009– 12/03/2018	570,000	-	-	-	570,000
Mr. Chan Tat Cheong, Alan 陳達昌先生	13/03/2008	0.415	13/03/2009– 12/03/2018	-	-	-	-	-
Others								
其他								
Employees 僱員	13/03/2008	0.415	13/03/2009– 12/03/2018	4,240,000	-	2,330,000	-	1,910,000
Total 總數				5,590,000	-	2,330,000	-	3,260,000

Notes:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- The closing price of the share immediately before the date of grant was HK\$0.415.
- The fair values of options granted and the respective accounting policy adopted are set out in note 32 to the consolidated financial statements.

附註：

- 購股權歸屬期間為自授出日期起至行使期開始日期止。
- 在緊接購股權授出日期之前的收市價為0.415港元。
- 已授出的購股權公平值及其採取之會計政策載於綜合財務報表附註32。

COMPETING BUSINESS

Each of Mr. Lee Yuen Fat and Precisefull has provided a written confirmation, which has been reviewed and confirmed by the independent non-executive directors of the Company, confirming that they have complied with the terms of a Deed of Non-competition entered into between them and the Company for the year ended 31 December 2012.

競爭業務

李遠發先生及Precisefull各自已提供書面確認，並由本公司獨立非執行董事審閱及確認，彼等於截至二零一二年十二月三十一日止年度內已遵守本公司與彼等所訂立之不可競爭契據之條款。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

CONTINUING CONNECTED TRANSACTIONS

On 3 November 2009, the Group entered into a master agreement (the "Master Agreement") with Chit Shun Machinery Limited ("Chit Shun") for a term of three years commencing from 1 January 2010 to 31 December 2012, in relation to the purchase of certain die casting machines and parts (together with the maintenance services). Chit Shun is a limited liability company incorporated in Hong Kong and beneficially owned by Mr. Lee and an independent third party, in equal share. Mr. Lee has nominated a director to the board of Chit Shun. Besides, Mr. Chan Tat Cheong, Alan (as a representative of Mr. Lee) sits on the board of a wholly-owned subsidiary of Chit Shun established in the PRC. Since Mr. Lee is a director and controlling shareholder of Chit Shun, Chit Shun is a connected person of the Company (as defined in the Listing Rules). Accordingly, the transactions between the Group and Chit Shun constitute continuing connected transactions (the "Chit Shun Transactions") of the Group. At the extraordinary general meeting held on 11 December 2009, the independent shareholders of the Company had approved (i) the Master Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps for each of the three years ending 31 December 2012.

For the year ended 31 December 2012, Chit Shun Transactions totalled approximately HK\$7,712,000 (2011: HK\$5,544,000).

The independent non-executive directors of the Company have reviewed the Chit Shun Transactions and confirmed that they have been entered into:

1. in the ordinary and usual course of business of the Group;
2. either on normal commercial terms or, if there are no sufficient comparables to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available from other independent parties; and
3. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on page 31 of the Annual Report in accordance with the Main Board Listing Rule 14A.38. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

持續關連交易

於二零零九年十一月三日，本集團與捷迅機械設備有限公司(「捷迅」)就採購若干壓鑄機器與零部件(連同維修服務)訂立總協議(「總協議」)，年期由二零一零年一月一日起至二零一二年十二月三十一日止，為期三年。捷迅為香港註冊成立的有限公司，由李先生及一名獨立第三方按等額權益實益擁有。李先生曾向捷迅董事會提名董事人選。另外，陳達昌先生(李先生的代表)為捷迅於中國成立的全資附屬公司之董事。因李先生為捷迅之董事兼控股股東，故捷迅為本公司的關連人士(定義見上市規則)。故此，本集團與捷迅之交易構成本集團之持續關連交易(「捷迅交易」)。於二零零九年十二月十一日舉行之股東特別大會上，本公司之獨立股東已批准(i)總協議及其項下擬進行之交易；及(ii)截至二零一二年十二月三十一日止三個年度各年之建議年度上限。

截至二零一二年十二月三十一日止年度，捷迅交易之總額約為7,712,000港元(二零一一年：5,544,000港元)。

本公司獨立非執行董事已審核捷迅交易並確認該等交易：

1. 屬本集團的日常業務；
2. 按照一般商務條款進行，或如可供比較的交易不足以判斷該等交易的條款是否一般商務條款，則對本公司而言，該等交易的條款不遜於獨立第三方所提供的條款；及
3. 是根據監管該等交易之有關協議條款進行，而交易條款公平合理，並且符合本公司股東的整體利益。

本公司核數師已獲聘根據香港會計師公會頒佈的《香港核證工作準則》第3000號「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據上市規則第14A.38條發出無保留函件，而該函件載有核數師對有關本集團在年報第31頁披露的持續關連交易的發現及結論。本公司已將核數師函件副本送呈聯交所。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float required under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the directors.

SUBSEQUENT EVENTS

Details of post balance sheet events are set out in note 37 to the consolidated financial statements.

AUDITOR

RSM Nelson Wheeler shall retire and being eligible, offer themselves for re-appointment, and a resolution to this effect will be proposed at the forthcoming annual general meeting.

By order of the Board

Lee Yuen Fat
Chairman

Hong Kong, 18 March 2013

公眾持股量

於本報告日，根據本公司可以得悉之公開資料及本公司董事亦知悉之情況下，本公司已按上市規則之要求，維持足夠公眾持股量。

結算日後事項

結算日後事項詳情載於綜合財務報告附註37。

核數師

中瑞岳華(香港)會計師事務所將退任，惟願意膺選連任，而重聘彼等之有關決議案於即將舉行之股東週年大會上提呈。

承董事會命

李遠發
主席

香港，二零一三年三月十八日

CORPORATE GOVERNANCE REPORT

企業管治報告

The board of directors (the “Board”) believes that good corporate governance practices are essential for promoting investors’ confidence and maximizing shareholders’ returns. The Board is committed to maintaining a high standard of corporate governance and reviews its corporate governance practices on a regular basis.

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). For the year ended 31 December 2012 (the “Year”), the Company is in compliance with all the code provisions of the CG Code.

THE BOARD

The Board is collectively responsible for formulating the Group’s overall business strategies, monitoring and evaluating its operating and financial performance and reviewing the corporate governance standard of the Company. The day-to-day management, administration and operation of the Company are led by the chief executive officer of the Company. The Board has also delegated a schedule of responsibilities to the senior management of the Company, which include the implementation of decisions of the Board, the co-ordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the production and operating plans and budgets, and supervising and monitoring the control systems. The Board has the full support of the senior management to discharge its responsibilities.

As at 31 December 2012, the Board comprises eight members as follows:

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)
Dr. Keung Wing Ching (*Vice Chairman and Chief Executive Officer*)
Mr. Wong Wing Chuen
Mr. Chan Tat Cheong, Alan

Independent Non-executive Directors

Mr. Sun Kai Lit Cliff, BBS, JP
Dr. Lo Wai Kwok, BBS, MH, JP
Mr. Yeow Hoe Ann John
Mr. Andrew Look

Biographical details of the directors of the Company as at the date of this report are set out on page 19 to 21 of this annual report.

The Board members have no financial, business, family or other material/ relevant relationships with each other.

本公司董事會(「董事會」)相信良好之企業管治守則對於提高投資者的信心和增加股東的回報至為重要。董事會一向致力維持高水平的企業管治及定期檢討本公司之企業管治守則。

本公司之企業管治守則乃以聯交所證券上市規則(「上市規則」)附錄十四《企業管治常規守則》(「企業管治守則」)之原則及守則條文為基礎。於截至二零一二年十二月三十一日止年度(「本年度」)，本公司已遵守企業管治守則中的所有守則條文。

董事會

董事會共同負責制訂本集團之整體業務策略，及監管和評估本集團其營運與財務上之表現，並檢討本公司之企業管治水平。本公司的日常管理、行政及營運均由本公司行政總裁領導。董事會已將一系列職責轉授予本公司高級管理層，包括執行董事會的決策、依照董事會批准的管理策略及計劃對本公司日常運作及管理作出協調及指揮、制定及監察生產和營運計劃及預算，以及監督及監察監控制度。董事會亦獲高級管理層全力支持履行其職責。

於二零一二年十二月三十一日，董事會包括下列八名成員：

執行董事

李遠發先生(主席)
姜永正博士(副主席兼行政總裁)
黃永銓先生
陳達昌先生

獨立非執行董事

孫啟烈先生BBS、太平紳士
盧偉國博士BBS、MH、太平紳士
姚和安先生
陸東先生

於本報告日，本公司董事之個人資料詳載於本年報第19至第21頁。

各董事會成員之間並沒有財務、業務、親屬或其他重大或相關之關係。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Each of the independent non-executive directors has confirmed in writing his independence from the Company in accordance with the guidelines on director independence of the Listing Rules. On this basis, the Company considers all such directors to be independent.

All the independent non-executive directors were appointed for a specific term of two years and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association of the Company.

The directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the Year, the Company had arranged one in-house seminar covering the topics of responsibilities of a listed company director in Hong Kong. All directors attended the seminar.

The Board conducts regular scheduled meetings on a quarterly basis. Ad hoc meetings are convened when circumstances require.

During the Year, four Board meetings and one general meeting were held and details of individual attendance of directors are set out in the table on page 36 of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of chairman and chief executive officer of the Company are segregated and are not performed by the same person. Mr. Lee Yuen Fat, the Chairman, is responsible for the leadership and effective running of the Board while Dr. Keung Wing Ching, the Vice Chairman and Chief Executive Officer, is responsible for the overall management and supervision of the execution of the overall business strategies of the Group.

AUDIT COMMITTEE

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review and approve the financial reporting process and internal control system of the Group as well as to provide advice and comments to the Board. The Audit Committee comprises four independent non-executive directors, namely Mr. Yeow Hoe Ann John, Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok BBS, MH, JP and Mr. Andrew Look and is chaired by Mr. Yeow Hoe Ann John, a qualified accountant with extensive experience in financial reporting and controls.

During 2012, the Audit Committee held two meetings to review the financial statements of the Group with the external auditor and discussed on the internal control matters.

各獨立非執行董事已根據上市規則的規定就其獨立性以書面確認；因此，本公司認為該等董事確屬獨立人士。

所有獨立非執行董事之指定任期為兩年。彼等須按照本公司組織章程細則的條文在本公司之股東週年大會上輪值告退及膺選連任。

本公司鼓勵董事參與持續專業發展，以發展並更新彼等之知識及技能。於本年度，本公司安排了一次內部講座，內容包括香港上市公司董事之職責。全體董事已出席該講座。

董事會每季舉行定期會議，並於情況需要時召開特別會議。

於本年度內，本公司已舉行四次董事會會議及一次股東大會，個別董事之出席資料詳載於本年報第36頁。

主席及行政總裁

本公司主席及行政總裁之角色已分開及不是由同一人出任。李遠發先生為本公司主席，負責領導及有效地管理董事會；而姜永正博士為本公司副主席兼行政總裁，負責本集團的整體管理及監督整體業務策略的執行。

審核委員會

本公司於二零零七年六月成立審核委員會。審核委員會之主要職責為審閱及批准本集團之財務報告程序及內部監控系統，並向董事會提供建議及意見。審核委員會由四名獨立非執行董事組成，分別為姚和安先生、孫啟烈先生BBS, 太平紳士、盧偉國博士BBS, MH, 太平紳士及陸東先生，而姚和安先生為審核委員會之主席，彼為合資格會計師，於財務報告及控制擁有豐富經驗。

於二零一二年，審核委員會與外聘核數師舉行了兩次會議，審閱本集團之財務報表及討論內部監控事項。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

NOMINATION COMMITTEE

The Nomination Committee was set up in June 2007 and is mainly responsible for making recommendations to the Board on the appointment of directors and the management of the Board succession. The members of the Nomination Committee are Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok BBS, MH, JP, Mr. Yeow Hoe Ann John, Mr. Andrew Look and Dr. Keung Wing Ching. Mr. Sun Kai Lit Cliff BBS, JP is the Chairman of the Nomination Committee.

During the Year, the Nomination Committee held one meeting to review the structure, size and the composition of the Board.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee include reviewing and determining the terms of remuneration packages, the award of bonuses and other compensation payable to individual directors and senior management. The Remuneration Committee consists of Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok BBS, MH, JP, Mr. Yeow Hoe Ann John, Mr. Andrew Look and Dr. Keung Wing Ching. The Chairman of the Remuneration Committee is Mr. Sun Kai Lit, Cliff BBS, JP, an independent non-executive director.

During 2012, the Remuneration Committee held one meeting and approved the remuneration adjustment of executive directors of the Company.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions with the following duties:

- to develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;
- to review and monitor the training and continuous professional development of directors;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

提名委員會

提名委員會於二零零七年六月成立，主要負責就委任董事及管理董事會之繼任事項向董事會提供意見。提名委員會之成員包括孫啟烈先生BBS、太平紳士、盧偉國博士BBS、MH、太平紳士、姚和安先生、陸東先生及姜永正博士，而孫啟烈先生BBS、太平紳士為提名委員會之主席。

於本年度，提名委員會舉行了一次會議，檢討董事會之架構、規模及組成。

薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責包括檢討及釐定個別董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。薪酬委員會由孫啟烈先生BBS、太平紳士、盧偉國博士BBS、MH、太平紳士、姚和安先生、陸東先生及姜永正博士組成。薪酬委員會之主席為獨立非執行董事孫啟烈先生BBS、太平紳士。

於二零一二年，薪酬委員會舉行了一次會議，批准本公司執行董事之薪酬調整。

企業管治職能

董事會負責企業管治職能，並有下列職責：

- 制訂及檢討本公司的企業管治政策及常規，並就變動及更新提出建議；
- 檢討及監察董事的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制訂、檢討及監察適用於僱員及董事的操守守則及合規手冊(如有)；及
- 檢討本公司遵守企業管治守則的情況及於企業管治報告中作出的披露。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

ATTENDANCE OF MEETINGS

A summary of attendance of Board and Committee meetings and annual general meeting in 2012 are detailed in the following table:

出席會議

下表載列於二零一二年董事會及委員會會議及股東周年大會之出席率摘要：

	Number of attendance/Number of meetings 出席次數/會議次數				
	Board meeting 董事會會議	Audit Committee meeting 審核委員會會議	Nomination Committee meeting 提名委員會會議	Remuneration Committee meeting 薪酬委員會會議	Annual General Meeting 股東周年大會
Executive Directors 執行董事					
Mr. Lee Yuen Fat 李遠發先生	4/4	-	-	-	1/1
Dr. Keung Wing Ching 姜永正博士	4/4	-	1/1	1/1	1/1
Mr. Wong Wing Chuen 黃永銓先生	4/4	-	-	-	1/1
Mr. Chan Tat Cheong, Alan 陳達昌先生	4/4	-	-	-	1/1
Independent Non-Executive Directors 獨立非執行董事					
Mr. Sun Kai Lit, Cliff BBS, JP 孫啟烈先生BBS·太平紳士	4/4	2/2	1/1	1/1	1/1
Ir Dr. Lo Wai Kwok BBS, MH, JP 盧偉國博士BBS·MH·太平紳士	4/4	2/2	1/1	1/1	1/1
Mr. Yeow Hoe Ann, John 姚和安先生	4/4	2/2	1/1	1/1	1/1
Mr. Andrew Look 陸東先生	4/4	2/2	1/1	1/1	1/1

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors have confirmed that they have fully complied with the required standard set out in the Model Code during the Year.

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所載之標準守則。經向全體董事作出具體查詢後確認，彼等於本年度一直全面遵守標準守則所載規定準則。

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for the preparation of the financial statements of the Company for the year ended 31 December 2012. The statement of the external auditor of the Company in relation to their reporting responsibility on the financial statements of the Group is set out in the Independent Auditor's Report on page 39 and 40.

董事就財務報表所承擔之責任

董事確認彼等對編制本公司截至二零一二年十二月三十一日止年度財務報表之責任。本公司之外聘核數師就其對本集團財務報表之申報責任而發出之聲明，載於第39及第40頁之獨立核數師報告內。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

INTERNAL CONTROL

The Board has overall responsibility for maintaining a sound and effective internal control system of the Group in order to safeguard the Group's assets and shareholders' investments. There is currently an internal audit department within the Group. Its duties are to review the systems of internal controls covering all relevant financial, operational and compliance control functions within an established framework. Reports prepared by this department are submitted to the Audit Committee of the Company for review to ensure that an effective and adequate internal control system has been in place.

AUDITOR'S REMUNERATION

Total auditor's remuneration in relation to statutory audit work and non-audit services of the Group is set out as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Statutory audit	法定審核	1,250	1,020
Non-audit services ⁽¹⁾	非審核服務 ⁽¹⁾	370	250
Total	總數	1,620	1,270

Note:

1. Non-audit services mainly include interim review and tax advisory service.

內部監控

董事會全權負責維持本集團健全和有效的內部監控系統，以保障本集團資產及股東之投資。現時集團有一內部審核部門，其職責為檢討內部監控系統，包括已建立的架構內的所有相關財務、營運及依從規例監控效能。該部門所編製之報告會提呈本公司之審核委員會審閱，以確保有效及足夠之內部監控系統經已存在。

核數師之酬金

本集團付予有關法定審核及非審核服務的核數師酬金如下：

附註：

1. 非審核服務主要包括中期審閱及稅務諮詢服務。

SHAREHOLDERS' RIGHTS

Procedures for convening extraordinary general meeting on requisition

Pursuant to Article 64 of the Company's Articles of Association, an extraordinary general meeting may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

股東之權利

請求召開股東特別大會之程序

根據本公司組織章程細則第64條，特別股東大會亦可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一並有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在遞交該請求書後兩個月內召開。如董事會在請求書遞交日期起計二十一日內未有進行安排召開有關會議，則請求人(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Procedure for putting forward proposals at general meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's office in Hong Kong, specifying the shareholding information of the shareholder, contact details and the proposal he/she intends to put forward at general meeting regarding any specified business and its supporting documents.

