

ANNUAL REPORT 2012 年報



CHIHO-TIANDE GROUP LIMITED
齊合天地集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 976





Contents

目錄

		Page/頁次
Corporate Information	公司資料	2
Chairman's Statement	主席報告	5
Management Discussion and Analysis	管理層討論與分析	8
Profile of Directors and Senior Management	董事及高級管理人員履歷	16
Directors' Report	董事會報告	23
Corporate Governance Report	企業管治報告	68
Independent Auditor's Report	獨立核數師報告	86
Consolidated Statement of Comprehensive Income	綜合全面收益表	88
Consolidated Statement of Financial Position	綜合財務狀況表	89
Consolidated Statement of Changes in Equity	綜合權益變動表	91
Consolidated Statement of Cash Flows	綜合現金流量表	93
Notes to the Consolidated Financial Statements	綜合財務報表附註	95
5-Year Financial Summary	五年財務摘要	212



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Fang Ankong (*Chairman and Chief Executive Officer*)
Mr. Stephanus Maria van Ooijen (*Vice President*)
Mr. Gu Liyong (*Vice President*)

Non-Executive Director

Mr. Michael Charles Lion

Independent Non-Executive Directors

Dr. Loke Yu
Ms. Zhang Jingdong
Mr. Li Xikui

EXECUTIVE COMMITTEE

Mr. Fang Ankong (*Chairman*)
Mr. Stephanus Maria van Ooijen
Mr. Gu Liyong

AUDIT COMMITTEE

Dr. Loke Yu (*Chairman*)
Mr. Michael Charles Lion
Ms. Zhang Jingdong
Mr. Li Xikui

REMUNERATION COMMITTEE

Mr. Fang Ankong (*Chairman*)
Mr. Stephanus Maria van Ooijen
Dr. Loke Yu
Ms. Zhang Jingdong
Mr. Li Xikui

NOMINATION COMMITTEE

Mr. Fang Ankong (*Chairman*)
Mr. Stephanus Maria van Ooijen
Dr. Loke Yu
Ms. Zhang Jingdong
Mr. Li Xikui

AUTHORISED REPRESENTATIVES

Mr. Gu Liyong
Ms. Yu Miu Cheung

董事會

執行董事

方安空先生 (*主席兼行政總裁*)
Stephanus Maria van Ooijen 先生 (*副總裁*)
顧李勇先生 (*副總裁*)

非執行董事

Michael Charles Lion 先生

獨立非執行董事

陸海林博士
章敬東女士
李錫奎先生

執行委員會

方安空先生 (*主席*)
Stephanus Maria van Ooijen 先生
顧李勇先生

審核委員會

陸海林博士 (*主席*)
Michael Charles Lion 先生
章敬東女士
李錫奎先生

薪酬委員會

方安空先生 (*主席*)
Stephanus Maria van Ooijen 先生
陸海林博士
章敬東女士
李錫奎先生

提名委員會

方安空先生 (*主席*)
Stephanus Maria van Ooijen 先生
陸海林博士
章敬東女士
李錫奎先生

授權代表

顧李勇先生
余妙章女士



Corporate Information (continued)

公司資料(續)

QUALIFIED ACCOUNTANT AND CHIEF FINANCIAL OFFICER

Mr. Chow Wan Hoi Paul

合資格會計師兼財務總監

周雲海先生

COMPANY SECRETARY

Ms. Yu Miu Cheung

公司秘書

余妙章女士

AUDITOR

Deloitte Touche Tohmatsu

核數師

德勤 • 關黃陳方會計師行

LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)

Stephenson Harwood (Hong Kong)

Van den Boomen Advocaten B.V. (Dutch)

Zhong Lun Law Firm (PRC)

法律顧問

Conyers Dill & Pearman (開曼群島)

羅夏信律師事務所(香港)

Van den Boomen Advocaten B.V. (荷蘭)

中倫律師事務所(中國)

PRINCIPAL BANKERS

Agriculture Bank of China

Bank of China

Bank of Communications

China Development Bank

China Merchants Bank

DBS Bank (Hong Kong) Limited

Hua Xia Bank

Shanghai Pudong Development Bank

Standard Chartered Bank (Hong Kong) Limited

Wing Hang Bank Limited

主要往來銀行

中國農業銀行

中國銀行

交通銀行

國家開發銀行

招商銀行

星展銀行(香港)有限公司

華夏銀行

上海浦東發展銀行

渣打銀行(香港)有限公司

永亨銀行有限公司

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman

KY1-1111, Cayman Islands

註冊辦事處

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman

KY1-1111, Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

48 Wang Lok Street

Yuen Long Industrial Estate

Hong Kong

香港總公司及主要營業地點

香港

元朗工業邨

宏樂街48號



Corporate Information (continued)

公司資料(續)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

中國總公司及主要營業地點

中國
浙江省
台州市路橋區峰江鎮
台州金屬再生工業園區
郵編：318054

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
Wanchai
Hong Kong

香港股份登記及過戶分處

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

開曼群島主要股份登記及過戶處

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

WEBSITE

www.chiho-tiande.com

公司網站

www.chiho-tiande.com

STOCK CODE

Hong Kong Stock Exchange 976

股份代號

香港聯交所 976



Chairman's Statement 主席報告

On behalf of the Board of Directors (the "Board") of Chiho-Tiande Group Limited (齊合天地集團有限公司) (the "Company"), I present the audited annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012.

The Group finished the 2012 financial year with a reduced net profit attributable to owners of the Company from HK\$152.1 million in the previous year to HK\$88.6 million. During the year, the Group recorded a reduction in sales from HK\$9.8 billion in 2011 to HK\$8.2 billion in 2012, representing a reduction of 16.4%. The decrease in gross margin to 2.1% recorded during the year was due to an adverse impact of the continued volatile with downward focus global metal prices throughout the year and "mark-to-market" basis for provision for inventories. The drop in commodity prices during the year had a negative impact on the gross margin of the Group. As for the net profit, the Group recorded a net profit attributable to the owners of the Company of HK\$88.6 million, representing a net margin of 1.1% when compared to the net profit attributable to the owners of the Company of HK\$152.1 million recorded in 2011. This represented an overall reduction of net profit of 41.7%.

Despite the relatively volatile world metal market with downward price trend experienced throughout the year, the Group continued to maintain its procurement volume to cater for its processing needs through its well established overseas procurement network. During the year, the Group sold in aggregate over 723,600 tonnes of its processed products within its three business segments. This represented a decrease of 14% when compared to 843,400 tonnes in 2011.

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

Basic earnings per share attributable to owners of the Company amounted to HK\$0.08, representing a decrease of 46.7% when compared with HK\$0.15 in 2011.

本人謹代表齊合天地集團有限公司(「本公司」)董事會(「董事會」)，提呈本公司及其附屬公司(「本集團」)截至二零一二年十二月三十一日止年度的經審核全年業績。

本集團已完成二零一二年財政年度並錄得本公司擁有人應佔溢利減少，由去年的152,100,000港元減至88,600,000港元。年內，本集團銷售由二零一一年的9,800,000,000港元減少至二零一二年的8,200,000,000港元，減少16.4%。年內錄得毛利率減少至2.1%乃由於本年度全球金屬價格持續集中向下波動產生的不利影響以及按「市值計算」基準的存貨撥備所致。年內商品價格下降對本集團毛利率造成負面影響。就溢利而言，本集團錄得本公司擁有人應佔溢利88,600,000港元，溢利率為1.1%，較二零一一年錄得的本公司擁有人應佔溢利152,100,000港元，溢利整體減少41.7%。

儘管整個年度內全球金屬市場相對波動以及價格呈下降趨勢，本集團透過其完善的海外採購網絡繼續維持其採購量以應付加工所需。年內，本集團合共售出旗下三個業務分部的加工產品超過723,600噸。較二零一一年的843,400噸，減少14%。

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

本公司擁有人應佔每股基本盈利為0.08港元，較二零一一年的0.15港元減少46.7%。



Chairman's Statement (continued)

主席報告(續)

In January 2012, Sims Metal Management Dragon Holdings Limited ("Sims"), a Hong Kong subsidiary of Sims Metal Management Limited ("SMM") being the largest (by market capitalisation) metal recycler in the world and one of the Group's major suppliers, became the first strategic investor of the Company (details of such investment are set out in the Company's announcement dated 17 January 2012). Since Sims became a strategic investor of the Company, we have already started to reap the synergistic benefit of our tie-up with the gradual increase in our purchase volume with Sims and at the same time, we have also started selling scrap materials through Sims to its customers in the Asia region. The Board firmly believes that in view of SMM's global reach and customer network, advance technologies and solutions in the metals and electronics recycling industry together with its strong global resources with approximately 270 facilities worldwide, the strategic collaboration with SMM will significantly add value and expertise which complements that of the Group, and will considerably enhance the Group's current position for future expansion. The Group will build on this collaboration to increase the business activities between us and will continue to explore the possibility of further collaboration in business developments in the future. The Group further believes that having SMM as a significant minority shareholder of the Company is a strong recognition of the Group's competitiveness and achievements and will significantly enhance the overall reputation and strategic growth of the Group within the metal recycling industry.

As indicated in our announcement dated 27 March 2012, the Tianjin joint venture was short-lived due to differences in major business ethics. The joint venture company was ultimately dissolved in the second quarter of 2012.

In the first quarter of this year and following the completion of the acquisition of the Yuen Long industrial site, we have moved all the Group's Hong Kong operations together with the Hong Kong joint venture company to the Yuen Long facility. Since then, the Group has established a strong presence in Hong Kong with a rapid increase in local market share. The Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong. We are confident that the Hong Kong facility will eventually become an important contributor to the overall performance of the Group.

於二零一二年一月，Sims Metal Management Limited(「SMM」)(全球最大(按市值計)金屬回收商及本集團主要供應商之一)的香港附屬公司Sims Metal Management Dragon Holdings Limited(「Sims」)成為本公司首個策略投資者(相關投資詳情載於本公司日期為二零一二年一月十七日的公告中)。由於Sims成為本公司的策略投資者，隨著我們逐步增加對Sims的採購量，我們已開始受益於此合作所帶來的協同效益，同時，我們亦開始透過Sims向其在亞洲地區的客户銷售廢料。董事會深信，憑藉SMM之全球市場及客户網絡、於金屬及電子回收行業之先進技術及解決方案以及其於全球約270間回收設施之雄厚全球資源，與SMM之策略協作將有助本集團顯著提升價值及專業地位，並將大幅增強本集團現有狀況以利于未來之拓展。本集團將以此次合作為基礎增加雙方之間的業務活動，並將繼續探索日後於業務發展中進一步合作的可能性。本集團亦認為令SMM成為本公司之主要少數股東，乃對本集團之競爭力及成就之高度認可，並將顯著提高本集團於金屬回收行業之整體聲譽及策略發展。

如本集團日期為二零一二年三月二十七日之公告所示，由於主要業務原則的差異，天津合資合作期較短。該合資公司最終於二零一二年第二季度解散。

在今年第一季度以及完成收購元朗工業區之用地後，我們已將本集團之所有香港業務，連同香港合營公司遷至元朗設施。自此，本集團已於香港鑄就強大實力並快速擴大當地的市場份額。本集團現已做好準備，在香港建立一個更加多元化之廢金屬以及電子廢棄物加工平臺。我們相信香港設施終將對本集團整體業績作出重大貢獻。



Chairman's Statement (continued)

主席報告(續)

With regard to the investment to establish new processing facilities in the Development Zone in Yantai City, the People's Republic of China (the "PRC"), we are now in the planning and construction stage of the development and expect the first stage of the facilities to become partially operational in the second half of 2013.

Going forward, we remain committed to further expanding our processing capability, and at the same time improving our profitability and return on equity. Our focus will continue to cover our existing facilities including Taizhou, Ningbo, Shanghai and Hong Kong. We will continue to be on the lookout for any potential opportunity.

With the emphasis of support from the PRC Government to develop the recycling industry, we are confident that the metal recycling industry in the PRC will continue to grow and will become an important source and an integral part of the metal resource supply chain of the PRC in the future.

On the basis that metal recycling industry contributes significantly to the protection of environment and to the preservation of valuable natural resources, we continue to place heavy emphasis on our procurement volume to ensure that it is in line with our processing needs and to cater for our expansion strategy for scrap materials in the PRC.

Fang Ankong

Chairman

Hong Kong, 21 March 2013

有關於中華人民共和國(「中國」)煙台市開發區投資建立新加工設施，我們正處於規劃及建設階段，預期第一階段設施於二零一三年下半年開始逐步營運。

展望未來，我們仍將繼續致力擴大我們的加工能力，同時改善我們的盈利能力以及股本回報率。我們將繼續把重點放在現有設施，包括台州、寧波、上海及香港。我們將繼續關注任何潛在商機。

由於中國政府重點支持發展回收行業，我們相信中國的金屬再生行業將繼續發展，並會成為中國未來金屬資源供應鏈的重要來源及不可分割的一部分。

鑒於金屬再生行業對保護環境及保護寶貴天然資源均有重大貢獻，我們將繼續重點加強採購量，以確保迎合我們的加工需求以及符合我們在中國有關廢料行業的擴展策略。

方安空

主席

香港，二零一三年三月二十一日



Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW AND OUTLOOK

Facing a volatile global metal market, 2012 was full of challenges to the Group. During the year, the Group's revenue decreased from HK\$9.8 billion in 2011 to HK\$8.2 billion, representing a decrease of 16.4%. The decrease in gross margin to 2.1% recorded during the year was due to an adverse impact of the continued volatile with downward focus global metal prices throughout the year and "mark-to-market" basis for provision for inventories. The downward volatility in commodity prices had a negative impact on gross margin of the Group in 2012. As for the net profit, the Group recorded a net profit attributable to the owners of the Company of HK\$88.6 million, representing a net margin of 1.1% when compared to the net profit attributable to the owners of the Company of HK\$152.1 million recorded in 2011. This represented an overall reduction of net profit of 41.7%.

Despite the relatively volatile world metal market with downward price trend experienced in 2012, the Group continued to maintain its procurement volume to cater for its processing needs through its well established overseas procurement network. During the year, the Group sold in aggregate over 723,600 tonnes of processed products within its three business segments. This represented a decrease of 14% when compared to 843,400 tonnes in 2011.

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

Basic earnings per share attributable to owners of the Company amounted to HK\$0.08, representing a decrease of 46.7% when compared with HK\$0.15 in 2011.

Our Procurement Network

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

業務回顧及展望

面對全球金屬市場的動盪，二零一二年給本集團帶來嚴峻挑戰。年內，本集團收益由二零一一年的9,800,000,000港元減少至8,200,000,000港元，減少16.4%。年內錄得毛利率減少至2.1%乃由於本年度全球金屬價格持續集中向下波動產生的不利影響以及按「市值計算」基準的存貨撥備所致。二零一二年商品價格的向下波動對本集團毛利率造成負面影響。就溢利而言，本集團錄得本公司擁有人應佔溢利88,600,000港元，溢利率為1.1%，較二零一一年錄得的本公司擁有人應佔溢利152,100,000港元，溢利整體減少41.7%。

儘管於二零一二年全球金屬市場相對波動以及價格呈下降趨勢，本集團透過其完善的海外採購網絡繼續維持其採購量以應付加工所需。年內，本集團合共售出旗下三個業務分部的加工產品超過723,600噸。較二零一一年的843,400噸，減少14%。

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

本公司擁有人應佔每股基本盈利為0.08港元，較二零一一年的0.15港元減少46.7%。

本集團的採購網絡

按中國環境保護部批准的進口總量計算，本集團為將混合廢金屬進口作回收、循環再用及加工用途之最大進口商。本集團的絕大部分混合廢金屬均來自進口，且於多年來已建立強大的國際採購網絡，遍及歐洲、北美、大洋洲及亞洲。憑藉其行業經驗，本集團大部份供應商網絡乃自行建立及發展。本集團憑藉優良的營運手法，與供應商建立了多年良好的業務關係。



Management Discussion and Analysis (continued)

管理層討論與分析(續)

BUSINESS REVIEW AND OUTLOOK (continued) Corporate and Business Development

In January 2012, Sims Metal Management Dragon Holdings Limited (“Sims”), a Hong Kong subsidiary of Sims Metal Management Limited (“SMM”) being the largest (by market capitalisation) metal recycler in the world and one of the Group’s major suppliers, became the first strategic investor of the Company (details of such investment are set out in the Company’s announcement dated 17 January 2012). Since Sims became a strategic investor of the Company, we have already started to reap the synergistic benefit of our tie-up with the gradual increase in our purchase volume with Sims and at the same time, we have also started selling scrap materials through Sims to its customers in the Asia region. The Board firmly believes that in view of SMM’s global reach and customer network, advance technologies and solutions in the metals and electronics recycling industry together with its strong global resources with approximately 270 facilities worldwide, the strategic collaboration with SMM will significantly add value and expertise which complements that of the Group, and will considerably enhance the Group’s current position for future expansion. The Group will build on this collaboration to increase the business activities between us and will continue to explore the possibility of further collaboration in business developments in the future. The Group further believes that having SMM as a significant minority shareholder of the Company is a strong recognition of the Group’s competitiveness and achievements and will significantly enhance the overall reputation and strategic growth of the Group within the metal recycling industry.

As indicated in our announcement dated 27 March 2012, the Tianjin joint venture was short-lived due to differences in major business ethics. The joint venture company was ultimately dissolved in the second quarter of 2012.

In the first quarter of this year and following the completion of the acquisition of the Yuen Long industrial site, we have moved all the Group’s Hong Kong operations together with the Hong Kong joint venture company to the Yuen Long facility. Since then, the Group has established a strong presence in Hong Kong with a rapid increase in local market share. The Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong. We are confident that the Hong Kong facility will eventually become an important contributor to the overall performance of the Group.

業務回顧及展望(續)

企業及業務發展

於二零一二年一月，Sims Metal Management Limited(「SMM」)(全球最大(按市值計)金屬回收商及本集團主要供應商之一)的香港附屬公司Sims Metal Management Dragon Holdings Limited(「Sims」)成為本公司首個策略投資者(相關投資詳情載於本公司日期為二零一二年一月十七日的公告中)。由於Sims成為本公司的策略投資者，隨著我們逐步增加對Sims的採購量，我們已開始受益於此合作所帶來的協同效益，同時，我們亦開始透過Sims向其於亞洲地區的客戶銷售廢料。董事會深信，憑藉SMM之全球市場及客戶網絡、於金屬及電子回收行業之先進技術及解決方案以及其於全球約270間回收設施之雄厚全球資源，與SMM之策略協作將有助本集團顯著提升價值及專業地位，並將大幅增強本集團現有狀況以利於未來之拓展。本集團將以此次合作為基礎增加雙方之間的業務活動，並將繼續探索日後於業務發展中進一步合作的可能性。本集團亦認為令SMM成為本公司之主要少數股東，乃對本集團之競爭力及成就之高度認可，並將顯著提高本集團於金屬回收行業之整體聲譽及策略發展。

如本集團日期為二零一二年三月二十七日之公告所示，由於主要業務原則的差異，天津合資合作期較短。該合資公司最終於二零一二年第二季度解散。

在今年第一季度以及完成收購元朗工業區之用地後，我們已將本集團之所有香港業務，連同香港合營公司遷至元朗設施。自此，本集團已於香港鑄就強大實力並快速擴大當地的市場份額。本集團現已做好準備，在香港建立一個更加多元化之廢金屬以及電子廢棄物加工平臺。我們相信香港設施終將對本集團整體業績作出重大貢獻。



Management Discussion and Analysis (continued)

管理層討論與分析(續)

BUSINESS REVIEW AND OUTLOOK (continued) Corporate and Business Development (continued)

With regard to the investment to establish new processing facilities in the Development Zone in Yantai City, PRC, we are now in the planning and construction stage of the development and expect the first stage of the facilities to begin partially operational in the second half of 2013.

Going forward, we remain committed to further expanding our processing capability, and at the same time improving our profitability and return on equity. Our focus will continue to cover our existing facilities including Taizhou, Ningbo, Shanghai and Hong Kong. We will continue to be on the lookout for any potential opportunity.

Social Responsibilities

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

Despite the changes in the evaluation basis by the Environmental Protection Department of Zhejiang Province (浙江省環境保護廳) in 2011, our Taizhou facilities still ranked amongst the top designated processing units for imported hardware and electrical appliance scrap, electric wire and cable scrap, as well as motor scrap in Zhejiang Province. Our production processes did not consume large volumes of electricity and water and therefore produced very small volumes of waste materials. We consider that we have adopted sufficient environmental protection measures and controls against air, water, solids and noise pollutions produced during the course of our production process.

Prospects

With growing signs of economic recovery in various regions and especially the China growth momentum appears to be picking up. This is particularly apparent in the new leadership's decision to speed up urbanisation as an opportunity to boost investment in infrastructure and housing. We also believe that 2013 being the first year of the new leadership transition, the central government should have an incentive to maintain a high growth economy. As a result, we may see a renewed growth to support a continued strong demand for various industrial commodities. In addition, with the emphasis of support from the PRC Government to develop the recycling industry, we are confident that the metal recycling industry in the PRC will continue to grow and will become an important source and an integral part of the metal resource supply chain of the PRC in the future.

業務回顧及展望(續)

企業及業務發展(續)

有關於中國煙台市開發區投資建立新加工設施，我們正處於規劃及建設階段，預期第一階段設施於二零一三年下半年開始逐步營運。

展望未來，我們仍將繼續致力擴大我們的加工能力，同時改善我們的盈利能力及股本回報率。我們將繼續把重點放在現有設施，包括台州、寧波、上海及香港。我們將繼續關注任何潛在商機。

社會責任

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

儘管於二零一一年浙江省環境保護廳的估值基準改變，我們的台州設施在浙江省仍然名列進口廢五金電器、廢電線電纜及廢電機指定加工單位的前列。本集團的生產流程不會耗用大量水電，故產生的廢料極少。本集團認為，其已採取足夠環境保護措施及監控，以減少生產工序產生的空氣、水、固體及噪音污染。

前景

多個地區的經濟漸顯復蘇迹象，特別是中國經濟增長的動力加速。特別是，新領導層加快城鎮化進程，作為刺激基礎設施及房地產投資的契機，令經濟加速增長越發突顯。我們亦相信，於二零一三年，作為新一屆領導層過渡期的首年，中央政府應有刺激計劃，以保持經濟高速發展。因此我們會見到經濟增長更上一個新台階，支持多個行業商品的需求不斷擴大。此外，由於中國政府重點支持發展回收行業，我們相信中國的金屬再生行業將繼續發展，並會成為中國未來金屬資源供應鏈的重要來源及不可分割的一部分。



Management Discussion and Analysis (continued)

管理層討論與分析(續)

BUSINESS REVIEW AND OUTLOOK (continued) Prospects (continued)

On the basis that metal recycling industry contributes significantly to the protection of environment and to the preservation of valuable natural resources, we continue to place heavy emphasis on our procurement volume to ensure that it is in line with our processing needs and to cater for our expansion strategy for scrap materials in the PRC. With this in mind and in accordance with our expansion strategy, the Group is aiming to procure 65,000 to 75,000 tonnes of mixed metal scrap materials per month to cater for its processing needs. This purchase volume is expected to increase as the Group continues to expand. The management will continue making efforts to capitalise on such direction in achieving satisfactory returns to the Shareholders.

FINANCIAL REVIEW

Revenue

Revenue decreased by approximately HK\$1.6 billion, or 16.4%, from HK\$9.8 billion in 2011 to HK\$8.2 billion in the year. The decrease was mainly contributed by a decrease in sales volume as well as average selling prices for our recycled metal products and foundry products.

Cost of sales

Cost of sales decreased by approximately HK\$1.3 billion, or 14.2%, from HK\$9.4 billion in 2011 to HK\$8.0 billion in the year. The decrease is in line with the decrease in revenue and primarily due to a decrease in sales volume and reduction in the average purchase prices of raw materials.

Gross profit and gross profit margin

Our gross profit for the year was HK\$171.4 million as compared to a gross profit of HK\$452.6 million for 2011. We recorded a gross profit margin of 4.6% last year as compared to gross profit margin in the year of 2.1%.

The decrease in gross margin to 2.1% recorded during the year was due to an adverse impact of the continued volatile with downward focus global metal prices throughout the year and “mark-to-market” basis for provision for inventories.

業務回顧及展望(續)

前景(續)

鑒於金屬再生行業對保護環境及保護寶貴天然資源均有重大貢獻，我們將繼續重點加強採購量，以確保迎合我們的加工需求以及符合我們在中國有關廢料行業的擴展策略。有鑑於此，並根據本公司的擴充策略，本集團的目標是每月採購65,000至75,000噸混合廢金屬原料，以應付加工所需。預期上述採購量將會隨著本集團的不斷擴充而相應增加。管理層將繼續利用上述策略，致力為股東爭取理想回報。

財務回顧

收益

收益減少約1,600,000,000港元或16.4%，由二零一一年的9,800,000,000港元減至本年度的8,200,000,000港元。減少的主要原因是由於再生金屬產品及鑄造產品的銷量及平均售價均告下降所致。

銷售成本

銷售成本減少約1,300,000,000港元或14.2%，由二零一一年的9,400,000,000港元減至本年度的8,000,000,000港元。該減少與收益減少一致，主要是由於銷量減少及原料平均採購價下降所致。

毛利及毛利率

與二零一一年的毛利452,600,000港元相比，年內毛利為171,400,000港元。與本年度的毛利率2.1%相比，我們於去年錄得毛利率4.6%。

本年度錄得的毛利率下降至2.1%乃由於本年度全球金屬價格持續集中向下波動產生的不利影響以及按「市值計算」基準的存貨撥備所致。

Management Discussion and Analysis (continued)

管理層討論與分析(續)

FINANCIAL REVIEW (continued)

Distribution and selling expenses

Distribution and selling expenses increased by approximately HK\$2.2 million, or 7.0%, from HK\$31.3 million in 2011 to HK\$33.5 million in the year. This was mainly due to increase in selling activities in Hong Kong during the year.

Administrative and other expenses

Total administrative and other expenses increased by approximately HK\$44.0 million, or 30.7%, from HK\$143.5 million in 2011 to HK\$187.5 million in the year. This was mainly due to expansion in Hong Kong facility and various one-off expenses incurred by our Shanghai facility during the year.

Other income

Other income decreased by approximately HK\$0.8 million, or 3.6%, from HK\$22.3 million in 2011 to HK\$21.5 million in the year. This was mainly due to decrease in interest income during the year.

Other gains and losses

Other gains increased by approximately HK\$270.7 million from HK\$2.1 million in 2011 to HK\$272.8 million in the year. This was mainly due to a significant increase in fair value gains from commodity derivatives, derivative component of convertible bonds and warrants when compared to previous year.

Finance costs

Finance costs increased by approximately HK\$74.9 million, or 76.6%, from HK\$97.8 million in 2011 to HK\$172.7 million in the year. This was mainly due to the interest expenses from the issuance of the convertible bonds together with the accounting adjustments on its imputed interests during the year.

Profit for the year attributable to owners of the Company

As a result of the factors mentioned above, the net profit for the year attributable to owners of the Company decreased by HK\$63.5 million, or 41.7% from HK\$152.1 million in 2011 to HK\$88.6 million in the year.

財務回顧(續)

分銷及銷售開支

分銷及銷售開支增加約2,200,000港元或7.0%，由二零一一年的31,300,000港元增至本年度的33,500,000港元。主要由於本年度香港的銷售活動增加所致。

行政及其他開支

總行政及其他開支增加約44,000,000港元或30.7%，由二零一一年的143,500,000港元增至本年度的187,500,000港元，主要是由於本年度香港設施的擴展及上海設施產生的多種一次性開支所致。

其他收入

其他收入減少約800,000港元或3.6%，由二零一一年的22,300,000港元減至本年度的21,500,000港元，主要是由於年內利息收入減少所致。

其他收益及虧損

其他收益增加約270,700,000港元，由二零一一年的2,100,000港元增至本年度的272,800,000港元，與往年相比，主要是由於商品衍生工具、可換股債券衍生部分及認股權證之公平值收益顯著增長所致。

財務成本

財務成本增加約74,900,000港元或76.6%，由二零一一年的97,800,000港元增至本年度的172,700,000港元，主要由於年內發行可換股債券的利息支出，連同嵌入式利息會計調整所致。

年內本公司擁有人應佔溢利

基於上述因素，年內本公司擁有人應佔溢利減少63,500,000港元或41.7%，由二零一一年的152,100,000港元減至本年度的88,600,000港元。

Management Discussion and Analysis (continued)

管理層討論與分析(續)

FINANCIAL REVIEW (continued)

Key Financial Ratios

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

Liquidity Ratios

		At 31 December 2012 於二零一二年 十二月三十一日	At 31 December 2011 於二零一一年 十二月三十一日
Current ratio	流動比率	1.96	1.47
Quick ratio	速動比率	0.66	0.47
Gearing ratio (%)	負債資產比率(%)	51.1	49.9

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年	2011 二零一一年
Inventory turnover days	存貨周轉日數	141	108
Debtor's turnover days	應收賬周轉日數	11	8
Creditor's turnover days	應付賬周轉日數	10	9

Liquidity and Financial Resources and Capital Structure

Included in net current assets were cash and various bank deposits totalling HK\$598.4 million (2011: HK\$590.9 million). Total borrowings were HK\$2.7 billion (2011: HK\$2.7 billion), and these were mainly used to finance the purchases of mixed metal scrap from overseas. Such borrowings are mainly denominated in United States dollars and Renminbi.

The gearing ratio of the Group as at 31 December 2012 was 51.1% (2011: 49.9%).

Debtor's turnover days and creditor's turnover days both increased from 8 days and 9 days for the year ended 31 December 2011 to 11 days and 10 days for the year ended 31 December 2012 respectively.

Inventory turnover days increased from 108 days for the year ended 31 December 2011 to 141 days for the year ended 31 December 2012.

財務回顧(續)

關鍵財務比率

下表載列於所示日期及期間本公司的若干財務比率：

流動資金比率

流動資金及財務資源及資本架構

包括於流動資產淨值中的為現金及多項銀行存款共598,400,000港元(二零一一年: 590,900,000港元)。借貸總額為2,700,000,000港元(二零一一年: 2,700,000,000港元)，主要用於為向海外採購混合廢金屬提供資金。該等借貸主要以美元及人民幣計值。

本集團於二零一二年十二月三十一日的負債資產比率為51.1%(二零一一年: 49.9%)。

應收賬周轉日數及應付賬周轉日數分別由截至二零一一年十二月三十一日止年度的8日及9日增加至截至二零一二年十二月三十一日止年度的11日及10日。

存貨周轉日數由截至二零一一年十二月三十一日止年度的108日增加至截至二零一二年十二月三十一日止年度的141日。



Management Discussion and Analysis (continued)

管理層討論與分析(續)

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2012, we had pledged certain buildings, prepaid lease payments, investment properties, trade receivables and bank deposits with an aggregate carrying value of approximately HK\$367.6 million (2011: HK\$295.5 million) to secure bank borrowings.

As at 31 December 2012, we had capital commitments in respect of acquisition of property, plant and equipment, and prepaid lease payments but not provided for in the consolidated financial statements amounted to approximately HK\$12.0 million (2011: HK\$185.9 million).

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

RISK MANAGEMENT

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

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

With regard to foreign currency risk management, we continued borrowing in United States dollars borrowings by securing Renminbi deposits in order to take advantage of the favourable exchange rate. We will continue following this strategy so long as the trend of foreign exchange movement justifies it and will consider other alternative measures including hedging exchange rate exposure when appropriate.

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

資本承擔及或然負債

於二零一二年十二月三十一日，我們抵押賬面總值約367,600,000港元的若干樓宇、預付租金、投資物業、貿易應收款項及銀行存款(二零一一年：295,500,000港元)，以為銀行借貸作擔保。

於二零一二年十二月三十一日，我們就有關收購物業、廠房及設備以及預付租金但並無於綜合財務報表計提的資本承擔約12,000,000港元(二零一一年：185,900,000港元)。

於本報告日期，就董事會所知，概無任何重大或然負債。

風險管理

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

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

外幣風險管理方面，我們繼續以人民幣存款作抵押而增加美元借款，以利用有利的匯率。只要外匯變動的趨勢合理，我們將繼續使用此策略，在適當的時候並會考慮其他措施，包括對沖匯率風險。

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



Management Discussion and Analysis (continued)

管理層討論與分析(續)

RISK MANAGEMENT (continued)

As for credit risk, we continue to follow the trade practices of cash on collection from sales of all of its metal recycling products in order to minimise the carrying amounts of the financial assets in our Group's financial statements. In addition, we will continue to monitor closely the trade debtors for the Foundry business to minimise potential impairment losses.

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

EMPLOYEES

As at 31 December 2012, we had a workforce of 638 employees. In addition, we engaged approximately 3,700 separation and selection workers through local recognised labour service contractors. We have not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past. We have not experienced any significant difficulties in recruiting and retaining qualified staff. We continue to maintain good relationships with our employees.

THE REMUNERATION POLICY

We remunerate employees based on their performance, experience and prevailing industry practices so as to retain competent employees. In addition to benefits normally provided in line with industry practices, the Company also has a share option scheme in place for the purpose of providing incentives and rewards to the eligible persons including employees of Group companies for their contributions to the long term success of our Group.

During the financial year ended 31 December 2012, 30,900,000 share options were granted under the Post-IPO Share Option Scheme.

風險管理(續)

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

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

僱員

於二零一二年十二月三十一日，我們共有638名僱員。此外，我們透過當地認可勞務公司僱用約3,700名拆解及選料工人。我們過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛。我們在招聘及挽留合資格僱員方面亦無遇到任何重大困難。我們與僱員一直維持良好的關係。

薪酬政策

我們根據僱員的表現、經驗及現有行業慣例釐定其薪酬，以挽留有能力的僱員。除按照行業慣例提供的一般福利外，本公司亦設有購股權計劃，目的是為包括本集團成員公司僱員在內的合資格人士提供激勵及獎勵，以答謝彼等對本集團長期取得成功所作出的貢獻。

於截至二零一二年十二月三十一日止財政年度期間，30,900,000股購股權已根據首次公開發售後購股權計劃授出。

Profile of Directors and Senior Management

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Fang Ankong (方安空), aged 47, is an Executive Director, Chairman and Chief Executive Officer of the Company and its subsidiaries (together the "Group"). Mr. Fang Ankong was appointed as an Executive Director on 15 May 2008. Mr. Fang serves as a Chairman of the Executive Committee, Remuneration Committee, Nomination Committee and Pricing Committee of the Company and he is also a Director of certain subsidiaries of the Group. Mr. Fang Ankong is also one of the founders of the Group. Mr. Fang Ankong founded the Group in 1999 and has over 18 years of experience in the business of metallurgy and metal scrap recycling. Mr. Fang Ankong is primarily responsible for setting corporate strategy and planning, and overall management of the Group. Prior to founding the Group, Mr. Fang Ankong has been engaged in the import and trading of metals scrap. From 1995, Mr. Fang Ankong was a shareholder of Tianan Resources, a company engaged in the importing of metal scrap into China and recycling of metal scrap, and also participated in the operation and management of Tianan Resources. Tianan Resources was deregistered in 2002.

Mr. Fang Ankong is the younger brother of Ms. Fang Aiping and elder brother of Mr. Fang Anlin, who are both Vice President of the Group. Mr. Fang Ankong is also the brother-in-law of Mr. Ding Guopei, the Senior Vice President of the Group. Mr. Fang Ankong is also the younger brother of the father-in-law of Mr. Zhu Zhonghui, the manager of the sales and marketing department of the Group.

Mr. Stephanus Maria van Ooijen, aged 50, is an Executive Director, Vice President and one of the founders of the Group. He was appointed as an Executive Director on 15 May 2008. He serves as a member of the Executive Committee, Nomination Committee and Remuneration Committee of the Company. Mr. van Ooijen is primarily in charge of corporate strategy and planning with focus on the Group's import functions and has over 15 years of experience. Mr. van Ooijen obtained a diploma in 1985 from Hogere Agrarische Scholen van de Katholieke Nederlandse Boeren-en Tuindersbond 'S-Hertogenbosch (Higher Agricultural Schools of the Catholic Dutch Farmers and Gardeners Union of 'S-Hertogenbosch) in the Netherlands. Mr. van Ooijen is the sole shareholder and has been appointed as the director of SVO Company B.V. since 30 September 1993. He was also the director of Delco Participation B.V. from 2 November 2000 until 23 April 2008.

執行董事

方安空先生，47歲，執行董事、本公司及其附屬公司(統稱「本集團」)主席兼行政總裁，於二零零八年五月十五日獲委任為執行董事。方先生為本公司執行委員會、薪酬委員會、提名委員會及定價委員會主席。彼亦為本集團若干附屬公司之董事，方安空先生為本集團創辦人之一。方安空先生於一九九九年創辦本集團，擁有逾十八年冶金及廢金屬再生業務經驗。方安空先生主要負責制訂本集團的企業策略及規劃與整體管理。彼於創辦本集團前曾從事廢金屬進口及貿易業務。方安空先生自一九九五年起為天安資源股東，亦參與天安資源的營運和管理。天安資源為從事於中國進口及回收利用廢金屬的公司，於二零零二年註銷。

方安空先生為本集團副總裁方愛萍女士的胞弟，亦為本集團副總裁方安林先生的兄長，以及本集團高級副總裁丁國培先生的內弟，亦為本集團銷售及市場推廣部經理朱忠輝先生的岳父的胞弟。

Stephanus Maria van Ooijen先生，50歲，執行董事、本集團副總裁及創辦人之一，於二零零八年五月十五日獲委任為執行董事。彼為本公司執行委員會、提名委員會及薪酬委員會成員。van Ooijen先生主要負責本集團進口的企業策略及規劃，擁有逾十五年的經驗。van Ooijen先生於一九八五年在荷蘭 Hogere Agrarische Scholen van de Katholieke Nederlandse Boeren-en Tuindersbond 'S-Hertogenbosch (Higher Agricultural Schools of the Catholic Dutch Farmers and Gardeners Union of 'S-Hertogenbosch)取得文憑。van Ooijen先生為SVO Company B.V.的唯一股東，並自一九九三年九月三十日起獲委任為SVO Company B.V.的董事，二零零零年十一月二日至二零零八年四月二十三日期間亦擔任Delco Participation B.V.的董事。



Profile of Directors and Senior Management (continued)

董事及高級管理人員履歷(續)

Mr. Gu Liyong (顧李勇), aged 50, is an Executive Director and Vice President of the Group. He was appointed as an Executive Director on 28 August 2008. Mr. Gu serves as a member of the Executive Committee of the Company and he is also a Director of certain subsidiaries of the Group. He is primarily responsible for operational and financial activities and has over 27 years of experience in the industry. Mr. Gu graduated from Shanghai University of Technology (上海工業大學) in 1984 with a Bachelor's degree in Engineering and majoring in steel making from the Department of Metallurgy. He worked at China Resources Reclamation Corp., East China Co. (中國物資再生利用總公司華東公司), a company for recycling and trading ferrous metal (such as steel and iron) and non-ferrous metal (such as copper, aluminium, lead and tin) and plastic scrap in the East China region, for at least 10 years and started his career in the management and operation of domestic and international recycling business. He was a manager for the import and export department and an assistant to general manager in China Resources Reclamation Corp., East China Co., and was responsible for managing the procurement of metal scrap from overseas and reselling to their customers. Mr. Gu has extensive experience in the recycling of different resources, including metals and other scrap materials. Since he joined the Group in 1999, Mr. Gu has been responsible for the import and export businesses of the Group by utilising his professional knowledge in the recycling resources business.

NON-EXECUTIVE DIRECTOR

Mr. Michael Charles Lion, aged 63, is a Non-Executive Director. He was appointed as a Non-Executive Director on 17 January 2012. He serves as a member of the Audit Committee of the Company. He has a career of over 40 years in the international non-ferrous metals industry, including pioneering the development of China and other Asian markets as consumers of international non-ferrous scrap in the early 1970s. He has been working with SMM Asia, being a wholly-owned Hong Kong subsidiary of SMM, for 15 years and is the Chairman and a Director of SMM Asia. SMM Asia is engaged in the global international marketing and trading of SMM's owned and brokered non-ferrous scrap, nonferrous by-products and primary metals. From 1967 to 1986, he was a partner in Philipp and Lion Partnership; from 1986 to 1991, he was the Chairman and Chief Executive Officer of Philipp and Lion Group Ltd., and from 1997, he has been the President of Lion Consulting Inc.. As a founding member of the London Metals Exchange secondary aluminium sub-committee, he currently serves as chairman of the Bureau of International Recycling ("BIR") Membership committee and a member of its Advisory and Executive boards. He was the president of the former British Secondary Metals Association and the president of the

顧李勇先生，50歲，執行董事兼本集團副總裁。彼於二零零八年八月二十八日獲委任為執行董事。彼為本公司執行委員會成員及本集團若干附屬公司之董事。彼主要負責營運及融資業務等工作，擁有逾二十七年行業經驗。顧先生在一九八四年畢業於上海工業大學，取得冶金系工程學學士學位，主修煉鋼，其後在華東地區從事回收及買賣黑色金屬(如鋼鐵)及有色金屬(如銅、鋁、鉛及錫)與塑膠廢料的中國物資再生利用總公司華東公司工作最少十年，自此開展其國內及國際再生業務之管理及經營事業。顧先生曾先後於中國物資再生利用總公司華東公司出任進出口部經理及總經理助理，負責管理向海外採購廢金屬及轉售予客戶等事務。顧先生對於各種資源(包括各類金屬及其他廢料)的回收利用經驗豐富。顧先生在一九九九年加入本集團，運用其再生資源業務方面的專業知識，曾負責本集團的進出口業務的運作。

非執行董事

Michael Charles Lion先生，63歲，非執行董事，彼於二零一二年一月十七日獲委任為非執行董事。彼為本公司審核委員會成員。彼從事國際有色金屬業超過四十年，包括於一九七零年代初率先帶領發展中國及其他亞洲市場成為國際有色金屬廢料市場的用家。彼於SMM之香港全資附屬公司SMM Asia工作十五年，現為SMM Asia之主席兼董事。SMM Asia乃從事SMM自有及經紀的有色金屬廢料、有色金屬副產品及基本金屬之全球國際市場推廣及貿易。於一九六七年至一九八六年，彼為Philipp and Lion Partnership之合夥人；於一九八六年至一九九一年，彼擔任Philipp and Lion Group Ltd.之主席兼行政總裁，及自一九九七年起，彼擔任Lion Consulting Inc.之總裁。身為倫敦金屬交易所第二鋁合金小組委員會之始創會員，彼現時擔任Bureau of International Recycling(「BIR」)之會籍委員會主席，且為其顧問及執行委員會成員。彼曾擔



Profile of Directors and Senior Management (continued)

董事及高級管理人員履歷 (續)

Nonferrous Division of BIR. He is a frequent speaker and contributor of articles at global industry events such as Metal Bulletin, IWCC and CRU, Cessco gatherings, on the topics of nonferrous metals and hedging. He graduated from Haileybury and Imperial Service College in 1963, and has a certificate of Former Ring Dealing Member of London Metals Exchange.

任 British Secondary Metals Association 及 BIR 之有色金屬分部之總裁。彼經常於國際有色金屬業界活動及刊物如 Metal Bulletin、IWCC 及 CRU、Cessco 等聚會就有色金屬及對沖之議題發表演說及撰寫文章。彼於一九六三年畢業於 Haileybury and Imperial Service College，及持有倫敦金屬交易所之 Former Ring Dealing Member 證書。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Zhang Jingdong (章敬東), aged 67, is an Independent Non-Executive Director. She joined the Group on 23 June 2010. Ms. Zhang is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. She was the vice-secretary-general of Financial Trust Association of Zhejiang Province (浙江省金融信託業協會) before joining our Group and she served as chief and general manager and held various positions in various Chinese banking and corporate finance sectors including the People's Bank of China Heilongjiang Branch (中國人民銀行黑龍江省分行), Financial Intermediation Centre of Zhejiang Province (浙江省資金融通中心), and office of Hangzhou Financial Supervision of People's Bank of China Shanghai Branch (中國人民銀行上海分行杭州金融監管辦公室).

獨立非執行董事

章敬東女士，67歲，獨立非執行董事。於二零一零年六月二十三日加入本集團。章女士亦為本公司審核委員會、薪酬委員會及提名委員會成員。章女士加入本集團前擔任浙江省金融信託業協會副秘書長，且曾從事中國的多家銀行及企業財務行業，包括中國人民銀行黑龍江省分行、浙江省資金融通中心及中國人民銀行上海分行杭州金融監管辦公室等處長及總經理等多個職位。

Ms. Zhang holds a master's degree in Economic Management (經濟管理) from the Academy of Social Sciences of Hei Longjiang (黑龍江省社會科學院).

章女士持有黑龍江省社會科學院經濟管理碩士學位。

Dr. Loke Yu alias Loke Hoi Lam (陸海林), aged 63, is an Independent Non-Executive Director. He was appointed as an Independent Non-Executive Director on 23 June 2010. Dr. Loke serves as the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Dr. Loke has over 37 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; and The Hong Kong Institute of Directors. He is also an Associate member of The Hong Kong Institute of Chartered Secretaries.

陸海林博士，63歲，獨立非執行董事。彼於二零一零年六月二十三日獲委任為獨立非執行董事。陸博士為本公司審核委員會主席、薪酬委員會及提名委員會成員。陸博士於私人及上市公司之會計及審計工作、財務顧問及企業管理等方面擁有逾三十七年經驗，取得馬來西亞科技大學工商管理碩士學位和南澳大學工商管理博士學位。彼為英國英格蘭與威爾斯特許會計師學會、香港會計師公會及香港董事學會之資深會員，亦是香港特許秘書公會會員。

Profile of Directors and Senior Management (continued)

董事及高級管理人員履歷 (續)

He is currently the company secretary of Minth Group Limited and serves as an independent non-executive director of the following companies whose shares are listed on the Stock Exchange: Vodone Limited, Matrix Holdings Limited, Sino Distillery Group Limited, China Fire Safety Enterprise Group Limited, Winfair Investment Company Limited, SCUD Group Limited, Zhong An Real Estate Limited and Tianjin Development Holdings Limited.

Mr. Li Xikui (李錫奎), aged 68, is an Independent Non-Executive Director. He joined the Group on 23 June 2010. Mr. Li serves as a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Li obtained a Bachelor's degree majoring in foreign trade (對外貿易專業) from Dongbei University of Finance and Economics (東北財經大學) (formally known as Liaoning Finance and Economics College (遼寧財經學院)) in August 1970 and a master diploma in finance from Research Institute for Fiscal Science of Ministry of Finance (財政部財政科學研究所) in July 1982.

Mr. Li became the Researcher (研究員) of China Construction Bank (中國建設銀行) in 1993. He has been receiving a special allowance granted by the State Council (國務院) since 1992.

Mr. Li was appointed as the vice president of the head office (總行副行長) of China Construction Bank (中國建設銀行) in 1985 and 1988; the vice president (副總裁) of China Galaxy Securities Company (中國銀河證券公司). Since February 2006, he has been the chairman of the board (董事長) of Galaxy Asset Management Co., Ltd (銀河基金管理公司).

SENIOR MANAGEMENT

Mr. Chow Wan Hoi Paul (周雲海), aged 57, is the Qualified Accountant and Chief Financial Officer of the Group. He joined the Group in June 2009 as chief financial officer with responsibility for overall financial matters of the Group. Mr. Chow has significant experience in accounting and finance. He is an associate of both the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants in Australia. He is also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chow currently serves as an independent non-executive director of Associated International Hotels Limited (Stock code: 0105) and Tian Teck Land Limited (Stock code: 0266), companies listed on the Stock Exchange.

彼現為敏實集團有限公司之公司秘書，亦為股份於聯交所上市之下列多家公司之獨立非執行董事：第一視頻集團有限公司、美力時集團有限公司、中國釀酒集團有限公司、中國消防企業集團有限公司、永發置業有限公司、飛毛腿集團有限公司、眾安房產有限公司及天津發展控股有限公司。

李錫奎先生，68歲，獨立非執行董事。於二零一零年六月二十三日加入本集團。李先生為本公司審核委員會、薪酬委員會及提名委員會成員。李先生於一九七零年八月自東北財經大學(前稱為遼寧財經學院)獲得對外貿易專業學士學位，於一九八二年七月獲得財政部財政科學研究所財政碩士文憑。

李先生於一九九三年成為中國建設銀行研究員。彼自一九九二年起獲國務院授出的特別津貼。

李先生於一九八五年及一九八八年獲委任為中國建設銀行總行副行長；擔任中國銀河證券公司副總裁。自二零零六年二月起，彼擔任銀河基金管理公司董事長。

高級管理人員

周雲海先生，57歲，本集團合資格會計師及財務總監。彼於二零零九年六月加入本集團，擔任財務總監，負責本集團整體財務事務。周先生擁有豐富的會計及財務經驗，為英格蘭和威爾斯特許會計師公會及澳洲特許會計師公會會員，亦為香港會計師公會會員。周先生現時分別於聯交所上市的公司凱聯國際酒店有限公司(股份代號：0105)及天德地產有限公司(股份代號：0266)擔任獨立非執行董事。



Profile of Directors and Senior Management (continued)

董事及高級管理人員履歷 (續)

Mr. Ding Guopei (丁國培), aged 50, is the Senior Vice President of the Group, the General Manager, Director and Vice-Chairman of Taizhou Chiho-Tiande Metals Company Limited and Taizhou Chiho-Tiande Foundry Company Limited. Mr. Ding has over 14 years of experience in the industry and joined the Group in December 1999. Prior to joining the Group, he was a trader principally engaged in the metal recycling industry. Mr. Ding obtained a diploma majoring in International Economics and Trade from the Faculty of Business from Ningbo University in 2002.

Mr. Ding successively worked as Vice-Chairman of China Nonferrous Metals Industry Association Recycling Metal Branch in November 2004, Chairman of Association of Resources Comprehensive Utilization of Taizhou City in June 2005, and executive director of China Entry-Exit Inspection and Quarantine Association in April 2006. He has been chosen as a member of the third session Standing Committee of Lu Qiao District People's Congress in December 2006, the second session outstanding builders of Taizhou City of the socialism with Chinese characteristic in February 2007, and was awarded the Top 10 Contribution to the China Metal Recycling Industry Award in October 2007. He was also been the Vice-Chairman of the Zhejiang Association of Solid Waste Recycle and Disposal in May 2008. He has been chosen as NPC deputies of Taizhou in January 2011. Mr. Ding held the post of Vice-Chairman of Zhejiang Provincial Environment Monitoring Association in August 2011, he has been chosen as the representative of Fourth People's Congress of Lu Qiao District and a member of the fourth session Standing Committee of Lu Qiao District People's Congress in March 2012 and held the post of Vice-Chairman of Taizhou City Federation of Industry and Commerce in November 2012. Mr. Ding is the brother-in-law of Mr. Fang Ankong and Mr. Fang Anlin, and the husband of Ms. Fang Aiping.

Ms. Fang Aiping (方愛萍), aged 49, is the Vice President of the Group, and the Financial Vice-General Manager of Taizhou Chiho-Tiande Metals Company Limited and Taizhou Chiho-Tiande Foundry Company Limited. She is primarily responsible for the subsidiary's overall financial planning, financial reporting and budgeting as well as implementing our Group's business strategies. Ms. Fang Aiping joined our Group since December 1999. Ms. Fang Aiping has more than 13 years of experience in financial management. Ms. Fang Aiping is the sister of Mr. Fang Ankong and Mr. Fang Anlin. She is the wife of Mr. Ding Guopei.

丁國培先生，50歲，本集團高級副總裁兼台州齊合天地金屬有限公司及台州齊合天地鑄造有限公司總經理、董事及副董事長。丁先生擁有逾十四年行業經驗，於一九九九年十二月加入本集團。加入本集團前，彼為主要從事再生金屬業的商人。丁先生於二零零二年取得寧波大學商學院國際經濟與貿易專業大專班文憑。

丁先生先後於二零零四年十一月擔任中國有色金屬協會再生金屬分會副會長，二零零五年六月擔任台州市資源綜合利用協會會長，二零零六年四月擔任中國出入境檢驗檢疫協會常務理事、二零零六年十二月獲選為路橋區第三屆人大常委會委員，二零零七年二月獲評為第二屆台州市優秀中國特色社會主義事業建設者、二零零七年十月獲評為中國再生金屬產業十大傑出貢獻人物，二零零八年五月擔任浙江省固體廢物利用處置行業協會副會長，二零一一年一月獲選為台州市人大代表、二零一一年八月擔任浙江省環境監測協會副會長，二零一二年三月獲選為路橋區第四屆人民代表、路橋區第四屆人大常委會委員，二零一二年十一月擔任台州市工商業聯合會副主席。丁先生為方安空先生及方安林先生的內兄，以及方愛萍女士的丈夫。

方愛萍女士，49歲，本集團副總裁兼台州齊合天地金屬有限公司及台州齊合天地鑄造有限公司財務副總經理，主要負責該附屬公司整體財務計劃、財務報告、預算及執行本集團的業務策略。方愛萍女士於一九九九年十二月加入本集團，擁有逾十三年財務管理經驗。方愛萍女士為方安空先生及方安林先生的胞姐，以及丁國培先生的妻子。



Profile of Directors and Senior Management (continued) 董事及高級管理人員履歷 (續)

Mr. Fang Anlin (方安林), aged 44, is the Vice President of the Group, the Director and the Vice-General Manager of Taizhou Chiho-Tiande Metals Company Limited and Taizhou Chiho-Tiande Foundry Company Limited. He is primarily responsible for the production of the subsidiary. Mr. Fang Anlin joined the Group in December 1999 and has over 18 years of experience in the business of mixed metal scrap. Since Mr. Fang Anlin joined the Group, Mr. Fang Anlin has been responsible for overseeing the production of recycled metal products. Mr. Fang Anlin is the brother of Mr. Fang Ankong and Ms. Fang Aiping. Mr. Fang Anlin is also the brother-in-law of Mr. Ding Guopei.

Mr. Cai Haifeng (蔡海峰), aged 41, is the Vice President of the Group and the General Manager of Chiho-Tiande (Ningbo) Metals Recycling Company Limited, a subsidiary of the Group. Mr. Cai graduated from Zhejiang Polytechnic University (浙江工業大學) with a Bachelor's degree in Fine Chemical Engineering in 1993. Prior to joining the Group, Mr. Cai worked for Zhejiang Dong Da Ji Tuan Company (浙江東大集團公司), a company whose business involves the import and export agency business, as an assistant manager in the business development department responsible for metal scrap import business. He joined the Group in May 2000.

Mr. Gan Jun (甘軍), aged 43, is the assistant to the Chief Executive Officer and Finance Manager of the Group. Mr. Gan joined our Group in September 2007 and he is also a Director of certain subsidiaries of the Group. He holds a diploma of Accountancy in Southwestern University of Finance and Economics (西南財經大學). Prior to joining the Group, Mr. Gan worked as the financial manager and the assistant to the general manager in Guangdong Gentle Technology Company Limited (廣東正道科技有限公司), an information technology application provider (信息技術應用服務商), for more than a year. Mr. Gan has extensive experience in the accounting and finance field, and he is also a certified public accountant and registered tax adviser in China.

Mr. Xu Jialiang (許加良), aged 49, is the manager of the procurement department of the Group and is primarily responsible for procuring raw material supply of the Group. Mr. Xu joined the Group in December 1999 and was responsible for the procurement of mixed metal scrap. Mr. Xu has over 12 years of experience in mixed metal scrap procurement.

方安林先生，44歲，本集團副總裁兼台州齊合天地金屬有限公司及台州齊合天地鑄造有限公司董事及副總經理。彼主要負責該附屬公司的生產工作。方安林先生於一九九九年十二月加入本集團，擁有逾十八年混合廢金屬業務經驗。方安林先生自加入本集團起，一直負責監督再生金屬產品的生產。方安林先生為方安空先生及方愛萍女士的胞弟，以及丁國培先生的內弟。

蔡海峰先生，41歲，本集團副總裁及附屬公司齊合天地(寧波)再生金屬有限公司總經理。蔡先生於一九九三年畢業於浙江工業大學，獲得精細化工工程學士學位。加入本集團前，蔡先生曾就職於經營進出口代理業務的浙江東大集團公司，擔任業務發展部經理助理，負責廢金屬進口業務。彼於二零零零年五月加入本集團。

甘軍先生，43歲，本集團行政總裁助理及財務經理。甘先生於二零零七年九月加入本集團，亦為本集團若干附屬公司之董事。彼持有西南財經大學會計文憑，加入本集團前曾任職信息技術應用服務商廣東正道科技有限公司的財務經理及總經理助理逾一年，擁有豐富的會計及財務經驗，亦為中國的註冊會計師及註冊稅務顧問。

許加良先生，49歲，本集團採購部經理，主要負責本集團原料採購。許先生於一九九九年十二月加入本集團，負責採購混合廢金屬，擁有逾十二年混合廢金屬採購經驗。



Profile of Directors and Senior Management (continued)

董事及高級管理人員履歷(續)

Mr. Zhu Zhonghui (朱忠輝), aged 34, is the manager of the sales and marketing department of the Group and is primarily responsible for the sales management of the Group. Mr. Zhu joined the Group in December 1999 and was responsible for the selling of recycled metal products. Mr. Zhu is the son-in-law of the elder brother of Mr. Fang Ankong.

Mr. Xu Jun (徐駿), aged 35, is the Head of Investor Relations of the Group and he joined the Group in September 2010 as Vice Head of Investor Relations, and promoted to Head of Investor Relations in December 2010. Mr. Xu is graduated from Shanghai Jiaotong University (上海交通大學) with a Bachelor's degree in Dynamic & Energy Engineering in 2000. In 2003, he is graduated from New York Institute of Technology with a Master degree in Business Administration. Prior to joining the Group, Mr. Xu has worked for Alcatel Shanghai Bell Limited (上海貝爾阿爾卡特有限公司) as the Sales & Bid Director of overseas market; the Head of Investment Banking of Great China for Hongjing Bangxun Information (Shanghai) Limited (宏景邦詢資訊(上海)有限公司) and the Executive Director for Shanghai Jingshun Equity Investment Limited (上海景順股權投資有限公司).

朱忠輝先生，34歲，本集團銷售及市場推廣部經理，主要負責本集團銷售管理。朱先生於一九九九年十二月加入本集團，負責銷售再生金屬產品。朱先生為方安空先生兄長的女婿。

徐駿先生，35歲，本集團投資關係總監。彼於二零一零年九月加入本集團，擔任投資關係副總監，並於二零一零年十二月升任投資關係總監。徐先生於二零零零年畢業於上海交通大學，獲得動力與能源工程學士學位，於二零零三年畢業於紐約理工學院，獲得工商管理碩士學位。加入本集團前，徐先生曾就職於上海貝爾阿爾卡特有限公司，擔任海外市場銷售投標總監；宏景邦詢資訊(上海)有限公司，擔任中國區投資銀行業務主管以及擔任上海景順股權投資有限公司之執行董事。



Directors' Report

董事會報告

The Directors present the audited consolidated financial statements for the Group for the year ended 31 December 2012.

PRINCIPAL BUSINESSES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 42 to the consolidated financial statements.

RESULTS

The results of the Company for the year ended 31 December 2012 are set out in the consolidated statement of comprehensive income of the Group on page 88.

FINAL DIVIDENDS

The Board of Directors proposed the payment of a final dividend for the year ended 31 December 2012 of HK2.12 cents per ordinary share, subject to approval by the shareholders at the forthcoming annual general meeting.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment during the year are set out in note 17 to the consolidated financial statements of the Group.

BORROWINGS

Details of the borrowings are set out in note 28 to the consolidated financial statements of the Group.

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in note 29 to the consolidated financial statements of the Group.