Shareholders' enquiries

Shareholders should direct their questions in relation to their shareholdings to the Company's share registrar. Shareholders may at any time make a request for the Company's information to the extent that such information is publically available. Shareholders may send written enquiries to the Board by writing to the Company Secretary at the Company's office in Hong Kong at Room 1210, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

於股東大會上提呈建議之程序

股東須致函本公司香港辦事處向本公司之董事會或公司秘書提出書面要求，當中須列明該股東的股權資料、其詳細聯絡資料，以及擬就任何具體的事務而於股東大會上提呈的建議及其有關文件。

股東提問

股東應向本公司股份過戶登記處提出有關其股權之疑問。股東可隨時要求索取有關本公司之公開資料。股東亦可致函公司秘書向董事會作出查詢，本公司香港辦事處之地址為香港九龍九龍灣宏照道33號國際交易中心1210室。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE SHAREHOLDERS OF KA SHUI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Ka Shui International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 41 to 131, which comprise the consolidated and Company statements of financial position as at 31 December 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

致嘉瑞國際控股有限公司

全體股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第41至第131頁的嘉瑞國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表,其中包括於二零一二年十二月三十一日的綜合及貴公司財務狀況表、截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及《香港公司條例》披露規定,編製及真實公平地列報該等綜合財務報表,以及董事認為以使綜合財務報表的編制不存在因欺詐或錯誤而導致的重大錯誤陳述而需要的內部控制。

核數師的責任

我們的責任是根據我們的審核結果,就該等綜合財務報表發表意見,並僅向全體股東報告。除此之外,本報告不可用作其他用途。我們不會就本報告內容向任何其他人士負上或承擔任何責任。我們已根據香港會計師公會頒佈的《香港審計準則》進行審核。該等準則要求我們遵守道德規範,並計劃及執行審核,以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

18 March 2013

審核範圍包括進程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與貴公司編製真實公平之綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對貴公司的內部控制的效能發表意見。審核亦包括評估董事所採用的會計政策的適當性及所作出的會計估計的合理性，以及評估綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證乃充足及適當，可為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實公平地反映貴公司及貴集團於二零一二年十二月三十一日的財務狀況，及貴集團於截至該日止年度的業績及現金流量，並已按照《香港公司條例》的披露規定妥為編製。

中瑞岳華(香港)會計師事務所
執業會計師
香港

二零一三年三月十八日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2012 截至二零一二年十二月三十一日

		Note 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Turnover	營業額	6	1,568,958	1,191,698
Cost of sales	銷售成本		(1,215,253)	(960,890)
Gross profit	毛利		353,705	230,808
Other income	其他收入	7	5,432	2,463
Selling and distribution expenses	銷售及分銷開支		(22,828)	(17,996)
General and administrative expenses	一般及行政開支		(172,291)	(125,114)
Other operating expenses	其他營運開支		(19)	(3,217)
Profit from operations	經營溢利		163,999	86,944
Finance costs	融資成本	9	(6,769)	(4,644)
Profit before tax	除稅前溢利		157,230	82,300
Income tax expense	所得稅開支	10	(31,336)	(19,480)
Profit for the year attributable to owners of the Company	本公司權益持有人應佔年內溢利	11	125,894	62,820
			HK Cents 港仙	HK Cents 港仙
Earnings per share	每股盈利	14		
Basic	基本		14.16	7.09
Diluted	攤薄		14.12	7.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2012 截至二零一二年十二月三十一日

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Profit for the year	年內溢利	125,894	62,820
Other comprehensive income:	其他全面收益：		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	5,474	21,407
Surplus on revaluation of leasehold land	租賃土地價值重估之盈餘	14,421	85,623
Income tax relating to components of other comprehensive income	有關其他全面收益組成部份之所得稅	(2,978)	(16,878)
Other comprehensive income for the year, net of tax	年內除稅後其他全面收益	16,917	90,152
Total comprehensive income for the year attributable to owners of the Company	本公司權益持有人應佔年內全面收益總額	142,811	152,972

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2012 於二零一二年十二月三十一日

			2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
	Note 附註			
Non-current assets		非流動資產		
Property, plant and equipment	15	物業、機器及設備	655,383	547,081
Club membership		會所會籍	718	718
Available-for-sale financial assets	17	可供出售金融資產	-	-
Deposits paid for acquisition of property, plant and equipment	18	預付購買物業、機器及設備之按金	6,493	5,800
			662,594	553,599
Current assets		流動資產		
Inventories	19	存貨	253,675	197,282
Trade receivables	20	貿易應收款項	486,041	272,152
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	58,532	27,204
Financial assets at fair value through profit or loss	21	按公平值計入損益賬的金融資產	592	-
Pledged bank deposits	22	已抵押銀行存款	-	12,285
Restricted bank balance	22	有限制銀行存款	-	2,457
Bank and cash balances	22	銀行及現金結餘	135,243	164,691
			934,083	676,071
Current liabilities		流動負債		
Trade payables	23	貿易應付款項	320,043	153,635
Deposits received		已收按金	4,584	3,540
Other payables and accruals		其他應付款項及應計費用	73,972	50,170
Due to a related company	24	應付關連公司款項	3,428	723
Financial liabilities at fair value through profit or loss	21	按公平值計入損益賬的金融負債	-	605
Bank borrowings	25	銀行借款	325,575	256,796
Current portion of obligations under finance leases	26	融資租約承擔的即期部分	3,978	7,089
Current tax liabilities		即期稅項負債	27,537	8,085
			759,117	480,643
Net current assets		流動資產淨值	174,966	195,428
Total assets less current liabilities		資產總值減流動負債	837,560	749,027

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

At 31 December 2012 於二零一二年十二月三十一日

			2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
		Note 附註		
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租約承擔	26	1,330	5,305
Deferred tax liabilities	遞延稅項負債	28	20,456	19,266
			21,786	24,571
NET ASSETS	資產淨值		815,774	724,456
Capital and reserves	資本及儲備			
Share capital	股本	30	89,044	88,811
Reserves	儲備	31	726,730	635,645
TOTAL EQUITY	權益總額		815,774	724,456

Approved by the Board of Directors on 18 March 2013

董事會於二零一三年三月十八日批准

Lee Yuen Fat

李遠發
Director
董事

Keung Wing Ching

姜永正
Director
董事

STATEMENT OF FINANCIAL POSITION

財務狀況表

At 31 December 2012 於二零一二年十二月三十一日

			2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
	Note 附註			
Non-current assets		非流動資產		
Investments in subsidiaries	16	於附屬公司的投資	28,933	21,590
Current assets		流動資產		
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	275	264
Due from subsidiaries	16	應收附屬公司款項	410,759	392,904
Bank and cash balances	22	銀行及現金結餘	99	261
			411,133	393,429
Current liabilities		流動負債		
Other payables and accruals		其他應付款項及應計費用	9	10
Financial guarantee contracts	29	融資擔保合約	6,213	7,839
Due to subsidiaries	16	應付附屬公司款項	-	54,610
			6,222	62,459
Net current assets		流動資產淨值	404,911	330,970
NET ASSETS		資產淨值	433,844	352,560
Capital and reserves		資產淨值		
Share capital	30	股本	89,044	88,811
Reserves	31	儲備	344,800	263,749
TOTAL EQUITY		權益總額	433,844	352,560

Approved by the Board of Directors on 18 March 2013

董事會於二零一三年三月十八日批准

Lee Yuen Fat
李遠發
Director
董事

Keung Wing Ching
姜永正
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2012 截至二零一二年十二月三十一日

		Attributable to owners of the Company 本公司權益持有人應佔權益									
		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign currency translation reserve	Share option reserve	Statutory reserve	Revaluation reserve	Total equity
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	購股權儲備	法定儲備	重估儲備	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2011	於二零一一年一月一日	88,263	199,751	265,655	8,036	(9,931)	32,219	11,779	7,666	-	603,438
Total comprehensive income for the year	年內全面收益	-	-	62,820	-	-	21,407	-	-	68,745	152,972
Issue of shares upon the exercise of share options	因行使購股權而發行之股份	548	1,725	-	-	-	-	-	-	-	2,273
Forfeiture of share options	沒收之購股權	-	-	10,605	-	-	-	(10,605)	-	-	-
Exercise of share options	行使之購股權	-	584	-	-	-	-	(584)	-	-	-
Recognition of share-based payments	確認以股權結算之款項	-	-	-	-	-	-	27	-	-	27
Dividend paid	已付股息	-	-	(34,254)	-	-	-	-	-	-	(34,254)
Changes in equity for the year	年內權益變動	548	2,309	39,171	-	-	21,407	(11,162)	-	68,745	121,018
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	88,811	202,060	304,826	8,036	(9,931)	53,626	617	7,666	68,745	724,456
Total comprehensive income for the year	年內全面收益	-	-	125,894	-	-	5,474	-	-	11,443	142,811
Issue of shares upon the exercise of share options	因行使購股權而發行之股份	233	734	-	-	-	-	-	-	-	967
Exercise of share options	行使之購股權	-	246	-	-	-	-	(246)	-	-	-
Transfer to statutory reserve	轉移至法定儲備	-	-	(39)	-	-	-	-	39	-	-
Dividend paid	已付股息	-	-	(52,460)	-	-	-	-	-	-	(52,460)
Changes in equity for the year	年內權益變動	233	980	73,395	-	-	5,474	(246)	39	11,443	91,318
At 31 December 2012	於二零一二年十二月三十一日	89,044	203,040	378,221	8,036	(9,931)	59,100	371	7,705	80,188	815,774

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2012 截至二零一二年十二月三十一日

	Note	2012	2011
	附註	二零一二年 HK\$'000 千港元	二零一一年 HK\$'000 千港元
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營業務所得現金淨額 33(a)	99,633	10,308
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	12,285	(10,053)
Interest received	已收利息	819	1,120
Proceeds from disposals of property, plant and equipment	出售物業、機器及設備	886	399
Purchase of property, plant and equipment	購買物業、機器及設備	(145,410)	(59,528)
Deposit paid for the acquisition of property, plant and equipment	預付物業、機器及設備之按金	(6,422)	(3,794)
Net cash used in investing activities	投資活動所耗現金淨額	(137,842)	(71,856)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Issue of shares upon the exercise of share options	因行使購股權而發行之股份	967	2,273
Dividends paid	已付股息	(52,460)	(34,254)
Net short term bank loans raised	新增短期銀行貸款淨額	78,206	54,104
Inception of finance leases	新增融資租約	-	12,322
Repayment of obligations under finance leases	償還融資租約承擔	(7,086)	(11,881)
Repayment of long term bank loans	償還長期銀行貸款	(45,827)	(25,159)
Long term bank loans raised	新增長期銀行貸款	36,400	103,000
Net cash generated from financing activities	融資活動所產生現金淨額	10,200	100,405
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目(減少)/增加淨額	(28,009)	38,857
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及等同現金項目	164,691	122,532
Effect of foreign exchange rate changes	匯率變動影響	(1,439)	3,302
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日的現金及等同現金項目	135,243	164,691
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及等同現金項目分析		
Bank and cash balances	銀行及現金結餘 22	135,243	164,691

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is Room 1210, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 16 to the financial statements.

In the opinion of the directors of the Company, as at 31 December 2012, Precisefull Limited, a company incorporated in the British Virgin Islands, is the ultimate parent and Mr. Lee Yuen Fat ("Mr. Lee") is the ultimate controlling party of the Company.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2012. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

1. 公司資料

本公司根據開曼群島公司法在開曼群島註冊成立為受豁免有限公司。其註冊辦事處地點為Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands。其主要營業地點為香港九龍九龍灣宏照道33號國際交易中心1210室。本公司之股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一家投資控股公司。其附屬公司的主要業務載於本財務報表附註16。

本公司董事認為，於二零一二年十二月三十一日，Precisefull Limited(一間於英屬處女群島註冊成立之公司)為最終母公司，李遠發先生(「李先生」)為本公司之最終控股方。

2. 採納新訂及經修訂香港財務報告準則及會計政策之改變

於本年度，本集團已採納適用於本身營運，由香港會計師公會(「香港會計師公會」)所頒佈並自二零一二年一月一日開始的會計年度生效的所有新訂及經修訂香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋。採納該等新訂及經修訂的香港財務報告準則並未使本集團的會計政策、本集團財務報表的呈報方式及本年度與以往年度呈報的金額出現重大變動。

本集團並未採納已頒佈但未開始生效的新訂香港財務報告準則。本集團已開始評估該等新訂香港財務報告準則的影響，但未能對該等新訂香港財務報告準則是否對本集團的業績及財務狀況產生重大影響作出結論。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of leasehold land, certain investments and derivatives which are carried at their fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

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

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. 主要會計政策

此等財務報表乃根據香港財務報告準則、香港普遍採納之會計原則及聯交所證券上市規則及香港公司條例所規定之適用披露事項編製。

除以公平值入賬之租賃土地、若干投資及衍生工具須作調整外，此等財務報表乃按歷史成本作為編製基準。

編製符合香港財務報告準則的財務報表須使用若干主要假設及估計，亦需要董事於應用會計政策的過程中作出判斷。涉及關鍵判斷的範疇與對此等財務報表屬重大的假設及估計的範疇於財務報表附註4中披露。

編製此等財務報表所採用的主要會計政策載列如下：

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司為本集團擁有控制權的實體。控制權指有能力監控一家實體的財務及經營政策，並從其業務獲取利益。現時可行使或可兌換的潛在投票權的存在及影響將於評估本集團有否控制權時予以考慮。

附屬公司於控制權轉移至本集團當日全面綜合計算，並於控制權終止當日不再作綜合處理。

集團間的交易、結餘及未變現溢利會予以對銷。未變現虧損亦會予以對銷，除非交易有證據顯示所轉讓資產出現減值則除外。附屬公司的會計政策已於有需要時作出變動，以確保與本集團所採納的政策貫徹一致。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated income statement and consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策(續)

(a) 綜合賬目(續)

非控股權益指並非本公司直接或間接應佔之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合收益表及綜合全面收益表呈列為本公司非控股股東與擁有人應佔溢利或虧損及年內全面收益總額之分配。

即使會導致非控股權益出現赤字結餘，損益及其他全面收益各部分仍歸屬於本公司擁有人及非控股股東。

本公司於不會導致失去控制權之附屬公司之擁有權權益變動計入權益交易(即以擁有人身分與擁有人進行之交易)。控股權益及非控股權益之賬面值已經調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認，並由本公司擁有人分佔。

於本公司之財務狀況表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。本公司按已收及應收的股息作為基準把附屬公司之業績列賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

3. 主要會計政策(續)

(b) 業務合併及商譽

於業務合併中收購附屬公司乃按收購會計法處理。收購成本按於交易日所交付資產、所發行股本工具、所產生或承擔之負債及或然代價之公平值計算。與收購有關之成本於產生成本及獲得服務之期間確認為開支。所收購附屬公司之可識別資產及負債按收購當日之公平值計算。

收購成本超出本公司攤分附屬公司可識別資產及負債之公平淨值之差額將以商譽列賬。本公司攤分可識別資產及負債之公平淨值高於收購成本之差額將於綜合收益表內確認為本公司應佔之購買折讓收益。

分階段進行業務合併時，過往持有之附屬公司股本權益按收購日期之公平值重新計算，據此產生之損益則於綜合損益確認。公平值將計入收購成本，以計算商譽。

倘過往持有之附屬公司股本權益價值變動於其他全面收入(如可供出售之投資)確認，則於其他全面收入確認之款項按過往持有之股本權益已售出之情況下所規定相同基準確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill (Continued)

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (v) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

3. 主要會計政策(續)

(b) 業務合併及商譽(續)

商譽每年一次或(如有任何事宜或情況變動顯示可能出現減值)多次進行減值測試。商譽按成本減累計減值虧損列賬。計算商譽減值虧損之方法與下文會計政策(v)所載其他資產之減值虧損計算方法相同。商譽之減值虧損於綜合損益內確認,其後不得撥回。為進行減值測試,商譽乃分配至預期受惠於收購協同效應之現金產生單位。

(c) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表所納入的項目乃按實體經營業務所在主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表以港元呈列,而港元為本公司的功能及呈列貨幣。

(ii) 各實體財務報表內的交易及結餘

外幣交易以交易日期適用的匯率換算為基本確認之功能貨幣。以外幣計值的貨幣資產及負債按每個報告期間完結時適用的匯率換算。該換算政策所產生的溢利及虧損列入損益內。

按公平值以外幣計算的非貨幣項目以決定公平值當天之匯率換算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements (Continued)

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

3. 主要會計政策(續)

(c) 外幣換算(續)

(ii) 各實體財務報表內的交易及結餘(續)

當非貨幣項目的收益或虧損於全面收益中確認，任何該收益或虧損之匯兌部份於其他全面收益中確認。當非貨幣項目的收益或虧損於損益中確認，任何該收益或虧損之匯兌部份於損益中確認。

(iii) 綜合賬目時的換算

集團內所有功能貨幣與本公司呈列貨幣有別的實體，其業績及財務狀況乃按下列方式換算為本公司的呈列貨幣：

- 各財務狀況表所呈列的資產及負債均按結算日的收市匯率換算；
- 各損益表內的收入及開支按平均匯率換算(除非該平均匯率並非為交易日期的適用匯率累計影響的合理約數，在該情況下，收入及開支按交易日期的匯率換算)；及
- 所產生的全部匯兌差額於匯兌儲備內確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Property, plant and equipment

Leasehold land are carried at fair values, based on periodic valuations by external independent valuer, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

3. 主要會計政策(續)

(c) 外幣換算(續)

(iii) 綜合賬目時的換算(續)

綜合賬目時，換算海外實體投資淨額及借貸所產生的匯兌差額於匯兌儲備內確認。當海外業務被出售，匯兌差額於綜合損益中確認為出售溢利或虧損的一部分。

收購海外實體所產生的商譽及公平值調整被視作海外實體的資產及負債，並按收市匯率換算。

(d) 物業、機器及設備

租賃土地根據外聘獨立估值師作出的定期估值按公平值減其後折舊及減值虧損列賬。在重估日期的任何累計折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。所有其他物業、機器及設備按成本減累計折舊及減值虧損列賬。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所有其他維護及保養費用均需於產生時於該財務期間之損益確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

Revaluation increases of leasehold land are recognised in profit or loss to the extent that the increases reverse revaluation decreases of the same asset previously recognised in profit or loss. All other revaluation increases are credited to the revaluation reserve as other comprehensive income. Revaluation decreases that offset previous revaluation increases of the same asset remaining in the revaluation reserve are charged against the revaluation reserve as other comprehensive income. All other decreases are recognised in profit or loss. On the subsequent sale or retirement of a revalued leasehold land, the attributable revaluation increases remaining in the revaluation reserve is transferred directly to retained profits.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	5 to 20 years or over the unexpired term of lease
Leasehold land	over the unexpired term of lease
Leasehold improvements	shorter of 3 years and the unexpired term of lease
Plant and machinery	5 to 10 years
Computer equipment	3 to 5 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	3 to 5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

3. 主要會計政策(續)

(d) 物業、機器及設備(續)

租賃土地重估後之賬面增值於損益確認，並與同一資產先前增值對銷的減值部分於損益確認。所有其他重估增值額則作為其他全面收益計入重估儲備。重估後與同一資產先前增值對銷於重估儲備餘下的減值部分，於其他全面收益中扣除；餘下之所有減值額則於損益內扣除。其後已重估租賃土地出售或棄用時，重估儲備餘下分佔重估增值直接撥轉至保留溢利。

物業、機器及設備的折舊，按足以撇銷其成本減剩餘價值的比率，於估計可使用年期內使用直線法計算，主要可使用年期如下：

樓宇	5至20年或按租約尚餘年期
租賃土地	按租約尚餘年期
租賃物業裝修	3年或租約尚餘年期 (以較短者為準)
機器及設備	5至10年
電腦設備	3至5年
傢俬、固定裝置及辦公室設備	3至5年
汽車	3至5年

剩餘價值、可使用年期及折舊方法於每個報告期間完結時進行檢討及作出調整(如適用)。

在建工程指興建中的租賃樓宇及待安裝的機器及設備，並按成本扣除減值虧損列賬。有關資產可供使用後方才計算折舊。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(f) Leases

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

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

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

Assets under finance leases are depreciated the same as owned assets.