董事提呈本集團截至二零一二年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。其附屬公司的主要業務載於綜合財務報表附註42。

業績

本公司截至二零一二年十二月三十一日止年度業績載於第88頁的本集團綜合全面收益表。

末期股息

董事會建議派發截至二零一二年十二月三十一日止年度末期股息每股普通股2.12港仙，並須待股東於應屆股東週年大會上通過。

物業、廠房及設備

年內物業、廠房及設備的變動詳情載於本集團綜合財務報表附註17。

借貸

借貸詳情載於本集團綜合財務報表附註28。

股本

年內本公司股本變動詳情載於本集團綜合財務報表附註29。

Directors' Report (continued)

董事會報告(續)

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

During the financial year ended 31 December 2012, the Company repurchased 1,970,000 ordinary shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$7,865,000. The repurchases were effected by the Directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases 購回月份		Total number of the ordinary shares repurchased 購回普通股總數	Highest price paid per share 所付每股最高價	Lowest price paid per share 所付每股最低價	Aggregate consideration 總代價
			HK\$ 港元	HK\$ 港元	HK\$ 港元
September 2012	二零一二年九月	1,802,000	4.09	3.87	7,215,000
October 2012	二零一二年十月	168,000	3.90	3.84	650,000
		1,970,000			7,865,000

Except as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholder.

RESERVES

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

As at 31 December 2012, the distribution reserve of the Company amounted to approximately HK\$1,163,188,000.

購買、出售或贖回本公司股份

截至二零一二年十二月三十一日止財政年度內，本公司在香港聯合交易所有限公司購回1,970,000股普通股，總代價為7,865,000港元。董事購回股份旨在提升股東價值。購回詳情如下：

除上文披露者外，年內本公司及其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

優先購買權

本公司組織章程細則或開曼群島(即本公司註冊成立所在司法權區)法律並無有關優先購買權的任何條文，規限本公司須向現有股東按持股比例配售新股。

儲備

年內本集團儲備變動詳情載於綜合權益變動表。

於二零一二年十二月三十一日，本公司的可分派儲備約1,163,188,000港元。



Directors' Report (continued)

董事會報告(續)

DONATIONS

The donations made by the Group during the year amounted to HK\$474,845 (2011: HK\$120,530).

MAJOR CUSTOMERS AND SUPPLIERS

In 2012, the Group's largest supplier accounted for 10.6% (2011: 11.5%) of the total purchases. The five largest suppliers comprised 36.5% (2011: 40.8%) of the total purchases.

Aggregate sales attributable to the Group's five largest customers was less than 30% of total revenue in 2012 and 2011.

Apart from Sims Metal Management Asia Limited which indirectly holds approximately 15.97% of the Company's share capital and is the Group's largest supplier, none of the directors of the Company or any of their respective associates or any shareholder of the Company (which, to the knowledge of the directors, owns more than 5% of the Company's share capital) had any beneficial interest in the Group's other four largest suppliers or five largest customers during the year.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or subsisted during the year.

捐贈

本集團於年內捐贈474,845港元(二零一一年: 120,530港元)。

主要客戶及供應商

於二零一二年,本集團的最大供應商佔總採購額10.6%(二零一一年: 11.5%)。五大供應商佔總採購額36.5%(二零一一年: 40.8%)。

於二零一二年及二零一一年,本集團的五大客戶銷售總額佔總收益少於30%。

除Sims Metal Management Asia Limited間接持有本公司約15.97%股本並為本集團最大供應商,本公司董事或彼等各自之任何聯繫人或本公司任何股東(就董事所知擁有本公司超過5%股本)年內概無於本集團其他四大供應商或五大客戶擁有任何實益權益。

管理合約

除僱用合約外,年內概無訂立或存續有關本公司業務整體或任何重要部分的管理及行政合約。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 38 to the consolidated financial statements also constituted connected transactions or continuing connected transactions of the Company and are required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions are the connected transactions between the connected persons (as defined in the Listing Rules) and the Company, certain of which are ongoing. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the following transactions:

1. Connected transaction with respect to the subscription agreement entered into between the Company as issuer, HWH Holdings Limited ("HWH"), Delco Participation B.V. ("Delco") and Sims Metal Management Dragon Holdings Limited ("Sims") as subscribers in respect of the issue of the convertible bonds and the warrants

On 17 January 2012, the Company entered into a subscription agreement (the "**Subscription Agreement**") with HWH, Delco and Sims pursuant to which the Company will issue to Delco, HWH and Sims three-year 4% coupon convertible bonds in the aggregate principal amount of HK\$815,800,000 with detachable warrants in registered form to subscribe for an aggregate of 12,638,441 shares of the Company ("**Shares**") at an initial exercise price of HK\$6.00 per Share for an aggregate principal amount of HK\$75,830,646.

As at the time of execution of the Subscription Agreement, HWH and Delco, together with their respective associates were interested in 312,923,265 Shares and 230,395,981 Shares respectively, representing approximately 30.04% and 22.11% respectively of the then issued share capital of the Company and Green Elite Limited, a 50-50 joint venture between Delco and HWH, is interested in 60,000,000 Shares, representing approximately 5.76% of the then issued share capital of the Company. HWH and Delco are therefore substantial shareholders and connected persons of the Company.

關連交易及持續關連交易

於綜合財務報表附註38披露的若干關連方交易亦構成本公司的關連交易或持續關連交易，須按照上市規則第14A章的規定予以披露。下列由關連人士(定義見上市規則)與本公司訂立的交易乃關連交易，其中若干部份仍在進行。本公司已就以下交易遵守上市規則第14A章的披露規定：

1. 有關本公司(作為發行人)、HWH Holdings Limited(「HWH」)、Delco Participation B.V.(「Delco」)與Sims Metal Management Dragon Holdings Limited(「Sims」)(作為認購人)就發行可換股債券及認股權證訂立的認購協議之關連交易

於二零一二年一月十七日，本公司與HWH、Delco及Sims訂立認購協議(「認購協議」)，據此，本公司將向Delco、HWH及Sims發行本金總額為815,800,000港元之三年4%票息之可換股債券，附帶記名形式之可分拆認股權證，以按初步行使價每股6.00港元認購本金總額為75,830,646港元合共12,638,441股之本公司股份(「股份」)。

於執行認購協議時，HWH及Delco，連同彼等之聯繫人分別擁有312,923,265股股份及230,395,981股股份的權益，分別佔本公司當時已發行股本約30.04%及22.11%，且Green Elite Limited(Delco及HWH分別佔50%權益之合資企業)於60,000,000股股份中擁有權益，佔本公司當時已發行股本約5.76%。因此，HWH及Delco成為本公司之主要股東及關連人士。



Directors' Report (continued) 董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

1. Connected transaction with respect to the subscription agreement entered into between the Company as issuer, HWH Holdings Limited ("HWH"), Delco Participation B.V. ("Delco") and Sims Metal Management Dragon Holdings Limited ("Sims") as subscribers in respect of the issue of the convertible bonds and the warrants (continued)

In addition, following the completion of the purchase of an aggregate of 16% issued share capital of the Company by Sims pursuant to a share sale and purchase agreement dated 17 January 2012 (the "**Share Sale and Purchase Agreement**"), Sims and its associates became interested in 166,696,754 Shares, representing approximately 16% of the then issued share capital of the Company. Sims has therefore also become a substantial shareholder and a connected person of the Company.

Accordingly, the execution of the Subscription Agreement and the transactions contemplated thereunder constituted connected transactions for the Company and was subject to the reporting and announcement requirements of the Listing Rules and the approval by the independent shareholders of the Company (the "**Independent Shareholders**").

2. Continuing transactions with Sims Metal Management Asia Limited ("Sims Asia") with respect to the execution of a master supply agreement which subsequently became continuing connected transactions of the Company

Immediately prior to the execution of the Share Sale and Purchase Agreement, on 16 January 2012, the Company entered into a master supply agreement with Sims Asia to document their business relationships relating to the purchase of certain products by the Group from the relevant member(s) of Sims Asia, its subsidiaries and/or associates (the "**Sims Asia Group**"). Upon completion of the Share Sale and Purchase Agreement, as Sims Asia is the intermediate holding company of Sims which holds 16% of the issued share capital of the Company, therefore, Sims Asia is a substantial shareholder and hence a connected person of the Company. The Company had complied with the applicable reporting, annual review and disclosure requirements in accordance with Rule 14A.41 of the Listing Rules.

關連交易及持續關連交易(續)

1. 有關本公司(作為發行人)、HWH Holdings Limited(「HWH」)、Delco Participation B.V.(「Delco」)與Sims Metal Management Dragon Holdings Limited(「Sims」)(作為認購人)就發行可換股債券及認股權證訂立的認購協議之關連交易(續)

此外，根據日期為二零一二年一月十七日之股份買賣協議(「**股份買賣協議**」)，於Sims完成購買本公司已發行股本總額的16%後，Sims及其聯繫人於166,696,754股股份中擁有權益，佔本公司當時已發行股本約16%。因此，Sims亦成為本公司之主要股東及關連人士。

因此，執行認購協議及其項下擬進行之交易構成本公司之關連交易，且須遵守上市規則項下有關申報及公告及本公司獨立股東(「**獨立股東**」)批准之規定。

2. 有關與Sims Metal Management Asia Limited(「Sims Asia」)訂立主供應協議且其後成為本公司持續關連交易之持續交易

緊接訂立股份買賣協議前，於二零一二年一月十六日，本公司與Sims Asia訂立主供應協議，以就本集團向Sims Asia相關成員公司、其附屬公司及／或聯營公司(「**Sims Asia集團**」)採購若干產品之業務關係文件化。完成股份買賣協議後，由於Sims Asia為Sims之中介控股公司，而Sims持有本公司已發行股本之16%，因此，Sims Asia為本公司之主要股東及關連人士。本公司已遵守上市規則第14A.41條有關適用申報、年度審閱及披露之規定。

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

3. Continuing connected transactions in relation to the master purchase agreement for the supply of copper scrap to Sims Asia

On 16 February 2012, the Company entered into a master purchase agreement (the “**Master Purchase Agreement**”) with Sims Asia pursuant to which the Sims Asia Group may purchase from the relevant member(s) of the Group certain products including copper scraps (the “**Products**”) at prevailing market prices during the term between 1 February 2012 and 31 May 2012. The aggregate value of the Products purchased shall not exceed the cap (the “**Cap**”) of US\$28 million (approximately HK\$218.4 million) during the term of the agreement.

The transactions contemplated under the Master Purchase Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. However, as the applicable percentage ratios (as defined under the Listing Rules) in respect of the Cap are more than 0.1% but less than 5%, the Master Purchase Agreement was subject to the reporting and announcement requirements but was exempt from the independent shareholders' approval requirement under the Listing Rules.

4. Continuing connected transactions in relation to the master supply agreement for the purchase of scrap metals from De Leeuw Metalen B.V.

On 21 March 2012, the Company entered into the master supply agreement (the “**Master Supply Agreement**”) with De Leeuw Metalen B.V. (the “**Supplier**”), pursuant to which the relevant member(s) of the Group may purchase from the Supplier certain products including scrap metals at prevailing market prices during the term between 1 January 2012 and 31 December 2014. The aggregate values of the transactions between the Group and the Supplier under the Master Supply Agreement in the relevant financial years of the Company during the term are capped at the following annual caps:

關連交易及持續關連交易(續)

3. 有關向Sims Asia供應廢銅之主採購協議之持續關連交易

於二零一二年二月十六日，本公司與Sims Asia訂立主採購協議(「**主採購協議**」)，據此，Sims Asia集團可於二零一二年二月一日至二零一二年五月三十一日止之期限內按現行市價向本集團相關成員公司採購包括廢銅在內之若干產品(「**該等產品**」)。於該協議期內，所採購該等產品的總值不得超過上限(「**上限**」)28,000,000美元(約218,400,000港元)。

根據上市規則第14A章，主採購協議項下擬進行之交易構成本公司之持續關連交易。然而，由於有關上限之適用百分比率(定義見上市規則)超過0.1%但低於5%，主採購協議須遵守上市規則項下有關申報及公告之規定，惟獲豁免遵守獨立股東批准之規定。

4. 有關自De Leeuw Metalen B.V.採購廢金屬之主供應協議之持續關連交易

於二零一二年三月二十一日，本公司與De Leeuw Metalen B.V.(「**供應商**」)訂立主供應協議(「**主供應協議**」)，據此，本集團相關成員公司可於二零一二年一月一日至二零一四年十二月三十一日止之期限內按現行市價自供應商採購包括廢金屬在內之若干產品。本集團與供應商於期限內在本公司相關財政年度根據主供應協議進行交易之總值上限為以下年度上限：

Directors' Report (continued) 董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

4. Continuing connected transactions in relation to the master supply agreement for the purchase of scrap metals from De Leeuw Metalen B.V. (continued)

關連交易及持續關連交易(續)

4. 有關自 De Leeuw Metalen B.V. 採購 廢金屬之主供應協議之持續關連交易 (續)

Relevant financial years of the Company during the term 於期限內在本公司相關財政年度

Annual Caps 年度上限

1 January 2012 – 31 December 2012
二零一二年一月一日至二零一二年十二月三十一日
1 January 2013 – 31 December 2013
二零一三年一月一日至二零一三年十二月三十一日
1 January 2014 – 31 December 2014
二零一四年一月一日至二零一四年十二月三十一日

US\$2 million (approximately HK\$15.6 million)
2,000,000 美元(約 15,600,000 港元)
US\$3 million (approximately HK\$23.4 million)
3,000,000 美元(約 23,400,000 港元)
US\$3 million (approximately HK\$23.4 million)
3,000,000 美元(約 23,400,000 港元)

As the Supplier is majority-owned by one of the sons of Mr. Herman Maurits de Leeuw, a controlling shareholder of the Company, therefore, the Supplier is an associate of a controlling shareholder of the Company under Rule 14A.11(4)(b)(ii) of the Listing Rules and hence a connected person of the Company. The transactions contemplated under the Master Supply Agreement therefore constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the annual caps are more than 0.1% but less than 5%, the Master Supply Agreement was subject to the reporting, annual review and announcement requirements but was exempt from the independent shareholders' approval requirement under the Listing Rules.

由於供應商由本公司控股股東 Herman Maurits de Leeuw 先生之其中一個兒子擁有大部分權益，因此，根據上市規則第 14A.11(4)(b)(ii) 條，供應商為本公司控股股東之聯繫人，故成為本公司之關連人士。根據上市規則第 14A 章，主供應協議項下擬進行之交易因此構成本公司之持續關連交易。由於有關年度上限之適用百分比率超過 0.1% 但低於 5%，主供應協議須遵守上市規則項下有關申報、年度審閱及公告之規定，但豁免遵守獨立股東批准之規定。

Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

5. Continuing connected transactions in relation to the new master purchase agreement with Sims Asia

In order to renew the existing arrangements under the Master Purchase Agreement, on 28 March 2012, the Company entered into the new master purchase agreement (the “**New Master Purchase Agreement**”) with Sims Asia pursuant to which the relevant member(s) of the Sims Asia Group may purchase from the relevant member(s) of the Group the Products at prevailing market prices for the term of three years from 1 June 2012 to 31 May 2015. The aggregate values of the transactions between the Group and the Sims Asia Group under the New Master Purchase Agreement in the relevant periods during the term are capped at the following annual caps:

Relevant financial years of the Company during the term

於期限內本公司相關財政年度

Annual caps

年度上限

1 June 2012 – 31 December 2012 二零一二年六月一日至二零一二年十二月三十一日	US\$37 million (approximately HK\$288.6 million) 37,000,000 美元 (約 288,600,000 港元)
1 January 2013 – 31 December 2013 二零一三年一月一日至二零一三年十二月三十一日	US\$74 million (approximately HK\$577.2 million) 74,000,000 美元 (約 577,200,000 港元)
1 January 2014 – 31 December 2014 二零一四年一月一日至二零一四年十二月三十一日	US\$81 million (approximately HK\$631.8 million) 81,000,000 美元 (約 631,800,000 港元)
1 January 2015 – 31 May 2015 二零一五年一月一日至二零一五年五月三十一日	US\$45 million (approximately HK\$351 million) 45,000,000 美元 (約 351,000,000 港元)

As the applicable percentage ratios in respect of the annual caps are more than 5%, the transactions contemplated under the New Master Purchase Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules and it was subject to the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

關連交易及持續關連交易(續)

5. 有關與Sims Asia的新主採購協議之持續關連交易

為延續主採購協議之現有安排，於二零一二年三月二十八日，本公司與Sims Asia訂立新主採購協議(「**新主採購協議**」)，據此，Sims Asia集團相關成員公司可於二零一二年六月一日至二零一五年五月三十一日止三個年度之期限內按現行市價向本集團相關成員公司採購該等產品。本集團與Sims Asia集團於期限內相關期間根據新主採購協議進行交易之總值上限為以下年度上限：

由於有關年度上限之適用百分比率超過5%，根據上市規則第14A.35條，新主採購協議項下擬進行之交易構成本公司之不獲豁免持續關連交易。因此，新主採購協議須遵守上市規則第14A章項下有關申報、公告、年度審閱及獨立股東批准之規定。

Directors' Report (continued) 董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

6. Continuing connected transactions in relation to the new master supply agreement for the purchase of scrap metals from Sims Asia

In order to renew the existing arrangements under the old master supply agreement dated 16 January 2012 entered into between the Company and Sims Asia, on 15 November 2012, the Company entered into the new master supply agreement (the "New Master Supply Agreement") with Sims Asia pursuant to which the relevant member(s) of the Group may purchase from the relevant member(s) of the Sims Asia Group certain products including scrap metals at prevailing market prices for the term of three years from 1 January 2013 to 31 December 2015. The aggregate values of the transactions between the Group and the Sims Asia Group under the New Master Supply Agreement in the relevant periods during the term are capped at the following annual caps:

Relevant financial years of the Company during the term 於期限內本公司相關財政年度

Annual caps 年度上限

1 January 2013 – 31 December 2013
二零一三年一月一日至二零一三年十二月三十一日
1 January 2014 – 31 December 2014
二零一四年一月一日至二零一四年十二月三十一日
1 January 2015 – 31 December 2015
二零一五年一月一日至二零一五年十二月三十一日

US\$200 million (approximately HK\$1,560 million)
200,000,000 美元 (約 1,560,000,000 港元)
US\$350 million (approximately HK\$2,730 million)
350,000,000 美元 (約 2,730,000,000 港元)
US\$500 million (approximately HK\$3,900 million)
500,000,000 美元 (約 3,900,000,000 港元)

As the applicable percentage ratios in respect of the annual caps are more than 5%, the transactions contemplated under the New Master Supply Agreement constituted non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules. The New Master Supply Agreement was therefore subject to the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

由於有關年度上限之適用百分比率超過 5%，新主供應協議項下擬進行之交易構成本公司於上市規則第 14A.35 項下之不獲豁免持續關連交易。因此，新主供應協議須遵守上市規則第 14A 章項下有關於申報、公告、年度審閱及獨立股東批准之規定。

關連交易及持續關連交易(續)

6. 有關自Sims Asia採購廢金屬的新主供應協議之持續關連交易

為延續本公司與Sims Asia於二零一二年一月十六日訂立之原主供應協議下之現有安排，於二零一二年十一月十五日，本公司與Sims Asia訂立新主供應協議(「新主供應協議」)，據此，本集團相關成員公司可於二零一三年一月一日至二零一五年十二月三十一日止三個年度之期限內按現行市價自Sims Asia集團相關成員公司採購包括廢金屬在內之若干產品。本集團與Sims Asia集團於期限內相關期間根據新主供應協議進行交易之總值以下列年度上限為上限：



Directors' Report (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

Review by Independent Non-executive Directors and the auditor of the Company

The continuing connected transactions mentioned above not falling under Rule 14A.33 of the Listing Rules have been reviewed by the Independent Non-executive Directors of the Company who have confirmed that the transactions have been entered into:

1. in the ordinary and usual course of business of the Company;
2. either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
3. in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with 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 and has issued his unqualified letter containing his findings and conclusions in respect of the abovementioned continuing connected transactions in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

關連交易及持續關連交易(續)

本公司獨立非執行董事及核數師之審閱

本公司獨立非執行董事經審閱上文所述不屬上市規則第14A.33條之持續關連交易後確認該等交易：

1. 乃於本公司一般及日常業務中訂立；
2. 按一般商業條款或(倘可比較之交易不足以判斷該等交易之條款是否符合一般商業條款)則按對本公司而言不遜於獨立第三方取得或提供(視情況而定)之條款訂立；及
3. 根據規管該等交易且條款屬公平合理並符合本公司股東整體利益之相關協議訂立。

本公司核數師獲委託遵照香港會計師公會頒佈的香港核證委聘準則第3000號「審核或審閱過往財務資料以外的核證委聘工作」，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出報告，並已根據上市規則第14A.38條發出無保留意見函件，當中載有其有關上述持續關連交易的結果及結論。本公司已將核數師函件副本呈交聯交所。

Directors' Report (continued)

董事會報告(續)

DIRECTORS

The Directors of the Company who held office during the year and up to the date of the Report are:

Executive Directors

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

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

Mr. Gu Liyong (*Vice President*)

Non-Executive Directors

Mr. Ralph Sytze Ybema (resigned on 17 January 2012)

Mr. Michael Charles Lion (appointed on 17 January 2012)

Independent Non-Executive Directors

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Li Xikui

In accordance with the Articles of Association of the Company, Mr. Stephanus Maria van Ooijen, Dr. Loke Yu and Mr. Li Xikui shall retire from office, and being eligible offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

The Company has entered into service contracts with Mr. Fang Ankong, Mr. Stephanus Maria van Ooijen, Mr. Gu Liyong, Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui on 24 June 2010 for a period of three years. On 17 January 2012, the Company entered into an appointment letter with Mr. Michael Charles Lion for a term commencing from 17 January 2012 up to 2012 annual general meeting of the Company held on 24 May 2012. On 27 March 2012, the Company entered into another appointment letter with Mr. Michael Charles Lion for a term of 3 years commencing from 24 May 2012 to 23 May 2015. None of the Directors of the Company proposed for re-election at the forthcoming annual general meeting has any service contract with the Company and/or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

董事

年內及截至本報告日期本公司董事包括：

執行董事

方安空先生(*主席兼行政總裁*)

Stephanus Maria van Ooijen先生(*副總裁*)

顧李勇先生(*副總裁*)

非執行董事

Ralph Sytze Ybema先生(於二零一二年一月十七日辭任)

Michael Charles Lion先生(於二零一二年一月十七日獲委任)

獨立非執行董事

陸海林博士

章敬東女士

李錫奎先生

根據本公司組織章程細則，Stephanus Maria van Ooijen先生、陸海林博士及李錫奎先生均須告退，惟彼等均合資格並願意於應屆股東週年大會膺選連任。

董事服務合約

於二零一零年六月二十四日，本公司與方安空先生、Stephanus Maria van Ooijen先生、顧李勇先生、陸海林博士、章敬東女士及李錫奎先生訂立服務合約，為期三年。本公司於二零一二年一月十七日與Michael Charles Lion先生訂立委任函，委任期自二零一二年一月十七日起至本公司於二零一二年五月二十四日舉行之二零一二年股東週年大會。本公司與Michael Charles Lion先生於二零一二年三月二十七日訂立另一份委任函，為期三年，其委任期為二零一二年五月二十四日至二零一五年五月二十三日。擬於應屆股東週年大會膺選連任的本公司董事概無與本公司及／或其任何附屬公司訂有不可於一年內不付補償(法定補償除外)而終止的任何服務合約。

Directors' Report (continued)

董事會報告(續)

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Company's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the financial year ended 31 December 2012, none of the Directors of the Company has interests in businesses which compete or are likely to compete either directly or indirectly, with the businesses of the Group.

SHARE OPTION SCHEME

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

(a) Pre-IPO Share Option Scheme

The Company has adopted a Pre-IPO Share Option Scheme (the "Pre-IPO Share Option Scheme") on 23 June 2010 under which the Company has conditionally granted options to certain Directors, executives and employees of the Group to purchase shares of the Company with an exercise price equal to the offer price as defined in the Prospectus.

The total number of shares in respect of which share options granted under the Pre-IPO Share Option Scheme as at 31 December 2012 was 12,140,000 which represented approximately 1.16% of the issued share capital of the Company as at 31 December 2012.

董事於合約中的權益

董事概無於與本公司業務有重大關連而本公司、其任何附屬公司、其同系附屬公司或其控股公司為訂約方且於年底或年內任何時間仍然生效的合約中直接或間接擁有重大權益。

董事於競爭業務中的權益

於截至二零一二年十二月三十一日止財政年度，概無本公司董事於與本集團業務直接或間接競爭或可能構成競爭的業務中擁有權益。

購股權計劃

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

(a) 首次公開發售前購股權計劃

本公司已於二零一零年六月二十三日採納首次公開發售前購股權計劃(「首次公開發售前購股權計劃」)，該計劃為於招股章程註明之認購價有條件地授出可認購本公司股份的購股權予本集團的若干董事、高級行政人員及僱員。

於二零一二年十二月三十一日，與根據首次公開發售前購股權計劃已授出的購股權有關的股份總數為12,140,000股，約相當於本公司於二零一二年十二月三十一日已發行股本之1.16%。

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

As at 31 December 2012, details of the share option granted under the Pre-IPO Share Option Scheme are as follows:

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元) (附註1)	Exercisable period (dd/mm/yyyy) (Note 2) 行使期 (日/月/年) (附註2)	Number of	Number of	Number of	Number of	Number of	Approximate
				shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目					
(i) Directors									
董事									
Mr. Fang Ankong 方安空先生	23/06/2010 二零一零年 六月二十三日	2.43	12/07/2011 – 12/07/2012 二零一一年七月十二日至 二零一二年七月十二日	1,050,000	0	1,050,000	0	0	-
			13/07/2012 – 12/07/2013 二零一二年七月十三日至 二零一三年七月十二日	1,050,000	0	0	0	1,050,000	0.10062%
			13/07/2013 – 12/07/2014 二零一三年七月十三日至 二零一四年七月十二日	1,400,000	0	0	0	1,400,000	0.13417%
				3,500,000	0	1,050,000	0	2,450,000	0.23479%
Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen 先生	23/06/2010 二零一零年 六月二十三日	2.43	12/07/2011 – 12/07/2012 二零一一年七月十二日至 二零一二年七月十二日	300,000	0	300,000	0	0	-
			13/07/2012 – 12/07/2013 二零一二年七月十三日至 二零一三年七月十二日	300,000	0	0	0	300,000	0.02875%
			13/07/2013 – 12/07/2014 二零一三年七月十三日至 二零一四年七月十二日	400,000	0	0	0	400,000	0.03833%
				1,000,000	0	300,000	0	700,000	0.06708%

購股權計劃(續)

(a) 首次公開發售前購股權計劃(續)

於二零一二年十二月三十一日，根據首次公開發售前購股權計劃所授出的購股權詳情如下：

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

購股權計劃(續)

(a) 首次公開發售前購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) (Note 2) 行使期 (日/月/年) (附註2)	Number of	Number of	Number of	Number of	Number of	Approximate
				shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目					
(i) Directors (continued)									
董事(續)									
Mr. Gu Liyong 顧李勇先生	23/06/2010 二零一零年 六月二十三日	2.43	12/07/2011 – 12/07/2012 二零一一年七月十二日至 二零一二年七月十二日	127,500	0	127,500	0	0	-
			13/07/2012 – 12/07/2013 二零一二年七月十三日至 二零一三年七月十二日	127,500	0	0	0	127,500	0.01222%
			13/07/2013 – 12/07/2014 二零一三年七月十三日至 二零一四年七月十二日	170,000	0	0	0	170,000	0.01629%
				425,000	0	127,500	0	297,500	0.02851%
				4,925,000	0	1,477,500	0	3,447,500	0.33038%
(ii) Employees and other participants									
僱員及其他參與者	23/06/2010 二零一零年 六月二十三日	2.43	12/07/2011 – 12/07/2012 二零一一年七月十二日至 二零一二年七月十二日	579,500	0	579,500	0	0	-
			13/07/2012 – 12/07/2013 二零一二年七月十三日至 二零一三年七月十二日	2,140,500	0	580,000	0	1,560,500	0.14954%
			13/07/2013 – 12/07/2014 二零一三年七月十三日至 二零一四年七月十二日	2,854,000	0	0	64,000	2,790,000	0.26737%
				5,574,000	0	1,159,500	64,000	4,350,500	0.41691%
Total 合計				10,499,000	0	2,637,000	64,000	7,798,000	0.74729%

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

Notes:

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

購股權計劃(續)

(a) 首次公開發售前購股權計劃(續)

附註：

- (1) 此為本公司根據首次公開發售前購股權計劃向承授人授出購股權的日期。
- (2) 根據首次公開發售前購股權計劃獲得有條件授予購股權的各承授人，可以：
 - (i) 自本公司股份於聯交所首次上市之日(「上市日期」)後第一週年之日起至上市日期第二週年當日止之期間內(包括首尾兩天在內)，隨時行使獲授購股權總數不超過30%；
 - (ii) 自緊接上市日期後第二週年之日翌日起至上市日期第三週年當日止之期間內(包括首尾兩天在內)，隨時行使獲授購股權總數不超過30%；及
 - (iii) 自緊接上市日期後第三週年之日翌日起至上市日期第四週年當日止之期間內(包括首尾兩天在內)，隨時行使獲授購股權總數不超過40%。



Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

(b) Post-IPO Share Option Scheme

The Company adopted the Post-IPO Share Option Scheme (the "Post-IPO Share Option Scheme") on 23 June 2010, which was approved by the shareholders' written resolutions, is valid and effective for a period of 10 years. It is a share incentive scheme and is established to recognize and acknowledge the contribution that the eligible participants have or may have made to the Group. Pursuant to the Post-IPO Share Option Scheme, the Board may, at its discretion, offer to grant an option to any Director, employee, advisor, consultant, distributor, contractor, supplier, customer, agent, business partner, joint venture business partner, promoter, service provider of any member of the Group.

The total number of shares in respect of which share options may be granted under the Post-IPO Share Option Scheme is not permitted to exceed 100,000,000 shares, representing 9.58% of the total number of shares of the Company as at 31 December 2012.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Post-IPO Share Option Scheme shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

購股權計劃(續)

(b) 首次公開發售後購股權計劃

本公司於二零一零年六月二十三日採納首次公開發售後購股權計劃(「首次公開發售後購股權計劃」)，該計劃經股東書面決議案批准，有效期為10年。該購股權計劃是一項股份獎勵計劃，旨在肯定及認可合資格參與人士曾經或可能對本集團作出的貢獻。根據首次公開發售後購股權計劃，董事會可酌情向本集團任何成員公司的任何董事、僱員、顧問、專家顧問、批發商、承包商、供應商、客戶、代理、業務夥伴、合營企業合作夥伴、創辦人、服務供應商授出購股權。

與根據首次公開發售後購股權計劃可授出的購股權有關的股份總數不得超過100,000,000股，相當於本公司於二零一二年十二月三十一日的股份總數的9.58%。

截至授出日期止十二個月內因行使有關合資格參與人士根據首次公開發售後購股權計劃所獲授購股權而發行及可發行的股份總數不得超過授出日期已發行股份的1%。額外授出超過該1%上限的購股權須經股東於股東大會批准。

根據首次公開發售後購股權計劃所授出的任何個別購股權的相關股份認購價，不得少於下列三者之最高者：(i)在授出日期股份於聯交所每日報價表所報收市價；(ii)股份在緊接授出日期前五個交易日於聯交所每日報價表所報收市價的平均價；或(iii)股份面值。

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

As at 31 December 2012, details of the share option granted under the Post-IPO Share Option Scheme are as follows:

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元) (附註1)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(i) Directors									
董事									
Mr. Fang Ankong 方安空先生	03/05/2011 二零一一年 五月三日 (Note 4) (附註4)	6.388	03/05/2012 – 03/05/2013 二零一二年五月三日至 二零一三年五月三日	4,950,000	0	0	0	4,950,000	0.47436%
			04/05/2013 – 03/05/2014 二零一三年五月四日至 二零一四年五月三日	4,950,000	0	0	0	4,950,000	0.47436%
			04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 2) (附註2)	6,600,000	0	0	0	6,600,000	0.63249%
				16,500,000	0	0	0	16,500,000	1.58121%
	28/03/2012 二零一二年 三月二十八日 (Note 5) (附註5)	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	0	4,950,000	0	0	4,950,000	0.47436%
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	0	4,950,000	0	0	4,950,000	0.47436%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 3) (附註3)	0	6,600,000	0	0	6,600,000	0.63249%
				0	16,500,000	0	0	16,500,000	1.58121%

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

於二零一二年十二月三十一日，根據首次公開發售後購股權計劃所授出的購股權詳情如下：

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(i) Directors (continued) 董事(續)									
Mr. Stephanus Maria van Ooijen	03/05/2011 二零一一年 五月三日	6.388	03/05/2012 – 03/05/2013 二零一二年五月三日至 二零一三年五月三日	300,000	0	0	0	300,000	0.02875%
Stephanus Maria van Ooijen 先生	(Note 4) (附註4)		04/05/2013 – 03/05/2014 二零一三年五月四日至 二零一四年五月三日	300,000	0	0	0	300,000	0.02875%
			04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日	400,000	0	0	0	400,000	0.03833%
			(Note 2) (附註2)						
				1,000,000	0	0	0	1,000,000	0.09583%
	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	0	600,000	0	0	600,000	0.05750%
	(Note 5) (附註5)		28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	0	600,000	0	0	600,000	0.05750%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日	0	800,000	0	0	800,000	0.07666%
			(Note 3) (附註3)						
				0	2,000,000	0	0	2,000,000	0.19166%

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(i) Directors (continued) 董事(續)									
Mr. Gu Liyong 顧李勇先生	03/05/2011 二零一一年 五月三日	6.388	03/05/2012 – 03/05/2013 二零一二年五月三日至 二零一三年五月三日	262,500	0	0	0	262,500	0.02515%
			04/05/2013 – 03/05/2014 二零一三年五月四日至 二零一四年五月三日	262,500	0	0	0	262,500	0.02515%
			04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日	350,000	0	0	0	350,000	0.03355%
			(Note 2) (附註2)						
				875,000	0	0	0	875,000	0.08385%
	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	0	195,000	0	0	195,000	0.01869%
	(Note 5) (附註5)		28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	0	195,000	0	0	195,000	0.01869%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日	0	260,000	0	0	260,000	0.02491%
			(Note 3) (附註3)						
				0	650,000	0	0	650,000	0.06229%

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(i) Directors (continued) 董事(續)									
Mr. Ralph Sytze Ybema (resigned on 17 January 2012)	03/05/2011 二零一一年 五月三日	6.388	03/05/2012 – 03/05/2013 二零一二年五月三日至 二零一三年五月三日	45,000	0	0	0	0 (Note 6) (附註6)	-
Ralph Sytze Ybema 先生 (於二零一二年 一月十七日辭任)			04/05/2013 – 03/05/2014 二零一三年五月四日至 二零一四年五月三日	45,000	0	0	0	0 (Note 6) (附註6)	-
			04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 2) (附註2)	60,000	0	0	0	0 (Note 6) (附註6)	-
				150,000	0	0	0	0 (Note 6) (附註6)	-

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(i) Directors (continued) 董事(續)									
Dr. Loke Yu 陸海林博士	03/05/2011 二零一一年 五月三日	6.388	03/05/2012 – 03/05/2013 二零一二年五月三日至 二零一三年五月三日	45,000	0	0	0	45,000	0.00431%
			04/05/2013 – 03/05/2014 二零一三年五月四日至 二零一四年五月三日	45,000	0	0	0	45,000	0.00431%
			04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 2) (附註2)	60,000	0	0	0	60,000	0.00575%
				150,000	0	0	0	150,000	0.01437%
	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	0	22,500	0	0	22,500	0.00216%
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	0	22,500	0	0	22,500	0.00216%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 3) (附註3)	0	30,000	0	0	30,000	0.00287%
				0	75,000	0	0	75,000	0.00719%

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued) (b) Post-IPO Share Option Scheme (continued)

購股權計劃(續) (b) 首次公開發售後購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(i) Directors (continued) 董事(續)									
Ms. Zhang Jingdong 章敬東女士	03/05/2011 二零一一年 五月三日	6.388	03/05/2012 – 03/05/2013 二零一二年五月三日至 二零一三年五月三日	45,000	0	0	0	45,000	0.00431%
			04/05/2013 – 03/05/2014 二零一三年五月四日至 二零一四年五月三日	45,000	0	0	0	45,000	0.00431%
			04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 2) (附註2)	60,000	0	0	0	60,000	0.00575%
				150,000	0	0	0	150,000	0.01437%
	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	0	22,500	0	0	22,500	0.00216%
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	0	22,500	0	0	22,500	0.00216%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 3) (附註3)	0	30,000	0	0	30,000	0.00287%
				0	75,000	0	0	75,000	0.00719%

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(i) Directors (continued) 董事(續)									
Mr. Li Xikui 李錫奎先生	03/05/2011 二零一一年 五月三日	6.388	03/05/2012 – 03/05/2013 二零一二年五月三日至 二零一三年五月三日	45,000	0	0	0	45,000	0.00431%
			04/05/2013 – 03/05/2014 二零一三年五月四日至 二零一四年五月三日	45,000	0	0	0	45,000	0.00431%
			04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 2) (附註2)	60,000	0	0	0	60,000	0.00575%
				150,000	0	0	0	150,000	0.01437%
	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	0	22,500	0	0	22,500	0.00216%
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	0	22,500	0	0	22,500	0.00216%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 3) (附註3)	0	30,000	0	0	30,000	0.00287%
				0	75,000	0	0	75,000	0.00719%
				18,975,000	19,375,000	0	0	38,200,000 (Note 6) (附註6)	3.66073%

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued) (b) Post-IPO Share Option Scheme (continued)

購股權計劃(續) (b) 首次公開發售後購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(ii) Employees and other participants 僱員及其他參與者	22/09/2010 二零一零年 九月二十二日	3.38	22/09/2011 – 22/09/2012 二零一一年九月二十二日至 二零一二年九月二十二日	1,055,500	0	984,500	71,000	0	-
			23/09/2012 – 22/09/2013 二零一二年九月二十三日至 二零一三年九月二十二日	1,116,000	0	0	30,000	1,086,000	0.10407%
			23/09/2013 – 22/09/2014 二零一三年九月二十三日至 二零一四年九月二十二日 (Note 2) (附註2)	1,488,000	0	0	40,000	1,448,000	0.13877%
				3,659,500	0	984,500	141,000	2,534,000	0.24284%
	03/05/2011 二零一一年 五月三日	6.388	03/05/2012 – 03/05/2013 二零一二年五月三日至 二零一三年五月三日	3,573,000	0	0	141,000	3,477,000 (Note 6) (附註6)	0.33320%
			04/05/2013 – 03/05/2014 二零一三年五月四日至 二零一四年五月三日	3,573,000	0	0	141,000	3,477,000 (Note 6) (附註6)	0.33320%
			04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 2) (附註2)	4,764,000	0	0	188,000	4,636,000 (Note 6) (附註6)	0.44428%
				11,910,000	0	0	470,000	11,590,000 (Note 6) (附註6)	1.11068%

Directors' Report (continued)
董事會報告(續)

SHARE OPTION SCHEME (continued)
(b) Post-IPO Share Option Scheme (continued)

購股權計劃(續)
(b) 首次公開發售後購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of shares subject to outstanding options as at 1 January 2012 於二零一二年 一月一日未行使 購股權對應 股份數目	Number of options granted during the year 年內授出 購股權數目	Number of options exercised during the year 年內行使 購股權數目	Number of options lapsed during the year 年內失效 購股權數目	Number of shares subject to outstanding options as at 31 December 2012 於二零一二年 十二月三十一日 未行使購股權 對應股份數目	Approximate percentage shareholdings 股權概約百分比
(ii) Employees and other participants (continued) 僱員及其他參與者(續)	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	0	3,457,500	0	114,000	3,343,500	0.32041%
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	0	3,457,500	0	114,000	3,343,500	0.32041%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 3) (附註3)	0	4,610,000	0	152,000	4,458,000	0.42721%
				0	11,525,000	0	380,000	11,145,000	1.06803%
				15,569,500	11,525,000	984,500	991,000	25,269,000 (Note 6) (附註6)	2.42155%
Total 合計				34,544,500	30,900,000	984,500	991,000	63,469,000	6.08228%

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

Notes:

- (1) It was the date when the Company offered to the grantees the options under the Post-IPO Share Option Scheme (the "Date of Grant").
- (2) Each of the grantees to whom options have been conditionally granted under the Post-IPO Share Option Scheme will be entitled to exercise:
 - (i) up to 30% of the total number of options granted at any time during the period commencing from the first anniversary of the Date of Grant to the date of the second anniversary of the Date of Grant (both days inclusive);
 - (ii) up to 30% of the total number of options granted at any time during the period commencing from the date immediately following the second anniversary of the Date of Grant to the date of the third anniversary of the Date of Grant (both days inclusive); and
 - (iii) up to 40% of the total number of options granted, at any time during the period commencing from the date immediately following the third anniversary of the Date of Grant to the date of the fourth anniversary of the Date of Grant (both days inclusive).
- (3) Each of the grantees to whom options have been conditionally granted under the Post-IPO Share Option Scheme will be entitled to exercise:
 - (i) as to 30%, from the date of the first anniversary of the Date of Grant, i.e. 28 March 2013, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive);
 - (ii) as to 30%, from the date of the second anniversary of the Date of Grant, i.e. 28 March 2014, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive); and
 - (iii) as to 40%, from the date of the third anniversary of the Date of Grant, i.e. 28 March 2015, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive).

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

附註：

- (1) 此為本公司根據首次公開發售後購股權計劃向承授人授出購股權的日期(「授出日期」)。
- (2) 根據首次公開發售後購股權計劃獲得有條件授予購股權的各承授人，可以：
 - (i) 自授出日期後第一週年之日起至授出日期後第二週年當日止之期間內(包括首尾兩天在內)，隨時行使獲授購股權總數不超過30%；
 - (ii) 自授出日期後第二週年之翌日起至授出日期後第三週年當日止之期間內(包括首尾兩天在內)，隨時行使獲授購股權總數不超過30%；及
 - (iii) 自授出日期後第三週年之翌日起至授出日期後第四週年當日止之期間內(包括首尾兩天在內)，隨時行使獲授購股權總數不超過40%。
- (3) 根據首次公開發售後購股權計劃有條件獲授購股權的各承授人，將有權：
 - (i) 自授出日期後第一週年之日(即二零一三年三月二十八日)起至緊接授出日期後第四週年當日之前之日(即二零一六年三月二十七日)止(包括首尾兩天在內)，最多行使30%；
 - (ii) 自授出日期後第二週年之日(即二零一四年三月二十八日)起至緊接授出日期後第四週年當日之前之日(即二零一六年三月二十七日)止(包括首尾兩天在內)，最多行使30%；及
 - (iii) 自授出日期後第三週年之日(即二零一五年三月二十八日)起至緊接授出日期後第四週年當日之前之日(即二零一六年三月二十七日)止(包括首尾兩天在內)，最多行使40%。

Directors' Report (continued)

董事會報告(續)

SHARE OPTION SCHEME (continued)

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

Notes: (continued)

- (4) The 16,500,000 share options and 1,000,000 share options were granted to each of Mr. Fang and Mr. van Ooijen on 3 May 2011 subject to the vesting condition that the net profit of the Group for the financial year of the Company ended 31 December 2011 is equal to or exceeds 130% of the net profit of the Group for the financial year ended 31 December 2010. As the aforesaid condition has not been met and therefore the share options granted to Mr. Fang and Mr. van Ooijen in 2011 have not been duly vested and are not exercisable. Notwithstanding this, these share options should be taken into account for the purpose of determining whether the limits under Rule 17.04(1) of the Listing Rules are exceeded.
- (5) The 16,500,000 share options, 2,000,000 share options and 650,000 share options were granted to each of Mr. Fang, Mr. van Ooijen and Mr. Gu on 28 March 2012 subject to the vesting condition that the net profit of the Group for the financial year of the Company ended 31 December 2012 is equal to or exceeds 130% of the net profit of the Group for the financial year ended 31 December 2010. As the aforesaid condition has not been met and therefore the share options granted to Mr. Fang, Mr. van Ooijen and Mr. Gu in 2012 were automatically lapsed on the publication date of the final results of the Company for the year ended 31 December 2012.
- (6) Mr. Ralph Sytze Ybema resigned as Director on 17 January 2012 and was retained as consultant of the Group. His interests in share options to subscribe for 150,000 shares of the Company were reclassified under the category of "Employees and other participants".

Saved as disclosed as above, no options were granted, cancelled or lapsed as at 31 December 2012. The consideration paid by each grantee for each grant of option is HK\$1.00.

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

附註:(續)

- (4) 於二零一一年五月三日向方先生及van Ooijen先生分別授予16,500,000股購股權及1,000,000股購股權,受限於本公司截至二零一一年十二月三十一日止本公司財政年度本集團溢利相等於或超過本集團截至二零一零年十二月三十一日止財政年度溢利的130%的歸屬條件。由於上述條件並未達成,因此,於二零一一年授予方先生及van Ooijen先生的購股權並未正式歸屬及不可行使。儘管如此,釐定有否超過上市規則第17.04(1)條時,仍應計及該等購股權。
- (5) 於二零一二年三月二十八日向方先生、van Ooijen先生及顧先生分別授出16,500,000股購股權、2,000,000股購股權及650,000股購股權,受限於本公司截至二零一二年十二月三十一日止財政年度本集團溢利相等於或超過本集團截至二零一零年十二月三十一日止財政年度溢利的130%的歸屬條件。由於上述條件並未達成,因此,於二零一二年授予方先生、van Ooijen先生及顧先生的購股權於刊發本公司截至二零一二年十二月三十一日止年度之全年業績之日自動失效。
- (6) Ralph Sytze Ybema先生於二零一二年一月十七日辭任董事,但留任本集團之顧問。彼於可認購本公司150,000股股份之購股權中之權益被重新分類至「僱員及其他參與者」一類之下。

除上文所披露者外,於二零一二年十二月三十一日並無購股權授出、註銷或失效。各承授人每次接納購股權時所付代價為1.00港元。

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS

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

As at 31 December 2012, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

(i) Long positions in Shares and underlying Shares:

權益披露

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一二年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見《證券及期貨條例》(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有本公司須根據證券及期貨條例第352條須予存置的登記冊中所記錄或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)的權益或淡倉如下：

(i) 股份及相關股份的好倉：

Name of Director 董事名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares interested 持有權益的股份總數	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比	
Mr. Fang Ankong 方安空先生	Beneficial owner 實益擁有人	5,614,000	35,450,000 (Note 1) (附註1)	41,064,000		
	Interest in controlled corporations 於受控制法團之權益	376,985,265 (Note 2) (附註2)	31,266,667 (Note 2) (附註2)	408,251,932		
	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	397,392,735 (Note 3) (附註3)	141,875,536 (Note 3) (附註3)	539,268,271		
				Total: 總計：	988,584,203	94.74%

Directors' Report (continued)

董事會報告(續)

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

權益披露(續)

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

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Director 董事名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares interested 持有權益的股份總數	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比	
Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen 先生	Beneficial owner 實益擁有人	300,000	3,700,000 (Note 4) (附註4)	4,000,000		
	Interest in controlled corporations 於受控制法團之權益	290,395,981 (Note 5) (附註5)	52,100,000 (Note 5) (附註5)	342,495,981		
	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	489,296,019 (Note 6) (附註6)	152,792,203 (Note 6) (附註6)	642,088,222		
				Total: 總計：	988,584,203	94.74%
Mr. Gu Liyong 顧李勇先生	Beneficial owner 實益擁有人	127,500	1,822,500 (Note 7) (附註7)	1,950,000	0.19%	
Mr. Ralph Sytze Ybema (resigned on 17 January 2012) Ralph Sytze Ybema 先生 (於二零一二年一月十七日辭任)	Beneficial owner 實益擁有人	–	150,000	150,000	0.01%	

Directors' Report (continued)

董事會報告 (續)

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

權益披露 (續)

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

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Director 董事名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares interested 持有權益的股份總數	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比
Dr. Loke Yu 陸海林博士	Beneficial owner 實益擁有人	–	225,000 (Note 8) (附註8)	225,000	0.02%
Ms. Zhang Jingdong 章敬東女士	Beneficial owner 實益擁有人	–	225,000 (Note 9) (附註9)	225,000	0.02%
Mr. Li Xikui 李錫奎先生	Beneficial owner 實益擁有人	–	225,000 (Note 10) (附註10)	225,000	0.02%

(ii) Short positions in Shares:

(ii) 股份的淡倉：

Name of Director 董事名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares 股份數目	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比
Mr. Fang Ankong 方安空先生	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議 其他訂約方所持有之權益	20,837,095 (Note 11) (附註11)	1.99%
Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen 先生	Interest in controlled corporations 於受控制法團之權益	20,837,095 (Note 11) (附註11)	1.99%

Directors' Report (continued)

董事會報告(續)

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

(iii) Long positions in debentures of the Company:

權益披露(續)

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

(iii) 本公司債券的好倉：

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Principal amount of the debentures held 所持有債券之本金額 (HK\$) (港元)
Mr. Fang Ankong 方安空先生	Interest in controlled corporations 於受控制法團之權益	187,600,000 (Note 12) (附註12)
Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen先生	Interest in controlled corporations 於受控制法團之權益	312,600,000 (Note 13) (附註13)

Notes:

(1) Mr. Fang Ankong ("Mr. Fang") was granted Share Options under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme to subscribe for 3,500,000 Shares and 33,000,000 Shares, respectively. Mr. Fang exercised Share Options to subscribe for 1,050,000 Shares on 18 May 2012.

(2) 316,985,265 Shares are held by HWH Holdings Limited ("HWH") as beneficial owner and HWH is wholly-owned by Mr. Fang. Green Elite Limited ("Green Elite") holds 60,000,000 Shares as beneficial owner and is 50%-owned by each of HWH and Delco Participation B.V. ("Delco"). On 1 March 2012, the Company issued a three-year 4% coupon convertible bonds (the "Convertible Bonds") in the aggregate principal amount of HK\$815,800,000 entitling the holders thereof to convert into Shares at an initial conversion price of HK\$6.00 per Share, subject to adjustments. The 31,266,667 underlying Shares represent such number of underlying Shares which fall to be issued to HWH upon full conversion of the Convertible Bonds. Therefore, Mr. Fang is deemed to be interested in an aggregate of 408,251,932 Shares held by his controlled corporations.

附註：

(1) 方安空先生(「方先生」)根據首次公開發售前購股權計劃及首次公開發售後購股權計劃獲授予購股權分別認購本公司3,500,000股股份及33,000,000股股份。方先生於二零一二年五月十八日行使購股權以認購1,050,000股股份。

(2) 由方先生全資擁有之HWH Holdings Limited(「HWH」)作為實益擁有人持有316,985,265股股份。由HWH及Delco Participation B.V.(「Delco」)各擁有50%之Green Elite Limited(「Green Elite」)作為實益擁有人持有本公司60,000,000股股份。於二零一二年三月一日，本公司發行本金總額815,800,000港元之三年4%票息之可換股債券(「可換股債券」)，賦予持有者權利可按初步兌換價每股6.00港元兌換成股份(可予調整)。31,266,667股相關股份指於可換股債券獲悉數兌換後而將發行予HWH的相關股份的有關數目。因此，方先生被視為於由其受控制法團持有之合共408,251,932股股份中擁有權益。

Directors' Report (continued)

董事會報告(續)

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

(iii) Long positions in debentures of the Company: (continued)

Notes: (continued)

- (3) Mr. Fang, Mr. Stephanus Maria van Ooijen ("Mr. van Ooijen"), Mr. Herman Maurits de Leeuw ("Mr. de Leeuw"), HWH, Delco, Sims Metal Management Dragon Holdings Limited ("Sims") and Sims Metal Management Asia Limited ("Sims Asia") are considered having entered into an agreement under section 317 of the SFO. The 397,392,735 Shares comprise (i) 300,000 Shares held by Mr. van Ooijen as beneficial owner; (ii) 230,395,981 Shares held by Delco as beneficial owner; and (iii) 166,696,754 Shares held by Sims as beneficial owner. The 141,875,536 underlying Shares comprise (i) 3,700,000 underlying Shares held by Mr. van Ooijen as beneficial owner as referred to in Note 4 below; (ii) 52,100,000 underlying Shares held by Delco as beneficial owner which fall to be issued to Delco upon full conversion of the Convertible Bonds; (iii) 20,837,095 underlying Shares held by Sims as beneficial owner which Delco is obliged to deliver to Sims upon exercise of the Option by Sims; (iv) 52,600,000 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Convertible Bonds; and (v) 12,638,441 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Warrants. Therefore, Mr. Fang is deemed to be interested in an aggregate of 539,268,271 Shares held by the other parties to an agreement under section 317 of the SFO.

- (4) Mr. van Ooijen was granted Share Options under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme to subscribe for 1,000,000 Shares and 3,000,000 Shares, respectively. Mr. van Ooijen exercised Share Options to subscribe for 300,000 Shares on 18 May 2012.

權益披露(續)

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

(iii) 本公司債券的好倉：(續)

附註：(續)

- (3) 方先生、Stephanus Maria van Ooijen 先生(「van Ooijen 先生」)、Herman Maurits de Leeuw 先生(「de Leeuw 先生」)、HWH、Delco、Sims Metal Management Dragon Holdings Limited (「Sims」)及Sims Metal Management Asia Limited (「Sims Asia」)被視為訂立證券及期貨條例第317條下的協議。397,392,735股股份包括(i)由van Ooijen先生作為實益擁有人持有的300,000股股份；(ii)由Delco作為實益擁有人持有的230,395,981股股份；及(iii)由Sims作為實益擁有人持有的166,696,754股股份。141,875,536股相關股份包括(i)下文附註4所述由van Ooijen先生作為實益擁有人持有的3,700,000股相關股份；(ii)由Delco作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予Delco的52,100,000股相關股份；(iii)於Sims行使購股權後Delco有責任交付予Sims且由Sims作為實益擁有人持有的20,837,095股相關股份；(iv)由Sims作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予Sims的52,600,000股相關股份；及(v)由Sims作為實益擁有人持有且於認股權證獲悉數兌換後而將發行予Sims的12,638,441股相關股份。因此，方先生被視為於證券及期貨條例第317條下協議其他訂約方所持有之合共539,268,271股股份中擁有權益。

- (4) van Ooijen先生根據首次公開發售前購股權計劃及首次公開發售後購股權計劃獲授予購股權分別認購本公司1,000,000股股份及3,000,000股股份。van Ooijen先生於二零一二年五月十八日行使購股權以認購300,000股股份。

Directors' Report (continued)

董事會報告(續)

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

(iii) Long positions in debentures of the Company: (continued)

Notes: (continued)

- (5) 230,395,981 Shares are held by Delco as beneficial owner and Delco is indirectly 50%-owned by Mr. van Ooijen. Green Elite holds 60,000,000 Shares as beneficial owner and is 50%-owned by each of HWH and Delco. The 52,100,000 underlying Shares represent such number of underlying Shares which fall to be issued to Delco upon full conversion of the Convertible Bonds. Therefore, Mr. van Ooijen is deemed to be interested in an aggregate of 342,495,981 Shares held by his controlled corporations.
- (6) Mr. Fang, Mr. van Ooijen, Mr. de Leeuw, HWH, Delco, Sims and Sims Asia are considered having entered into an agreement under section 317 of the SFO. The 489,296,019 Shares comprise (i) 5,614,000 Shares held by Mr. Fang as beneficial owner; (ii) 316,985,265 Shares held by HWH as beneficial owner; and (iii) 166,696,754 Shares held by Sims as beneficial owner. The 152,792,203 underlying Shares comprise (i) 35,450,000 underlying Shares held by Mr. Fang as beneficial owner as referred to in Note 1 above; (ii) 31,266,667 underlying Shares held by HWH as beneficial owner which fall to be issued to HWH upon full conversion of the Convertible Bonds; (iii) 20,837,095 underlying Shares held by Sims as beneficial owner which Delco is obliged to deliver to Sims upon exercise of the Option by Sims; (iv) 52,600,000 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Convertible Bonds; and (v) 12,638,441 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Warrants. Therefore, Mr. van Ooijen is deemed to be interested in an aggregate of 642,088,222 Shares held by the other parties to an agreement under section 317 of the SFO.
- (7) Mr. Gu Liyong ("Mr. Gu") was granted Share Options under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme to subscribe for 425,000 Shares and 1,525,000 Shares, respectively. Mr. Gu exercised Share Options to subscribe for 127,500 Shares on 18 May 2012.

權益披露(續)

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

(iii) 本公司債券的好倉：(續)

附註：(續)

- (5) 230,395,981股股份由van Ooijen先生間接擁有50%之Delco作為實益擁有人持有。由HWH及Delco各擁有50%之Green Elite作為實益擁有人持有60,000,000股股份。52,100,000股相關股份指於可換股債券獲悉數兌換後而將發行予Delco的相關股份有關數目。因此，van Ooijen先生被視為於由其受控制法團持有之合共342,495,981股股份中擁有權益。
- (6) 方先生、van Ooijen先生、de Leeuw先生、HWH、Delco、Sims及Sims Asia被視為訂立證券及期貨條例第317條下的協議。489,296,019股股份包括(i)由方先生作為實益擁有人持有的5,614,000股股份；(ii)由HWH作為實益擁有人持有的316,985,265股股份；及(iii)由Sims作為實益擁有人持有的166,696,754股股份。152,792,203股相關股份包括(i)上文附註1所述方先生作為實益擁有人持有的35,450,000股相關股份；(ii)由HWH作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予HWH的31,266,667股相關股份；(iii)於Sims行使購股權後，Delco有責任交付予Sims且由Sims作為實益擁有人持有的20,837,095股相關股份；(iv)由Sims作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予Sims的52,600,000股相關股份；及(v)由Sims作為實益擁有人持有且於認股權證獲悉數兌換後而將發行予Sims的12,638,441股相關股份。因此，van Ooijen先生被視為於證券及期貨條例第317條下協議其他訂約方所持有之合共642,088,222股股份中擁有權益。
- (7) 顧李勇先生(「顧先生」)根據首次公開發售前購股權計劃及首次公開發售後購股權計劃獲授予購股權分別認購本公司425,000股股份及1,525,000股股份。顧先生於二零一二年五月十八日行使購股權以認購127,500股股份。

Directors' Report (continued)

董事會報告(續)

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

(iii) Long positions in debentures of the Company: (continued)

Notes: (continued)

- (8) Dr. Loke Yu was granted Share Options under the Post-IPO Share Option Scheme to subscribe for 225,000 Shares.
- (9) Ms. Zhang Jingdong was granted Share Options under the Post-IPO Share Option Scheme to subscribe for 225,000 Shares.
- (10) Mr. Li Xikui was granted Share Options under the Post-IPO Share Option Scheme to subscribe for 225,000 Shares.
- (11) Pursuant to a sale and purchase agreement dated 17 January 2012 entered into between, among others, Delco and Sims, Delco has granted a call option (the "Option") in favour of Sims in respect of 20,837,095 Shares, subject to adjustments (the "Option Shares"). The short position in respect of 20,837,095 Shares represent the number of the Option Shares which Delco is obliged to deliver to Sims upon exercise of the Option by Sims. Mr. van Ooijen is deemed to have the same short position as Delco since Delco is indirectly 50%-owned by Mr. van Ooijen. Mr. Fang is also deemed to have the same short position as Delco since Mr. Fang and Delco are parties to an agreement under section 317 of the SFO referred to in Notes 3 and 6 above.
- (12) This represents the principal amount of the Convertible Bonds subscribed by HWH, by virtue of which HWH is deemed to be interested in 31,266,667 underlying Shares as referred to in Notes 2, 3 and 6 above. Mr. Fang is deemed to be interested in the same principal amount of the Convertible Bonds as HWH since HWH is wholly-owned by Mr. Fang.
- (13) This represents the principal amount of the Convertible Bonds subscribed by Delco, by virtue of which Delco is deemed to be interested in 52,100,000 underlying Shares as referred to in Notes 3, 5 and 6 above. Mr. van Ooijen is deemed to be interested in the same principal amount of the Convertible Bonds as Delco since Delco is indirectly 50%-owned by Mr. van Ooijen.