3. 主要會計政策(續)

(d) 物業、機器及設備(續)

出售物業、機器及設備的收益或虧損指出售所得款項淨額與有關資產賬面值兩者間的差額，並於損益內確認。

(e) 研究及開發支出

研究活動的支出於產生的期間作為開支確認。

(f) 租約

(i) 經營租約

將資產擁有權的所有風險及回報不會大部份轉移至本集團的租約，分類為經營租約。租約款項在扣除自出租人收取的任何獎勵金後，於租約期內以直線法確認費用。

(ii) 融資租約

將資產擁有權的所有風險及回報大部份轉移至本集團的租約，分類為融資租約。融資租約在開始時按租賃資產的公平值及最低租賃款項現值(兩者均於租賃開始時釐定)的較低者入賬。

出租人的相應債務於財務狀況表中列作應付融資租約。租約款項按比例分配為融資費用及削減未付債務。融資費用於各租期內分攤，以便為債務結餘得出一個貫徹的定期利率。

於融資租約下的資產與自置資產以同樣方法計算折舊。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

3. 主要會計政策(續)

(g) 會所會籍

具無限可使用年期的會所會籍按成本減任何減值虧損列賬。會所會籍每年及當有跡象顯示出現減值虧損時進行減值檢討。

(h) 存貨

存貨按成本與可變現淨值兩者中的較低者入賬。成本乃按加權平均基準計量。製成品及在製品的成本包括原材料、直接勞工及所有生產經常性開支及分包開支(如適用)。可變現淨值按一般業務過程中的估計銷售價格減去估計完成成本及估計銷售所需費用計算。

(i) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時，於財務狀況表內確認。

倘從資產收取現金流的合約權利已到期，或本集團已將其於資產擁有的絕大部份風險及回報轉移，或本集團並無轉移及保留其於資產擁有權的絕大部份風險及回報但沒有保留對資產的控制權，則金融資產將被終止確認。於終止確認金融資產時，資產的賬面值與已收及應收代價及已直接於其他全面收益內確認的累計盈虧兩者總和的差額，將於損益內確認。

倘於有關合約的特定責任獲解除、取消或到期，則金融負債將被終止確認。終止確認的金融負債的賬面值與已付代價的差額於損益內確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in profit or loss.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

3. 主要會計政策(續)

(j) 投資

投資乃按交易日基準(即購買或出售投資之合約條款所規定及經由所屬市場設定的時限交付該項投資之日)確認及終止確認,並初步按公平值加上直接應佔交易成本計量,惟按公平值計入損益賬的金融資產則除外。

投資分類為按公平值計入損益賬的金融資產或可供出售金融資產。

(i) 按公平值計入損益賬的金融資產

初步確認時,按公平值計入損益賬的金融資產均為持作買賣或指定為按公平值計入損益賬的投資。此等投資隨後按公平值計量。此等投資公平值變動引起的損益均在損益賬確認。

(ii) 可供出售金融資產

可供出售金融資產指並非歸類為貿易及其他應收款項、持至到期日投資或按公平值計入損益賬的金融資產的非衍生金融資產。可供出售金融資產其後按公平值計量。該等投資公平值變動產生的盈虧,在其他全面收益確認,直至該等投資被出售或有客觀證據確定已減值為止。屆時,先前在其他全面收益中確認的累計盈虧會在損益中確認。按實際利率法計算的利息在損益賬確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investments (Continued)

(ii) Available-for-sale financial assets (Continued)

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

(k) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

3. 主要會計政策(續)

(j) 投資(續)

(ii) 可供出售金融資產(續)

股本投資(歸類為可供出售金融資產)已在損益確認的減值虧損,其後不會在損益撥回。倘債務工具(歸類為可供出售金融資產)的公平值增加客觀上與確認減值虧損後發生的事項相關,則就該等工具已在損益確認的減值虧損會於其後撥回並在損益中確認。

(k) 貿易及其他應收款項

貿易及其他應收款項為無活躍市場報價,惟具固定或可釐定付款的非衍生金融資產,初步按公平值確認,其後以實際利率法按攤銷成本並減除任何減值撥備計量。貿易及其他應收款項的減值撥備於出現客觀證據顯示本集團無法按應收款項原有條款收回所有到期金額時確認。撥備金額為應收款項的賬面值與估計未來現金流量現值(按初步確認時計算的實際利率貼現計量)間的差額。撥備金額於損益確認。

當應收款項的可收回金額增加客觀上與於確認減值後發生的事件有關時,減值虧損應於其後期間撥回並在損益確認,惟應收款項於減值被撥回日期的賬面值不得超過如並無確認減值時的攤銷成本值。

(l) 現金及等同現金項目

就現金流量表而言,現金及等同現金項目指銀行及手頭現金、存於銀行及其他金融機構的活期存款,及可隨時轉換為已知數額現金且沒有重大價值變動風險的短期及高度流通投資。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(ii) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. 主要會計政策(續)

(m) 金融負債及股本工具

金融負債及股本工具乃根據所訂立的合約安排的性質及根據香港財務報告準則對金融負債及股本工具的定義而分類。股本工具為證明於本集團經扣除其所有負債後的資產中所剩餘權益的任何合約。就特定金融負債及股本工具而採納的會計政策載於下文。

(i) 借貸

借貸初步按公平值扣除所產生的交易成本確認，其後則以實際利率法按攤銷成本值計量。

除非本集團擁有無條件權利，可將負債的償還日期遞延至報告期間完結後至少十二個月，否則借貸被分類為流動負債。

(ii) 貿易及其他應付款項

貿易及其他應付款項初步按公平值列賬，其後則以實際利率法按攤銷成本值計量，貼現影響微少則作別論，在該情況下，則按成本值列賬。

(iii) 股本工具

本公司發行的股本工具按已收的所得款項，扣除直接發行費用列賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- the amount of the obligations under the contracts, as determined in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”; and
- the amount initially recognised less cumulative amortisation recognised in profit or loss on a straight-line basis over the terms of the guarantee contracts.

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenues from the sales of manufactured goods and trading of raw materials are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the shareholders’ rights to receive payment are established.

Rental income is recognised on a straight-line basis over the lease term.

3. 主要會計政策(續)

(n) 財務擔保合約負債

財務擔保合約負債最初按其公平值計量，其後則按以下兩者中較高者計量：

- 根據香港會計準則第37號「撥備、或然負債及或然資產」確定之合約承擔金額；及
- 初步確認之金額減去於擔保合約期限內按直線基準於損益內確認之累計攤銷。

(o) 收益確認

收益乃按已收或應收代價的公平值計量，並於經濟利益有可能流入本集團且收益金額能可靠計量時確認。

銷售生產的貨品及原材料貿易的收益於擁有權的大部分風險及回報轉讓時確認。所有權轉讓通常與貨品交付及業權轉讓予客戶的時間相同。

利息收入按時間比例用實際利息法確認。

股息收入於股東收取款項之權利成立時確認。

租金收入按租賃期內以直線法確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(q) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

3. 主要會計政策(續)

(p) 僱員福利

(i) 僱員享有的假期

僱員年假及長期服務假於僱員享用時確認。已就僱員因截至報告期間完結時止所提供服務享有的年假及長期服務假的估計負債作出撥備。

僱員病假及產假於放假時始確認。

(ii) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與該計劃。供款由本集團及僱員按僱員基本薪金的百分比作出。自損益扣除的退休福利計劃成本指本集團應向該基金支付的供款。

(iii) 離職福利

本集團明確就終止僱用作出承擔或因在一項實際上不可能退出的詳細正式計劃下僱員自願離職而提供利益(及僅在上述情況下)，則可確認離職福利。

(q) 以股權結算之款項

本集團向若干僱員發行以股權結算以股份支付的款項。按股權結算以股份支付的款項乃於授出當日按股本工具的公平值(不包括非市場歸屬條件的影響)計量。於按股權結算以股份支付的款項授出當日釐定的公平值，根據本集團所估計最終就非市場歸屬條件歸屬及調整的股份，按歸屬期以直線法支銷。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

(s) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策(續)

(r) 借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售的借貸成本會撥充該等資產成本部分，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產的特定借貸作短期投資賺取的投資收入，於合資格資本化的借貸成本中扣除。

對於一般性借入資金用於獲取一項合資格的資產，可予資本化的借貸成本乃以在該資產的支出應用一個資本化比率釐定。資本化比率為期內適用於本集團尚未償還借款（用於獲取一項合資格的資產的借貸除外）的借貸成本的加權平均值。

所有借貸成本乃於其產生期間在損益中確認。

(s) 政府補助金

如有合理保證本集團將收取政府補助金，且所有附帶條件將獲遵守，則確認政府補助金。

與收入有關之政府補助金就其與擬補償成本配對之所需期間於損益遞延並確認。

作為開支或已承受的虧損的補償或提供即時財務資助而可收取（並無日後相關成本）的政府補助金，乃於其成為可收取的期間確認為收入。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 主要會計政策(續)

(t) 稅項

所得稅為即期稅項與遞延稅項的總和。

即期稅項乃按本年度應課稅溢利計算。應課稅溢利與損益中所確認的溢利不同，因應課稅溢利不包括在其他年度應課稅收入或可扣減開支項目，而且不包括永遠毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按報告期間完結前已頒佈或實質頒佈的稅率計算。

遞延稅項乃就財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基間的差額確認。遞延稅項負債通常會就所有應課稅暫時差異確認，遞延稅項資產僅於可能會有應課稅溢利而動用暫時性差異、未動用稅項虧損或未動用稅項資產可予以抵銷時方予以確認。於一項交易中，倘因商譽或其他資產及負債之初步確認(業務合併除外)而產生的暫時差異且不影響應課稅溢利及會計溢利時，則該等資產及負債不會予以確認。

遞延稅項負債乃就投資於附屬公司及聯營企業而產生的應課稅暫時差異及於合營公司中的權益予以確認，惟倘本集團能控制撥回暫時差異以及暫時差異在可見將來不會被撥回則作別論。

遞延稅項資產的賬面值於各報告期間完結時均會作出檢討，並在預期不再有足夠應課稅溢利可令全部或部份資產變現時作出相應減值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(u) Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

3. 主要會計政策(續)

(t) 稅項(續)

遞延稅項乃以預期於償還負債或變現資產即期應用的稅率並基於報告期間完結前頒佈或實質頒佈的稅率計算。遞延稅項會於損益中確認，惟遞延稅項與已於其他全面收益中或直接於權益中確認的相關聯者則除外，在此情況下，遞延稅項亦會於其他全面收益中或直接於權益中確認。

遞延稅項資產及遞延稅項負債之計量反映本集團於報告期間結束時預計收回或結算資產及負債賬面值之方式而引致之稅務後果。

倘有法定可行使權利可以即期稅項資產抵銷即期稅項負債，且彼等為關乎同一稅務機構徵收的所得稅，且本集團擬按淨額基準結算即期稅項資產及負債，則遞延稅項資產與負債會予以抵銷。

(u) 關連人士

下列人士視為與本集團有關連。

(A) 與本集團有關的人士為一名人士或該人士之近親，而該人士：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響；或

(iii) 為本公司或本公司母公司的主要管理人員的其中一名成員。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Related parties (Continued)

- (B) An entity is related to the Group (reporting entity) if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (A).
 - (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. 主要會計政策(續)

(u) 關連人士(續)

- (B) 與本集團有關而符合下列任何一項條件的實體(申報實體):
- (i) 該實體與本公司屬同一集團之成員公司(指各自與其他相關的母公司、附屬公司及同集團附屬公司)。
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體旗下的聯營公司或合營企業)。
 - (iii) 該實體及本公司均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業,而另一實體為該第三方實體的聯營公司。
 - (v) 該實體為本集團或一家與本集團有關之實體就僱員的福利而設的離職後福利計劃;若本集團本身為該計劃,資助的僱主亦與本集團相關。
 - (vi) 該實體受(A)所述個別人士控制或受共同控制。
 - (vii) 於(A)(i)所述個別人士對實體有重大影響或屬該實體(或該實體母公司)主要管理人員的其中一名成員。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. 主要會計政策(續)

(v) 資產減值

具有無限使用年期或尚未可供使用之無形資產會每年進行減值測試，並於發生任何事件或情況有變顯示未必能夠收回賬面值時檢討是否減值。

於各報告期間完結時，本集團均會審閱其有形及其中無形資產(投資、存貨及應收款項除外)的賬面值，以釐定是否有任何跡象顯示資產已出現減值虧損。如有任何減值情況，則會估計資產的可收回金額，以釐定減值虧損的程度。如不可能估計個別資產的可收回金額，則本集團會估計資產所屬現金產生單位的可收回金額。

可收回金額為公平值減出售成本與使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，以反映市場現時所評估的款項時間價值及資產的特定風險。

倘資產或現金產生單位的可收回金額估計少於其賬面值，則資產或現金產生單位的賬面值會減少至其可收回金額。減值虧損會即時於損益確認，惟有關資產乃按重估數額列賬則作別論，在該情況下，減值虧損被視為重估減少處理。

倘減值虧損其後撥回，則資產或現金產生單位的賬面值會增至經修訂的預計可收回金額，惟調高後的賬面值不會超逾過往年度並無就資產或現金產生單位確認減值虧損應予釐定的賬面值(扣除攤銷或折舊後計)。減值虧損撥回會即時被確認為損益，惟有關資產按重估金額列賬，則減值虧損撥回會作重估增加處理。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(x) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

(a) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have exercised judgements that have the most significant effect on the amounts recognised in the financial statements. There was no material impact on exercising those judgement during the year.

3. 主要會計政策(續)

(w) 撥備及或然負債

倘本集團因過往事件承擔現有法定或推定責任而可能需要流出經濟溢利以履行有關責任並可作出可靠估計，便會就無確定時間或金額的負債確認撥備。倘款項的時間價值重大，撥備會以履行責任預期所需開支的現值列報。

倘不大可能需要經濟利益流出，或有關款額不能可靠估量，有關責任則按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。可能承擔的責任（其存在與否僅藉一項或多項未來事件的發生與否而確定）亦按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。

(x) 報告期間完結後事項

提供本集團於報告期間完結時狀況的額外資料或顯示持續經營假設並不適當的報告期間完結後事項為調整事項，並反映於財務報表。非調整事項的報告期間完結後事項，倘屬重大時，則於財務報表附註內披露。

4. 關鍵判斷及主要估計

(a) 應用會計政策時的關鍵判斷

於應用會計政策過程中，董事已作出以下對財務報表中所確認金額具有重大影響的判斷。於年內，作出此等判斷沒有重大影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Allowances for inventories

The directors identify obsolete and slow-moving inventory items that are no longer suitable for use in production at the end of each reporting period. The directors estimate the net realisable value for such inventories based primarily on the latest selling prices and costs of completion and selling expenses estimated at current operation conditions. The directors carry out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete items.

Where the actual outcome or expectation in future is different from the original estimates, such differences will impact the carrying value of inventories and allowance/write-back in the period in which such estimates have been changed.

(ii) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. These estimates are based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 關鍵判斷及主要估計(續)

(b) 估計不明朗因素的主要來源

下文討論有關未來之主要假設及於報告期間完結時之其他主要不確定估計來源，而該等假設及不確定估計可能導致下一個財政年度資產及負債賬面值須作出重大調整之重大風險。

(i) 存貨撥備

董事於各報告期間完結時識別一些不再適合生產的過時及滯銷存貨項目。董事主要根據最新售價及現時經營狀況下的預計完成成本及銷售開支估計該等存貨的可變現淨值。董事於每個報告期間完結時對存貨逐一進行檢查，並對過時項目作出撥備。

倘實際結果或日後預期與原定估計有差異，則該等差異將影響存貨賬面值及期間的撥備／撥回值。

(ii) 物業、機器及設備以及折舊

本集團釐定其物業、機器及設備的估計可使用年限、剩餘價值及相關折舊開支。此等估算乃根據類似性質及功能的物業、機器及設備的實際可使用年期的過往經驗作出。當可使用年限及剩餘價值與先前估算的年限不同時，本集團將修訂折舊開支或將已棄用或出售在技術上過時或屬非策略性的資產撤銷或撇減。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iii) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(iv) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(v) Fair values of leasehold land

The Group appointed an independent professional valuer to assess the fair values of the leasehold land. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

4. 關鍵判斷及主要估計(續)

(b) 估計不明朗因素的主要來源 (續)

(iii) 呆壞賬的減值虧損

本集團根據對貿易及其他應收款項的可收回性評估(包括各債務人的現時信譽及過往還款記錄)就呆壞賬作出減值虧損。減值於發生事件或情況出現轉變,顯示或不能夠收回結餘時產生。識別呆壞賬須運用判斷及估計。倘實際結果有別於原先估計,則有關差異將會影響年內貿易及其他應收款項以及呆賬開支的賬面值。

(iv) 所得稅

本集團於多個司法權區須繳納所得稅。於釐定所得稅撥備時需要作出重大估計。於日常業務過程中大量交易及計算之最終稅項均屬不確定。倘若該等事項之最終稅項結果與初步記錄之金額不同,該差異將影響該決定作出期間之所得稅及遞延稅項撥備。

(v) 租賃土地的公平值

本集團委任獨立專業估值師評估租賃土地的公平值。於釐定公平值時,估值師利用的估值方法涉及若干估計。董事已行使判斷,並信納估值方法反映現行市況。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

(b) Key sources of estimation uncertainty (Continued)

(vi) Fair value of derivative component

As disclosed in note 21 to the financial statements, the fair values of the derivative financial instruments at the end of the reporting period were determined using marking-to-market approach and discounted cash flow method. Application of discounted cash flow method requires the Group to estimate the prominent factors affecting the fair value, including but not limited to, the assigned value based on the current price of that instrument and expected rate of return. Where the estimation on these factors is different from those previously estimated, such differences will impact the fair value gain or loss of the derivative financial instrument in the period in which such determination is made.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK\$, United States dollars ("USD") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

4. 關鍵判斷及主要估計(續)

(b) 估計不明朗因素的主要來源 (續)

(vi) 衍生工具部分之公平價值

誠如財務報表附註21所披露，衍生金融工具於報告期末之公平價值，乃利用按市價計值法及折現現金流法釐定。應用折現現金流法要求本集團估計影響公平價值之主要因素，包括但不限於根據有關工具現價計算的分配值及預期回報率。倘對該等因素之估計有別於先前所估計，則有關差額將影響釐定期間衍生金融工具之公平價值收益或虧損。

5. 財務風險管理

本集團因經營業務而承受多項財務風險：外匯風險、價格風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃集中在金融市場的不可預測性，故務求降低本集團財務表現所受到的潛在負面影響。

(a) 外匯風險

由於本集團大部分商務交易、資產及負債主要以港元、美元(「美元」)及人民幣(「人民幣」)列值，故本集團面對若干外匯風險。本集團現時並無就外匯交易、資產及負債採取外匯對沖政策。本集團將密切監察其外匯風險，並將考慮於需要時對沖重大外匯風險。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (continued)

At 31 December 2012, if HK\$ had weakened 0.5 per cent (2011: 0.5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$439,000 (2011: HK\$120,000) higher, arising mainly as a result of the foreign exchange gain on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange loss on trade payables denominated in USD. If HK\$ had strengthened 0.5 per cent (2011: 0.5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$439,000 (2011: HK\$120,000) lower, arising mainly as a result of the foreign exchange loss on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange gain on trade payables denominated in USD.

At 31 December 2012, if HK\$ had weakened 1 per cent (2011: 2 per cent) against RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$647,000 (2011: HK\$171,000) lower, arising mainly as a result of the foreign exchange loss on trade payables of Hong Kong subsidiaries denominated in RMB and foreign exchange gain on trade receivables and bank balances denominated in HK\$ of the subsidiaries operating in the People's Republic of China (the "PRC"). If HK\$ had strengthened 1 per cent (2011: 2 per cent) against RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$647,000 (2011: HK\$171,000) higher, arising mainly as a result of the foreign exchange gain on trade payables of Hong Kong subsidiaries denominated in RMB and foreign exchange loss on trade receivables and bank balances denominated in HK\$ of the subsidiaries operating in the PRC.

5. 財務風險管理(續)

(a) 外匯風險(續)

於二零一二年十二月三十一日，倘港元兌美元貶值0.5%（二零一一年：0.5%），而其他所有變數維持不變，則年內除稅後綜合溢利將增加約439,000港元（二零一一年：120,000港元），主要由於以美元計值的貿易應收款項及銀行結餘產生外匯收益所致，惟部份影響被以美元計值之貿易應付款項產生外匯虧損所抵銷。倘港元兌美元升值0.5%（二零一一年：0.5%），而其他所有變數維持不變，則年內除稅後綜合溢利將減少約439,000港元（二零一一年：增加120,000港元），主要由於以美元計值的貿易應收款項及銀行結餘產生外匯虧損所致，惟部份影響被以美元計值之貿易應付款項產生外匯收益所抵銷。

於二零一二年十二月三十一日，倘港元兌人民幣貶值1%（二零一一年：2%），而其他所有變數維持不變，則年內除稅後綜合溢利將減少約647,000港元（二零一一年：171,000港元），主要由於香港之附屬公司以人民幣計值之貿易應付款項產生之外匯虧損及於中華人民共和國（「中國」）營運之附屬公司以港元計值之貿易應收款項及銀行結餘產生外匯收益所致。倘港元兌人民幣升值1%（二零一一年：2%），而其他所有變數維持不變，則年內除稅後綜合溢利將增加約647,000港元（二零一一年：171,000港元），主要由於香港之附屬公司以人民幣計值之貿易應付款項產生之外匯收益及於中國營運之附屬公司以港元計值之貿易應收款項及銀行結餘產生外匯虧損所致。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (continued)

At 31 December 2012, if RMB had weakened 1 per cent (2011: 2 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,515,000 (2011: HK\$2,990,000) higher, arising mainly as a result of the foreign exchange gain on trade receivables denominated in USD. If RMB had strengthened 1 per cent (2011: 2 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,515,000 (2011: HK\$2,990,000) lower, arising mainly as a result of the foreign exchange loss on trade receivables denominated in USD.

At 31 December 2011, if the exchange rate for RMB to USD had weakened 2 per cent with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$8,912,000 higher, arising mainly as a result of the gain on the RMB to USD forward contract included in the financial assets/liabilities at fair value through profit or loss. If the exchange rate for RMB to USD had strengthened 2 per cent with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$8,912,000 lower, arising mainly as a result of the loss on the RMB to USD forward contract included in the financial assets/liabilities at fair value through profit or loss. At 31 December 2012, the Group is exposed to insignificant foreign currency risk with respect to the RMB to USD forward contract.

5. 財務風險管理(續)

(a) 外匯風險(續)

於二零一二年十二月三十一日，倘人民幣兌美元貶值1%，而其他所有變數維持不變，則年內除稅後綜合溢利將增加約1,515,000港元(二零一一年：2,990,000港元)，主要由以美元計值之貿易應收款項產生外匯收益所致。倘人民幣兌美元升值1%(二零一一年：2%)，而其他所有變數維持不變，則年內除稅後綜合溢利將減少約1,515,000港元(二零一一年：2,990,000港元)，主要由於以美元計值之貿易應收款項產生外匯虧損所致。

於二零一一年十二月三十一日，倘若人民幣兌美元匯率下跌2%，假設所有其他變數維持不變，年度除稅後綜合溢利將增加約8,912,000港元，主要來自按公平值計入損益賬的金融資產／負債中包括的人民幣兌美元遠期合約收益。倘若人民幣兌美元匯率上升2%，假設所有其他變數維持不變，年度除稅後綜合溢利將減少約8,912,000港元，主要來自按公平值計入損益賬的金融資產／負債中包括的人民幣兌美元遠期合約虧損。於二零一二年十二月三十一日，本集團因人民幣兌美元遠期合約承受微不足道之外匯風險。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(b) Price risk

The Group's financial assets/liabilities at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to commodity price risk. The directors manage this exposure by closely monitoring the price of the commodity and adopting measures to reduce the risk, if necessary.

At 31 December 2012, if the zinc price had increased 5 per cent with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$21,000 (2011: HK\$11,000) higher, arising mainly as a result of the gain on the zinc forward contracts included in the financial assets/liabilities at fair value through profit or loss. If the zinc has decreased 5 per cent with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$21,000 (2011: HK\$11,000) lower, arising mainly as a result of the loss on zinc forward contracts included in the financial assets/liabilities at fair value through profit or loss.

(c) Credit risk

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

The carrying amounts of the trade and other receivables, financial assets at fair value through profit or loss, pledged bank deposits, restricted bank balance and bank and cash balances included in the consolidated statement of financial position represent the Group's maximum exposures to credit risk in relation to the Group's financial assets.

5. 財務風險管理(續)

(b) 價格風險

本集團於按公平值計入損益賬的金融資產／負債於報告期末按公平值計算。因此，本集團承擔商品價格風險。董事密切監察商品的價格，如有需要，採取措施降低風險，控制這方面的承擔。

於二零一二年十二月三十一日，如鋅價格上升5%，而所有其他變素維持不變，則年內除稅後綜合溢利將為增加約21,000港元(二零一一年：11,000港元)，主要原因是按公平值計入損益賬的金融資產／負債已計入鋅遠期合約的收益。如鋅價格下跌5%，而所有其他變素保持不變，則年內除稅後綜合溢利將減少約21,000港元(二零一一年：11,000港元)，主要原因是按公平值計入損益賬的金融資產／負債已計入鋅遠期合約的虧損。

(c) 信貸風險

本集團訂有政策，以確保只向信貸記錄良好的客戶銷售產品。

本集團就其金融資產所承受最高信貸風險乃為計入綜合財務狀況表的貿易及其他應收款項、按公平值計入損益賬之金融資產、已抵押之銀行存款以及銀行及現金結餘之賬面值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (continued)

The percentage of trade receivables due from the Group's largest customer and due from the Group's five largest customers in aggregate to the Group's total trade receivables are as follows:

	2012 二零一二年 %	2011 二零一一年 %
	百分比	百分比
Due from the Group's largest customer 應收本集團最大客戶款項	32	35
Due from the Group's five largest customers 應收本集團五大客戶款項	73	75

The credit risk on pledged bank deposits, restricted bank balance, bank and cash balances and financial assets at fair value through profit or loss is limited because the counterparties are well-recognised banks in Hong Kong and the PRC.

(d) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial requirements in the short and longer term.

5. 財務風險管理(續)

(c) 信貸風險(續)

本集團最大客戶及五大客戶的貿易應收款項總值佔本集團貿易應收款項總額的百分比如下：

由於交易對手方均為於香港及中國廣泛認同的銀行，故已抵押銀行存款、有限制銀行存款、銀行及現金結餘及按公平值計入損益賬之金融資產的信貸風險有限。

(d) 流動資金風險

本集團之政策為定期監察其流動資金需要、其遵守借款契諾及其與銀行之關係，以確保其維持足以應付短期及較長遠之重要融資需要之現金儲備及可隨時變現有價證券以及資金之已承諾額度。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's bank borrowings and other financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other financial liabilities is prepared based on the scheduled repayment dates.

5. 財務風險管理(續)

(d) 流動資金風險(續)

下表列示按未折現現金流量(包括按合約利率或(如為浮息)按報告期末的現行利率計算的利息金額)及本集團可能須還款的最早日期呈列的本集團於報告期末的銀行借款及其他金融負債的餘下合約期限。

具體而言,對於銀行可全權酌情行使的按要求償還條款的定期貸款,有關分析按可能須還款的最早期間(即倘貸款人擬行使其無條件權利要求即時償還貸款)呈列現金流量,其他金融負債的到期日分析則按預定還款期編製。

		2012 二零一二年					
		Maturity Analysis - Undiscounted cash outflows 到期日分析 - 未折現現金流出					
		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash outflows
		按要求	一年內	一年以上但少於兩年	兩年以上但少於五年	五年以上	未折現現金流出總額
		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
Obligations under finance leases	融資租約承擔	-	4,076	1,351	-	-	5,427
Bank borrowings	銀行借款	325,575	-	-	-	-	325,575
Other payables and accruals	其他應付款項及應計費用	1,293	72,679	-	-	-	73,972
Trade payables	應付貿易款項	83,732	236,311	-	-	-	320,043
Due to a related company	應付關連公司款項	3,428	-	-	-	-	3,428
		414,028	313,066	1,351	-	-	728,445

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

5. 財務風險管理(續)

(d) 流動資金風險(續)

		2011 二零一一年					
		Maturity Analysis – Undiscounted cash outflows 到期日分析 – 未折現現金流出					
		On demand	Within 1 year	More than 1 year but less than 2 years 一年以上 但少於兩年	More than 2 years but less than 5 years 兩年以上 但少於五年	More than 5 years 五年以上	Total undiscounted cash outflows 未折現現金 流出總額
		按要求	一年內	但少於兩年	但少於五年	五年以上	流出總額
		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
Obligations under finance leases	融資租約承擔	3,031	4,235	4,074	1,348	-	12,688
Bank borrowings	銀行借款	244,511	12,475	-	-	-	256,986
Other payables and accruals	其他應付款項及應計費用	1,548	48,622	-	-	-	50,170
Trade payables	應付貿易款項	13,567	140,068	-	-	-	153,635
Due to a related company	應付關連公司款項	723	-	-	-	-	723
		263,380	205,400	4,074	1,348	-	474,202

The following table summarises the maturity analysis of bank borrowings and obligations under finance leases with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained above. Taking into account the Company's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

下表概述根據附有按要求償還條款的銀行借款及融資租約承擔按貸款協議載列的議定還款日期的到期日分析。該等金額包括按合約利率計算的利息款項。因此，該等金額較上文所載到期日分析中「按要求」時間範圍內披露的金額為高。鑒於本公司的財務狀況，董事認為銀行不大可能行使其酌情權要求即時還款。董事相信該等定期貸款將按貸款協議所載的預定還款期償還。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

5. 財務風險管理(續)

(d) 流動資金風險(續)

		Maturity Analysis – bank borrowings and obligations under finance leases subject to a repayment on demand clause based on scheduled repayments 到期日分析 – 附有按要求償還條款的銀行借貸及 融資租約承擔按預定還款期				
		On demand or within 1 year 按要求或 一年內 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 但少於五年 HK\$'000 千港元	More than 5 years 五年以上 HK\$'000 千港元	Total undiscounted cash outflows 未折現現金 流出總額 HK\$'000 千港元
31 December 2012	二零一二年十二月三十一日					
Bank borrowings	銀行借款	264,652	39,116	24,329	2,426	330,523
31 December 2011	二零一一年十二月三十一日					
Bank borrowings	銀行借款	168,312	40,770	37,146	3,783	250,011
Obligations under finance leases	融資租約承擔	-	3,050	-	-	3,050

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(e) Interest rate risk

The Group's exposure to interest rate risk arises from its bank deposits, short term and long term borrowings and obligations under finance leases. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

At 31 December 2012, if interest rates at that date had been 10 basis points lower with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$204,000 (2011: HK\$145,000) higher, arising mainly as a result of lower interest expenses on bank borrowings and obligations under finance leases but partly offset by lower interest income on bank and cash balances (2011: restricted bank balance and bank and cash balances). If interest rates had been 100 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$2,036,000 (2011: HK\$1,449,000) lower, arising mainly as a result of higher interest expenses on bank borrowings and obligations under finance leases but partly offset by higher interest income on bank and cash balances (2011: restricted bank balance and bank and cash balances).

At 31 December 2012, if interest rates at that date had been 10 basis points lower with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,000 (2011: nil) lower, arising mainly as a result of loss on the interest rate swap contract included in the financial assets at fair value through profit or loss. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$13,000 (2011: nil) higher, arising mainly as a result of gain on the interest rate swap contract included in the financial assets at fair value through profit or loss.

5. 財務風險管理(續)

(e) 利率風險

本集團的利率風險來自其銀行存款、短期及長期借款以及融資租約承擔。該等存款及借款按跟隨當時市場狀況而變動的不同利率計息。

於二零一二年十二月三十一日，倘利率下跌10個基點，而其他所有變數維持不變，則年內除稅後綜合溢利將增加約204,000港元(二零一一年：145,000港元)，主要由於銀行借款及融資租約承擔的利息開支減少所致，惟部份影響會由銀行結餘及銀行及現金結餘的利息收入減少所抵銷(二零一一年：有限制銀行結餘及銀行及現金結餘)。倘利率上升100個基點，而其他所有變數維持不變，則年內除稅後綜合溢利將減少約2,036,000港元(二零一一年：1,449,000港元)，主要由於銀行借款及融資租約承擔的利息開支增加所致，惟部份影響會由銀行及現金結餘的利息收入增加所抵銷(二零一一年：有限制銀行結餘及銀行及現金結餘)。

於二零一二年十二月三十一日，倘若當日利率下降10點子，假設所有其他變數維持不變，年度除稅後綜合溢利將減少約1,000港元(二零一一年：無)，主要來自按公平值計入損益賬的金融資產中包括的利率掉期合約虧損。倘若利率上升100點子，假設所有其他變數維持不變，年度除稅後綜合溢利將增加約13,000港元(二零一一年：無)，主要來自按公平值計入損益賬的金融資產中包括的利率掉期合約收益。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(f) Categories of financial instruments at 31 December 2012

		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets:	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及等同現金項目)	673,470	472,044
Financial assets at fair value through profit or loss:	按公平值計入損益賬的金融資產：		
Held for trading	持作買賣	592	—
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計算之金融負債	723,018	461,324
Financial liabilities at fair value through profit or loss:	按公平值計入損益賬的金融負債：		
Held for trading	持作買賣	—	605

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

The following disclosures of fair value measurements use a fair value hierarchy which has 3 levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(g) 公平值

本集團之金融資產及金融負債於綜合財務狀況表反映之賬面值概若相等於各自之公平值。

本集團採用以下公平值等級架構披露公平值計量，當中包括三層：

第1層：相同資產及負債之活躍市場報價(未經調整)。

第2層：第一層所包括之報價以外，資產及負債直接(即價格)或間接(即從價格推算)觀察得出之輸入資料。

第3層：並非根據可觀察市場數據而得出之資產或負債輸入資料(無法觀察輸入)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Continued)

(g) Fair values (Continued)

Disclosures of level in fair value hierarchy at 31 December 2012:

Description	項目	Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Financial assets at fair value through profit or loss	按公平值計入損益賬的 金融資產				
Derivatives	衍生工具	-	592	-	592

Disclosures of level in fair value hierarchy at 31 December 2011:

Description	項目	Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Financial liabilities at fair value through profit or loss	按公平值計入損益賬 的金融負債				
Derivatives	衍生工具	-	(605)	-	(605)

The total gains or losses recognised in profit or loss including those assets/liabilities held at the end of reporting period have been presented in the consolidated income statement.

5. 財務風險管理(續)

(g) 公平值(續)

公平值等級架構於二零一二年十二月三十一日之各層披露如下:

公平值等級架構於二零一一年十二月三十一日之各層披露如下:

於損益內確認之總收益或虧損包括於報告期末所持資產/負債已在綜合收益表呈列。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

6. TURNOVER

The Group is principally engaged in the sale and manufacture of zinc, magnesium and aluminium alloy die casting and plastic injection products and components.

Turnover represents the net amounts received and receivable for goods sold, net of returns and allowances to customers during the year.

6. 營業額

本集團主要從事生產及銷售鋅、鎂及鋁合金壓鑄和塑膠注塑產品及零部件業務。

營業額指於年內銷售貨品的已收及應收款項淨額(已扣除退貨及給予客戶的折扣)。

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Sales of goods	銷售貨品	1,568,958	1,191,698

7. OTHER INCOME

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Interest income	利息收入	819	1,120
Rental income	租金收入	68	-
Sales of scrap materials	廢料銷售	1,067	97
Government grants	政府資助	1,370	367
Unrealised gain on financial assets at fair value through profit or loss	按公平值計入損益賬的金融資產未變現收益	1,198	-
Realised gain on financial assets at fair value through profit or loss	按公平值計入損益賬的金融資產變現收益	254	-
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	-	105
Others	其他	656	774
		5,432	2,463

Government grants mainly comprised unconditional support for subsidising the Group's research and development.

政府補助金主要包括無條件支援本集團之研發之資助。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

8. SEGMENT INFORMATION

For management purposes, the Group's operation is currently categorised into four operating divisions – zinc, magnesium and aluminum alloy die casting and plastic injection products and components. These divisions are the basis of the Group's four reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

Segment profits or losses do not include interest income, corporate income, gain or loss from derivative instruments, corporate expenses, finance costs and income tax expense.

Information about reportable segment profit or loss:

8. 分部資料

為方便管理，本集團現時業務分為四個營運部門—鋅、鎂及鋁合金壓鑄及塑膠注塑產品及部件。該等部門是本集團呈報四個分部資料的基準。本集團之呈報分部為提供不同產品之的策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。

分部溢利或虧損不包括利息收入、企業收益、來自衍生工具之損益、企業開支、融資成本及所得稅開支。

呈報分部溢利或虧損之資料如下：

		Zinc alloy die casting 鋅合金壓鑄 HK\$'000 千港元	Magnesium alloy die casting 鎂合金壓鑄 HK\$'000 千港元	Aluminium alloy die casting 鋁合金壓鑄 HK\$'000 千港元	Plastic injection 塑膠注塑 HK\$'000 千港元	Total 總數 HK\$'000 千港元
Year ended 31 December 2012	截至二零一二年 十二月三十一日止年度					
Revenue from external customers	來自外來客戶的收益	307,603	503,326	201,126	556,903	1,568,958
Segment profit	分部溢利	7,344	62,885	15,834	98,327	184,390
Depreciation	折舊	13,813	18,426	10,357	13,933	56,529

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

8. SEGMENT INFORMATION (Continued)

Information about reportable segment profit or loss:
(Continued)

8. 分部資料(續)

呈報分部溢利或虧損之資料如下：
(續)

	Zinc alloy die casting 鋅合金壓鑄	Magnesium alloy die casting 鎂合金壓鑄	Aluminium alloy die casting 鋁合金壓鑄	Plastic injection 塑膠注塑	Total 總數
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元

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

Revenue from external customers 來自外來客戶的收益	349,859	286,873	253,035	301,931	1,191,698
Segment profit 分部溢利	16,699	32,232	37,601	32,953	119,485
Depreciation 折舊	12,834	16,811	10,486	11,368	51,499

Reconciliation of reportable segment revenue, profit or loss:

呈報分部收益、溢利或虧損之對賬：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Revenue	收益		
Total revenue of reportable segments 呈報分部之總收益		1,568,958	1,191,698
Unallocated amounts 不分類數目		-	-
Consolidated revenue 綜合收益		1,568,958	1,191,698

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

8. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, profit or loss (Continued):

8. 分部資料(續)

呈報分部收益、溢利或虧損之對賬： (續)

		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
Profit or loss	溢利或虧損		
Total profit or loss of reportable segments	呈報分部總溢利或虧損	184,390	119,485
Unallocated amounts:	不分類數目：		
Interest income	利息收入	819	1,120
Gain/(loss) on financial assets/liabilities at fair value through profit or loss	按公平值計入損益賬的金融資產／負債之收益／(虧損)	1,452	(6,375)
Finance costs	融資成本	(6,769)	(4,644)
Income tax expense	所得稅開支	(31,336)	(19,480)
Corporate income	企業收益	59	122
Corporate expenses	企業開支	(22,721)	(27,408)
Consolidated profit for the year	年內綜合溢利	125,894	62,820
Other material items – depreciation	其他重大項目－折舊		
Total depreciation and amortisation of reportable segments	呈報分部總折舊及攤銷	56,529	51,499
Unallocated amounts:	不分類數目：		
Depreciation of property, plant and equipment for corporate use	企業用物業、機器及設備折舊	6,764	6,300
Consolidated depreciation	綜合折舊	63,293	57,799

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

8. SEGMENT INFORMATION (Continued)

Geographical information:

		Revenue 收益	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Hong Kong	香港	829,100	768,368
The PRC except Hong Kong	中國(香港除外)	172,537	118,851
Japan	日本	4,632	9,872
The United States of America ("USA")	美利堅合眾國(「美國」)	488,788	224,879
Others	其他	73,901	69,728
Consolidated total	綜合總數	1,568,958	1,191,698

In presenting the geographical information, revenue is based on the locations of the customers.