權益披露(續)

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

(iii) 本公司債券的好倉：(續)

附註：(續)

- (8) 陸海林博士根據首次公開發售後購股權計劃獲授予購股權認購225,000股股份。
- (9) 章敬東女士根據首次公開發售後購股權計劃獲授予購股權認購225,000股股份。
- (10) 李錫奎先生根據首次公開發售後購股權計劃獲授予購股權認購225,000股股份。
- (11) 根據(其中包括)Delco及Sims於二零一二年一月十七日訂立的買賣協議，Delco就20,837,095股股份(「購股權股份」)(可予調整)已授出認購期權(「期權」)予Sims。有關20,837,095股之淡倉指於Sims行使購股權後Delco有責任交付予Sims的購股權股份數目。van Ooijen先生被視為與Delco擁有相同淡倉，因Delco由van Ooijen先生間接擁有50%。方先生亦被視為與Delco擁有相同淡倉，因方先生及Delco均為上述附註3及6所指證券及期貨條例第317條下協議其他訂約方。
- (12) 此代表HWH認購可換股債券之本金額，據此，HWH被視為擁有上述附註2、3及6所指31,266,667股相關股份之權益。方先生被視為與HWH於相同可換股債券本金額中擁有權益，因HWH由方先生全資擁有。
- (13) 此代表Delco認購可換股債券之本金額，據此，Delco被視為擁有上述附註3、5及6所指52,100,000股相關股份之權益。van Ooijen先生被視為與Delco於相同可換股債券本金額中擁有權益，因Delco由van Ooijen先生間接擁有50%。



Directors' Report (continued)

董事會報告(續)

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

Saved 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 the shares, underlying shares or debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

權益披露(續)

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

除上文所披露外，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概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第XV部第7及8分部須予知會本公司及聯交所(包括根據證券及期貨條例有關條文規定，彼等被當作或視作擁有之權益或淡倉)；或本公司根據證券及期貨條例第352條所存置之登記冊中所記錄；或根據標準守則須予知會本公司及聯交所之任何權益或淡倉。

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2012, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

(i) Long positions in Shares and underlying Shares:

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares interested 持有權益的股份總數	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比
HWH Holdings Limited	Beneficial owner 實益擁有人	316,985,265 (Note 1) (附註1)	31,266,667 (Note 1) (附註1)	348,251,932	
	Interest in controlled corporations 於受控制法團之權益	60,000,000 (Note 1) (附註1)	–	60,000,000	
	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	403,006,735 (Note 2) (附註2)	177,325,536 (Note 2) (附註2)	580,332,271	
			Total: 總計:	988,584,203	94.74%
Delco Participation B.V.	Beneficial owner 實益擁有人	230,395,981 (Note 3) (附註3)	52,100,000 (Note 3) (附註3)	282,495,981	
	Interest in controlled corporations 於受控制法團之權益	60,000,000 (Note 3) (附註3)	–	60,000,000	
	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	489,596,019 (Note 4) (附註4)	156,492,203 (Note 4) (附註4)	646,088,222	
			Total: 總計:	988,584,203	94.74%

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉

於二零一二年十二月三十一日，除本公司董事及主要行政人員外，以下人士於本公司股份及相關股份中擁有須根據證券及期貨條例第336條須予存置之登記冊中所記錄的權益及淡倉如下：

(i) 股份及相關股份的好倉：

Directors' Report (continued) 董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

權益披露(續) 主要股東於本公司的股份及相關股份的權 益及淡倉(續)

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares interested 持有權益的股份總數	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比	
Mr. Herman Maurits de Leeuw Herman Maurits de Leeuw 先生	Interest in controlled corporations 於受控制法團之權益	290,395,981 (Notes 3 & 5) (附註3及5)	52,100,000 (Notes 3 & 5) (附註3及5)	342,495,981		
	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	489,596,019 (Notes 4 & 5) (附註4及5)	156,492,203 (Notes 4 & 5) (附註4及5)	646,088,222		
				Total: 總計：	988,584,203	94.74%
SVO Company B.V.	Interest in controlled corporations 於受控制法團之權益	779,992,000 (Notes 3, 4 & 5) (附註3、4及5)	208,592,203 (Notes 3, 4 & 5) (附註3、4及5)	988,584,203	94.74%	
H.P.L. Metals B.V.	Interest in controlled corporations 於受控制法團之權益	779,992,000 (Notes 3, 4 & 5) (附註3、4及5)	208,592,203 (Notes 3, 4 & 5) (附註3、4及5)	988,584,203	94.74%	
Stichting Beheer Aandelen H.P.L. Metals	Interest in controlled corporations 於受控制法團之權益	779,992,000 (Notes 3, 4 & 5) (附註3、4及5)	208,592,203 (Notes 3, 4 & 5) (附註3、4及5)	988,584,203	94.74%	
Green Elite Limited	Beneficial owner 實益擁有人	60,000,000	-	60,000,000	5.75%	

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares interested 持有權益的股份總數	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比
Sims Metal Management Dragon Holdings Limited	Beneficial owner 實益擁有人	166,696,754 (Note 6) (附註6)	86,075,536 (Note 6) (附註6)	252,772,290	
	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	613,295,246 (Note 7) (附註7)	122,516,667 (Note 7) (附註7)	735,811,913	
Total: 總計：				988,584,203	94.74%
Sims Metal Management China Holdings Limited	Interest in controlled corporations 於受控制法團之權益	779,992,000 (Notes 6, 7 & 8) (附註6、7及8)	208,592,203 (Notes 6, 7 & 8) (附註6、7及8)	988,584,203	94.74%
Sims Metal Management Asia Limited	Interest in controlled corporations 於受控制法團之權益	779,992,000 (Notes 6, 7 & 8) (附註6、7及8)	208,592,203 (Notes 6, 7 & 8) (附註6、7及8)	988,584,203	94.74%
Sims Metal Management Limited	Interest in controlled corporations 於受控制法團之權益	779,992,000 (Notes 6, 7 & 8) (附註6、7及8)	208,592,203 (Notes 6, 7 & 8) (附註6、7及8)	988,584,203	94.74%

Directors' Report (continued) 董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

(ii) Short positions in underlying Shares:

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(ii) 相關股份的淡倉：

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Number of underlying Shares interested 持有權益的相關股份數目	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比
Delco Participation B.V.	Beneficial owner 實益擁有人	20,837,095 (Note 9) (附註9)	1.99%
HWH Holdings Limited	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議 其他訂約方所持有之權益	20,837,095 (Note 9) (附註9)	1.99%
Mr. Herman Maurits de Leeuw Herman Maurits de Leeuw 先生	Interest in controlled corporations 於受控制法團之權益	20,837,095 (Notes 5 & 9) (附註5及9)	1.99%
SVO Company B.V.	Interest in controlled corporations 於受控制法團之權益	20,837,095 (Notes 5 & 9) (附註5及9)	1.99%
H.P.L. Metals B.V.	Interest in controlled corporations 於受控制法團之權益	20,837,095 (Notes 5 & 9) (附註5及9)	1.99%
Stichting Beheer Aandelen H.P.L. Metals	Interest in controlled corporations 於受控制法團之權益	20,837,095 (Notes 5 & 9) (附註5及9)	1.99%
Sims Metal Management Dragon Holdings Limited	Interest of the other parties to an agreement under section 317 of the SFO 證券及期貨條例第317條下協議 其他訂約方所持有之權益	20,837,095 (Note 9) (附註9)	1.99%

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

(ii) Short positions in underlying Shares: (continued)

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(ii) 相關股份的淡倉：(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Number of underlying Shares interested 持有權益的相關股份數目	Approximate percentage shareholding in the Company 佔本公司股權的概約百分比
Sims Metal Management China Holdings Limited	Interest in controlled corporations 於受控制法團之權益	20,837,095 (Notes 8 & 9) (附註8及9)	1.99%
Sims Metal Management Asia Limited	Interest in controlled corporations 於受控制法團之權益	20,837,095 (Notes 8 & 9) (附註8及9)	1.99%
Sims Metal Management Limited	Interest in controlled corporations 於受控制法團之權益	20,837,095 (Notes 8 & 9) (附註8及9)	1.99%

Notes:

- (1) 316,985,265 Shares are held by HWH as beneficial owner. The 31,266,667 underlying Shares represent such number of underlying Shares which fall to be issued to HWH upon full conversion of the Convertible Bonds. Green Elite holds 60,000,000 Shares as beneficial owner and is 50%-owned by each of HWH and Delco and therefore HWH is deemed to be interested in the same number of Shares as held by Green Elite.

附註：

- (1) HWH作為實益擁有人持有316,985,265股股份。31,266,667股相關股份指於可換股債券獲悉數兌換後而將發行予HWH的相關股份的有關數目。Green Elite作為實益擁有人持有60,000,000股股份，而Green Elite由HWH及Delco各自擁有50%，因此，HWH被視為擁有與Green Elite所持有股份相同數目之權益。

Directors' Report (continued) 董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

(ii) Short positions in underlying Shares: (continued)

Notes: (continued)

- (2) Mr. Fang, Mr. van Ooijen, Mr. de Leeuw, HWH, Delco, Sims and Sims Asia are considered having entered into an agreement under section 317 of the SFO. The 403,006,735 Shares comprise (i) 5,614,000 Shares held by Mr. Fang as beneficial owner; (ii) 300,000 Shares held by Mr. van Ooijen as beneficial owner; (iii) 230,395,981 Shares held by Delco as beneficial owner; and (iv) 166,696,754 Shares held by Sims as beneficial owner. The 177,325,536 underlying Shares comprise (i) 35,450,000 underlying Shares held by Mr. Fang as beneficial owner; (ii) 3,700,000 underlying Shares held by Mr. van Ooijen as beneficial owner; (iii) 52,100,000 underlying Shares held by Delco as beneficial owner which fall to be issued to Delco upon full conversion of the Convertible Bonds; (iv) 20,837,095 underlying Shares held by Sims as beneficial owner which Delco is obliged to deliver to Sims upon exercise of the Option by Sims; (v) 52,600,000 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Convertible Bonds; and (vi) 12,638,441 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Warrants. Therefore, HWH is deemed to be interested in an aggregate of 580,332,271 Shares held by the other parties to an agreement under section 317 of the SFO.
- (3) 230,395,981 Shares are held by Delco as beneficial owner. The 52,100,000 underlying Shares represent such number of underlying Shares which fall to be issued to Delco upon full conversion of the Convertible Bonds. Green Elite holds 60,000,000 Shares as beneficial owner and is 50%-owned by each of HWH and Delco and therefore Delco is deemed to be interested in the same number of Shares as held by Green Elite.

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(ii) 相關股份的淡倉：(續)

附註：(續)

- (2) 方先生、van Ooijen先生、de Leeuw先生、HWH、Delco、Sims及Sims Asia被視為訂立證券及期貨條例第317條下的協議。403,006,735股股份包括(i)由方先生作為實益擁有人持有的5,614,000股股份；(ii)由van Ooijen先生作為實益擁有人持有的300,000股股份；(iii)由Delco作為實益擁有人持有的230,395,981股股份；及(iv)由Sims作為實益擁有人持有的166,696,754股股份。177,325,536股相關股份包括(i)方先生作為實益擁有人持有的35,450,000股相關股份；(ii)van Ooijen先生作為實益擁有人持有的3,700,000股相關股份；(iii)由Delco作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予Delco的52,100,000股相關股份；(iv)於Sims行使購股權後Delco有責任交付予Sims且由Sims作為實益擁有人持有的20,837,095股相關股份；(v)由Sims作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予Sims的52,600,000股相關股份；及(vi)由Sims作為實益擁有人持有且於認股權證獲悉數兌換後而將發行予Sims的12,638,441股相關股份。因此，HWH被視為於證券及期貨條例第317條下協議其他訂約方所持有之合共580,332,271股股份中擁有權益。
- (3) Delco作為實益擁有人持有230,395,981股股份。52,100,000股相關股份指於可換股債券獲悉數兌換後而將發行予Delco的相關股份的有關數目。Green Elite作為實益擁有人持有60,000,000股股份，而Green Elite由HWH及Delco各自擁有50%，因此，Delco被視為擁有與Green Elite所持有股份相同數目之權益。

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

(ii) Short positions in underlying Shares: (continued)

Notes: (continued)

- (4) Mr. Fang, Mr. van Ooijen, Mr. de Leeuw, HWH, Delco, Sims and Sims Asia are considered having entered into an agreement under section 317 of the SFO. The 489,596,019 Shares comprise (i) 5,614,000 Shares held by Mr. Fang as beneficial owner; (ii) 300,000 Shares held by Mr. van Ooijen as beneficial owner; (iii) 316,985,265 Shares held by HWH as beneficial owner; and (iv) 166,696,754 Shares held by Sims as beneficial owner. The 156,492,203 underlying Shares comprise (i) 35,450,000 underlying Shares held by Mr. Fang as beneficial owner; (ii) 3,700,000 underlying Shares held by Mr. van Ooijen as beneficial owner; (iii) 31,266,667 underlying Shares held by HWH as beneficial owner which fall to be issued to HWH upon full conversion of the Convertible Bonds; (iv) 20,837,095 underlying Shares held by Sims as beneficial owner which Delco is obliged to deliver to Sims upon exercise of the Option by Sims; (v) 52,600,000 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Convertible Bonds; and (vi) 12,638,441 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Warrants. Therefore, Mr. van Ooijen is deemed to be interested in an aggregate of 646,088,222 Shares held by the other parties to an agreement under section 317 of the SFO.
- (5) Delco is 50%-owned by each of SVO Company B.V. ("SVO") and H.P.L. Metals B.V. ("HPL"). SVO is wholly-owned by Mr. van Ooijen. HPL is wholly-owned by Stichting Beheer Aandelen H.P.L. Metals ("Stichting HPL"), a foundation for the sole benefit of Mr. de Leeuw. Therefore, each of SVO, Mr. van Ooijen, Mr. de Leeuw, HPL and Stichting HPL is deemed to be interested in the long positions and short positions held by and through Delco.

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(ii) 相關股份的淡倉：(續)

附註：(續)

- (4) 方先生、van Ooijen先生、de Leeuw先生、HWH、Delco、Sims及Sims Asia被視為訂立證券及期貨條例第317條下的協議。489,596,019股股份包括(i)由方先生作為實益擁有人持有的5,614,000股股份；(ii)由van Ooijen先生作為實益擁有人持有的300,000股股份；(iii)由HWH作為實益擁有人持有的316,985,265股股份；及(iv)由Sims作為實益擁有人持有的166,696,754股股份。156,492,203股相關股份包括(i)方先生作為實益擁有人持有的35,450,000股相關股份；(ii)van Ooijen先生作為實益擁有人持有的3,700,000股相關股份；(iii)由HWH作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予HWH的31,266,667股相關股份；(iv)於Sims行使購股權後Delco有責任交付予Sims且由Sims作為實益擁有人持有的20,837,095股相關股份；(v)由Sims作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予Sims的52,600,000股相關股份；及(vi)由Sims作為實益擁有人持有且於認股權證獲悉數兌換後而將發行予Sims的12,638,441股相關股份。因此，van Ooijen先生被視為於證券及期貨條例第317條下協議其他訂約方所持有之合共646,088,222股股份中擁有權益。
- (5) Delco由SVO Company B.V. (「SVO」)及H.P.L. Metals B.V. (「HPL」)各自擁有50%。SVO由van Ooijen先生全資擁有。HPL由Stichting Beheer Aandelen H.P.L. Metals (「Stichting HPL」)全資擁有而Stichting HPL為由de Leeuw先生享有唯一利益的基金會。因此，SVO、van Ooijen先生、de Leeuw先生、HPL及Stichting HPL各自被視為於透過Delco持有的好倉及淡倉中擁有權益。

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

(ii) Short positions in underlying Shares: (continued)

Notes: (continued)

- (6) 166,696,754 Shares are held by Sims as beneficial owner. The 86,075,536 underlying Shares comprise (i) 20,837,095 underlying Shares held by Sims as beneficial owner which Delco is obliged to deliver to Sims upon exercise of the Option by Sims; (ii) 52,600,000 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Convertible Bonds; and (iii) 12,638,441 underlying Shares held by Sims as beneficial owner which fall to be issued to Sims upon full conversion of the Warrants.
- (7) Mr. Fang, Mr. van Ooijen, Mr. de Leeuw, HWH, Delco, Sims and Sims Asia are considered having entered into an agreement under section 317 of the SFO. The 613,295,246 Shares comprise (i) 5,614,000 Shares held by Mr. Fang as beneficial owner; (ii) 300,000 Shares held by Mr. van Ooijen as beneficial owner; (iii) 316,985,265 Shares held by HWH as beneficial owner; (iv) 230,395,981 Shares held by Delco as beneficial owner; and (v) 60,000,000 Shares held by Green Elite as beneficial owner. The 122,516,667 underlying Shares comprise (i) 35,450,000 underlying Shares held by Mr. Fang as beneficial owner; (ii) 3,700,000 underlying Shares held by Mr. van Ooijen as beneficial owner; (iii) 31,266,667 underlying Shares held by HWH as beneficial owner which fall to be issued to HWH upon full conversion of the Convertible Bonds; and (iv) 52,100,000 underlying Shares held by Delco as beneficial owner which fall to be issued to Delco upon full conversion of the Convertible Bonds. Therefore, Sims is deemed to be interested in an aggregate of 735,811,913 Shares held by the other parties to an agreement under section 317 of the SFO.
- (8) Sims is a wholly-owned subsidiary of Sims Metal Management China Holdings Limited ("SMM China"), which in turn is a wholly-owned subsidiary of Sims Asia. Sims Asia is a wholly-owned subsidiary of Sims Metal Management Limited ("SMM"). Therefore, each of SMM, SMM China and Sims Asia is deemed to be interested in the long positions and short positions held by and through Sims.

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(ii) 相關股份的淡倉：(續)

附註：(續)

- (6) Sims作為實益擁有人持有166,696,754股股份。86,075,536股相關股份包括(i)於Sims行使購股權後Delco有責任交付予Sims且由Sims作為實益擁有人持有的20,837,095股相關股份；(ii)由Sims作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予Sims的52,600,000股相關股份；及(iii)由Sims作為實益擁有人持有且於認股權證獲悉數兌換後而將發行予Sims的12,638,441股相關股份。
- (7) 方先生、van Ooijen先生、de Leeuw先生、HWH、Delco、Sims及Sims Asia被視為訂立證券及期貨條例第317條下的協議。613,295,246股股份包括(i)由方先生作為實益擁有人持有的5,614,000股股份；(ii)由van Ooijen先生作為實益擁有人持有的300,000股股份；(iii)由HWH作為實益擁有人持有的316,985,265股股份；(iv)由Delco作為實益擁有人持有的230,395,981股股份；及(v)由Green Elite作為實益擁有人持有的60,000,000股股份。122,516,667股相關股份包括(i)方先生作為實益擁有人持有的35,450,000股相關股份；(ii)van Ooijen先生作為實益擁有人持有的3,700,000股相關股份；(iii)由HWH作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予HWH的31,266,667股相關股份；及(iv)Delco作為實益擁有人持有且於可換股債券獲悉數兌換後而將發行予Delco的52,100,000股相關股份。因此，Sims被視為於證券及期貨條例第317條下協議其他訂約方所持有之合共735,811,913股股份中擁有權益。
- (8) Sims為Sims Metal Management China Holdings Limited(「SMM China」)的全資附屬公司，而SMM China為Sims Asia的全資附屬公司。Sims Asia為Sims Metal Management Limited(「SMM」)的全資附屬公司。因此，SMM、SMM China及Sims Asia各自被視為於透過Sims持有的好倉及淡倉中擁有權益。

Directors' Report (continued)

董事會報告(續)

DISCLOSURE OF INTERESTS (continued) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

(ii) Short positions in underlying Shares: (continued)

Notes: (continued)

- (9) The short position in respect of 20,837,095 Shares represent the number of the Option Shares which Delco is obliged to deliver to Sims upon exercise of the Option by Sims.

Save as disclosed above, as at 31 December 2012, the Company had not been notified by any persons (other than the Directors and 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 which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MATERIAL CONTRACTS

There were no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company or the controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the senior management of the Group based on their performance, experience, and prevailing industry practices so as to retain competent employees.

The emolument of the Directors is decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 37 to the consolidated financial statements.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(ii) 相關股份的淡倉：(續)

附註：(續)

- (9) 有關20,837,095股股份之淡倉指於Sims行使購股權後Delco有責任交付予Sims的購股權股份數目。

除上文所披露外，於二零一二年十二月三十一日，本公司並不知悉任何人士(本公司董事及主要行政人員除外)於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文規定予以披露或本公司根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉。

重大合約

於本年度結束時或年內任何時間，並無任何存續的重大合約，其立約一方為本公司或其任何附屬公司，且本公司董事或控股股東於當中直接或間接擁有重大權益。

薪酬政策

本集團的高級管理層根據本集團僱員的表現、經驗及現有行業慣例設立薪酬政策以挽留有能力僱員。

薪酬委員會經考慮本公司的經營業績、個人表現及比較市場數據釐定董事的薪酬。

本公司已採納購股權計劃作為激勵董事及合資格僱員，計劃詳情載於綜合財務報表附註37。

企業管治

本公司採用的主要企業管治常規載於本年報企業管治報告。



Directors' Report (continued)

董事會報告(續)

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and with the knowledge of the Directors, the Company has maintained sufficient public float throughout the financial year ended 31 December 2012.

AUDITORS

Morison Heng resigned as one of the joint auditors of the Group on 27 September 2010 and Deloitte Touche Tohmatsu remains as the sole auditor of the Group.

The consolidated financial statements for the year ended 31 December 2012 have been audited by Deloitte Touche Tohmatsu. A resolution for the re-appointment of Deloitte Touche Tohmatsu as the Company's auditor is to be proposed at the forthcoming annual general meeting.

For and on behalf of the Board

Chiho-Tiande Group Limited
Fang Ankong
Chairman

Hong Kong, 21 March 2013

足夠公眾持股量

基於本公司所獲公開資料及就董事所知，截至二零一二年十二月三十一日止財政年度全年，本公司一直維持足夠公眾持股量。

核數師

華利信會計師事務所於二零一零年九月二十七日辭任本集團的聯席核數師之一，而德勤•關黃陳方會計師行繼續擔任本集團唯一核數師。

截至二零一二年十二月三十一日止年度的綜合財務報表由德勤•關黃陳方會計師行審核。本公司將於應屆股東週年大會提呈續聘德勤•關黃陳方會計師行為本公司核數師的決議案。

代表董事會

齊合天地集團有限公司
主席
方安空

香港，二零一三年三月二十一日



Corporate Governance Report

企業管治報告

INTRODUCTION

The Company recognizes the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve our image with effective corporate governance procedures.

The Board has set up procedures on corporate governance that comply with the requirement of the Code on Corporate Governance Practices (the "Old CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") which was amended as the Corporate Governance Code (the "New CG Code") in 2012. The Board has reviewed the New CG Code and revised Listing Rules and the impact to the Company and taken measures to comply with the New CG Code and revised Listing Rules.

The Company has adopted, applied and complied with all the code provisions set out in the Old CG Code for the period from 1 January 2012 to 31 March 2012 and the New CG Code for the period from 1 April 2012 to 31 December 2012 except on the deviations set out below.

The roles of the chairman and chief executive officer of the Company have not been segregated as required by the provision A.2.1 of the Old CG Code and the New CG Code.

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

In respect of code provision A.6.7, the Independent Non-Executive Directors and other Non-Executive Directors should attend the general meetings and develop a balance undertaking of views of shareholders. Due to other pre-arranged business commitments by Mr. Michael Charles Lion, Mr. Li Xikui and Ms. Zhang Jingdong, they were not present at the extraordinary general meeting of the Company held on 18 December 2012. Mr. Li Xikui and Ms. Zhang Jingdong were also not present at the annual general meeting and two extraordinary general meetings of the Company held on 27 February 2012 and 24 May 2012 due to other overseas commitments.

緒言

本公司深知公司透明度及問責制度相當重要，致力達致高水平的企業管治，並通過有效的企業管治程序引領本集團創造佳績及提升公司形象。

董事會已建立企業管治程序以遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「原企業管治守則」)，於二零一二年修訂為企業管治守則(「新企業管治守則」)。董事會已審閱新企業管治守則及經修訂上市規則及對本公司之影響，並已採取措施以遵守新企業管治守則及經修訂上市規則。

本公司於二零一二年一月一日至二零一二年三月三十一日止期間及於二零一二年四月一日至二零一二年十二月三十一日止期間採用、應用及遵守原企業管治守則及新企業管治守則所載守則條文，惟下文所載偏離者除外。

本公司主席及行政總裁的職責並無根據原企業管治守則及新企業管治守則條文A.2.1所要求予以區分。

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

就第A.6.7條之守則而言，獨立非執行董事及其他非執行董事須出席股東大會，對股東意見有公正瞭解。由於Michael Charles Lion先生、李錫奎先生及章敬東女士有其他預先安排之職務，故彼等並無出席本公司於二零一二年十二月十八日召開的股東特別大會。李錫奎先生及章敬東女士因其他海外事務，亦並無出席本公司分別於二零一二年二月二十七日及二零一二年五月二十四日舉行的股東週年大會及兩個股東特別大會。



Corporate Governance Report (continued) 企業管治報告(續)

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as the guidelines for the Directors' dealings in the securities of the Company. Upon specific enquiries of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2012 (the "Relevant Period") in relation to their securities dealings, if any.

The Model Code has extended to be applicable to senior management and relevant employees who likely possesses the inside information of the Company.

THE BOARD

The Board is responsible for the leadership and control of the Company and overseeing the Group's business, strategic decisions and performances and comprises seven Directors, including three Executive Directors namely Mr. Fang Ankong, Mr. Stephanus Maria van Ooijen and Mr. Gu Liyong, one Non-Executive Director namely Mr. Michael Charles Lion and three Independent Non-Executive Directors namely Ms. Zhang Jingdong, Dr. Loke Yu and Mr. Li Xikui. The management is delegated with the authority and responsibility by the Board for the day-to-day operation and management of the Group under the Board's instruction. In addition, the Board has also established various Board committees and has delegated various responsibilities to the Board committees including the Executive Committee (the "Executive Committee"), the Audit Committee (the "Audit Committee"), the Remuneration Committee (the "Remuneration Committee"), the Nomination Committee (the "Nomination Committee") and the Pricing Committee (the "Pricing Committee") (together, the "Board Committees"). The Monitoring Committee was dissolved in 2012 as the net proceeds raised by the Company's initial public offering were fully utilized in 2011. All the Board Committees perform their distinct roles in accordance with their respective terms of reference and further details of these committees are set out hereunder. The Directors' and senior management's remuneration and the Group's annual results for the year ended 31 December 2012 were approved in the board meetings of the Company.

To the best knowledge of the Company, there is no financial, business, family or other material relationships among members of the Board.

The Non-Executive Director is appointed for a term of 3 years.

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的指引。經向全體董事作出具體查詢後，各董事確認，截至二零一二年十二月三十一日止年度全年(「有關期間」)，彼等進行的證券買賣(如有)已遵守標準守則所列明的規定準則。

標準守則已擴展至適用於高級管理人員及有可能擁有本公司內幕消息之有關僱員。

董事會

董事會負責領導及監控本公司，並監管本集團的業務、策略方針及表現。董事會由七名董事組成，包括三名執行董事方安空先生、Stephanus Maria van Ooijen先生及顧李勇先生、一名非執行董事Michael Charles Lion先生及三名獨立非執行董事章敬東女士、陸海林博士及李錫奎先生。董事會已向管理層授出權力及責任，根據董事會的指示進行本集團的日常營運及管理事宜。此外，董事會亦已成立多個董事委員會，並將各項職責分派予各董事委員會，包括執行委員會(「執行委員會」)、審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)、提名委員會(「提名委員會」)及定價委員會(「定價委員會」)(統稱「董事委員會」)。因本公司首次公開發售所得款項淨額已於二零一一年悉數動用，監督委員會已於二零一二年解散。全部董事委員會均會按其各自的職權範圍履行其特定的職務，而有關該等委員會的進一步詳情載於下文。董事及高級管理人員的薪酬以及本集團截至二零一二年十二月三十一日止年度的全年業績已於本公司董事會會議通過。

就本公司所深知，董事會成員之間概無財務、業務、家族或其他重大關係。

非執行董事的任期為期3年。

Corporate Governance Report (continued)

企業管治報告(續)

THE BOARD (continued)

All of the Independent Non-Executive Directors are appointed for a term of three years. None of them holds any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company. The Company has received from each of the Independent Non-Executive Directors a confirmation of his independence in accordance with Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-Executive Directors are independent.

The Board reviews its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company.