The Group's non-current assets by geographical areas are not presented as the geographical segments other than the PRC are less than 10% of the aggregate amount of all segments.

Revenue from major customers:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Zinc alloy die casting segment	鋅合金壓鑄分部		
Customer a	客戶a	126,497	154,507
Customer b	客戶b	74,077	91,296
Magnesium alloy die casting segment	鎂合金壓鑄分部		
Customer c	客戶c	335,399	197,561
Aluminium alloy die casting segment	鋁合金壓鑄分部		
Customer a	客戶a	100,218	107,745
Plastic injection segment	塑膠注塑分部		
Customer b	客戶b	99,041	107,882
Customer d	客戶d	457,031	187,707

8. 分部資料(續)

地區資料:

呈列地區資料時，收益是以客戶的地區為基準。

因為除中國外之地區分部金額佔所有分部之總額少於10%，所以本集團按地區之非流動資產沒有呈列。

來自主要客戶之收益:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

9. FINANCE COSTS

9. 融資成本

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Interest expenses on bank borrowings	銀行借款利息開支	6,561	4,384
Finance lease charges	融資租約支出	208	260
		6,769	4,644
Interest on borrowings			
	以下借款之利息		
- Wholly repayable within five years	- 全數須於五年內償還	6,562	4,418
- Not wholly repayable within five years	- 毋須全數於五年內償還	207	226
Total finance costs	融資成本總額	6,769	4,644

The analysis shows the finance costs of bank borrowings and obligations under finance leases including bank borrowings and finance leases which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements. For the years ended 31 December 2012 and 2011, the interest on bank borrowings and obligations under finance leases which contain a repayment on demand clause amounted to approximately HK\$6,585,000 and HK\$4,532,000 respectively.

有關分析列示銀行借款及融資租約承擔的融資成本，包括根據貸款協議所載的議定預定還款期之附有按要求償還條款的銀行借款及融資租約。截至二零一二年及二零一一年十二月三十一日止年度，附有按要求償還條款的銀行借款及融資租約承擔的利息分別約為6,585,000港元及4,532,000港元。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

10. INCOME TAX EXPENSE

10. 所得稅開支

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Current tax – Hong Kong Profits Tax	即期稅項－香港利得稅		
Provision for the year	本年度撥備	15,837	8,737
Over-provision in prior years	往年度超額撥備	(141)	(602)
Current tax – PRC enterprise income tax	即期稅項－中國企業所得稅		
Provision for the year	本年度撥備	17,970	11,526
Over-provision in prior years	往年度超額撥備	(352)	(181)
Deferred tax (note 28)	遞延稅項(附註28)	(1,978)	-
Income tax expense	所得稅開支	31,336	19,480

Hong Kong Profits Tax has been provided at a rate of 16.5% (2011: 16.5%) on the estimated assessable profits of Hong Kong incorporated subsidiaries for the year ended 31 December 2012, subject to the application of the Departmental Interpretation Practice Note No. 21 (“DIPN 21”) issued by the Inland Revenue Department of Hong Kong for certain Hong Kong incorporated subsidiaries which have conducted their manufacturing operations by entering into processing arrangements with the processing factories in the PRC. Pursuant to the DIPN 21, 50% of the adjusted profits of these subsidiaries were treated as offshore and not taxable in Hong Kong.

Under the PRC Enterprise Income Tax (the “EIT”) Law, the statutory tax rate for the Group’s subsidiaries established and operating in Mainland China is 25% (2011: 25%). However, one of the Group’s subsidiaries has been recognised as a “New and High Technology Enterprise” in the PRC and were therefore subject to a preferential tax rate of 15% for the year ended 31 December 2012.

Income tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing on the overseas countries in which the Group operates.

截至二零一二年十二月三十一日止年度之香港利得稅根據香港註冊附屬公司之估計應課稅溢利以稅率16.5% (二零一一年：16.5%) 作出撥備 (須視乎香港稅務局頒佈的稅務局釋義及執行指引第21號 (「釋義及執行指引第21號」) 指定於香港註冊之某些附屬公司藉著與中國的加工廠訂立加工安排進行生產業務是否適用)。根據釋義及執行指引第21號，此等附屬公司之經調整溢利50%視為離岸溢利，毋須在香港納稅。

根據中國企業所得稅法，本集團於中國大陸成立及營運之附屬公司之法定稅率為25% (二零一一年：25%)。但是，本集團其中一間附屬公司獲確定為中國「高新技術企業」，因此其於截至二零一二年十二月三十一日止年度可享有15%之優惠稅率。

海外溢利之所得稅根據年內估計應課稅溢利以集團有營運之海外國家之現行稅率計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

10. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong profits tax rate is as follows:

10. 所得稅開支(續)

所得稅開支與除稅前溢利乘以香港利得稅稅率計算所得結果的對賬如下：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Profit before tax	除稅前溢利	157,230	82,300
Tax at Hong Kong profits tax rate at 16.5% (2011: 16.5%)	按香港利得稅稅率16.5% (二零一一年：16.5%) 計算的稅項	25,943	13,579
Tax effect of expenses that are not deductible	不可扣稅開支的稅務影響	3,502	3,537
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	(246)	(1,185)
Tax effect of temporary differences not recognised	未確認暫時差異的稅務影響	1,029	791
Reversal of deferred tax liabilities	遞延稅項負債回撥	(1,857)	-
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	3,275	2,015
Over-provision in previous year (Under)/over-provision for current year	過往年度超額撥備 本年度(撥備不足)/ 超額撥備	(493) (1,394)	(783) 243
Effect of different tax rates of subsidiaries	附屬公司稅率不同的稅務影響	1,577	1,283
Income tax expense	所得稅開支	31,336	19,480

In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the Group's leasehold land during the year has been charged to other comprehensive income.

除在損益表列賬外，於年內本集團之租賃土地重估之有關遞延稅項已在全面收益表列賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

11. PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group's profit for the year attributable to owners of the Company is stated after charging/(crediting) the following:

11. 本公司權益持有人應佔年內溢利

本集團年內之溢利已扣除/(計入)下列各項：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Allowance for doubtful debts	呆賬撥備	559	558
Allowance for inventories	存貨撥備	-	2,772
Reversal of allowance for inventories	存貨撥備回撥	(560)	-
Bad debts written off	壞賬撇銷	19	72
Impairments on other receivables	其他應收賬減值	-	450
Auditors' remuneration	核數師酬金		
Provision for the year	本年度撥備	1,250	1,044
Over-provision in prior year	過往年度超額撥備	(24)	(18)
Charge by auditors of the subsidiaries	附屬公司核數師費用	101	152
		1,327	1,178
Reversal of allowance for doubtful debts	呆賬撥備回撥	(559)	(635)
Cost of inventories sold	已售存貨成本	1,126,469	888,571
Depreciation of property, plant and equipment	物業、機器及設備折舊	63,293	57,799
Loss/(gain) on disposal of property, plant and equipment	出售物業、機器及設備虧損/(收益)	207	(105)
Property, plant and equipment written off	物業、機器及設備撇銷	51	176
(Gain)/loss on financial assets/liabilities at fair value through profit or loss	按公平值計入損益賬之金融資產/負債之(收益)/虧損	(1,452)	6,375
Net exchange loss	淨匯兌虧損	997	215
Operating lease charges in respect of land and buildings	土地及樓宇經營租約支出	4,686	3,915
Research and development expenditure	研發開支	19,473	9,200
Staff costs:	員工成本：		
Directors' emoluments (note 12(a))	董事酬金(附註12(a))	10,713	9,185
Wages and salaries	工資及薪金	289,856	227,511
Equity-settled share based payments (excluding directors)	以股權結算以股份支付的款項(不包括董事)	-	21
Retirement benefits scheme contributions (excluding directors)	退休福利計劃供款(不包括董事)	12,081	9,715
Other benefits	其他福利	18,854	14,410
		331,504	260,842

Cost of inventories sold includes staff costs, depreciation and operating lease charges of approximately HK\$295,467,000 (2011: HK\$240,798,000), which are included in the amounts disclosed separately.

Research and development expenditure includes staff costs of approximately HK\$7,582,000 (2011: HK\$3,758,000), which are included in the amounts disclosed separately.

已售存貨成本包括員工成本、折舊及經營租約租金約295,467,000港元(二零一一年：240,798,000港元)，彼等已各自分別披露。

研發開支中包括獨立披露的員工成本約7,582,000港元(二零一一年：3,758,000港元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

12. EMOLUMENTS OF DIRECTORS (KEY MANAGEMENT PERSONNEL) AND HIGHEST PAID EMPLOYEES

(a) Emoluments of directors (key management personnel)

The emoluments of each director were as follows:

12. 董事(主要管理人員)酬金及最高薪僱員

(a) 董事(主要管理人員)酬金

各董事的酬金如下：

Name of director	董事姓名	Fees	Salaries and allowances		Discretionary bonus	Share-based payments	Retirement benefits contributions	Total
			薪金及津貼	以股權結算之款項				
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	港元	港元	港元	港元	港元	港元
Year ended 31 December 2012	截至二零一二年十二月三十一日							
Executive directors	執行董事							
Mr. LEE Yuen Fat	李遠發先生	-	2,649	800	-	14	3,463	
Dr. KEUNG Wing Ching	姜永正博士	-	2,217	670	-	14	2,901	
Mr. WONG Wing Chuen	黃永銓先生	-	1,394	530	-	14	1,938	
Mr. CHAN Tat Cheong, Alan	陳達昌先生	-	1,397	400	-	14	1,811	
Independent non-executive directors	獨立非執行董事							
Mr. SUN Kai Lit, Cliff BBS, JP	孫啟烈先生BBS, 太平紳士	150	-	-	-	-	150	
Ir Dr. LO Wai Kwok BBS, MH, JP	盧偉國博士BBS, MH, 太平紳士	150	-	-	-	-	150	
Mr. YEOW Hoe Ann, John	姚和安先生	150	-	-	-	-	150	
Mr. Andrew LOOK	陸東先生	150	-	-	-	-	150	
Total for 2012	二零一二年總計	600	7,657	2,400	-	56	10,713	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

12. EMOLUMENTS OF DIRECTORS (KEY MANAGEMENT PERSONNEL) AND HIGHEST PAID EMPLOYEES (Continued)

(a) Emoluments of directors (key management personnel) (Continued)

12. 董事(主要管理人員)酬金及最高薪僱員(續)

(a) 董事(主要管理人員)酬金(續)

Name of director	董事姓名	Fees	Salaries and allowances	Discretionary bonus	Share-based payments	Retirement benefits contributions	Total
		袍金	薪金及津貼	酬情花紅	以股權結算之款項	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	港元	港元	港元	港元	港元
Year ended 31 December 2011	截至二零一一年十二月三十一日						
Executive directors	執行董事						
Mr. LEE Yuen Fat	李遠發先生	-	2,529	418	2	12	2,961
Dr. KEUNG Wing Ching	姜永正博士	-	2,111	348	2	12	2,473
Mr. WONG Wing Chuen	黃永銓先生	-	1,329	250	1	12	1,592
Mr. CHAN Tat Cheong, Alan	陳達昌先生	-	1,365	181	1	12	1,559
Independent non-executive directors	獨立非執行董事						
Mr. SUN Kai Lit, Cliff BBS, JP	孫啟烈先生BBS, 太平紳士	150	-	-	-	-	150
Ir Dr. LO Wai Kwok BBS, MH, JP	盧偉國博士BBS, MH, 太平紳士	150	-	-	-	-	150
Mr. YEOW Hoe Ann, John	姚和安先生	150	-	-	-	-	150
Mr. Andrew LOOK	陸東先生	150	-	-	-	-	150
Total for 2011	二零一一年總計	600	7,334	1,197	6	48	9,185

There were no arrangements under which a director waived or agreed to waive any emoluments during the year (2011: nil).

年內概無董事放棄或同意放棄任何酬金的安排(二零一一年:無)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

12. EMOLUMENTS OF DIRECTORS (KEY MANAGEMENT PERSONNEL) AND HIGHEST PAID EMPLOYEES (Continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included 4 (2011: 4) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining individual for the year ended 31 December 2012 are set out below:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Basic salaries and allowances	基本薪酬及津貼	1,046	991
Discretionary bonus	酬情花紅	400	112
Share-based payments	以股權結算之款項	-	1
Retirement benefits scheme contributions	退休福利計劃供款	14	12
		1,460	1,116

The emoluments fell within the following band:

酬金介乎以下範圍：

		Number of individuals 人數	
		2012 二零一二年	2011 二零一一年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	1	1

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，本集團並無向董事或最高薪人士支付任何作為加盟本集團時或之後的獎勵或離職的補償之酬金。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

13. DIVIDENDS

13. 股息

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Interim of HK1.60 cents (2011: HK0.66 cents) per ordinary share paid	已付每股普通股1.60港仙 (二零一一年: 0.66港仙) 之中期股息	14,241	5,861
Proposed final of HK8.3 cents (2011: final dividend payment of HK4.3 cents) per ordinary share	每股普通股8.3港仙 (二零一一年: 4.3港仙之末期股息) 之建議末期股息	73,922	38,191
Additional final dividend for the year	年內額外末期股息	-	28
		88,163	44,080

14. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$125,894,000 (2011: HK\$62,820,000) and the weighted average number of ordinary shares of 889,114,900 (2011: 886,548,271) in issue during the year.

Diluted earnings per share

The calculation of diluted earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$125,894,000 (2011: HK\$62,820,000) and the weighted average number of ordinary shares of 891,374,470 (2011: 891,277,015), being the weighted average number of ordinary shares of 889,114,900 (2011: 886,548,271) in issue during the year used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 2,259,570 (2011: 4,728,744) assumed to have been issued at no consideration on the deemed exercise of the share options outstanding at the end of the reporting period.

14. 每股盈利

每股基本盈利

本公司權益持有人應佔的每股基本盈利乃根據截至二零一二年十二月三十一日止年度本公司權益持有人應佔的溢利約125,894,000港元(二零一一年: 62,820,000港元)及年內已發行的加權平均普通股889,114,900股(二零一一年: 886,548,271股)計算。

每股攤薄盈利

本公司權益持有人應佔的每股攤薄盈利乃根據截至二零一二年十二月三十一日止年度本公司權益持有人應佔的溢利約125,894,000港元(二零一一年: 62,820,000港元)及加權平均普通股891,374,470股(二零一一年: 891,277,015股)(用於計算每股基本盈利之年內已發行的加權平均普通股889,114,900股(二零一一年: 886,548,271股)加上於報告期末未獲行使之購股權視作已行使而假設以沒有代價發行的加權平均普通股2,259,570股(二零一一年: 4,728,744股)計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、機器及設備

		Group 本集團								Total 總計
		Leasehold land	Buildings improvements	Leasehold plant and machinery	Plant and machinery	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	
		租賃土地	樓宇	租賃 物業裝修	機器及設備	電腦設備	傢俬、 固定裝置 及辦公室設備	汽車	在建工程	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Cost or valuation	成本或估值									
At 1 January 2011	於二零一一年一月一日	51,484	150,663	45,252	349,529	6,576	5,668	10,930	24,994	645,096
Transfer	轉移	-	-	160	-	-	-	-	(160)	-
Additions	添置	-	140	3,979	12,891	2,915	593	199	43,902	64,619
Surplus on revaluation	重估盈餘	85,623	-	-	-	-	-	-	-	85,623
Depreciation eliminated against cost	於成本減去折舊	(4,427)	-	-	-	-	-	-	-	(4,427)
Disposal/write off	出售/撤銷	-	(5)	(156)	(2,474)	(25)	(45)	(1,679)	-	(4,384)
Exchange difference	匯兌差額	1,804	6,570	1,335	12,827	31	189	273	2,107	25,136
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	134,484	157,368	50,570	372,773	9,497	6,405	9,723	70,843	811,663
Transfer	轉移	-	60,824	2,549	-	-	-	-	(63,373)	-
Additions	添置	-	14,439	15,094	90,881	198	75	323	30,129	151,139
Surplus on revaluation	重估盈餘	14,421	-	-	-	-	-	-	-	14,421
Depreciation eliminated against cost	於成本減去折舊	(3,399)	-	-	-	-	-	-	-	(3,399)
Disposal/write off	出售/撤銷	-	-	(23)	(4,218)	(189)	(179)	(335)	-	(4,944)
Exchange difference	匯兌差額	1,394	2,782	472	4,579	15	54	65	511	9,872
At 31 December 2012	於二零一二年十二月三十一日	146,900	235,413	68,662	464,015	9,521	6,355	9,776	38,110	978,752
Accumulated depreciation	累計折舊									
At 1 January 2011	於二零一一年一月一日	3,040	24,069	13,593	151,469	5,553	3,867	6,566	-	208,157
Charge for the year	年內扣除	1,251	6,704	8,844	37,676	1,508	608	1,208	-	57,799
Disposal/write off	出售/撤銷	-	(5)	-	(1,943)	(18)	(45)	(1,903)	-	(3,914)
Adjustment on revaluation	重估調整	(4,427)	-	-	-	-	-	-	-	(4,427)
Exchange difference	匯兌差額	136	1,165	404	4,943	27	139	153	-	6,967
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	-	31,933	22,841	192,145	7,070	4,569	6,024	-	264,582
Charge for the year	年內扣除	3,367	3,948	13,581	39,423	889	557	1,528	-	63,293
Disposal/write off	出售/撤銷	-	-	(23)	(3,131)	(170)	(174)	(302)	-	(3,800)
Adjustment on revaluation	重估調整	(3,399)	-	-	-	-	-	-	-	(3,399)
Exchange difference	匯兌差額	32	434	226	1,902	13	43	43	-	2,693
At 31 December 2012	於二零一二年十二月三十一日	-	36,315	36,625	230,339	7,802	4,995	7,293	-	323,369
Carrying amount	賬面值									
At 31 December 2012	於二零一二年十二月三十一日	146,900	199,098	32,037	233,676	1,719	1,360	2,483	38,110	655,383
At 31 December 2011	於二零一一年十二月三十一日	134,484	125,435	27,729	180,628	2,427	1,836	3,699	70,843	547,081

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The analysis of the cost or valuation of the above assets is as follows:

At 31 December 2012

		Group 本集團								
		Leasehold land	Buildings improvements	Leasehold improvements	Plant and machinery	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		租賃土地	樓宇	租賃物業裝修	機器及設備	電腦設備	傢俬、固定裝置及辦公室設備	汽車	在建工程	總計
		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
At cost	以成本	-	235,413	68,662	464,015	9,521	6,355	9,776	38,110	831,852
At valuation	以估值	146,900	-	-	-	-	-	-	-	146,900
		146,900	235,413	68,662	464,015	9,521	6,355	9,776	38,110	978,752

At 31 December 2011

		Group 本集團								
		Leasehold land	Buildings improvements	Leasehold improvements	Plant and machinery	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		租賃土地	樓宇	租賃物業裝修	機器及設備	電腦設備	傢俬、固定裝置及辦公室設備	汽車	在建工程	總計
		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
At cost	以成本	-	157,368	50,570	372,773	9,497	6,405	9,723	70,843	677,179
At valuation	以估值	134,484	-	-	-	-	-	-	-	134,484
		134,484	157,368	50,570	372,773	9,497	6,405	9,723	70,843	811,663

The Group's leasehold land was revalued at 31 December 2012 and 31 December 2011 on the open market value basis by reference to market evidence of recent transactions for similar properties by an independent surveyor.