The Board has convened four meetings during the financial year ended 31 December 2012 and the attendance of all Directors at the Board Meetings, Annual General Meeting (“AGM”) and Extraordinary General Meetings (“EGMs”) of the Company held during the year are as follows:

董事會(續)

所有獨立非執行董事的任期為期三年。彼等概無擔任本公司或其任何附屬公司的任何其他職務，亦無於本公司任何股份中持有權益。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性確認書。本公司認為全體獨立非執行董事均為獨立人士。

董事會定期檢討其架構、規模及組成，確保董事會具備適合本公司業務所需的專業知識、技能及經驗。

截至二零一二年十二月三十一日止財政年度，董事會共召開四次會議，及年內各董事出席本公司召開的董事會會議、股東週年大會（「股東週年大會」）及股東特別大會（「股東特別大會」）如下：

Name of Directors 董事姓名		No. of Meetings attended/No. of Meetings held 出席會議數目／舉行會議數目	
		Board Meetings 董事會會議	AGM/EGMs 股東週年大會／ 股東特別大會
Executive Directors	執行董事		
Fang Ankong (Chairman)	方安空(主席)	4/4	4/4
Stephanus Maria van Ooijen	Stephanus Maria van Ooijen	4/4	4/4
Gu Liyong	顧李勇	4/4	4/4
Non-Executive Directors	非執行董事		
Michael Charles Lion (appointed on 17 January 2012)	Michael Charles Lion (於二零一二年一月十七日獲委任)	4/4	3/4
Ralph Sytze Ybema (resigned on 17 January 2012)	Ralph Sytze Ybema (於二零一二年一月十七日辭任)	–	–
Independent Non-Executive Directors	獨立非執行董事		
Loke Yu	陸海林	4/4	4/4
Li Xikui	李錫奎	4/4	0/4
Zhang Jingdong	章敬東	4/4	0/4



Corporate Governance Report (continued)

企業管治報告(續)

THE BOARD (continued)

The New CG Code requires that the Non-Executive Directors should attend general meetings of the Company. Due to other pre-arranged business commitments by Mr. Michael Charles Lion, Mr. Li Xikui and Ms. Zhang Jingdong, they were not present at the extraordinary general meeting of the Company held on 18 December 2012. Mr. Li Xikui and Ms. Zhang Jingdong were also not present at the annual general meeting and two extraordinary general meetings of the Company held on 27 February 2012 and 24 May 2012 due to other overseas commitments. The aforesaid Directors were not the chairman of any Board Committees.

The Company adopted a procedure to enable the Directors to seek independent professional advice in appropriate circumstances at the Company's expense. Subject to the prior approval by the Chairman of the Board and notification to the Chief Executive Officer of the Company, the Directors may seek independent legal, financial or other professional advice from advisors independent of those advising the Company as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively, either on the Company's affairs or in respect of their fiduciary or other duties, at the Company's expenses.

The Chairman of the Company held two meetings with the Non-Executive Directors (including Independent Non-Executive Directors) without the Executive Directors present in March and December 2012.

EXECUTIVE COMMITTEE

The Board has established the Executive Committee with terms of reference, which is responsible for the management and administration of the business of the Company and any matters which are within the ordinary course of the Company's business under the control and supervision of the Board and in accordance with the provisions of the Terms of Reference of Chiho-Tiande Group Limited for ensuring a high standard of corporate governance and compliance of the Company. On 19 March 2012, the Board adopted a set of the revised terms of reference of the Executive Committee, which has included changes in line with the New CG Code's new requirements effective from 1 April 2012. The written terms of reference of the Executive Committee are available on the Stock Exchange's website and Company's website.

董事會(續)

新企業管治守則規定，非執行董事須參加本公司股東大會。由於Michael Charles Lion先生、李錫奎先生及章敬東女士有其他預先安排之事務，故彼等並無出席本公司於二零一二年十二月十八日召開的股東特別大會。李錫奎先生及章敬東女士因其他海外事務，亦並無出席本公司分別於二零一二年二月二十七日及二零一二年五月二十四日舉行的股東週年大會及兩個股東特別大會。上述董事並非任何董事委員會的主席。

本公司已採納一項程序讓董事在適當情況下尋求獨立專業意見，費用由本公司支付。經本公司董事會主席事先批准及向行政總裁發出通知，董事可於有需要時在適當情況下就本公司事務或彼等的受託責任或其他職責向獨立於本公司提供意見之人士的顧問尋求獨立的法律、財務或其他專業意見，從而使彼等有效履行其責任，費用由本公司支付。

本公司主席與非執行董事(包括獨立非執行董事)於二零一二年三月及十二月已舉行兩次會議，而無執行董事出席。

執行委員會

董事會已成立執行委員會，並訂明書面職權範圍。執行委員會負責本公司的管理及行政事務，以及本公司日常業務過程中的任何事宜，受董事會控制及監管，並按齊合天地集團有限公司職權範圍所規定行事，以確保本公司高水準的企業管治及合規。於二零一二年三月十九日，董事會採納一系列經修訂執行委員會職權範圍，當中包括於自二零一二年四月一日起生效的新企業管治守則新規定作出一致的變動。執行委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。



Corporate Governance Report (continued)

企業管治報告(續)

EXECUTIVE COMMITTEE (continued)

The Executive Committee consists of Mr. Fang Ankong, Mr. Stephanus Maria van Ooijen and Mr. Gu Liyong, the Executive Directors of the Company, and is chaired by Mr. Fang Ankong.

The Board delegated the corporate governance function to the Executive Committee to develop and review the Company's policies and practices on corporate governance and make recommendation to the Board, review and monitor the training and continuous professional development of Directors and senior management, compliance with legal and regulatory requirements, review and monitor the code of conduct and Model Code applicable to the Directors or employees.

The Executive Committee reviewed the Company's compliance with the New CG Code and made recommendations to the Board in the Board Meetings held on 18 December 2012 and made disclosure in the Corporate Governance Report of the 2012 Annual Report.

Directors' Training and Professional Development

Every newly appointed Director of the Company receives a comprehensive, formal and tailored induction on the first occasion of his appointment to make sure that he has proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities in the Company.

During the year 2012, all Directors received regular updates and presentation on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to the Directors' duties and responsibilities.

The Company recommends Directors to attend relevant seminars for continuous professional development to develop and refresh their knowledge and skills. Since the effective date of the New CG Code, all Directors have participated in continuous professional development programmes by attending seminars, in-house briefing and reading materials. The Company organized a training section conducted by a professional firm in December 2012 on Amendments on Listing Rules and Corporate Governance.

執行委員會(續)

執行委員會由本公司執行董事方安空先生、Stephanus Maria van Ooijen先生及顧李勇先生組成，當中方安空先生為主席。

董事會已授權執行委員會企業管治職能，制定及審閱本公司企業管治政策及常規，並向董事會作出意見，檢討及監察董事及高級管理人員的培訓及持續專業發展，遵守法律及監管規定，檢討及監察適用於董事或僱員的行為守則及標準守則。

執行委員會已檢討本公司遵守新企業管治守則的情況，並於二零一二年十二月十八日舉行的董事會會議上向董事會提出意見及於二零一二年年報的企業管治報告中作出披露。

董事培訓及專業發展

本公司每名新委任董事於首次獲委任時將會獲得全面、正式兼特為其而切的就任須知，確保其均有適當的理解本公司運作及業務，以及全面知悉其於本公司的責任。

於二零一二年，所有董事已獲得本集團業務變更及發展的定期更新及說明，以及有關董事職責及責任的法律、法規及規定的最新發展。

本公司推薦董事參加持續專業發展的相關研討會以發展及更新彼等的知識及技能。自新企業管治守則生效日起，所有董事通過出席研討會、內部簡報及閱讀材料已參加持續專業發展計劃。本公司就上市規則及企業管治的修訂於二零一二年十二月已組織一節培訓課程，由專業機構執行。

Corporate Governance Report (continued)

企業管治報告(續)

EXECUTIVE COMMITTEE (continued) Directors' Training and Professional Development (continued)

Directors' training is an ongoing process, all Directors are encouraged to attend relevant training courses at the Company's expenses and they are requested to provide their respective training records to the Company Secretary for record as follows:

執行委員會(續) 董事培訓及專業發展(續)

董事培訓是個持續過程，所有董事均獲鼓勵參加相關培訓課程，費用由本公司支付，且彼等須向公司秘書提供彼等各自的培訓記錄如下：

Name of Directors 董事姓名		Attending seminars/In-house briefing/ Reading materials 參加研討會／內部簡報／閱讀材料
Executive Directors	執行董事	
Fang Ankong (Chairman)	方安空(主席)	✓
Stephanus Maria van Ooijen	Stephanus Maria van Ooijen	✓
Gu Liyong	顧李勇	✓
Non-Executive Directors	非執行董事	
Michael Charles Lion (appointed on 17 January 2012)	Michael Charles Lion (於二零一二年一月十七日獲委任)	✓
Ralph Sytze Ybema (resigned on 17 January 2012)	Ralph Sytze Ybema (於二零一二年一月十七日辭任)	–
Independent Non-Executive Directors	獨立非執行董事	
Loke Yu	陸海林	✓
Li Xikui	李錫奎	✓
Zhang Jingdong	章敬東	✓

AUDIT COMMITTEE

The Audit Committee was established in June 2010 with written terms of reference in compliance with the Old CG Code as set out in Appendix 14 to the Listing Rules. On 19 March 2012, the Board adopted a set of the revised terms of reference of the Audit Committee, which has included changes in line with the New CG Code's new requirements effective from 1 April 2012. The written terms of reference of the Audit Committee is available on the Stock Exchange's website and Company's website.

審核委員會

本公司已遵照上市規則附錄十四所載原企業管治守則於二零一零年六月成立審核委員會，並訂明書面職權範圍。於二零一二年三月十九日，董事會採納一系列經修訂審核委員會職權範圍，當中包括於自二零一二年四月一日起生效的新企業管治守則新規定作出一致的變動。審核委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

Corporate Governance Report (continued)

企業管治報告(續)

AUDIT COMMITTEE (continued)

The primary duties of the Audit Committee include reviewing and supervising the financial reporting process and internal control procedures of the Group and nominating and monitoring external auditors. The Audit Committee consists of one Non-Executive Director and three Independent Non-Executive Directors, Mr. Michael Charles Lion, Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui and is chaired by Dr. Loke Yu. In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee possesses the appropriate professional and accounting qualifications.

The Audit Committee has convened three meetings during the financial year ended 31 December 2012 with the attendance of each member as follows:

審核委員會(續)

審核委員會的主要職責包括檢討及監督本集團的財務報告程序及內部監控程序，以及提名及監察外聘核數師。審核委員會包括一名非執行董事及三名獨立非執行董事，即Michael Charles Lion先生、陸海林博士、章敬東女士及李錫奎先生。陸海林博士為審核委員會主席。為符合上市規則第3.21條規定，審核委員會主席具備適當專業及會計資格。

截至二零一二年十二月三十一日止財政年度，審核委員會共召開三次會議，各成員出席如下：

Name of Committee members 委員會成員姓名		No. of Meetings attended/ No. of Meetings held 出席會議數目／舉行會議數目
Independent Non-Executive Directors	獨立非執行董事	
Loke Yu (Chairman)	陸海林(主席)	3/3
Li Xikui	李錫奎	3/3
Zhang Jingdong	章敬東	3/3
Non-Executive Director	非執行董事	
Michael Charles Lion	Michael Charles Lion	3/3

The Audit Committee has reviewed and discussed in the Committee meetings the audited financial results for the year ended 31 December 2011, the unaudited interim results of the Company for the six months ended 30 June 2012, the engagement terms and remuneration of auditors, the effectiveness of the internal control systems of the Company. On 18 December 2012, the Audit Committee has adopted a whistleblowing policy of the Company and set out the procedures on reporting possible improprieties in financial reporting matters of the Company.

審核委員會已於委員會會議上檢討及討論截至二零一一年十二月三十一日止年度的經審核財務業績、本公司截至二零一二年六月三十日止六個月的未經審核中期業績、核數師的委聘條款及薪酬及本公司內部監控系統的有效性。於二零一二年十二月十八日，審核委員會已採納本公司一項舉報政策，並就報告本公司財務報告事宜的可能不當行為制訂程序。

Corporate Governance Report (continued)

企業管治報告(續)

REMUNERATION COMMITTEE

The Remuneration Committee was established in June 2010 with written terms of reference in compliance with the Old CG Code as set out in Appendix 14 to the Listing Rules. On 19 March 2012, the Board adopted a set of the revised terms of reference of the Remuneration Committee, which has included changes in line with the New CG Code's new requirements effective from 1 April 2012. The written terms of reference of the Remuneration Committee are available on the Stock Exchange's website and Company's website.

The primary duties of the Remuneration Committee include making recommendations to the Board on the remuneration packages and conditions of employment for the Directors and senior management and evaluating and making recommendations on employee benefit arrangements. The Remuneration Committee consists of Mr. Fang Ankong and Mr. Stephanus Maria van Ooijen, Executive Directors, and Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui, Independent Non-Executive Directors and is chaired by Mr. Fang Ankong.

The Remuneration Committee has convened four meetings during the financial year ended 31 December 2012 with the attendance of each member as follows:

Name of Committee members 委員會成員姓名	No. of Meetings attended/ No. of Meetings held 出席會議數目／舉行會議數目
Executive Directors Fang Ankong (Chairman) Stephanus Maria van Ooijen	執行董事 方安空(主席) Stephanus Maria van Ooijen 4/4 4/4
Independent Non-Executive Directors Loke Yu Li Xikui Zhang Jingdong	獨立非執行董事 陸海林 李錫奎 章敬東 4/4 4/4 4/4

Throughout the year, the Remuneration Committee has discussed and recommended to the Board for approval of the remuneration of Mr. Michael Charles Lion after his appointment as Non-Executive Director, the bonus payment to the Directors and senior management of the Group for the year ended 31 December 2011, the grant of share options to the Directors, senior management and employees on 28 March 2012, the Directors' and senior managements' remuneration of the Group for the year ended 31 December 2012 and the renewal of service contracts of senior management of the Company in 2012.

薪酬委員會

本公司已遵照上市規則附錄十四所載原企業管治守則於二零一零年六月成立薪酬委員會，並訂明書面職權範圍。於二零一二年三月十九日，董事會採納一系列經修訂薪酬委員會職權範圍，當中包括於自二零一二年四月一日起生效的新企業管治守則新規定作出一致的變動。薪酬委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

薪酬委員會的主要職責包括就董事及高級管理人員的薪酬組合及聘用條件向董事會提出建議，以及評估員工福利安排及就此提出建議。薪酬委員會包括執行董事方安空先生及Stephanus Maria van Ooijen先生以及獨立非執行董事陸海林博士、章敬東女士及李錫奎先生。方安空先生為薪酬委員會主席。

截至二零一二年十二月三十一日止財政年度，薪酬委員會共召開四次會議，各成員出席如下：

於整個年度，薪酬委員會已討論及建議董事會批准Michael Charles Lion先生於其獲委任為非執行董事後的薪酬，向本集團董事及高級管理人員支付截至二零一一年十二月三十一日止年度的花紅；於二零一二年三月二十八日向董事、高級管理人員及僱員授出購股權；本集團董事及高級管理人員截至二零一二年十二月三十一日止年度的薪酬及於二零一二年續簽本公司高級管理人員服務合約。

Corporate Governance Report (continued)

企業管治報告(續)

NOMINATION COMMITTEE

The Company established the Nomination Committee in June 2010 with written terms of reference in compliance with the Old CG Code as set out in Appendix 14 to the Listing Rules. On 19 March 2012, the Board appointed Mr. Fang Ankong as Chairman of the Nomination Committee of the Company and adopted a set of the revised terms of reference of the Nomination Committee, which has included changes in line with the New CG Code's new requirements effective from 1 April 2012. The written terms of reference of the Nomination Committee are available on the Stock Exchange's website and Company's website.

The duties of the Committee include:

1. to formulate nomination policy for consideration of the Board and implement the nomination policy laid down by the Board;
2. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
3. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
4. to assess the independence of independent non-executive directors, having regard to the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
5. to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive; and
6. to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board.

The Nomination Committee comprises Mr. Fang Ankong and Mr. Stephanus Maria van Ooijen, Executive Directors, and Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui, Independent Non-Executive Directors and is chaired by Mr. Fang Ankong.

提名委員會

本公司已遵照上市規則附錄十四所載原企業管治守則於二零一零年六月成立提名委員會，並訂明書面職權範圍。於二零一二年三月十九日，董事會委任方安空先生為本公司提名委員會主席，並採納一系列經修訂提名委員會職權範圍，當中包括於自二零一二年四月一日起生效的新企業管治守則新規定作出一致的變動。提名委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

本委員會的職責包括：

1. 制定提名政策供董事會考慮，實施董事會規定的提名政策；
2. 至少每年檢討董事會的架構、人數和組成(包括技能、知識和經驗方面)，並就任何為配合公司策略而擬對董事會作出的變動提出建議；
3. 找出合適資格的人士成為董事會成員，為董事會提名董事給予建議；
4. 依照香港聯合交易所有限公司證券上市規則的要求，評估獨立非執行董事的獨立性；
5. 就董事(特別是主席和行政總裁)的委任或重新委任和繼任計劃向董事會提供建議；及
6. 採取一切措施確保本委員會履行了董事會賦予的權力和職能。

提名委員會包括執行董事方安空先生及Stephanus Maria van Ooijen先生以及獨立非執行董事陸海林博士、章敬東女士及李錫奎先生。方安空先生為提名委員會主席。

Corporate Governance Report (continued)

企業管治報告(續)

NOMINATION COMMITTEE (continued)

The Nomination Committee has convened 2 meetings during the financial year ended 31 December 2012 with the attendance of each member as follows:

提名委員會(續)

提名委員會截至二零一二年十二月三十一日止財政年度，共召開兩次會議，各成員出席如下：

Name of Committee members 委員會成員姓名		No. of Meetings attended/ No. of Meetings held 參加會議數目／舉行會議數目
Executive Directors 執行董事		
Fang Ankong (Chairman)	方安空(主席)	2/2
Stephanus Maria van Ooijen	Stephanus Maria van Ooijen	2/2
Independent Non-Executive Directors 獨立非執行董事		
Loke Yu	陸海林	2/2
Li Xikui	李錫奎	2/2
Zhang Jingdong	章敬東	2/2

Throughout the year, the Nomination Committee has reviewed and discussed the appointment of Mr. Michael Charles Lion as Non-Executive Director of the Company, the composition, size and structure of the Board of Directors, the independence of the Independent Non-Executive Directors, the service contract and remuneration of Mr. Michael Charles Lion.

於整個年度，提名委員會已檢討及討論委任 Michael Charles Lion 先生為本公司非執行董事、董事會的組成、規模及架構、獨立非執行董事的獨立性、Michael Charles Lion 先生的服務合約及薪酬。

In considering the nomination of new directors, the Company will propose the candidates to the Nomination Committee and the Committee will review and make recommendation to the Board on the expertise, skills and experience of the candidates appropriate to the requirements of the business of the Company.

於考慮提名新董事時，本公司會向提名委員會建議候選人，而委員會將檢討符合本公司業務要求的候選人的專業知識、技能及經驗並就此向董事會提供推薦意見。



Corporate Governance Report (continued)

企業管治報告(續)

PRICING COMMITTEE

The Company established the Pricing Committee in June 2010 to review and determine the offer and selling prices of the Group's physical stock as well as the Group's hedging positions requirements on a daily basis; to enhance the risk management of commodity price fluctuations and to ensure an effective risk monitoring system. The Pricing Committee comprises Mr. Fang Ankong, Mr. Xu Jialiang, Mr. Zhu Zhonghui, Mr. Gan Jun, Ms. Chan Tung Tung and Mr. Chow Wan Hoi Paul and is chaired by Mr. Fang Ankong.

Throughout the year ended 31 December 2012, the Pricing Committee held regular meetings, to review and make recommendation where applicable to the Directors on the Company's pricing and hedging policies.

COMPANY SECRETARY

The Company Secretary provides support to the Chairman, Board and Board Committees by ensuring good information flow and that Board policies and procedures are followed. The draft Minutes of all Board Meetings and Committee Meetings were circulated to the Board and Board Committees within a reasonable time. All signed Minutes and Resolutions of all Board Meetings and Committee Meetings were circulated to all the Directors and Committee Members for record.

The Company Secretary is not an employee of the Company. The Company appointed Mr. Gu Liyong, the Executive Director, as primary contact person with the Company Secretary of the Company.

The Company Secretary has attended relevant professional seminars to update her skills and knowledge. She has complied with Rule 3.29 of the Listing Rules and has taken no less than 15 hours of relevant professional training during the financial year ended 31 December 2012.

定價委員會

本公司已於二零一零年六月成立定價委員會，負責審閱及釐定本集團每日之現貨買入及賣出價，以及每日對沖形勢的要求，以提高對商品價格波動的風險管理，並確保風險監察系統的效能。定價委員會包括方安空先生、許加良先生、朱忠輝先生、甘軍先生、陳彤彤女士及周雲海先生。方安空先生為定價委員會主席。

截至二零一二年十二月三十一日止年度全年，定價委員會舉行定期會議，以審閱本公司的定價及對沖政策，並在適合情況下向公司董事就此提出推薦意見。

公司秘書

公司秘書負責支援主席、董事會及董事委員會，確保資訊流通無阻，而董事會的政策及程序得到遵守。公司秘書於合理時間內傳閱所有董事會會議及委員會會議的會議記錄草擬本。所有董事會會議及委員會會議的所有經簽署會議記錄及決議案供所有董事及委員會成員傳閱以作存檔。

公司秘書並非本公司員工。本公司已委任執行董事顧李勇先生作為與本公司的公司秘書聯絡的主要聯絡人士。

公司秘書已出席相關專業研討會以更新其技能及知識。彼一直遵守上市規則第3.29條，且截至二零一二年十二月三十一日止財政年度已參與不少於十五個小時的相關專業培訓。

Corporate Governance Report (continued)

企業管治報告(續)

AUDITORS' REMUNERATION

During the reporting period, the fees paid or payable to Deloitte Touche Tohmatsu in respect of its audit services and non-audit services are as follows:

核數師酬金

於報告期內，就審核服務及非審核服務已付或應付予德勤•關黃陳方會計師行的酬金如下：

		HK\$ 港元
Type of services	服務種類	
Audit fee for the Group	本集團審核費用	2,300,000
Review of the Group's Interim Result	審閱本集團中期業績	600,000
Review of Continuing Connected Transactions of the Group	審閱本集團持續關連交易	50,000
Total	總計	2,950,000

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the financial statements of the Company for the year ended 31 December 2012 which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Directors consider that the financial statements have been prepared in conformity with all appropriate accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The statements of the auditors of the Group about their reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditor's Report" on page 86 of this report.

問責及審核

董事承認彼等有責任編製本公司截至二零一二年十二月三十一日止年度的財務報表所載的一切資料及陳述，並真實公平地反映本集團的狀況以及期內的業績及現金流量。董事認為財務報表已遵照所有適用會計準則及規定編製，並反映根據董事會及管理層的最佳估計、合理知情及審慎的判斷所得的數額。就董事所知，並無有關任何事件或情況的重大不明朗因素可能對本公司持續經營的能力產生重大質疑。因此，董事已按照持續經營基準編製本公司的財務報表。

本集團核數師就其對本集團財務報表的呈報責任作出的聲明載於本報告第86頁的「獨立核數師報告」一節。



Corporate Governance Report (continued)

企業管治報告(續)

INTERNAL CONTROL

The Board is responsible for establishing, maintaining and operating an effective system of internal controls. The Company leverages on the expertise offered by internal and external professionals to develop its internal control system which includes a well-established corporate structure and an organization with clearly defined lines of responsibility and authority. The Internal Control Department is to provide independent assurance to the Board and executive management on the adequacy and effectiveness of internal controls for the Group. The internal control system is reviewed and assessed on on-going basis by the Executive Directors, and will be further reviewed and assessed at least once each year by the Audit Committee and the Board.

Internal Control Department adopts a risk-and-control based audit approach. The annual work plan of Internal Control Department covers major activities and processes of the Group's business units. The audit plan is reviewed and agreed by the Audit Committee. In addition to the agreed schedule of work, Internal Control Department conducts other review and investigative work as may be required. All audit reports are communicated to the Audit Committee and key members of executive and senior management. Audit issues are tracked and followed up for proper implementation, with progress reported to the Audit Committee, executive and senior management periodically.

COMMUNICATION WITH SHAREHOLDERS

On 19 March 2012, the Company has established and adopted a Shareholders' Communication Policy setting out the policies, communication strategies and practices of the Company for communication with its shareholders. Such Policy provides the shareholders to be able to obtain comprehensive, similar and plain information of the Company and also enable the shareholders to exercise the powers on an informed basis and to strengthen their communication with the Company.

The Company has established and maintained a dialogue with shareholders by conveying information to the Shareholders and investors through the Company's financial reports (interim and annual reports); annual General Meeting and other Meetings that may be held; and all the information submitted to The Stock Exchange of Hong Kong Limited (the "SEHK") for disclosure, as well as corporate communications and other publications which shall be posted on the website of the Company.

The Company undertakes to convey information to the shareholders and investors in a timely and effective manner at all times. If there are any questions about this policy, it shall be delivered to the Company Secretary or the Head of Investor Relations Department.

內部監控

董事會負責建立、維持及運作有效的內部監控系統。本公司憑藉公司內外的專業人員的專業知識發展內部監控系統，包括良好的公司架構及職責與權力的明確分立。本公司內部監控部門就內部控制的充足性及有效性向董事會及執行管理層提供獨立保證。內部監控系統由執行董事持續檢討及評估，並由審核委員會及董事會至少每年一次進一步檢討與評估。

內部監控部門採納以風險及控制為本的審核方式。內部監控部門的年度工作計劃涵蓋本公司業務單位的主要活動及程序。審核計劃由審核委員會檢討及批准。除經同意的工作安排外，內部監控部門會按要求從事其他審閱及調查工作。所有審核報告均交予審核委員會及行政及高級管理層的主要成員。審核求妥善實行，並定期匯報有關進展予審核委員會、行政及高級管理層，予以追查及跟進。

與股東的溝通

於二零一二年三月十九日，本公司建立及採納一項股東通訊政策，當中載有與其股東通訊有關的政策、通訊策略及常規。該政策能使股東獲得本公司全面、相同及容易理解的資料，且亦能使股東在知情情況下行使權利及加強彼等與本公司的溝通。

本公司已與股東建立及保持對話，向股東及投資者傳達信息，途徑包括本公司財務報告(中期及年度報告)；股東週年大會及可能舉行的其他大會；及提交至香港聯合交易所有限公司(「聯交所」)以供披露的所有資料以及將於本公司網站刊發的公司通訊及其他出版資料。

本公司承諾始終以適時及有效的方式向股東及投資人士傳達信息。倘對此政策有任何疑問，須諮詢本公司秘書或投資者關係部主管。

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS

Shareholders general enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited.

Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available.

Procedures for putting forward enquiries to the Board

Shareholders may at any time forward enquires to the Board in writing through the Company Secretary who will direct the enquiries to the Board for handling. Contact of the Company Secretary is as follows:

The Company Secretary
48 Wang Lok Street
Yuen Long Industrial Estate
Hong Kong

Fax: (852) 2587 7799
Email Address: cosec@chiho-tiande.com

Procedures for Shareholders to Convene General Meetings

Subject to the provisions of the articles of association of the Company ("Articles of Association"), the Listing Rules and the applicable laws and regulations, shareholders of the Company (the "Shareholders") may convene general meetings of the Company in accordance with the following procedures:

1. One or more Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Requisitionist(s)") may require the board (the "Board") of directors (the "Directors") of the Company to convene an extraordinary general meeting of the Company ("EGM") by depositing a written requisition (the "Requisition") at the registered office of the Company at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and a copy thereof at the principal place of business of the Company in Hong Kong at 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong, for the attention of the Board or the Company Secretary.

股東權利

股東一般查詢

股東如對名下股權有任何問題，應向本公司的香港股份登記及過戶分處香港中央證券登記有限公司提出。

股東及投資人士可隨時要求索取本公司可供公開查閱的資料。

向董事會提出查詢之程序

股東可隨時透過公司秘書向董事會提出查詢，而公司秘書會轉交有關查詢予董事會處理。公司秘書之聯絡詳情如下：

公司秘書
香港
元朗工業邨
宏樂街48號

傳真：(852) 2587 7799
電子郵件地址：cosec@chiho-tiande.com

股東召開股東大會之程序

根據本公司組織章程細則(「章程細則」)條文、上市規則及適用法律和法規，本公司股東(「股東」)可根據以下程序召開本公司股東大會：

1. 一名或多名於提出該請求日期持有不少於獲賦予權利於本公司股東大會上投票之本公司繳足股本十分之一的股東(「請求人」)可請求本公司董事(「董事」)會(「董事會」)召開本公司股東特別大會(「股東特別大會」)，該請求須以書面請求形式(「請求書」)送至本公司註冊辦事處(地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands)及其副本須送至本公司香港主要營業地點(地址為香港元朗工業邨宏樂街48號)，收件人為董事會或公司秘書。

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS (continued)

Procedures for Shareholders to Convene General Meetings (continued)

2. The Requisition must clearly state the name(s) and shareholding in the Company of the Requisitionist(s), specify the purposes of the EGM and the details of the business proposed to be transacted in the EGM and be signed by the Requisitionist(s) and may consist of several documents in like form, each signed by one or more of the Requisitionists.
3. Upon receipt of the Requisition, the Directors shall verify the Requisition with the Company's branch share registrar and upon this confirmation that the Requisition is proper and in order, shall forthwith proceed duly to convene the EGM, and such EGM shall be held within two (2) months after the deposit of the Requisition.
4. If the Directors do not within twenty-one (21) days from the date of the deposit of the Requisition proceed duly to convene the EGM, the Requisitionist(s), may himself or themselves convene the EGM 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.
5. Under the Articles of Association and pursuant to the requirements of the Listing Rules, a notice specifying the time and place and the general nature of the proposed business to be transacted at the EGM shall be given to all Shareholders entitled to attend the EGM for consideration in the following manner:
 - (i) notice of not less than 21 clear days or 10 clear business days, whichever is the longer, if a special resolution is to be passed at the EGM; and
 - (ii) notice of not less than 14 clear days or 10 clear business days, whichever is the longer, in all other cases, provided that a EGM may be called by a shorter notice if it is so agreed by a majority in number of the Shareholders having the right to attend and vote at the EGM, being a majority together holding not less than 95% in nominal value of the issued shares of the Company giving such right.

股東權利(續)

股東召開股東大會之程序(續)

2. 請求書須清楚寫明請求人之姓名及於本公司之股權，列明股東特別大會之目的及擬於股東特別大會上處理之事項的詳情，並由請求人簽署；該請求書可包括多份相同形式之文件，每份由一位或多位請求人簽署。
3. 收到請求書後，董事須與本公司之股份登記分處核實該請求書，並於確認該請求書為妥善及適當時，應立即正式召開股東特別大會，該股東特別大會須於請求書送交後兩(2)個月內舉行。
4. 倘送交請求書後二十一(21)日內，董事未正式召開股東特別大會，則請求人可自發以同樣方式召開股東特別大會，而請求人因董事會未有召開股東特別大會而合理產生之所有開支須由本公司向請求人作出償付。
5. 根據章程細則及上市規則之規定，一份指明時間、地點及擬於股東特別大會上處理之事項之一般性質之通告應按照以下方式向所有有權出席股東特別大會之股東發出：
 - (i) 倘將於股東特別大會上通過特別決議案，則須發出不少於21整日或10個完整營業日的通告(以較長者為準)；及
 - (ii) 於所有其他情況下，須發出不少於14整日或10個完整營業日的通告(以較長者為準)，惟倘獲大多數有權出席並於股東特別大會上有投票權之股東(該大多數股東持有不少於賦予該權利之本公司已發行股份之面值95%)同意，則可以較短期的通告召開股東特別大會。

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS (continued)

Procedures for Shareholders to Convene General Meetings (continued)

The notice period is exclusive of (i) the day on which the notice is served or deemed to be served; and (ii) the day on which the EGM is to be held.

Procedures for Shareholders to Make Proposals at General Meetings

Subject to the provisions of the articles of association of the Company, the Listing Rules and the applicable laws and regulations, shareholders of the Company may propose a resolution at general meetings of the Company by following the "Procedures for Shareholders to Convene General Meetings" to convene an extraordinary general meeting and propose a resolution to be resolved at that extraordinary general meeting. Please refer to the document with section headed "Procedures for Shareholders to Convene General Meetings" on the Company's website.

Procedures for Shareholders to Propose a Person for Election as a Director

Subject to the provisions of the articles of association of the Company, the Listing Rules and the applicable laws and regulations, the Company may from time to time in general meeting by ordinary resolution elect any person to be a director of the Company (the "Director") either to fill a casual vacancy or as an additional Director.

1. Shareholder(s) of the Company (the "Shareholder(s)") may propose a person (the "Candidate") for election as a Director at general meeting in accordance with the following procedures:
 - (a) a Shareholder or a group of Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company may requisition an extraordinary general meeting to propose the Candidate to be elected as a Director in the manner provided in "Procedures for Shareholders to Convene General Meetings"; or
 - (b) Election of directors whether by rotation or otherwise in the place of those retiring would be considered ordinary business at an annual general meeting (the "AGM") and if the notice of an AGM includes the election of Directors, any Shareholder may propose the election of any person as a Director at the AGM;

股東權利(續)

股東召開股東大會之程序(續)

通告期不包括(i)通告送達或被視為送達當日；及(ii)舉行股東特別大會當日。

股東於股東大會上提呈建議之程序

根據本公司組織章程細則的條文、上市規則及適用法例及法規，本公司股東可遵照「股東召開股東大會之程序」於本公司股東大會上提呈決議案，以召開股東特別大會及提呈將於股東特別大會上決議的決議案。請參考本公司網站標題為「股東召開股東大會之程序」的文件。

股東建議推選一名人士為董事之程序

根據本公司組織章程細則條文、上市規則及適用法律和法規，本公司可不時於股東大會通過普通決議案選出任何人士成為本公司之董事（「董事」），以填補臨時空缺或作為新增董事。

1. 本公司股東（「股東」）可根據以下程序於股東大會上建議推選一名人士（「候選人」）為董事：
 - (a) 持有不少於獲賦予權利於本公司股東大會上投票之本公司繳足股本十分之一的一名或多名股東可要求股東特別大會按「股東召開股東大會之程序」所規定之方式建議推選候選人為董事；或
 - (b) 於股東週年大會（「股東週年大會」）上選舉董事，不論通過輪席或以其他方式取代退任之董事，將被視為一般事務及倘股東週年大會通告包括選舉董事，任何股東可於股東週年大會上建議推選任何人士為董事；

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS (continued)

Procedures for Shareholders to Propose a Person for Election as a Director (continued)

Provided that, in each case, no Candidate other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless:

- (i) a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such Candidate for election; and
- (ii) a notice signed by the Candidate of his willingness to be elected,

shall have been lodged to the Company at its principal place of business in Hong Kong at 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong within the period of at least seven (7) days commencing on the day after the despatch of the notice of the general meeting and ending no later than seven (7) days prior to the date appointed for such general meeting.

2. In addition, the notice must contain the information as specified in Rule 13.51(2) of the Listing Rules about the Candidate, including but not limited to the following:

- (i) full name;
- (ii) age;
- (iii) business and residence addresses;
- (iv) principal occupation or employment;
- (v) experience including (a) other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, and (b) the major appointments and professional qualifications; and
- (vi) interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 576 of the Laws of Hong Kong).

股東權利(續)

股東建議推選一名人士為董事之程序(續)

於各情況下，除非獲董事推薦參選，否則除董事於股東大會上推薦外，概無候選人合資格於任何股東大會上參選，除非：

- (i) 由正式合資格出席大會並於會上表決之股東(除擬參選人外)簽署通告，其表明建議提名該候選人參選之意向；及
- (ii) 由候選人簽署表示願意參選之通告，

於寄發股東大會通告後開始最少須為七(7)天至不遲於該股東大會指定舉行日期前七(7)天結束之期間內，送至本公司香港主要營業地點(地址為香港元朗工業邨宏樂街48號)。

2. 此外，該通告須包含上市規則第13.51(2)條所載有關候選人之資料，包括但不限於以下內容：

- (i) 全名；
- (ii) 年齡；
- (iii) 業務及居住地址；
- (iv) 主要職業或受雇工作；
- (v) 經驗，包括(a)過往三年於其證券在香港或海外任何證券市場上市之公眾公司擔任之其他董事職務，及(b)主要的任命及專業資格；及
- (vi) 持有本公司之股份權益(定義見證券及期貨條例第XV部(香港法例第576章))。



Corporate Governance Report (continued)

企業管治報告(續)

CONSTITUTIONAL DOCUMENTS

During the year, there was no change in the Company's constitutional documents.

INVESTOR RELATIONS

The management of the Company believes that effective and proper investor relations play a vital role in creating shareholders' value, enhancing the corporate transparency as well as establishing market confidence. As such, the Company has adopted a stringent internal control system to ensure true, accurate, complete and timely disclosure of relevant information pursuant to requirements of relevant laws and regulations in order to ensure all shareholders equal access to information. To strive for effective communication and transparency of the Company, the personnel in charge have frequent contacts with the shareholders and investors through various channels such as interview, presentation, internet, telephone and email.

In addition, we have during the year organized numerous site visits to our facilities with several fund managers and equity market analysts. Through the site visits, the visitors managed to have a better understanding of the Group's operations and the opportunity to know more about the Group's development strategy.

We will continue to establish communication opportunities in order to enhance investors' understanding of and confidence in the Company.

WHISTLE BLOWING POLICY

To deter wrongdoing and to promote standards of good corporate practices, the Company has adopted a whistleblowing policy in a Board meeting held on 18 December 2012. The policy aims at encouraging and enabling employees of the Group at all levels and others to report violations or suspected violations and to raise serious concerns about possible improprieties in matters of financial reporting or other matters of the Group.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the securities regulations of the Stock Exchange, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. Our primary focus is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders, investors as well as the public, to make rational and informed decisions.

章程文件

於年內，本公司章程文件並無變動。

投資者關係

本公司管理層相信，有效及正確的投資者關係對創造股東價值、提高企業透明度及建立市場信心尤為重要。因此，本公司已採納嚴謹的內部監控系統，確保根據相關法例及規例的規定真確、準確、完整及適時披露相關資料，從而確保所有股東均可獲取相同的資訊。為達致有效溝通及提高本公司透明度，負責人經常透過訪問、演講、互聯網、電話及電郵等不同渠道聯絡股東及投資者。

此外，我們於年內多次安排基金經理及股票市場分析員到訪我們的設施進行實地考察。透過該等實地考察，到訪者能更好的了解本集團的運作並有機會了解本集團的發展策略。

我們將繼續建立溝通機會以增強投資者對本公司的了解及信心。

舉報政策

為遏止不恰當行為及提升良好企業管治水平，本公司已於二零一二年十二月十八日舉行之董事會會議上採納舉報政策。該政策旨在鼓勵及促使本集團各級僱員及其他人士舉報違規行為或涉嫌違規行為，及高度關注本公司之財務報告事宜或其他事項中可能存在之不恰當行為。

資料披露

本公司根據聯交所證券規例披露資料，並根據有關法律法規向公眾人士刊發定期報告及公告。本集團致力確保適時披露資料，而有關資料為公正、準確、真實及完整，務求使股東、投資者及公眾人士能作出合理知情決定。



Independent Auditor's Report

獨立核數師報告

Deloitte.
德勤

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

We have audited the consolidated financial statements of Chiho-Tiande Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 88 to 211, which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

致：齊合天地集團有限公司股東
(於開曼群島註冊成立的有限公司)

我們已審核載於第88頁至第211頁的齊合天地集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其中包括於二零一二年十二月三十一日的綜合財務狀況表及於該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要連同其他解釋資料。

董事就綜合財務報表須負的責任

貴公司董事須遵照香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實公平的綜合財務報表，並對董事釐定就編製不存在由於欺詐或錯誤而導致的重大錯誤陳述的綜合財務報表而言屬必要的內部監控負責。

核數師的責任

我們的責任是根據我們的審核工作對該等綜合財務報表發表意見，並根據委聘的協定條款僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。我們是按照香港會計師公會頒佈的香港核數準則進行審核工作，這些準則要求我們須遵守相關道德規範，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有任何重大錯誤陳述。



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

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

Opinion

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

21 March 2013

審核涉及執程序以獲取有關綜合財務報表所載金額及披露事項的審核憑證。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有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與實體編製真實公平的綜合財務報表相關的內部監控，以設計適合不同情況的審核程序，但並非旨在對實體內部監控的有效性發表意見。審核亦包括評價董事所採用會計政策的合適性及所作會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證充足及適當地為我們的審核意見建立基礎。

意見

我們認為，按照香港財務報告準則編製的綜合財務報表已真實公平地反映 貴集團於二零一二年十二月三十一日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例之披露規定妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一三年三月二十一日

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止年度

		NOTES 附註	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	7	8,202,702	9,815,522
Cost of sales	銷售成本	8	(8,031,286)	(9,362,935)
Gross profit	毛利		171,416	452,587
Other income	其他收入	9	21,453	22,345
Other gains and losses	其他收益及虧損	10	272,760	2,051
Distribution and selling expenses	分銷及銷售開支		(33,456)	(31,303)
Administrative expenses	行政開支		(155,294)	(143,466)
Other expense	其他開支		(32,156)	–
Finance costs	財務成本	11	(172,689)	(97,755)
Profit before tax	除稅前溢利	12	72,034	204,459
Income tax expense	所得稅開支	14	(32,683)	(88,208)
Profit for the year	年內溢利		39,351	116,251
Other comprehensive (expense) income	其他全面(開支)收入			
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額		(8,029)	51,433
Reclassification adjustment relating disposal of available-for-sale investment	就出售可供出售投資作出重新分類調整		429	–
Fair value loss on available-for-sale investment	可供出售投資公平值虧損		(805)	(6,653)
Cumulative impairment loss reclassified to profit or loss on available-for-sale investment	就可供出售投資而重新分類至損益之累積減值虧損		7,029	–
Total comprehensive income for the year	年內全面收入總額		37,975	161,031
Profit for the year attributable to:	以下各方應佔年內溢利：			
Owners of the Company	本公司擁有人		88,591	152,087
Non-controlling interests	非控股權益		(49,240)	(35,836)
			39,351	116,251
Total comprehensive (expense) income for the year attributable to:	以下各方應佔年內全面(開支)收入總額：			
Owners of the Company	本公司擁有人		87,422	195,930
Non-controlling interests	非控股權益		(49,447)	(34,899)
			37,975	161,031
			HK\$	HK\$
			港元	港元
Earnings per share	每股盈利			
– basic	– 基本	16	0.08	0.15
– diluted	– 攤薄	16	0.08	0.15

Consolidated Statement of Financial Position

綜合財務狀況表

As 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
	NOTES 附註			
Non-current assets		非流動資產		
Property, plant and equipment	17	物業、廠房及設備	298,463	319,967
Prepaid lease payments	18	預付租金	346,547	185,968
Investment properties	19	投資物業	30,808	–
Available-for-sale investment	20	可供出售投資	15,470	19,060
Deposits paid for acquisition of property, plant and equipment		收購物業、廠房及設備所付按金	2,063	22,070
Deferred tax assets	33	遞延稅項資產	12,621	23,594
			705,972	570,659
Current assets		流動資產		
Inventories	21	存貨	2,982,599	3,219,271
Trade and other receivables	22	貿易及其他應收款項	786,074	813,397
Bills receivables	23	應收票據	7,054	33,676
Amount due from a substantial shareholder	38	應收主要股東款項	23,636	–
Prepaid lease payments	18	預付租金	8,687	5,244
Investments at fair value through profit or loss (“FVTPL”)	24	按公平值計入損益之投資 (「按公平值計入損益」)	24,677	–
Derivative financial instruments	25	衍生金融工具	55,438	37,021
Tax recoverable		可退回稅項	9,484	44,330
Pledged bank deposits	26	已抵押銀行存款	105,765	127,004
Restricted bank deposits	26	受限制銀行存款	44,656	71,158
Bank balances and cash	26	銀行結餘及現金	447,937	392,762
			4,496,007	4,743,863
Current liabilities		流動負債		
Trade and other payables	27	貿易及其他應付款項	265,439	519,552
Amount due to a substantial shareholder	38	應付主要股東款項	42,917	–
Derivative financial instruments	25	衍生金融工具	21,520	39,765
Tax payable		應付稅項	14,640	9,100
Bank borrowings	28	銀行借貸	1,949,673	2,651,697
			2,294,189	3,220,114
Net current assets		流動資產淨值	2,201,818	1,523,749
Total assets less current liabilities		資產總值減流動負債	2,907,790	2,094,408

Consolidated Statement of Financial Position (continued)

綜合財務狀況表(續)

As at 31 December 2012 於二零一二年十二月三十一日

		NOTES 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	29	10,435	10,419
Share premium and reserves	股份溢價及儲備		2,104,570	2,036,203
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,115,005	2,046,622
Non-controlling interests	非控股權益	30	(41,463)	17,398
Total equity	總權益		2,073,542	2,064,020
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	31	708,547	–
Embedded derivative components of convertible bonds	可換股債券嵌入式 衍生工具部分	31	85,290	–
Warrants	認股權證	32	8,046	–
Deferred tax liabilities	遞延稅項負債	33	32,365	30,388
			834,248	30,388
			2,907,790	2,094,408

The consolidated financial statements on pages 88 to 211 were approved and authorised for issue by the Board of Directors on 21 March 2013 and are signed on its behalf by:

載於第88頁至211頁的綜合財務報表於二零一三年三月二十一日獲董事會批准及授權公佈，並由下列董事代表簽署：

Mr. Fang Ankong
DIRECTOR

Mr. Gu Liyong
DIRECTOR

方安空先生
董事

顧李勇先生
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止年度

Attributable to holders of the Company
本公司擁有人應佔

		Share capital	Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Investment revaluation reserve	Foreign currency translation reserve	Accumulated profits	Sub-total	Attributable to non-controlling interests	Total
		股本	股份溢價	資本贖回儲備	購股權儲備	資本儲備	法定一般儲備	企業發展基金	投資重估儲備	外幣匯兌儲備	累計溢利	小計	非控股權益應佔	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note i)	(note i)	(note ii)	(note ii)						
					(附註i)	(附註ii)	(附註ii)							
At 1 January 2011	於二零一一年一月一日	10,000	578,540	-	2,500	222,760	67,623	67,623	-	76,277	586,478	1,611,801	34,880	1,646,681
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	152,087	152,087	(35,836)	116,251
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額	-	-	-	-	-	-	-	-	50,496	-	50,496	937	51,433
Fair value loss on available-for-sale investment	可供出售投資公平值虧損	-	-	-	-	-	-	-	(6,653)	-	-	(6,653)	-	(6,653)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	-	(6,653)	50,496	152,087	195,930	(34,899)	161,031
Cash dividend paid (Note 15)	已派現金股息 (附註15)	-	-	-	-	-	-	-	-	-	(88,449)	(88,449)	-	(88,449)
Dividend recognised as distribution (Notes 15 & 29 (note iii))	確認為分派的股息 (附註15及29 (附註iii))	2	1,190	-	-	-	-	-	-	-	(1,192)	-	-	-
Issue of new shares (Note 29 (note ii))	發行新股 (附註29 (附註ii))	600	395,400	-	-	-	-	-	-	-	-	396,000	-	396,000
Transaction costs attributable to issue of new shares	發行新股應佔交易成本	-	(10,513)	-	-	-	-	-	-	-	-	(10,513)	-	(10,513)
Acquisition of additional interest in a subsidiary (Note 38 (note ii))	收購一間附屬公司的額外權益 (附註38 (附註ii))	-	-	-	-	-	-	-	-	-	171	171	(4,950)	(4,779)
Capital contribution from non-controlling interests (Note 30)	非控股權益注資 (附註30)	-	-	-	-	-	-	-	-	-	-	-	22,367	22,367
Share options exercised (Note 29 (note iii))	獲行使購股權 (附註29 (附註iii))	17	4,040	-	(871)	-	-	-	-	-	871	4,057	-	4,057
Lapse of share options	購股權失效	-	-	-	(422)	-	-	-	-	-	422	-	-	-
Recognition of equity-settled share-based payments (Note 37)	確認為以股權結算及以股份為基礎之付款 (附註37)	-	-	-	21,571	-	-	-	-	-	-	21,571	-	21,571
Shares repurchased and cancelled (Note 29 (note iv))	股份購回及註銷 (附註29 (附註iv))	(200)	(83,746)	200	-	-	-	-	-	-	(200)	(83,946)	-	(83,946)
Transfer of reserves	儲備轉撥	-	-	-	-	-	27,282	27,282	-	-	(54,564)	-	-	-
At 31 December 2011	於二零一一年十二月三十一日	10,419	884,911	200	22,778	222,760	94,905	94,905	(6,653)	126,773	595,624	2,046,622	17,398	2,064,020

Consolidated Statement of Changes in Equity (continued)

綜合權益變動表(續)

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

		Attributable to holders of the Company 本公司擁有人應佔												
		Share capital	Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Investment revaluation reserve	Foreign currency translation reserve	Accumulated profits	Sub-total	Attributable to non-controlling interests	Total
		股本	股份溢價	資本贖回儲備	購股權儲備	資本儲備	法定一般儲備	企業發展基金	投資重估儲備	外幣匯兌儲備	累計溢利	小計	非控股權益應佔	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
						(note i) (附註i)	(note ii) (附註ii)	(note ii) (附註ii)						
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	88,591	88,591	(49,240)	39,351
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額	-	-	-	-	-	-	-	-	(7,822)	-	(7,822)	(207)	(8,029)
Reclassified to profit or loss on disposal of available-for-sale investment	重新分類至出售可供出售投資損益	-	-	-	-	-	-	-	429	-	-	429	-	429
Fair value loss on available-for-sales investment	可供出售投資公平值虧損	-	-	-	-	-	-	-	(805)	-	-	(805)	-	(805)
Cumulative impairment loss reclassified to profit or loss on impairment of available-for-sale investment	重新分類累積減值虧損至可供出售投資減值損益	-	-	-	-	-	-	-	7,029	-	-	7,029	-	7,029
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	-	6,653	(7,822)	88,591	87,422	(49,447)	37,975
Cash dividend paid (Note 15)	已派現金股息(附註15)	-	-	-	-	-	-	-	-	-	(38,612)	(38,612)	-	(38,612)
Share options exercised (Note 29 (note iii))	獲行使購股權(附註29(附註iii))	36	11,920	-	(2,221)	-	-	-	-	-	-	9,735	-	9,735
Lapse of share options	購股權失效	-	-	-	(8,273)	-	-	-	-	-	8,273	-	-	-
Recognition of equity-settled share-based payments (Note 37)	確認以股權結算及以股份為基礎之付款(附註37)	-	-	-	17,703	-	-	-	-	-	-	17,703	-	17,703
Shares repurchased and cancelled (Note 29 (note iv))	股份購回及註銷(附註29(附註iv))	(20)	(7,845)	20	-	-	-	-	-	-	(20)	(7,865)	-	(7,865)
Deregistration of a non-wholly subsidiary (note iii)	註銷一間非全資附屬公司(附註iii)	-	-	-	-	-	-	-	-	-	-	-	(9,414)	(9,414)
Transfer of reserves	儲備轉撥	-	-	-	-	-	7,262	7,261	-	-	(14,523)	-	-	-
At 31 December 2012	於二零一二年十二月三十一日	10,435	888,986	220	29,987	222,760	102,167	102,166	-	118,951	639,333	2,115,005	(41,463)	2,073,542

Notes:

- (i) Capital reserve represents the sum of (a) the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange and (b) a capitalisation of shareholders' loans in 2010.
- (ii) Statutory general reserve and enterprise expansion fund represent the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the People's Republic of China (the "PRC") as required by the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory general reserve and enterprise expansion fund has reached 50% of the PRC subsidiaries' registered capital.
- (iii) During the year ended 31 December 2012, the Group decided to deregister a 51% owned subsidiary. Immediately prior to deregistration, all assets (other than cash) were disposed of and liabilities of the subsidiary were settled. The cash of HK\$19,212,000 was distributed to the equity owners in proportion to their equity interest.

附註:

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購附屬公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額及(b)二零一零年資本化股東貸款。
- (ii) 本公司中國附屬公司的組織章程細則規定：須根據中華人民共和國(「中國」)相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國附屬公司註冊資本的50%，則可終止撥備。
- (iii) 於截至二零一二年十二月三十一日止年度，本集團決定註銷一間擁有51%權益的附屬公司。緊接註銷前，該附屬公司的所有資產(現金除外)已處置及負債已結算。現金19,212,000港元已按權益持有人的權益比例分派予權益擁有人。

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止年度

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit for the year	年內溢利	39,351	116,251
Adjustments for:	對下列各項之調整：		
Income tax	所得稅項	32,683	88,208
Finance costs	財務成本	172,689	89,690
Interest income	利息收入	(6,689)	(16,701)
Dividend income from available-for-sale investment	可供出售投資股息收入	(418)	-
Depreciation of investment properties	投資物業折舊	1,244	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	69,254	24,250
Amortisation of prepaid lease payments	預付租金攤銷	7,995	909
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	2,139	126
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備確認減值虧損	-	1,099
Recognition of impairment loss on trade and other receivables	貿易及其他應收款項虧損減值確認	8,014	452
Share-based payment expense	以股份為基礎付款之開支	17,703	21,571
Reclassification of cumulative impairment loss on available-for-sale investment	重新分類可供出售投資之累積減值虧損	7,029	-
Loss on disposal of available-for-sale investment	出售可供出售投資虧損	429	-
Gain on fair value change of derivative components of convertible bonds	可換股債券衍生工具部分之公平值收益	(57,481)	-
Gain on fair value change of warrants	認股權證公平值變動收益	(5,372)	-
Net foreign exchange gains	匯兌收益淨額	(6,858)	(79,081)
Write down of inventories	存貨撇銷	40,618	97,557
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	322,330	344,331
Decrease (increase) in inventories	存貨減少(增加)	196,576	(1,112,001)
Decrease (increase) in trade and other receivables	貿易及其他應收款項減少(增加)	19,441	(419,823)
Decrease (increase) in bills receivables	應收票據減少(增加)	26,627	(19,673)
Increase in amount due from a substantial shareholder	應收主要股東款項增加	19,281	-
Increase in investments at FVTPL	按公平值計入損益的投資增加	(24,585)	-
(Increase) decrease in derivative financial instruments	衍生金融工具(增加)減少	(36,811)	2,548
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(246,085)	329,718
Decrease in bills payables	應付票據減少	-	(142,766)
Decrease in amount due to non-controlling interest – trading in nature	應付非控股權益款項減少 – 貿易性質	-	(23,976)
Cash from (used in) operations	經營所得(所用)現金	276,774	(1,041,642)
Interest paid	已付利息	(131,865)	(80,036)
Tax paid	已付稅項	(24,158)	(187,007)
Tax refunded	已退還稅項	44,720	-
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營活動所得(所用)現金淨額	165,471	(1,308,685)

Consolidated Statement of Cash Flows (continued)

綜合現金流量表(續)

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

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchases of property, plant and equipment	購置物業、廠房及設備	(89,671)	(132,725)
Deposit for property, plant and equipment	物業、廠房及設備之按金	(1,526)	(14,808)
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備所得款項	9,913	491
Payment for prepaid lease payments	預付租金付款	(152,637)	(153,148)
Placement of restricted bank deposits	存入受限制銀行存款	(568,209)	(288,904)
Withdrawal of restricted bank deposits	提取受限制銀行存款	594,723	217,746
Placement of pledged bank deposits	存入已抵押銀行存款	(106,360)	(382,943)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	127,620	592,569
Purchases of available-for-sale investment	購買可供出售投資	-	(25,713)
Proceeds from disposal of available-for-sale investment	出售可供出售投資所得款項	2,785	-
Dividend received from available-for-sale investment	收取可供出售投資的股息	418	-
Interest received	已收利息	6,689	16,701
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(176,255)	(170,734)
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新增銀行借貸	8,243,516	8,624,893
Repayment of bank borrowings	償還銀行借貸	(8,946,129)	(7,243,197)
Issue of convertible bonds and detachable warrants	發行可換股債券及附帶認股權證	815,800	-
Issue of share capital	發行股本	-	396,000
Expense on issue of new shares	發行新股開支	-	(10,513)
Repurchases of shares	購回股份	(7,865)	(83,946)
Net proceeds from issue of shares through exercise of share options	透過行使購股權發行股份所得款項淨額	9,735	4,057
Capital contribution from non-controlling interests	非控股權益注資	-	22,367
Return of investment to non-controlling interests upon the deregistration of a subsidiary	於註銷一間附屬公司時向非控股權益返還投資	(9,414)	-
Purchase of additional interests in subsidiaries	收購於附屬公司的額外權益	-	(4,779)
Dividend paid	已付股息	(38,612)	(88,449)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	67,031	1,616,433
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目淨值增加	56,247	137,014
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日現金及現金等值項目	390,477	251,335
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	(188)	2,128
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日現金及現金等值項目	446,536	390,477
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等值項目分析		
Bank balances and cash	銀行結餘及現金	447,937	392,762
Bank overdrafts (Note 28)	銀行透支(附註28)	(1,401)	(2,285)
		446,536	390,477

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

The Company is incorporated and registered as an exempted company in the Cayman Islands under the Companies Law of the Cayman Islands with limited liability. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 12 July 2010. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its main place of business is located at Taizhou Industrial Zone of Metal Recycling Fengjiang, Luqiao, Taizhou, Zhejiang, the PRC.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 42.

The functional currency of the Company is Renminbi ("RMB"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$") for the convenience of the shareholders as the Company is listed in Hong Kong.

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

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

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Asset; and
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

本公司根據開曼群島公司法於開曼群島註冊成立及註冊為獲豁免有限公司。本公司股份於二零一零年七月十二日於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands及其主要營業地點位於中國浙江省台州市路橋區峰江鎮台州金屬再生工業園區。

本公司為投資控股公司。其附屬公司的主要業務載於附註42。

本公司的功能貨幣為人民幣(「人民幣」)。由於本公司在香港上市，為方便股東，綜合財務報表以港元(「港元」)呈列。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團已應用以下由香港會計師公會(「香港會計師公會」)頒佈之經修訂香港財務報告準則。

香港會計準則第12號(修訂本)	遞延稅項：收回相關資產；及
香港財務報告準則第7號(修訂本)	金融工具：披露—轉讓金融資產。

於本年度應用之香港財務報告準則之修訂對本集團於本年度及過往年度之財務表現及狀況及／或於該等綜合財務報表所載列之披露並無重大影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並未提早採用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle ¹	香港財務報告準則(修訂本)	二零零九年至二零一一年週期之年度改進 ¹
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹	香港財務報告準則第7號(修訂本)	披露—金融資產及金融負債對銷 ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³	香港財務報告準則第9號及香港財務報告準則第7號(修訂本)	香港財務報告準則第9號的強制性生效日期及過渡性披露 ³
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹	香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本)	綜合財務報表、合營安排及於其他實體之權益披露：過渡指引 ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ²	香港財務報告準則第10號、投資實體 ² 香港財務報告準則第12號及香港會計準則第27號	
HKFRS 9	Financial Instruments ³	香港財務報告準則第9號	金融工具 ³
HKFRS 10	Consolidated Financial Statements ¹	香港財務報告準則第10號	綜合財務報表 ¹
HKFRS 11	Joint Arrangements ¹	香港財務報告準則第11號	合營安排 ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹	香港財務報告準則第12號	於其他實體之權益披露 ¹
HKFRS 13	Fair Value Measurement ¹	香港財務報告準則第13號	公平值計量 ¹
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁴	香港會計準則第1號(修訂本)	其他全面收益項目的呈報 ⁴
HKAS 19 (as revised in 2011)	Employee Benefits ¹	香港會計準則第19號(於二零一一年修訂)	僱員福利 ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹	香港會計準則第27號(於二零一一年修訂)	單獨財務報表 ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹	香港會計準則第28號(於二零一一年修訂)	聯營和合營企業投資 ¹
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ²	香港會計準則第32號(修訂本)	金融資產及金融負債對銷 ²
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹	香港(國際財務報告詮釋委員會)—詮釋第20號	露天礦場生產期的剝除成本 ¹

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

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

Annual Improvements to HKFRSs 2009-2011 Cycle issued in June 2012

The *Annual Improvements to HKFRSs 2009-2011 Cycle* include a number of amendments to various HKFRSs. The amendments are effective for the Group for annual period beginning on 1 January 2013. Amendments to HKFRSs include the amendments to HKAS 16 *Property, Plant and Equipment* and the amendments to HKAS 32 *Financial Instruments: Presentation*.

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The directors do not anticipate that the application of the amendments may have a material effect on the Group's consolidated financial statements.