15. 物業、機器及設備(續)

上述資產以成本或估值之分析如下：

於二零一二年十二月三十一日

於二零一一年十二月三十一日

本集團於二零一二年十二月三十一日及二零一一年十二月三十一日按公開市場價值參考獨立測量師為同類物業的類似交易從市場得到的證據重估。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying amount of the Group's leasehold land would have been approximately HK\$47,734,000 (2011: HK\$48,861,000) had they been stated at cost less accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment pledged as security for the Group's banking facilities (including finance leases) amounted to approximately HK\$42,075,000 (2011: HK\$55,013,000).

The carrying amount of plant and machinery held by the Group under finance leases amounted to approximately HK\$9,957,000 (2011: HK\$30,039,000).

The Group's leasehold land is analysed as follows:

15. 物業、機器及設備(續)

本集團租賃土地的賬面值約為47,734,000港元(二零一一年: 48,861,000港元), 已按成本減累計折舊及減值虧損列賬。

本集團賬面值為數約42,075,000港元(二零一一年: 55,013,000港元)的物業、機器及設備已質押作為本集團銀行信貸(包括融資租賃)的抵押。

本集團根據融資租賃持有機器的賬面值為數約9,957,000港元(二零一一年: 30,039,000港元)。

本集團之租賃土地載列如下:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
In Hong Kong:	於香港		
Medium-term leases	中期租賃	27,300	19,684
Outside Hong Kong:	於香港境外		
Medium-term leases	中期租賃	119,600	114,800
		146,900	134,484

16. INVESTMENTS IN SUBSIDIARIES

16. 對附屬公司的投資

		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Unlisted investment, at cost	非上市投資(按成本計算)	10,000	10,000
Financial guarantee contracts	融資擔保合約	18,933	11,590
		28,933	21,590

The amounts due from/to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

應收/應付附屬公司款項為無抵押、免息及並無固定還款期。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

16. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2012 are as follows:

16. 對附屬公司的投資(續)

於二零一二年十二月三十一日，附屬公司詳情如下：

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Issued and fully paid up share capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益／投票權／ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui (Holdings) Company Limited 嘉瑞集團有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	369,093 ordinary shares of US\$0.1 each 369,093每股面值0.1美元之 普通股	100%	–	Investment holding 投資控股
Ample Wealth Developments Limited 富豐發展有限公司	BVI 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	–	100%	Investment holding 投資控股
Ka Fung Metal Manufactory Company Limited 嘉豐金屬製品廠有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之 普通股	–	100%	Manufacture of plastic injection products and components 生產塑膠注塑產品及零部件
Ka Shui Manufactory Co., Limited 嘉瑞製品有限公司	Hong Kong 香港	100 ordinary shares of HK\$100 each 100股每股面值100港元之 普通股	–	100%	Sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components 銷售鋅、鎂及鋁合金壓鑄和 塑膠注塑產品及零部件
MG Technology (Shenzhen) Company Limited 創金美科技(深圳)有限公司	The PRC 中國	Registered capital HK\$150,000,000 註冊資本150,000,000港元	–	100%	Sale and manufacture of magnesium and aluminium alloy die casting products and components 銷售及生產鎂及鋁合金壓鑄 產品及零部件
Ka Shui Technology (Huizhou) Company Limited 嘉瑞科技(惠州)有限公司	The PRC 中國	Registered capital HK\$ 160,000,000 and paid up capital HK\$160,000,000 (2011: HK\$140,000,000) 註冊資本160,000,000港元及 已繳資本160,000,000港元 (二零一一年：140,000,000港元)	–	100%	Inactive 暫無業務

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

16. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2012 are as follows (continued):

16. 對附屬公司的投資(續)

於二零一二年十二月三十一日，附屬公司詳情如下：(續)

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Issued and fully paid up share capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益／投票權／ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Elegant Shine Investments Limited 雅輝投資有限公司	BVI 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	-	100%	Investment holding 投資控股
Ample Wealth Property Developments (Huizhou) Limited 富豐物業開發(惠州)有限公司	The PRC 中國	Registered capital HK\$6,800,000 註冊資本6,800,000港元	-	100%	Inactive 暫無業務
Ka Shui Technology Limited 嘉瑞科技有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之 普通股	-	100%	Investment holding 投資控股
Wing Yu (Far East) Industries Company Limited 永裕(遠東)實業有限公司	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之 普通股	-	100%	Provision of surface finishing treatment services 提供表面處理服務
Huizhou Wing Yu Metal and Plastic Manufactory Company Limited 惠州市永裕五金塑料製品有限公司	The PRC 中國	Registered capital HK\$4,500,000 註冊資本4,500,000港元	-	100%	Provision of surface finishing treatment services 提供表面處理服務
Ka Yi Technology (Huizhou) Company Limited 嘉宜科技(惠州)有限公司	The PRC 中國	Registered capital HK\$20,000,000 註冊資本20,000,000港元	-	100%	Sale and manufacture of zinc and aluminium alloy die casting products and components 銷售及生產鋅及鋁合金壓鑄產品及 零部件
INNOKA Company Limited (formerly known as Cheong Fai (International) Steel Company Limited) INNOKA Company Limited (前稱 昌輝(國際)鋼材有限公司)	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之 普通股	-	100%	Inactive 暫無業務

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

16. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2012 are as follows (continued):

16. 對附屬公司的投資(續)

於二零一二年十二月三十一日，附屬公司詳情如下：(續)

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Fung Industrial Technology (Huizhou) Company Limited 嘉豐工業科技(惠州)有限公司	The PRC 中國	Registered capital HK\$2,000,000 註冊資本2,000,000港元	-	100%	Sale and manufacture of products and components with plastic contents 銷售及生產含塑膠部件之產品及 零部件
Alphalite Company Limited 嘉能照明有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之 普通股	-	100%	Trading and marketing of light emitting plasma lighting products 從事light emitting plasma照明 產品之貿易及市場推廣
Ka Shui Metal Manufactory (Shenzhen) Company Limited 嘉瑞金屬製品(深圳)有限公司	The PRC 中國	Registered capital HK\$40,000,000 (2011: HK\$10,000,000) 註冊資本40,000,000港元 (二零一一年: 10,000,000港元)	-	100%	Sale and manufacture of zinc and magnesium alloy die casting products and components 銷售及生產鋅及鎂合金壓鑄 產品及部件
Alphalite Incorporation	USA 美國	100 ordinary shares of US\$1 each 100股每股面值1美元之 普通股	-	100%	Trading and marketing of light emitting plasma lighting products 從事light emitting plasma照明 產品之貿易及市場推廣
Ka Shui (USA) Incorporation	USA 美國	500,000 ordinary shares of US\$0.01 each 500,000股每股面值 0.01美元之普通股	-	100%	Marketing of zinc, magnesium and aluminium alloy die casting and plastic injection products and components 從事鋅、鎂及鋁合金壓鑄及塑膠 注塑產品及部件之市場推廣

MG Technology (Shenzhen) Company Limited, Ka Shui Technology (Huizhou) Company Limited, Ample Wealth Property Developments (Huizhou) Limited, Ka Yi Technology (Huizhou) Company Limited, Ka Fung Industrial Technology (Huizhou) Company Limited, Ka Shui Metal Manufactory (Shenzhen) Company Limited and Huizhou Wing Yu Metal and Plastic Manufactory Company Limited are wholly-foreign owned enterprises established in the PRC.

創金美科技(深圳)有限公司、嘉瑞科技(惠州)有限公司、富豐物業開發(惠州)有限公司、嘉宜科技(惠州)有限公司、嘉豐工業科技(惠州)有限公司、嘉瑞金屬製品(深圳)有限公司及惠州市永裕五金塑料製品有限公司為於中國成立之外商獨資企業。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

17. 可供出售金融資產

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted equity, at cost	非上市股本(按成本計算)	8,303	8,303
Impairment loss	減值虧損	(8,303)	(8,303)
		-	-

Unlisted equity is carried at cost. The investee company has ceased business and the management has made full impairment loss for the investment.

非上市股本投資乃按成本入賬。被投資公司已終止業務及管理層已對此項投資作出全數減值虧損。

18. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

At 31 December 2011, included in deposits paid for acquisition of property, plant and equipment was a deposit of HK\$2.1 million paid to a related company, Chit Shun Machinery Limited, for the acquisition of machinery. No such deposit was paid as at 31 December 2012.

18. 預付購買物業、機器及設備之按金

於二零一一年十二月三十一日，就預付購買物業、機器及設備之按金包括就購買機器而向一間關連公司捷迅機械設備有限公司支付之按金約2,100,000港元。於二零一二年十二月三十一日並無預付按金。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

19. INVENTORIES

19. 存貨

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Raw materials	原材料	119,572	116,801
Consumables supplies and spare parts	消耗品及備用零部件	10,380	10,430
Work in progress	在製品	67,368	52,907
Finished goods	製成品	59,289	20,638
		256,609	200,776
Less: Allowance for inventories	減：存貨撥備	(2,934)	(3,494)
		253,675	197,282

Because of the change in the market condition of the Group's products during the year, there was an increase in the net realisable value of certain inventories. As a result, allowance made in prior years against the inventories of HK\$560,000 (2011: HK\$ nil) was reversed.

由於年內本集團產品的市場環境變動，某些存貨的可變現淨值增加。受此影響，過往年度計提的存貨撥備560,000港元(二零一一年：無)被撥回。

20. TRADE RECEIVABLES

During the year 2012, the Group discounted part of its trade debtors with full recourse to financial institutions. In the event of default by the debtors, the Group is obliged to pay the financial institutions the amount in default. Interest is charged at 2.16% on the proceeds received from the financial institutions until the date the debtors pay. The Group is therefore exposed to the risks of credit losses and late payment in respect of the discounted debts.

20. 貿易應收款項

於二零一二年，本集團向金融機構貼現具有完全追索權的部分貿易應收賬款。倘若有關債務人違約，本集團須向金融機構支付違約金額。有關利息按自金融機構獲得的有關款項的2.16%計算，直至有關債務人支付該等賬款。因此，本集團就貼現債務承擔信貸損失及延期支付風險。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

20. TRADE RECEIVABLES (Continued)

The discounting transactions do not meet the requirements in HKAS 39 for de-recognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted trade debts. At 31 December 2012, trade debtors of HK\$32,800,000 (2011: nil) continue to be recognised in the Group's financial statements even though they have been legally transferred to the financial institutions. The proceeds of the discounting transactions are included in borrowings as asset-backed financing (note 25) until the trade debts are collected or the Group settles any losses suffered by the financial institutions. At 31 December 2012, the asset-backed financing liability amounted to HK\$32,800,000 (2011: nil). Up to the date of these financial statements, the whole amount has been fully settled.

Because the trade debts have been transferred to the financial institutions legally, the Group did not have the authority to determine the disposition of the trade debts.

The Group's trading terms with customers are mainly on credit. The credit terms generally ranged from 30 to 90 days (2011: 30 to 90 days) after end of the month in which the invoices issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is stated as follows:

20. 貿易應收款項(續)

貼現交易並不符合香港會計準則第39號有關取消確認金融資產的規定，因為本集團保留貼現貿易應收賬款所有權的大多數風險及回報。於二零一二年十二月三十一日，儘管其已經合法轉讓予金融機構，32,800,000港元(二零一一年：無)之貿易應收賬款繼續於本集團財務報表中確認。貼現交易的所得款項作為資產抵押融資(附註25)列入借貸，直至收回貿易債務或本集團結清金融機構承受的任何損失。於二零一二年十二月三十一日，資產抵押融資負債為32,800,000港元(二零一一年：無)。截至本財務報表日期，全部金額已悉數結清。

由於該等貿易債務已經合法轉讓予金融機構，本集團無權決定該等貿易債務的處置。

本集團與客戶的貿易條款主要為賒銷。信貸期一般介於開具發票當月結束後的30至90日(二零一一年：30至90日)。每位客戶均設有最高信貸限額。本集團致力於對未結應收賬款維持嚴格控制。逾期結餘由董事定期檢討。基於發票日期進行並扣除撥備的貿易應收賬款賬齡分析如下：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

20. TRADE RECEIVABLES (Continued)

20. 貿易應收款項(續)

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
0 to 30 days	零至30日	171,809	133,472
31 to 60 days	31至60日	175,295	66,535
61 to 90 days	61至90日	85,620	42,282
91 to 180 days	91至180日	52,473	29,209
Over 180 days	180日以上	844	654
		486,041	272,152

At 31 December 2012, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$1,984,000 (2011: HK\$1,984,000).

於二零一二年十二月三十一日，已就估計無法收回之貿易應收款項作出的撥備約1,984,000港元(二零一一年：1,984,000港元)。

Reconciliation of allowance for trade receivables:

貿易應收款項撥備之對賬：

		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	1,984	2,322
Allowance for the year charged to profit or loss	計入損益賬之本年度撥備	559	558
Amount written off during the year	本年度撇銷	-	(276)
Reversal	回撥	(559)	(635)
Exchange differences	匯兌差額	-	15
At 31 December	於十二月三十一日	1,984	1,984

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

20. TRADE RECEIVABLES (Continued)

As of 31 December 2012, trade receivables of approximately HK\$57,333,000 (2011: HK\$56,414,000) were past due but not impaired. These relate to a number of independent customers for whom there are no recent history of default. The ageing analysis of these trade receivables, based on the due date, is as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Up to 3 months	3個月以內	56,426	55,261
4 to 6 months	4至6個月	721	650
Over 6 months	6個月以上	186	503
		57,333	56,414

The carrying amount of the Group's trade receivables is denominated in the following currencies:

20. 貿易應收款項(續)

於二零一二年十二月三十一日，約57,333,000港元(二零一一年：56,414,000港元)的貿易應收款項為逾期但無減值撥備。該等款項與眾多最近並無拖欠紀錄的獨立客戶有關。逾期貿易應收款項根據到期日的賬齡分析如下：

貿易應收款項賬面值乃以下列貨幣為單位：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
HK\$	港元	37,362	46,783
USD	美元	425,885	206,578
RMB	人民幣	21,686	17,385
Others	其他	1,108	1,406
		486,041	272,152

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

21. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

21. 按公平值計入損益賬的金融資產/(負債)

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Zinc forward contracts	鋅遠期合約	512	(260)
Interest rate swap and currency forward contracts	利率掉期及遠期外匯合約	80	—
Currency forward contracts	遠期外匯合約	—	(345)
		592	(605)

The above financial assets and liabilities are classified as held for trading.

上述金融資產及負債為持作買賣。

The zinc forward contracts have maturity periods of approximately 4 months (2011: 2 years). The fair values of the derivatives are determined by reference to the market forward price of zinc at year end and the fixed commodity price of zinc stated in the contracts.

鋅遠期合約約於四個月(二零一一年: 兩年)到期。衍生工具之公平值以年終鋅的遠期市價及合約訂明的鋅固定價格釐定。

In addition, the Group has entered into interest rate swap and forward contracts to sell RMB and buy USD. The fair values of the derivatives are determined with reference to the HIBOR plus a spread, and the market forward exchange rate at year end and the fixed forward rates stated in the contracts.

另外, 本集團簽訂遠期合約沽售人民幣及購入美元。此衍生工具之公平值以香港銀行同業拆息差, 及市場遠期匯率及合約訂明的固定遠期匯率釐定。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

21. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The notional amounts of zinc, RMB and USD to be acquired or sold under forward contracts and the notional principal for the interest rate swap are set out below:

21. 按公平值計入損益賬的金融資產／(負債)(續)

根據外匯合約將收購或出售之鋅、人民幣及美元名義金額及利率掉期之名義本金載列如下：

		2012 Notional amount 名義金額	2011 Notional amount 名義金額
Zinc forward contracts	鋅遠期合約	USD2,156,000	USD1,178,000
Interest rate swap and currency forward contracts	利率掉期及遠期外匯合約	Principal of HK\$48,000,000 for the interest rate swap and sales of RMB26,000,000 in exchange for USD4,000,000 利率掉期本金 48,000,000港元及 出售人民幣 26,000,000 換取4,000,000美元	—
Currency forward contracts	遠期外匯合約	—	Sales of RMB382,500,000 in exchange for USD60,000,000 出售人民幣 382,500,000換取 60,000,000美元

22. PLEDGED BANK DEPOSITS, RESTRICTED BANK BALANCE AND BANK AND CASH BALANCES

As at 31 December 2011, the Group had pledged bank deposits in RMB amounting to HK\$12,285,000 with fixed interest rate of 3.3% per annum to secure banking facilities as set out in note 27 to the consolidated financial statements. There was no pledged bank deposits as at 31 December 2012.

22. 已抵押銀行存款、有限制銀行存款與銀行及現金結餘

於二零一一年十二月三十一日，本集團擁有已抵押人民幣銀行存款12,285,000港元，按固定利率為每年3.3厘計息，以作為綜合財務報表附註27所載銀行融資的抵押。於二零一二年十二月三十一日並無已抵押銀行存款。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

22. PLEDGED BANK DEPOSITS, RESTRICTED BANK BALANCE AND BANK AND CASH BALANCES (Continued)

As at 31 December 2011, the Group had placed a restricted bank deposit in RMB amounting to HK\$2,457,000 which served as a guarantee in favour of the custom office of Kunshan City, the PRC. The deposit was arranged at floating interest rate of 3.1% per annum and therefore was subject to cash flow interest rate risk. The deposit was released during the year ended 31 December 2012.

The cash at banks earned interest at floating interest rates ranging from 0.01% to 0.5% per annum (2011: 0.01% to 0.5% per annum). Included in the bank and cash balances of the Group is approximately HK\$69,340,000 (2011: HK\$98,173,000) denominated in RMB.

Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

The carrying amounts of bank and cash balances are denominated in the following currencies:

22. 已抵押銀行存款、有限制銀行存款與銀行及現金結餘(續)

於二零一一年十二月三十一日，本集團擁有限制人民幣銀行存款2,457,000港元，作為向中國昆山市海關作出的擔保。該筆存款按每年3.1厘的浮動利率計息，因此存在現金流利率風險。該筆存款於截至二零一二年十二月三十一日止年度已經解除。

銀行現金按每年0.01厘至0.5厘（二零一一年：每年0.01厘至0.5厘）的浮動利率賺取利息。在本集團的銀行及現金結餘中，約69,340,000港元是以人民幣計值（二零一一年：98,173,000港元）。

根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權開展外匯業務的銀行以人民幣兌換外幣。

銀行及現金結餘之賬面值以下列貨幣為單位：

		Group 本集團		Company 本公司	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
HK\$	港元	58,572	23,890	99	261
USD	美元	6,724	39,961	-	-
RMB	人民幣	69,340	98,173	-	-
Others	其他	607	2,667	-	-
		135,243	164,691	99	261

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

23. TRADE PAYABLES

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
0 to 30 days	零至30日	104,811	60,348
31 to 60 days	31至60日	112,475	78,525
61 to 90 days	61至90日	68,365	10,484
91 to 180 days	91至180日	32,535	3,636
Over 180 days	180日以上	1,857	642
		320,043	153,635

The carrying amount of the Group's trade payables is denominated in the following currencies:

23. 貿易應付款項

貿易應付款項按收貨日期計算的賬齡分析如下：

本集團貿易應付款項賬面值以下列貨幣為單位：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
HK\$	港元	10,388	7,339
USD	美元	89,776	44,215
RMB	人民幣	218,064	100,206
Others	其他	1,815	1,875
		320,043	153,635

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

24. DUE TO A RELATED COMPANY

Particulars of the amount due to a related company are as follows:

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Chit Shun Machinery Limited	捷迅機械設備有限公司	3,428	723

The amount due to a related company is of trade nature and is unsecured, interest free and repayable on demand. Mr. Lee has joint control in the related company.

25. BANK BORROWINGS

The analysis of the carrying amount of bank borrowings is as follows:

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Current liabilities	流動負債		
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部分	228,635	177,538
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause	須於一年後到期償還的包含按要求償還條款的銀行貸款部分	64,140	79,258
Asset-backed financing (note b)	資產抵押融資(附註b)	32,800	—
		325,575	256,796

24. 應付關連公司款項

應付關連公司款項詳情如下：

應付關連公司的款項為無抵押、免息及須在要求時即期償還。李先生在關連公司擁有共同控制。

25. 銀行借款

銀行借款的賬面值分析如下：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

25. BANK BORROWINGS (Continued)

The interest-bearing bank borrowings, including the bank borrowings repayable on demand, are carried at amortised cost. None of the portion of bank borrowings due for repayment after one year which contain a repayment on demand clause that is classified as current liabilities is expected to be settled within one year.

At 31 December 2012, interest-bearing bank loans were due for repayment as follows:

25. 銀行借款(續)

計息銀行貸款(包括須按要求償還的銀行貸款)乃按攤銷成本列賬。須於一年後到期償還的包含按要求償還條款且分類為流動負債的銀行貸款部分預期毋須於一年內清償。

於二零一二年十二月三十一日，到期償還的計息銀行貸款如下：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部分	-	12,285
Portion of bank borrowings due for repayment within one year which contains a repayable on demand clause	須於一年內到期償還(包含按要求償還條款)的銀行貸款部份	228,635	165,253
Asset – backed financing (note b)	資產抵押融資(附註b)	32,800	-
		261,435	177,538
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause (note a):	須於一年後到期償還(包含按要求償還條款)的銀行貸款部份(附註a):		
After 1 year but within 2 years	一年之後但兩年之內	38,003	39,244
After 2 years but within 5 years	兩年之後但五年之內	23,754	36,330
After 5 years	五年之後	2,383	3,684
		64,140	79,258
		325,575	256,796

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

25. BANK BORROWINGS (Continued)

Note a: The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

Note b: The asset-backed financing represents the amount of financing obtained in factoring transactions which do not meet the de-recognition requirement in HKAS 39. The corresponding assets are included in trade receivables (note 20).

Six (2011: one) of the bank facilities are subject to the fulfillment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. Should the Group breach the covenants, the drawn down facilities would become repayable on demand. In addition, certain of the Group's bank loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Company regularly monitors its compliance with these covenants, is up to date with the scheduled repayments of the bank borrowings and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Company continues to meet these requirements. Further details of the Company's management of liquidity risk are set out in note 5(d). As at 31 December 2012 none of the covenants relating to drawn down facilities had been breached (2011: nil).

All bank borrowings were arranged at floating interest rate and no (2011: HK\$12,285,000) bank loan is arranged at fixed interest rate. The range of the interest rates per annum at 31 December was as follows:

		2012 二零一二年 %	2011 二零一一年 %
		per annum	per annum
Floating rate	浮動利率	1.7% to 3.6%	1.7% to 3.9%
Fixed rate	固定利率	—	3.3%

25. 銀行借款(續)

附註a: 結欠款項乃按貸款協議所載的預定還款期為基準，並無計及任何按要求償還條款的影響。

附註b: 資產抵押融資指透過不符合香港會計準則第39號的取消確認規定之交易而獲得的融資金額。有關資產列入貿易應收賬款(附註20)。

六個(二零一一年：一個)銀行融資額度需符合有關本集團若干財務比率之契諾，該等契諾通常於與金融機構訂立之貸款安排中出現。倘本集團違反有關契諾，則已動用之融資額度須按要求償還。此外，本集團若干定期貸款協議之條款中給予貸款人全權酌情決定隨時要求即時償還貸款的權利，而無論本集團是否遵守契諾及符合預定償還職責。

本公司定期監控此等契諾之遵守，並根據銀行貸款的預定還款期作出償還。在繼續符合此等規定的情況下，本公司並不認為銀行會行使其要求償還的權利。本公司控制流動資金風險的其他詳情載於附註5(d)。於二零一二年十二月三十一日，概無有關動用融資額度之契諾已被違反(二零一一年：無)。

所有銀行借款乃按浮動利率計息，沒有銀行借款(二零一一年：12,285,000港元)以固定利率計息。於十二月三十一日的年利率範圍如下：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

25. BANK BORROWINGS (Continued)

The carrying amount of the bank borrowings is denominated in the following currencies:

25. 銀行借款(續)

銀行借款賬面值以下列貨幣為計算單位：

		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	270,353	223,078
USD	美元	55,222	21,433
RMB	人民幣	-	12,285
Total	總計	325,575	256,796

26. OBLIGATIONS UNDER FINANCE LEASES

Obligations under finance leases are repayable as follows:

26. 融資租約承擔

融資租約承擔的還款期如下：

		Group 本集團			
		Minimum lease payments 最低租賃款		Present value of minimum lease payments 最低租賃款現值	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year or containing a repayment on demand clause	一年內或包含按要求償還之條款	4,076	7,284	3,978	7,089
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	1,351	5,422	1,330	5,305
		5,427	12,706	5,308	12,394
Less: Future finance lease charges	減：未來融資租約支出	(119)	(312)	N/A	N/A
Present value of lease obligations	租約承擔現值	5,308	12,394	5,308	12,394
Less: Amount due for settlement within 12 months or containing a repayment on demand clause (shown under current liabilities)	減：12個月內到期結算款項或包含按要求償還之條款(列為流動負債)			(3,978)	(7,089)
Amount due for settlement after 12 months	12個月後到期結算款項			1,330	5,305

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

26. OBLIGATIONS UNDER FINANCE LEASES (Continued)

It is the Group's policy to lease certain of its plant and machinery under finance leases. The average lease term is 3 to 4 years.

At 31 December 2012, leases of approximately HK\$5,308,000 (2011: HK\$12,394,000) were arranged at floating rates, thus exposing the Group to cash flow interest rate risk. None (2011: 2) of the lease has a repayable on demand clause.

The interest rates per annum are analysed as follows:

		2012 二零一二年	2011 二零一一年
Floating rate leases	浮動利率租約	2.0% to 3.0%	1.8% to 2.0%

All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

All obligations under finance leases are denominated in HK\$.

The Group's obligations under finance leases are secured by the lessor's title to the leased assets at the carrying amount of approximately HK\$9,957,000 (2011: HK\$30,039,000).

27. BANKING FACILITIES

As at 31 December 2012, the Group had available banking facilities of approximately HK\$708 million (2011: HK\$461 million), which were utilised to the extent of approximately HK\$326 million (2011: HK\$260 million). These banking facilities were secured by the following:

- corporate guarantees provided by the Company and certain subsidiaries of the Group;
- the Group's pledged bank deposits of approximately HK\$12 million as at 31 December 2011 had been released during the year 2012;

26. 融資租約承擔(續)

本集團的政策是以融資租約方式租賃其若干機器設備，平均租賃年期為3至4年。

於二零一二年十二月三十一日，約5,308,000港元(二零一一年：12,394,000港元)的租約按浮動利率計息，故本集團須承擔現金流量利率風險。沒有租約(二零一一年：2個)包含按要償還之條款。

年利率分析如下：

全部租約均有固定還款期且並無訂立任何或然租金安排。

全部融資租約承擔均以港元計算。

本集團的融資租約承擔以出租人的租賃資產所有權作為擔保，賬面值約為9,957,000港元(二零一一年：30,039,000港元)。

27. 銀行信貸

於二零一二年十二月三十一日，本集團可動用的銀行信貸約為708,000,000港元(二零一一年：461,000,000港元)，而已動用的數額約為326,000,000港元(二零一一年：260,000,000港元)。此等銀行信貸以下列項目作為抵押：

- 本公司及本公司某些附屬公司提供的公司擔保；
- 於二零一一年十二月三十一日本集團的已抵押銀行存款約12,000,000港元已於二零一二年解除抵押；

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

27. BANKING FACILITIES (Continued)

- (c) a property situated in Hong Kong owned by the Group;
- (d) lessors' title to the leased assets under finance leases;
- (e) guarantee from the Government of Hong Kong Special Administrations Region Under Special Loan Guarantee Scheme.

27. 銀行信貸(續)

- (c) 本集團擁有的一項香港物業；
- (d) 出租人擁有融資租約出租的資產所有權；及
- (e) 香港特別行政區政府在特別貸款擔保計劃下提供的擔保。

28. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities recognised by the Group, and the movements thereon, during the year:

28. 遞延稅項負債

以下為本集團於年內已確認的主要遞延稅項負債與相關變動：

		Revaluation of leasehold land 租賃土地 價值重估 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Total 總數 HK\$'000 千港元
At 1 January 2011	於二零一一年一月一日	–	2,388	2,388
Charge to equity for the year	自年內損益扣除(附註10)	16,878	–	16,878
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年一月一日	16,878	2,388	19,266
Charge to equity for the year	自年內權益扣除	2,978	–	2,978
Credit to profit or loss for the year (note 10)	於年內入賬至損益(附註10)	(121)	(1,857)	(1,978)
Exchange realignment	匯兌調整	190	–	190
At 31 December 2012	於二零一二年十二月三十一日	19,925	531	20,456

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

28. DEFERRED TAX LIABILITIES (Continued)

At 31 December 2012, the Group had unused tax losses of HK\$42,929,000 (2011: HK\$32,434,000) and deductible temporary differences in respect of the pre-operating expenses of the PRC subsidiaries of HK\$790,000 (2011: HK\$779,000) which are available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses and deductible temporary differences due to the unpredictability of future profit streams. The unrecognised tax losses of approximately HK\$42,929,000 (2011: HK\$32,434,000) will expire as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Year 2012	二零一二年	-	1,779
Year 2013	二零一三年	1,649	1,649
Year 2014	二零一四年	7,198	7,198
Year 2015	二零一五年	9,870	9,870
Year 2016	二零一六年	11,938	11,938
Year 2017	二零一七年	12,274	-
		42,929	32,434

At 31 December 2012, the aggregate amount of undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is approximately HK\$189,000,000 (2011: HK\$111,000,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

28. 遞延稅項負債(續)

於二零一二年十二月三十一日，本集團有未動用稅項虧損42,929,000港元(二零一一年：32,434,000港元)及就中國附屬公司之開業前費用有可扣除臨時差額790,000港元(二零一一年：779,000港元)可供抵銷未來溢利。並無就該等稅項虧損及可扣除臨時差額確認遞延稅項資產，因為未能確定未來溢利流入。未確認稅項虧損約42,929,000港元(二零一一年：32,434,000港元)將於下列期間到期：

於二零一二年十二月三十一日，與附屬公司未分派盈利有關而未確認遞延稅項負債合共約189,000,000港元(二零一一年：111,000,000港元)。並無就此等差額確認負債，原因為本集團能控制臨時差額的回撥，而該差額將不可能於可見未來回撥。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

29. FINANCIAL GUARANTEE CONTRACTS LIABILITIES

29. 融資擔保合約負債

		Company 本公司	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Financial guarantee contracts at fair value	按公平值計算的融資擔保合約	6,213	7,839

Financial guarantee contracts liabilities represents the fair value of the financial guarantees provided by the Company in favour of certain banks and financial institutions for the banking facilities and obligations under finance leases of the subsidiaries of the Company at the inception date of the borrowings. As at 31 December 2012, the extent of the facilities granted by the banks and financial institutions amounted to HK\$708,048,000 (2011: HK\$449,148,000) and the amounts utilised was approximately HK\$325,575,000 (2011: HK\$247,542,000).

融資擔保合約負債指本公司以若干銀行及金融機構為受益人就本公司附屬公司於訂立借款日期根據銀行信貸及融資租約承擔提供財務擔保的公平值。於二零一二年十二月三十一日，銀行及金融機構授出信貸為708,048,000港元(二零一一年：449,148,000港元)，而已動用款項為約325,575,000港元(二零一一年：247,542,000港元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

30. SHARE CAPITAL

30. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
	Note 附註		
Authorised:	法定：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2011,	於二零一一年一月一日、		
31 December 2011	二零一一年十二月三十一日及		
and 31 December 2012	二零一二年十二月三十一日	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2011	於二零一一年一月一日	882,629,400	88,263
Issue of shares upon the exercise of share options	於行使購股權而發行之普通股	(a) 5,476,000	548
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年一月一日	888,105,400	88,811
Issue of shares upon the exercise of share options	於行使購股權而發行之普通股	(a) 2,330,000	233
At 31 December 2012	於二零一二年十二月三十一日	890,435,400	89,044

(a) During the year, 2,330,000 (2011: 5,476,000) ordinary shares were issued at HK\$0.415 (2011: HK\$0.415) per share as a result of the exercise of share options of the Company.

(a) 於年內，由於行使本公司購股權而以0.415港元(二零一一年：0.415港元)發行2,330,000股(二零一一年：5,476,000股)普通股。

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous year.

本集團管理其資本以確保本集團將可持續經營，而持份者亦可透過優化債務及權益結餘取得最大回報。本集團的整體策略與去年無異。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

30. SHARE CAPITAL (Continued)

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings. The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The Group has a target net gearing ratio of not more than 30% determined as the proportion of net debt to equity.

The net gearing ratio at the year end is as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Debt (a)	負債(a)	330,883	269,190
Less: Bank and cash balances	減：銀行及現金結餘	(135,243)	(164,691)
Pledged bank deposits	已抵押銀行存款	-	(12,285)
Restricted bank balance	有限制銀行存款	-	(2,457)
Net debt	負債淨額	195,640	89,757
Equity (b)	權益(b)	815,774	724,456
Net debt to equity ratio	債務淨額與權益比率	24.0%	12.4%

(a) Debt is defined as bank borrowings and obligations under finance leases, as detailed in notes 25 to 26 to the consolidated financial statements.

(b) Equity includes all capital and reserves of the Group.

The only externally imposed capital requirement for the Group is to maintain its listing on the Stock Exchange and have a public float of at least 25% of its shares.

30. 股本(續)

本集團的資本架構包括現金及等同現金項目及本公司權益持有人應佔權益，包括已發行股本、儲備及保留盈利。本公司董事每半年檢討一次資本架構。於進行檢討時，董事考慮資本成本及有關各類資本的風險。根據董事的建議，本集團將透過派付股息、發行新股及購回股份以及發行新債項或贖回現有債項，藉以平衡整體資本架構。本集團的目標淨借貸比率(即債務淨額與權益的比率)為不超過30%。

於年終的淨借貸比率如下：

(a) 債務乃界定為銀行借款及融資租約承擔，有關詳情載於綜合財務報表附註25至26。

(b) 權益包括本集團所有資本及儲備。

本集團唯一向外承擔之資本規定為保持其於聯交所之上市地位及具有不少於25%之公眾持股量。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

31. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of comprehensive income and consolidated statements of changes in equity.

(b) Company

31. 儲備

(a) 本集團

本集團的儲備款項及相關變動均於綜合全面收益表及綜合權益變動表呈列。

(b) 本公司

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總數 HK\$'000 千港元
At 1 January 2011	於二零一一年一月一日	199,751	11,779	2,150	213,680
Issue of shares upon the exercise of share options	於行使購股權而 發行之普通股	1,725	-	-	1,725
Recognition of share-based payments	確認以股權結算之款項	-	27	-	27
Forfeiture of share options	沒收之購股權	-	(10,605)	10,605	-
Exercise of share options	行使之購股權	584	(584)	-	-
Profit for the year	年內溢利	-	-	82,571	82,571
Dividends paid	已付股息	-	-	(34,254)	(34,254)
At 31 December 2011	於二零一一年 十二月三十一日	202,060	617	61,072	263,749
At 1 January 2012	於二零一二年一月一日	202,060	617	61,072	263,749
Issue of shares upon the exercise of share options	於行使購股權而發行 之普通股	734	-	-	734
Exercise of share options	行使之購股權	246	(246)	-	-
Profit for the year	年內溢利	-	-	132,777	132,777
Dividends paid	已付股息	-	-	(52,460)	(52,460)
At 31 December 2012	於二零一二年 十二月三十一日	203,040	371	141,389	344,800

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

31. RESERVES (Continued)

(c) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Merger reserve

The merger reserve represents the aggregate of (i) the nominal value of the shares issued by Ka Fung Metal Manufactory Company Limited on 18 January 2005 in exchange for the business of Ka Fung Metal Manufactory, an unincorporated partnership established in Hong Kong and controlled by Mr. Lee and; (ii) the nominal value of the shares issued by the Company in exchange for the entire shareholdings of Ka Shui (Holdings) Company Limited.

(iii) Capital reserve

The capital reserve represents the amount of minority interests in Ka Fung Metal Manufactory Company Limited and Ka Fung Metal Manufactory acquired by the Group.

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(c)(iii) to the financial statements.

(v) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(q) to the financial statements.

31. 儲備(續)

(c) 儲備之性質及目的

(i) 股份溢價賬

股份溢價乃指因按高於每股面值的價格發行股份而產生的溢價。根據開曼群島公司法，本公司的股份溢價賬的資金乃可分派予本公司的股東，惟緊隨股息建議分派之日後，本公司須有能力償還於日常業務過程中到期的債務。

(ii) 合併儲備

合併儲備指以下兩項的總和：(i)嘉豐金屬製品廠有限公司於二零零五年一月十八日為換取嘉豐金屬製品廠(一間非按公司法註冊成立的合夥公司，在香港成立，並由李先生控制)之業務而發行的股份面值；及(ii)本公司為換取嘉瑞集團(控股)有限公司的全部股權而發行的股份面值。

(iii) 資本儲備

資本儲備指本集團收購嘉豐金屬製品廠有限公司及嘉豐金屬製品廠少數股東權益的款額。

(iv) 匯兌儲備

匯兌儲備包括來自換算海外業務財務報表時產生的所有匯兌差額。該等儲備根據財務報表附註3(c)(iii)所示會計政策處理。

(v) 購股權儲備

購股權儲備指根據財務報表附註3(q)所載按股權結算以股份支付的款項而採納的會計政策確認的授予本集團僱員的未行使購股權的實際或估計數目的公平值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

31. RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

(vi) Statutory reserve

The statutory reserve comprises the PRC statutory reserve fund which is non-distributable.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the statutory reserve fund reaches 50% of their registered capital. The statutory surplus reserve fund can be used to make up prior year losses or applied in conversion into capital.

(vii) Revaluation reserve

The revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for leasehold land in note 3(d) to the financial statements.

32. SHARE-BASED PAYMENTS

Equity-settled share option scheme Share Option Scheme

Pursuant to written resolutions of all the shareholders passed on 2 June 2007, a share option scheme (the "Share Option Scheme") was approved. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that eligible participants had made or may make to the Group. Eligible participants include (i) employees, directors, consultants, professionals, customers, suppliers, agents, partners or advisors of or contractors to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate"), or (ii) companies beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate. The Share Option Scheme became effective on 2 June 2007 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

31. 儲備(續)

(c) 儲備之性質及目的(續)

(vi) 法定儲備

法定儲備包括不可分派的中國法定儲備基金。

中國規管外商投資企業的相關法律及條例規定，本公司的中國附屬公司須將根據中國會計法例及條例計算的除稅後溢利10%轉撥至法定儲備基金，直至累計法定儲備基金總額達到註冊資本的50%為止。法定盈餘儲備基金可用來填補過往年度虧損或撥入資本。

(vii) 重估儲備

設立重估儲備乃根據財務報表附註3(d)所載有關租賃土地而採納之會計政策。

32. 以股權結算之款項

以股份支付之購股權計劃 購股權計劃

根據本公司全體股東於二零零七年六月二日通過的書面決議案，購股權計劃(「購股權計劃」)已獲採納。購股權計劃目的在於認可或酬謝合資格參與者已經或可能對本集團作出的貢獻。合資格參與者包括(i)本集團或本集團持有權益公司或該公司之附屬公司(「聯屬公司」)的僱員、董事、顧問、專業人士、客戶、供應商、代理商、夥伴或諮詢人或承包商，或(ii)由本集團或聯屬公司的任何董事、僱員、顧問、專業人士、客戶、供應商、代理商、夥伴、諮詢人或承包商實益擁有的公司。購股權計劃於二零零七年六月二日起生效，除非另行註銷或修訂，購股權計劃將自該日起十年內有效。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

32. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

The maximum number of shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme or any other schemes involving the grant of options over shares of the Company must not, in aggregate, exceed 30% of the shares of the Company in issue at anytime. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at anytime. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options shall remain open for acceptance by the eligible participant concerned for a period of not less than three business days from the date of offer, except for any offer which is made within the last three business days of the life of this scheme, the offer shall remain open for acceptance on a business day by the eligible participant concerned for a period of not longer than the remaining life of this scheme. An offer cannot be accepted by an eligible participant who ceases to qualify as an eligible participant after the offer has been made. No offer shall be capable of or open for acceptance after the expiry of 10 years for the effective date of this scheme.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period as determined by directors at each grant and ends on a date which is not later than ten years from the date of the offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

32. 以股權結算之款項(續)

購股權計劃(續)

因行使所有根據購股權計劃或任何其他涉及授出本公司股份期權的計劃已授出而尚未行使購股權而可發行的最高股份數目，合共不得超過本公司不時已發行股份30%。根據購股權計劃，於任何十二個月期間，可發行予該購股權計劃各合資格參與者的最高股份數目上限為本公司不時已發行股份的1%。進一步授出超過該上限的購股權須獲股東於股東大會上批准。

向本公司董事、行政總裁或主要股東或彼等各自的任何聯繫人士授出購股權，須待獨立非執行董事事先批准後方可進行。此外，於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等的任何聯繫人士授予的任何購股權，倘超過本公司不時已發行股份的0.1%或總值(按授出日期本公司股份收市價計算)超過5,000,000港元者，須待股東於股東大會上批准後方可進行。

授出購股權的邀約須於邀約日期起計不少於三個營業日的期限內可供合資格參與者接納，惟於該計劃年期的最後三個營業日內作出的任何邀約除外，邀約須於不超過該計劃餘下年期期限內可供合資格參與者於任何營業日接納。作出邀約後，不再為合資格參與者的參與者不得接納該項邀約。於該計劃生效日期10年屆滿後，不得提出邀約，亦不可供接納邀約。

承授人支付合共10港元的象徵式代價後，授出購股權的要約便屬獲得接納。獲授購股權的行使期由董事釐定，並由董事於各授出日期釐定的若干歸屬期後開始，而屆滿日期不得遲於提出購股權要約日期起計10年。

購股權的行使價由董事釐定，且不得低於(i)提出購股權邀約之日本公司股份在聯交所的收市價；(ii)緊接邀約日期前五個營業日本公司股份在聯交所的平均收市價；及(iii)本公司股份於邀約日期的面值(以較高者為準)。

購股權持有人無權獲派股息或於股東大會上投票。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

32. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

Details of the specific categories of options are as follows:

32. 以股權結算之款項(續)

購股權計劃(續)

購股權的具體類別詳情如下:

Category of grantee 承授人類別	Date of grant 授出日期	Vesting date 歸屬日期	Exercise period 行使期	Fair value at grant date 於授出日期之公平值	Exercise price 行使價 HK\$ 港元	Number of share options outstanding 尚餘購股權數目 HK\$ 港元
Executive directors 執行董事	13 March 2008 二零零八年三月十三日	13 March 2009 二零零九年三月十三日	13 March 2009 to 12 March 2018 二零零九年三月十三日至二零一八年三月十二日	0.13	0.415	540,000
Executive directors 執行董事	13 March 2008 二零零八年三月十三日	13 March 2010 二零一零年三月十三日	13 March 2010 to 12 March 2018 二零一零年三月十三日至二零一八年三月十二日	0.13	0.415	405,000
Executive directors 執行董事	13 March 2008 二零零八年三月十三日	13 March 2011 二零一一年三月十三日	13 March 2011 to 12 March 2018 二零一一年三月十三日至二零一八年三月十二日	0.13	0.415	405,000
Senior staff 高級職員	13 March 2008 二零零八年三月十三日	13 March 2009 二零零九年三月十三日	13 March 2009 to 12 March 2018 二零零九年三月十三日至二零一八年三月十二日	0.13	0.415	71,200
Senior staff 高級職員	13 March 2008 二零零八年三月十三日	13 March 2010 二零一零年三月十三日	13 March 2010 to 12 March 2018 二零一零年三月十三日至二零一八年三月十二日	0.13	0.415	216,200
Senior staff 高級職員	13 March 2008 二零零八年三月十三日	13 March 2011 二零一一年三月十三日	13 March 2011 to 12 March 2018 二零一一年三月十三日至二零一八年三月十二日	0.13	0.415	416,600
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2009 二零零九年三月十三日	13 March 2009 to 12 March 2018 二零零九年三月十三日至二零一八年三月十二日	0.11	0.415	429,600
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2010 二零一零年三月十三日	13 March 2010 to 12 March 2018 二零一零年三月十三日至二零一八年三月十二日	0.12	0.415	377,400
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2011 二零一一年三月十三日	13 March 2011 to 12 March 2018 二零一一年三月十三日至二零一八年三月十二日	0.12	0.415	399,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

32. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

The fair values of the options were determined at the dates of grant using the Black-Scholes option pricing model.

The following assumptions were used to calculate the fair values of shares options:

Exercise price	HK\$0.415
Expected life	3.5-6.5 years
Expected volatility	55.42%
Dividend yield	5.25%
Risk-free interest rate	2.005%-2.176%

Expected volatility was determined by calculating the historical volatility of share prices of comparable companies with shares listed on the Stock Exchange and engaged in the similar business of the Group. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

The fair value of the options will be amortised over the vesting period on a straight-line basis and expensed in the profit or loss.

32. 以股權結算之款項(續)

購股權計劃(續)

購股權的公平值於授出日期使用柏力克-舒爾斯期權定價模式釐定。

下列假設用於計算購股權公平值：

行使價	0.415港元
預計年期	3.5-6.5年
預計波幅	55.42%
股息回報率	5.25%
無風險利率	2.005%-2.176%

預計波幅乃透過計算股份於聯交所上市且所從業務與本集團類似的可比較公司的股價的過往波幅釐定。就非轉讓性、行使限制及行為考慮而言，根據本集團的最佳估計，使用該模式的預計年期已作出調整。

購股權公平值將以直線方式於歸屬期內攤銷，並於損益內列作支出。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

32. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

Details of the share options outstanding under the Share Option Scheme during the year are as follows:

		2012 二零一二年		2011 二零一一年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初未行使	5,590,000	0.415	11,242,000	0.415
Forfeited during the year	年內沒收	-		(176,000)	0.415
Exercised during the year	年內行使	(2,330,000)	0.415	(5,476,000)	0.415
Outstanding at the end of the year	年終未行使	3,260,000	0.415	5,590,000	0.415
Exercisable at the end of the year	年終可行使	3,260,000	0.415	5,590,000	0.415

Number of share options exercised during the year was 2,330,000 (2011: 5,476,000). The options outstanding at the end of the year have a weighted average remaining contractual life of 5.3 years (2011: 6.3 years).

Save as disclosed above, no further options were granted under the Share Option Scheme.

32. 以股權結算之款項(續)

購股權計劃(續)

年內於購股權計劃下之尚未行使購股權詳情如下：

年內有2,330,000購股權獲行使(二零一一年：5,476,000)。年終未行使購股權的加權平均剩餘合約年期為5.3年(二零一一年：6.3年)。

除上文所披露者外，概無根據購股權計劃授出任何其他購股權。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

33. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash flows from operating activities

33. 綜合現金流量表

(a) 經營業務所得現金流量

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Profit from operations	經營溢利	163,999	86,944
Adjustments for:	已作出下列調整：		
Interest income	利息收入	(819)	(1,120)
Reversal of allowance for doubtful debts	呆賬撥備回撥	(559)	(635)
Allowance for doubtful debts	呆賬撥備	559	558
Bad debt written off	壞賬撇銷	19	72
Impairment on other receivables	其他應收賬減值	-	450
Allowance for inventories	存貨撥備	-	2,772
Reversal of allowance for inventories	存貨撥備回撥	(560)	-
Equity-settled share-based payments	以股權結算以股份支付的款項	-	27
Loss/(gain) on disposal of property, plant and equipment	出售物業、機器及設備之虧損/(收益)	207	(105)
Property, plant and equipment written off	物業、機器及設備撇銷	51	176
Depreciation on property, plant and equipment	物業、機器及設備折舊	63,293	57,799
Operating profit before movements in working capital	未計營運資金變動前的經營溢利	226,190	146,938
Increase in inventories	存貨增加	(55,833)	(17,297)
Decrease/(increase) in restricted bank balance	有限制銀行存款減少/(增加)	2,457	(2,457)
Increase in trade receivables	貿易應收款項增加	(213,899)	(117,829)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(31,328)	(10,506)
(Increase)/decrease in financial assets at fair value through profit or loss	按公平值計入損益賬的金融資產(增加)/減少	(592)	8,292
(Decrease)/increase in financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債(減少)/增加	(605)	605
Increase in trade payables	貿易應付款項增加	166,408	27,406
Increase in deposits received, other payables and accruals	已收按金、其他應付款項及應計費用增加	24,846	1,592
Increase/(decrease) in due to a related company	應付關連公司款項增加/(減少)	2,705	(733)
Cash generated from operations	經營所得現金	120,349	36,011
Income tax paid	已付所得稅	(13,947)	(21,059)
Interest paid	已付利息	(6,561)	(4,384)
Finance lease charges paid	已付融資租約支出	(208)	(260)
Net cash generated from operating activities	經營業務所得現金淨額	99,633	10,308

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

33. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Major non-cash transactions

- (i) Included in the additions of property, plant and equipment was an amount of approximately HK\$5,729,000 (2011: HK\$5,091,000) which was transferred from deposits paid for acquisition of property, plant and equipment.
- (ii) During the year ended 31 December 2011, prepayments to financial institutions of approximately HK\$1,411,000 were set off against the obligations under finance leases.

34. OPERATING LEASE COMMITMENTS

The Group as lessor

The Group leases its property under operating lease arrangements, with leases negotiated for a term of one year. The terms of the leases generally provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2012, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants failing due as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Within one year	一年內	38	38

33. 綜合現金流量表(續)

(b) 主要非現金交易

- (i) 計入添置物業、機器及設備約為5,729,000港元(二零一一年: 5,091,000港元), 乃由收購物業、機器及設備之按金所轉入。
- (ii) 於截至二零一一年十二月三十一日止年度內, 預付款項予金融機構約1,411,000港元已與融資租約承擔抵銷。

34. 經營租約承擔

本集團作為出租人

本集團按經營租約安排出租其物業, 租期為1年。租約提供一般以現行市場情況作定期租金調整之條款。

於二零一二年十二月三十一日, 本集團根據不可撤銷經營租約而於下列期間到期的未來最低租賃款總額如下:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

34. OPERATING LEASE COMMITMENTS (Continued)

The Group as lessee

At 31 December 2012, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Within one year	一年內	3,109	2,754
In the second to fifth year, inclusive	第二至第二年(包括首尾兩年)	14,918	14,748
After five years	五年後	43,852	44,703
		61,879	62,205

Operating lease payments represent rentals payable by the Group for certain of its staff quarters, factory and office premises, office equipment, warehouses and leasehold land for factory. Leases for staff quarters, factory and office premises, office equipment and warehouses except one are negotiated, and rentals are fixed, for an average term of 1 to 10 years. Lease for leasehold land are fixed with a term of 40 years.

Lease arrangement of one (2011: nil) warehouse has been subject to contingent rent by reference with monthly usage throughout the leasing periods.

The lease payments recognised as an expenses are as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Minimum leases payments	最低租賃款項	4,452	3,915
Contingent rents	或然租金	234	-
		4,686	3,915

34. 經營租約承擔(續)

本集團作為承租人

於二零一二年十二月三十一日，本集團根據不可撤銷經營租約的未來最低租賃款總額如下：

經營租約付款指本集團須就若干員工宿舍、工廠及辦公室物業、辦公室設備、貨倉及工廠租賃土地支付的租金。員工宿舍、工廠及辦公室物業、辦公室設備及貨倉的租約(1項租約除外)經協商而訂立，租金為固定而租期平均為1至10年。租賃土地的租約協定的年期為40年。

一間(二零一一年：無)倉庫的租賃安排為參考租賃期間內的每月使用情況支付或然租金。

租賃款項確認為支出，如下所示：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

35. CAPITAL COMMITMENTS

The Group's capital commitments in respect of purchase and construction of property, plant and equipment at the end of the reporting period are as follows:

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Contracted but not provided for	已訂約但未撥備	22,435	14,367

35. 資本承擔

於報告期間完結日，本集團有關購買及建造物業、機器及設備的資本承擔詳情如下：

36. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following transactions with its related parties during the year:

		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Purchase of machinery and machinery parts from and maintenance cost to a related company, Chit Shun Machinery Limited (note (i))	向關連公司捷訊機械設備有限公司購買機器、機器零部件及維修成本 (附註(i))	7,712	5,544

Note:

(i) Mr. Lee has joint control in the related company.

(b) The above transactions were entered with the related parties on terms mutually agreed by individual parties. In the opinion of the directors of the Group, these related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

36. 關連人士交易

(a) 除於財務報表其他部份所披露的關連人士交易及結餘外，年內本集團曾與關連人士進行以下交易：

附註：

(i) 李先生對此關連公司有共同控制。

(b) 上述交易均與關連人士按照各方互相協定的條款進行。本集團董事認為，該等關連交易乃根據一般商業條款於本集團日常業務過程中進行。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the year ended 31 December 2012 截至二零一二年十二月三十一日

36. RELATED PARTY TRANSACTIONS (Continued)

- (c) During the year, the key management personnel compensation paid by the Group was disclosed in note 12 to the financial statements.

37. EVENT AFTER THE REPORTING DATE

The following significant events have been taken place subsequent to 31 December 2012:

- (a) On 18 March 2013, the Company proposed to declare a final dividend of HK8.3 cents (2011: HK4.3 cents) per ordinary share to its shareholders, as further detailed in note 13 to the financial statements.
- (b) Pursuant to the Board resolution dated 10 January 2013, the Company has adopted a Share Award Scheme. Under the scheme, certain employees of the Group may be awarded the Company's ordinary shares as an incentive for them to remain with the Group to help further the operations and development of the Group. The principal terms of the Share Award Scheme are set out in the Company's announcement dated 10 January 2013 which is available on the website of the Stock Exchange. No shares have been awarded under the Share Award Scheme up to the date of these financial statements.
- (c) On 18 March 2013, the Group entered into an agreement with two independent parties to establish a joint venture (the "Joint Venture") company in Anhui Province, the PRC. The registered capital of the Joint Venture is RMB50,000,000, of which the Group will hold 60% equity interest of the Joint Venture by way of a cash contribution of RMB30,000,000. The details of the Joint Venture are set out in the Company's announcement dated 18 March 2013 which is available on the website of the Stock Exchange.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 18 March 2013.

36. 關連人士交易(續)

- (c) 年內，本集團已付主要管理人員酬金乃於綜合財務報表附註12披露。

37. 結算日後事項

於二零一二年十二月三十一日後發生的重要事項載列如下：

- (a) 於二零一三年三月十八日，本公司建議宣派每股8.3港仙(二零一一年：每股4.3港仙)之末期普通股股息，其詳情載於財務報表附註13。
- (b) 根據二零一三年一月十日的董事會決議案，本公司已採納一項股份獎勵計劃。根據該計劃，本集團若干僱員可能獲獎勵本公司普通股，以挽留彼等為本集團之持續經營及發展而努力。股份獎勵計劃的主要條款載於本公司於二零一三年一月十日的公佈，該公佈可於聯交所網站查看。截至本財務報表日期，並無根據股份獎勵計劃獎勵任何股份。
- (c) 於二零一三年三月十八日，本集團與兩名獨立人士簽訂協議，以在中國安徽省設立合資公司(「合資公司」)。合資公司的註冊資本為人民幣50,000,000元，其中本集團將以現金出資人民幣30,000,000元的方式持有合資公司的60%權益。合資公司的詳情載於本公司二零一三年三月十八日的公佈，該公佈可於聯交所網站查看。

38. 批准財務報表

本財務報表已於二零一三年三月十八日獲董事會批准並授權刊發。

FINANCIAL SUMMARY

財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
RESULTS	業績					
Turnover	營業額	685,134	633,832	913,344	1,191,698	1,568,958
Profit before tax	除稅前溢利	14,527	50,039	73,772	82,300	157,230
Income tax expense	所得稅開支	(5,892)	(12,239)	(17,639)	(19,480)	(31,336)
Profit for the year	年內溢利	8,635	37,800	56,133	62,820	125,894
Attributable to	以下人士應佔權益：					
– Equity holders of the Company	– 本公司權益持有人	8,635	37,800	56,133	62,820	125,894
– Minority interests	– 少數權益持有人	–	–	–	–	–
		8,635	37,800	56,133	62,820	125,894
		As at 31 December 於十二月三十一日				
		2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	710,285	763,214	932,048	1,229,670	1,596,677
Total liabilities	總負債	(170,645)	(207,530)	(328,610)	(505,214)	(780,903)
Net assets	淨資產	539,640	555,684	603,438	724,456	815,774



Ka Shui¹⁹⁸⁰

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