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 *Income Taxes*. The directors anticipate that the amendments to HKAS 32 will have no effect on the Group's consolidated financial statements as the Group has already adopted this treatment.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

- ¹ 適用於二零一三年一月一日或以後開始的年度期間。
- ² 適用於二零一四年一月一日或以後開始的年度期間。
- ³ 適用於二零一五年一月一日或以後開始的年度期間。
- ⁴ 適用於二零一二年七月一日或以後開始的年度期間。

二零一二年六月頒佈之香港財務報告準則二零零九年至二零一一年週期之年度改進

香港財務報告準則二零零九年至二零一一年週期之年度改進包括對多項香港財務報告準則的多項修訂。該等修訂於二零一三年一月一日開始的年度期間對本集團生效。香港財務報告準則之修訂包括對香港會計準則第16號物業、廠房及設備之修訂及香港會計準則第32號金融工具：呈報之修訂。

香港會計準則第16號(修訂本)澄清，零部件、後備設備及使用中設備一旦符合香港會計準則第16號項下物業、廠房及設備的定義，則應分類為物業、廠房及設備，否則應分類為存貨，董事預期應用此等修訂可能不會對本集團的綜合財務報表造成重大影響。

香港會計準則第32號(修訂本)澄清，向股權工具持有人所作分派的所得稅以及股權交易的交易成本應根據香港會計準則第12號所得稅入賬，由於本集團已採用該項處理方式，董事預期該等對香港會計準則第32號之修訂將不會對本集團之綜合財務報表造成影響。



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for the Group annual period beginning on 1 January 2013 and interim periods within those annual period. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual period beginning on 1 January 2014, with retrospective application required.

The directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 will have no material impact on the amounts reported but may result in more disclosures on derivative instruments which are under master netting agreements as reported in the consolidated statement of financial positions at 31 December 2012.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第32號金融資產及金融負債對銷(修訂本)及香港財務報告準則第7號披露 – 金融資產及金融負債對銷(修訂本)

香港會計準則第32號修訂本澄清與對銷金融資產與金融負債規定有關的現有應用問題。具體而言，有關修訂澄清「現時擁有於法律上可強制執行的對銷權」及「同時變現及結算」的涵義。

香港財務報告準則第7號(修訂本)規定實體就具有可強制性執行的統一淨額結算協議或類似安排項下的金融工具披露與對銷權及相關安排(如抵押品過賬規定)的有關資料。

香港財務報告準則第7號(修訂本)於二零一三年一月一日開始的年度期間以及有關年度期間內的中期期間生效，亦須就所有比較期間作出追溯披露。然而，香港會計準則第32號(修訂本)於二零一四年一月一日開始的年度期間方始生效，並追溯應用。

董事預期，應用該等香港會計準則第32號及香港財務報告準則第7號之修訂對所呈報之金額並無重大影響，惟可能導致作出有關於二零一二年十二月三十一日綜合財務狀況表所報告的統一淨額結算協議下衍生工具之更多披露。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follow:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at FVTPL, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL was presented in profit or loss.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具

香港財務報告準則第9號於二零零九年頒佈，引進有關金融資產分類和計量的新要求。香港財務報告準則第9號於二零一零年修訂，加入有關金融負債分類和計量及終止確認的規定。

香港財務報告準則第9號的主要規定如下：

- 所有符合香港會計準則第39號金融工具：確認和計量範圍內的所有已確認金融資產其後按攤銷成本或公平值計量。特別是，目標為集合合約現金流量的業務模式中所持有及合約現金流量均為本金及尚未償還本金的利息付款的債務投資，一般按後續會計期末的攤銷成本計量。所有其他債務投資及權益性投資均按後續會計期末的公平值計量。此外，根據香港財務報告準則第9號，實體可能不可撤回地選擇在其他全面收入中呈列股本投資之其後公平值變動，並一般只在損益中確認股息收入。
- 就指定為按公平值計入損益的金融負債之計量而言，香港財務報告準則第9號規定，因金融負債信貸風險有變而導致其公平值變動的款額乃於其他全面收入呈列，除非於其他全面收入呈報該負債信貸風險變動的影響會產生或增加損益的會計錯配，則作別論。因金融負債之信貸風險而導致其公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為按公平值計入損益的金融負債的全部公平值變動款額均於損益中呈列。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

HKFRS 9 Financial Instruments (continued)

HKFRS 9 is effective for the Group for annual period beginning on 1 January 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 will affect the measurement and classification of the Group’s available-for-sale investment but may not affect the Group’s other financial assets and financial liabilities.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of HKFRS 10 and HKFRS 12 are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK(SIC)-Int 12 *Consolidation – Special Purpose Entities* will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

香港財務報告準則第9號於二零一五年一月一日開始的年度期間對本集團生效，並可提早採用。

董事預期，採納香港財務報告準則第9號將對本集團可供出售金融資產的計量及分類造成影響，但可能不會對本集團其他金融資產或金融負債造成影響。

有關綜合賬目、聯合安排、聯營公司及披露事項之新訂及經修訂準則

二零一一年六月頒佈一套五項有關綜合賬目、聯營公司及披露事項之準則，包括香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號(於二零一一年修訂)及香港會計準則第28號(於二零一一年修訂)。

香港財務報告準則第10號及第12號之主要規定說明如下。

香港財務報告準則第10號取代香港會計準則第27號綜合及獨立財務報表處理綜合財務報表之部分。香港(常務詮釋委員會)–詮釋第12號綜合賬目–特設實體，將於香港財務報告準則第10號之生效日期後撤回。根據香港財務報告準則第10號，合併只有一項基準，即是控制權。此外，香港財務報告準則第10號載有控制權之新定義，當中包括三項元素：(a)對接受投資實體之權力；(b)參與接受投資實體之業務所得可變回報之風險或權利；及(c)對接受投資實體運用其權力影響投資者回報金額之能力。香港財務報告準則第10號已新增多項指引以處理複雜情況。



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

New and revised standards on consolidation, joint arrangements, associates and disclosures (continued)

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for the Group for annual period beginning on 1 January 2013.

The directors anticipate that the application of these five standards will not have a significant impact on amounts reported in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

有關綜合賬目、聯合安排、聯營公司及披露事項之新訂及經修訂準則(續)

香港財務報告準則第12號為一披露準則，適用於擁有於附屬公司、聯合安排、聯營公司及／或未綜合入賬架構實體之權益之實體。整體而言，香港財務報告準則第12號之披露規定較現行準則更為廣泛。

於二零一二年七月，香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂本予以頒佈，澄清首次應用該五項香港財務報告準則之若干過渡性指引。

該五項準則連同關於過渡指引之修訂本由二零一三年一月一日開始之年度期間對本集團生效。

董事預期應用該五項準則將對綜合財務報表呈報之金額並不會構成重大影響。



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for the Group annual period beginning on 1 January 2013. The directors anticipate that the application of the new standard is unlikely to affect derivative financial instruments reported in the consolidated financial statements but result in more extensive disclosures in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第13號公平值計量
香港財務報告準則第13號確立有關公平值計量及其披露之唯一指引。該準則界定公平值，確立計量公平值之框架，並規定公平值計量之披露。香港財務報告準則第13號之範圍廣泛，除若干特定情況外，適用於其他香港財務報告準則規定或准許進行公平值計量及作出公平值計量披露之金融工具項目及非金融工具項目。整體而言，香港財務報告準則第13號之披露規定較現行準則更為廣泛。例如，根據香港財務報告準則第7號金融工具：披露，現時僅規範金融工具之三類公平值架構劃分之定量及定性披露，而通過香港財務報告準則第13號，將擴大至涵蓋其範圍內之所有資產及負債。

香港財務報告準則第13號於二零一三年一月一日開始之年度期間對本集團生效。董事預計，應用此項新準則不可能對綜合財務報表若干所報衍生金融工具造成影響，因而須於綜合財務報表作出更廣泛披露。



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

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

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a ‘statement of comprehensive income’ is renamed as a ‘statement of profit or loss and other comprehensive income’, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group for annual period beginning on 1 January 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied.

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第1號其他全面收入的項目呈列(修訂本)

香港會計準則第1號(修訂本)其他全面收入項目的呈報為全面收益表及收益表引入新的術語。根據香港會計準則第1號(修訂本)，全面收益表更名為損益及其他全面收益表。香港會計準則第1號(修訂本)規定其他全面收入項目可劃分為兩類：(a)其後不會重新分類至損益的項目；及(b)於符合特定條件時，其後可重新分類至損益的項目。其他全面收入項目的所得稅須按相同基準予以分配，修訂本並無改變按除稅前或除稅後呈列其他全面收入項目的選擇權。

香港會計準則第1號(修訂本)於二零一二年一月一日開始的年度期間對本集團生效。當應用該修訂本時，其他全面收入項目的呈列方式將會作出相應修改。

董事預期應用其他新訂及經修訂準則、修訂或詮釋對本集團業績及財務狀況並不構成重大影響。



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of consideration given in exchange for goods.

The principal accounting policies set out below.

Basis of consolidation

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

Incomes and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

3. 重大會計政策

綜合財務報表按香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例規定的適用披露。

如下文會計政策所述，除若干金融工具以公平值計量外，綜合財務報表按歷史成本法編製。歷史成本一般按交換貨品之代價之公平值計算。

重大會計政策載列如下。

綜合基準

綜合財務報表包括本公司及本公司所控制實體(其附屬公司)的財務報表。倘本公司有權管轄一家實體的財務及營運政策，以致從該實體的業務中獲利，即視為對該實體擁有控制權。

年內所收購或出售之附屬公司的收益及開支，自收購生效日期起或截至出售生效日期止(如適用)計入綜合全面收益表。

如有需要，會對附屬公司的財務報表作出調整，使其會計政策與本集團其他成員公司所採用者一致。

集團內公司間的一切交易、結餘、收益及開支均於綜合賬目時對銷。

於附屬公司之非控股權益於本集團於附屬公司之權益分開呈列。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the proportionate share of net assets attributable to the non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by the applicable HKFRSs).

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

3. 重大會計政策(續)

將全面收益總額分配至非控股權益

附屬公司之全面收益及開支總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

本集團於現有附屬公司的擁有權變動

倘本集團於現有附屬公司擁有權之變動並無導致本集團對附屬公司失去控制權，則作為權益交易入賬。本集團的權益及非控股權益的賬面值會予以調整以反映彼等於附屬公司的有關權益變動。非控股權益應佔資產淨額的份額與已付或已收代價之公平值的任何差額直接於權益中確認並歸屬於本公司之擁有人。

倘本集團失去一間附屬公司之控制權，則其於失去控制權當日取消按賬面值確認該附屬公司之資產及負債。倘該附屬公司之資產按重估金額或公平值列賬，而相關累計收益或虧損已於其他全面收入內確認並累計入權益，則先前於其他全面收入確認並累計入權益之款額，將按猶如本集團已直接出售相關資產入賬（即按適用香港財務報告準則之規定重新分類至損益或直接轉撥至保留溢利）。

業務合併

業務收購乃採用收購法入賬。於業務合併轉撥的代價按公平值計量，而計算方式為本集團轉撥的資產、本集團對被收購方的前擁有人產生的負債及本集團於交換被收購方的控制權所發行的股權於收購日期的公平值總和。與收購事項有關的成本於產生時在損益賬中確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangement of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. 重大會計政策(續)

業務合併(續)

於收購日期，已收購的可識別資產及所承擔的負債按彼等於收購日期的公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方的以股份支付安排或本集團訂立以取代被收購方以股份支付安排有關的負債或股權工具於收購日期根據香港財務報告準則第2號以股份支付計量(見下文會計政策)；及
- 根據香港財務報告準則第5號*持作出售的非流動資產及已終止經營業務*劃分為持作出售的資產(或出售組合)根據該準則計量。

商譽是以所轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平值(如有)之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經過重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平值(如有)之總和，則差額即時於損益內確認為議價收購收益。



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another standard.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

3. 重大會計政策(續)

業務合併(續)

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值的非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別之非控股權益乃按其公平值或(如適用)另一項準則規定的基準計量。

倘本集團於業務合併中轉讓的代價包括或然代價安排產生的資產或負債，或然代價按其收購日期公平值計量並視為於業務合併中所轉撥代價的一部份。或然代價的公平值變動如適用計量期間調整則追溯調整，並根據商譽作出相應調整。計量期間調整為於「計量期間」就於收購日期存在的事實及情況獲得的其他資料產生的調整。計量期間自收購日期起計，不超過一年。

或然代價的公平值變動的隨後入賬如不適用計量期間調整，則取決於或然代價如何分類。分類為權益的或然代價並無於隨後申報日期重新計量，而其隨後結算於權益內入賬。分類為資產或負債的或然代價根據香港會計準則第39號或香港會計準則第37號撥備、或然負債及或然資產(如適用)於隨後申報日期重新計量，而相應的收益或虧損於損益賬中確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Revenue recognition

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

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

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

3. 重大會計政策(續)

業務合併(續)

本集團先前於被收購方持有的股權重新計量至收購日期(即本集團獲得控制權當日)的公平值,而所產生的收益或虧損(如有)會於損益賬中確認。過往於收購日期前於其他綜合收益確認的被收購方權益所產生款額乃重新分類至損益(倘有關處理方法適用於出售權益)。

倘業務合併的初步會計處理於合併發生的報告期末尚未完成,則本集團報告未完成會計處理的項目臨時數額。該等臨時數額會於計量期間(見上文)予以調整,或確認額外資產或負債,以反映於收購日期已存在而據所知可能影響該日已確認款額的事實與情況所取得的新資訊。

收益確認

收益按已收或應收代價之公平值計量,指日常業務過程所售貨品的應收款項,並扣除折扣與銷售相關稅。

貨品銷售收益於貨品交接及物權轉移時,即下列條件全部達成時確認:

- 本集團已將貨品所有權之絕大部分風險及回報轉移予買方;
- 本集團並無參與一般與已售貨品所有權有關的持續管理,亦無保留有關已售貨品的實際控制權;
- 收益金額可以可靠地計量;
- 與交易相關之經濟利益有可能會流入本集團;及

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Property, plant and equipment

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

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

3. 重大會計政策(續)

收益確認(續)

- 交易已產生或將產生之成本可以可靠地計量。

當經濟利益有可能會流入本集團及收益金額可以可靠地計量時，金融資產之利息收入將獲確認。利息收入參照未償還本金額及按適用實際利率以時間基準累計。適用實際利率指於金融資產預計可使用年期內估計日後現金收入準確折現至有關資產於初始確認時賬面淨值之利率。

投資之股息收入，於股東收取股息之權利確立時確認，惟經濟利益極有可能歸本集團所有及當收益能可靠地計算時方被確認。

物業、廠房及設備

物業、廠房及設備(包括持作生產或提供貨品或服務或作行政用途的土地(列為金融租賃)及樓宇，但不包括在建物業)以成本減其後累計折舊及累計減值虧損(如有)於綜合財務狀況表中列賬。

折舊乃按物業、廠房及設備項目(在建物業除外)的估計可使用年期以直線法撇銷成本減其剩餘價值。估計可使用年期、剩餘價值及折舊法於各報告期末檢討，而任何估計變動的影響按預期基準入賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

When an item of property becomes an investment property because its use has changed as evidenced by end of owner-occupation, the cost and accumulated depreciation of property, plant and equipment is transferred to investment property at the date of change in use.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

3. 重大會計政策(續)

物業、廠房及設備(續)

用於生產、供應或行政用途的在建物業乃按成本減任何已確認減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。該等物業已完成及用作擬定用途時，將會劃分至物業、廠房及設備的適當類別。該等資產乃按其他物業資產之相同基準，於該等資產可用於其擬定用途時開始計算折舊。

於出售物業、廠房及設備項目或預期繼續使用有關資產不會產生未來經濟利益時，終止確認物業、廠房及設備項目。出售或報廢物業、廠房及設備而產生的任何損益按出售所得款項淨額與賬面值之間的差額釐定，並於損益中確認。

投資物業

投資物業指持作賺取租金及/或資本升值之物業。

當一項物業變為投資物業時，物業因其用途已改變而終止自用，物業、廠房及設備之成本及累計折舊將於用途改變之日轉讓至投資物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊獲確認以按投資物業之估計可使用年期並計及其估計剩餘價值後以直線法撇銷其成本。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and carrying an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

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

3. 重大會計政策(續)

投資物業(續)

於投資物業出售或永久停止使用及預計不會從出售中獲得未來經濟收益時，會被取消確認。取消確認該資產所產生之任何收益或虧損(按出售所得款項淨額與該資產之賬面值差額計算)於被取消確認之期間內計入損益。

租賃

當租賃條款將所有權之絕大部份風險及回報轉讓予承租人時，有關租賃將列為融資租賃。所有其他租賃則一概列作經營租賃。

本集團作為出租人

來自經營租賃之租金收入乃按相關租賃年期以直線法於損益表確認。在磋商及安排營業租約時產生之初步直接成本加入租賃資產之賬面值，於租約年期以直線法確認為開支。

本集團作為承租人

經營租賃款項於相關租賃期間按直線法確認為開支。倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。激勵措施的總利益於租期內按直線法確認為租金開支的減少。

租賃土地及樓宇

凡租賃包括土地及樓宇部分，本集團須評估各部份擁有權所承擔之絕大部份風險及回報是否已轉移本集團作為獨立評估其分類屬於融資或經營租賃的依據，除非在兩個部分均為經營租賃的明確情況下，整個租賃被歸類為經營租賃。具體而言，最低租賃款項(包括任何一次性預付款)被分配到的土地及樓宇部分的比例，以其租賃在開始時土地租賃權益和樓宇租賃權益的比例分配。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Leasehold land and building (continued)

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

Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of Group's entities are translated into the presentation currency of the Group (i.e. HK\$) using the exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

3. 重大會計政策(續)

租賃(續)

租賃土地及樓宇(續)

倘能可靠地分配租賃款項，則被列作經營租賃的租賃土地的權益將作為「預付租金」於綜合財務狀況表列賬及按租賃年期以直線法攤銷。在租賃款項不能在土地及樓宇之間作可靠分配之情況下，全數租賃款項均被納入作為物業、廠房及設備之融資租賃。

外幣

編製個別集團實體的財務報表時，以非該實體功能貨幣(外幣)進行的交易按交易日期當時的匯率以各自的功能貨幣(即該實體經營所在的主要經濟環境的貨幣)列賬。於各呈報期結算日，以外幣計值的貨幣項目均按結算日當日的匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則毋須重新換算。

因結算及換算貨幣項目而產生的匯兌差額均於產生期間在損益確認。

就呈列綜合財務報表而言，本集團公司的資產及負債按各呈報期結算日的匯率換算成本集團的呈列貨幣(即港元)，而收支則按年內平均匯率換算，惟匯率於年內大幅波動則除外，在該情況下，將使用交易當日的匯率換算。所產生匯兌差額(如有)確認為其他全面收入並於外幣換算儲備(如適合，非控股權益應佔)項下累計股權。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

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

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable 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.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (“MPF Scheme”) are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

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

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

3. 重大會計政策(續)

借貸成本

收購、興建或生產符合條件資產(即須經過一段長時間才可達致其擬定用途或可供出售之資產)之直接借貸成本須作為該等資產成本之一部份，直至該等資產大體上達致其擬定用途或可供出售時。倘符合條件資產之特定貸款於支付其支出前暫作投資之用，其投資收入須用作減低已資本化的借貸成本。

所有其他借貸成本乃於產生之期間在損益賬確認。

政府補助

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

給予本集團即時財務資助而應收的政府補助(不計進一步相關成本)在應收期間於損益內確認。

退休福利成本

向國家管理的退休福利計劃及強制性公積金計劃(「強積金計劃」)作出之供款於僱員提供服務而有權獲得有關供款時列為開支。

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項乃根據年內的應課稅溢利計算。由於應課稅溢利不包括須於其他年內應課稅的收入或可扣稅開支項目，亦不包括毋須課稅或不可扣稅項目，故應課稅溢利與綜合全面收益表內列賬的溢利不同。本集團的即期稅項負債乃採用於報告期末已實施或實際已實施的稅率計算。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (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 associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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

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

3. 重大會計政策(續)

稅項(續)

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時差額確認。所有應課稅暫時差額一般確認為遞延稅項負債。倘可能出現應課稅溢利可用作抵銷可扣減暫時差額，則所有可扣減暫時差額一般確認為遞延稅項資產。若因初步確認一項交易(業務合併除外)之其他資產與負債而產生並無影響應課稅溢利或會計溢利的暫時差額，則不會確認該等資產與負債。

遞延稅項負債按於附屬公司投資的相關應課稅暫時差額確認，惟本集團可控制有關暫時差額撥回且於可見將來應不會撥回有關差額則除外。該等投資相關可扣減暫時差額產生的遞延稅項資產僅在可能產生足夠應課稅溢利可用作抵銷可動用暫時差額利益並預期在可見將來撥回時確認。

於各報告期末均會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利可收回全部或部分資產為止。

遞延稅項資產及負債按償還負債或變現資產期間的預期適用稅率(根據各報告期末已實施或實際已實施之稅率(及稅法))計算。

遞延稅項負債及資產之計算反映按照本集團所預期方式於各報告期末收回或清償其資產及負債賬面值之稅務後果。即期及遞延稅項於損益中確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

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

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at FVTPL, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 重大會計政策(續)

存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本按加權平均法計算。可變現淨值指存貨的估計售價減完成的所有估計成本及進行銷售所需的成本。

金融工具

當集團實體成為工具合約條文的訂約方時，於綜合財務狀況表確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。因收購或發行金融資產及金融負債(按公平值計入損益的金融資產或金融負債除外)而直接產生的交易成本於首次確認時於該項金融資產或金融負債的公平值中計入或扣除(如適用)。因收購按公平值計入損益的金融資產或金融負債而直接產生的交易成本會即時於損益中確認。

金融資產

本集團的金融資產分為按公平值計入損益的金融資產，貸款及應收款項及可供出售金融資產三類。有關分類須視乎金融資產的性質及用途，並於初始確認時釐定。常規買賣的所有金融資產根據買賣日期確認及終止確認。常規買賣指須於規例或市場慣例形成的時間框架內交付資產而進行的金融資產買賣。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments, other than those financial assets classified as at FVTPL, of which interest income is included in net gain or losses.

Financial assets at FVTPL

Financial assets at FVTPL has two sub-categories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

實際利率法

實際利率法為計算金融資產之攤銷成本以及按有關期間分配利息收入之方法。實際利率指將金融資產於整個預計可用年期或(倘適用)較短期間內的估計未來現金收入(包括構成實際利率一部分的所有已付或已收費用、交易成本及其他溢價或折讓)準確折算至首次確認之賬面淨值的利率。

債務工具的利息收入按實際利率基準確認，惟按公平值計入損益的金融資產則作別論，其利息收入包括於損益內。

按公平值計入損益之金融資產

按公平值計入損益之金融資產分為兩個子分類，包括持作買賣的金融資產及該等會於首次確認時被指定為按公平值計入損益的金融資產。

金融資產會被分類為持作買賣，倘：

- 主要的收購目的是於近期內將其出售；或
- 其為本集團共同管理的金融工具的已識別的金融組合的一部分，並於近期錄得實質短期完成獲利的模式；或
- 其為並未指定及有效成為對沖工具之一項衍生工具。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the other gains and losses line item in the consolidated statement of comprehensive income. Fair value is determined in the manner described in Note 4.

Loans and receivables

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產(續)

持作買賣的金融資產以外的金融資產可能於首次確認時被指定為按公平值計入損益之金融資產，倘：

- 該指定可消除或相當大程度上減低計量或確認時可能出現的不一致；或
- 根據本集團已備檔的風險管理或投資策略，及內部提供的分組資料按其基準構成一組金融資產或金融負債或兩者相備的金融資產，並以公平值基準管理及評估表現；或
- 構成一項包含一個或多個嵌入的衍生工具的合約的部分，並且香港會計準則第39號允許整份合併合約(資產或負債)指定為按公平值計入損益的金融資產。

按公平值計入損益的金融資產乃按公平值計量，重新計量產生的公平值變動則直接於產生期間損益中確認。於損益中確認的收益或虧損淨額包括金融資產賺取的任何股息或利息，並計入綜合全面收益表的其他收益及虧損項目內。公平值以附註4所述方式釐定。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生金融資產，而於活躍市場並無報價。於首次確認後，貸款及應收款項(包括貿易及其他應收款項、應收票據、應付主要股東款項、已抵押銀行存款、受限制銀行存款及銀行結餘及現金)減任何已識別減值虧損後以實際利率法計算並按攤銷成本計量(見下文有關金融資產的減值虧損的會計政策)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL or loans and receivables.

Equity securities traded in an active market are measured at fair value at the end of the reporting period. Changes in the fair value of available-for-sale equity investments are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Impairment of financial assets

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

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售金融資產指並非指定或分類為按公平值計入損益之金融資產、貸款及應收款項。

股本證券於活躍市場交易並於報告期末按公平值計量。可供出售股權投資之公平值變動於其他全面收入內確認並於投資重估儲備中累計。當金融資產出售或釐定減值，於此時，先前於投資重估儲備累計之累計收入或虧損重新分類至損益(見下列有關金融資產減值虧損之會計政策)。

可供出售股權工具之股息於本集團有權收取股息時於損益內確認。

金融資產減值

於各報告期末，按公平值計入損益表以外之金融資產被評定是否有減值跡象。當有客觀證據顯示金融資產之預期未來現金流量因於初步確認該金融資產後發生之一項或多項事件出現而受到影響時，該等金融資產即已被視作減值。

就可供出售之股本投資而言，該投資之公平值大幅或長期低於其成本時可被考慮為減值之客觀證據。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For all other financial assets, objective evidence of impairment could include:

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

Financial assets such as trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the respective credit periods, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就所有其他金融資產而言，減值之客觀證據可包括：

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

就金融資產(如貿易應收款項)而言，不會單獨作出減值之資產其後會一併評估減值。應收款項組合減值之客觀證據可包括本集團過往收款紀錄、組合拖欠付款超逾各自信貸期的次數增加，及與拖欠應收款項有關的國家或地方經濟狀況出現客觀變動。

就按攤銷成本列賬的金融資產而言，已確認之減值虧損金額為資產賬面值與按原實際利率折現之估計日後現金流量現值之差額。

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收款項除外，其賬面值會透過撥備賬作出扣減。撥備賬內賬面值變動會於損益確認。當貿易應收款項視為不可收回時，則於撥備賬內撇銷。其後撥回過往所撇銷的款項將計入撥備賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

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

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in the investment revaluation reserve.

Financial liabilities and equity instruments

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

Equity instrument

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

當可供出售之金融資產被認為已減值時，以往於其他全面收入中已確認之累計收益或虧損重分類至該期之損益中。

就按已攤銷成本值列賬之金融資產而言，如在其後之期間減值虧損金額減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該投資於減值被撥回當日之賬面值不得超過並無確認減值下之已攤銷成本。

就可供出售股本投資而言，以往於損益確認之減值虧損將不會撥回損益中。於確認減值虧損後之任何公平值增加於其他全面收入中確認並於投資重估儲備中累計。

金融負債及股權工具

集團實體發行之債項及股權工具乃根據合約安排之主旨與金融負債及股權工具之定義分類為金融負債或股權。

股權工具

股權工具乃證明本集團於扣減其所有負債後之資產中擁有剩餘權益之任何合約。本公司發行之股權工具按已收所得款項(扣除直接發行成本)確認。

本公司購回本身之股權工具於權益直接確認及扣除。購買、出售、發行或註銷本公司本身之股權工具概不會於損益確認收益或虧損。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

Financial liabilities at FVTPL

The Group's financial liabilities classified as FVTPL are derivatives that are not designated and effective as hedging instruments.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities (including trade and other payables, amount due to a substantial shareholder and bank borrowings and overdrafts) are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds and warrants

Convertible bonds

Convertible bonds issued by the Group that contain both debt and derivative option components are classified separately into respective items on initial recognition. Derivative that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, both the debt and derivative option components are recognised at fair value.

3. 重大會計政策(續)

金融工具(續)

金融負債及股權工具(續)

實際利率法

實際利率法為計算金融負債攤銷成本及於相關期間分配利息收入之方法。實際利率為於初步確認時確切貼現金融負債預期使用期或於較短年期(倘適用)之估計未來現金收入(包括構成整體實際利率之所有已付或已收費用及基點、交易成本及其他溢價或折讓)至賬面淨值的利率。

利息開支按實際利率基準確認，惟按公平值計入損益的金融負債則作別論，其中利息開支包括於損益內。

按公平值計入損益的金融負債

分類為按公平值計入損益的金融負債的本集團金融負債乃並非指定為而實際為對沖工具之衍生工具。

按公平值計入損益表的金融資產乃按公平值列賬，而再計量後所產生之收益或虧損於損益表中確認。於損益表中確認之收益或虧損淨額則包括就金融負債所付的任何利息。

其他金融負債

其他金融負債(包括貿易及其他應付款項、應付主要股東款項及銀行借貸及透支)隨後以攤銷成本使用實際利率法計量。

可換股債券及認股權證

可換股債券

由本集團發行並包含債務及衍生工具部分的可換股債券於初步確認時獨立分類為個別項目。衍生工具如透過以定額現金或另一項金融資產交換定額的本公司本身股權工具以外的方式結算，則屬轉換權衍生工具。於發行日期，債務及衍生工具部分均按公平值確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Convertible bonds and warrants (continued)

Convertible bonds (continued)

In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivatives together with other embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible loan notes using the effective interest method.

Warrants

Warrants that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments are classified as derivatives and are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derivative financial instruments

The Group's derivative financial instruments include commodity futures, provisional pricing arrangements and foreign currency forwards contracts.

Contracts to buy or sell a non-financial item at a future date that can be settled net in cash are accounted for as derivatives unless they were entered into and continue to be held for the purpose of the receipt of the non-finance item in accordance with the entity's expected purchase, sale or usage requirement.

3. 重大會計政策(續)

金融工具(續)

可換股債券及認股權證(續)

可換股債券(續)

於往後期間，可換股債券的債務部分會利用實際利率法按攤銷成本列賬。該衍生工具及其他嵌入式衍生工具按公平值計量，而公平值變動則於損益確認。

有關發行可換股債券的交易成本按債務及衍生工具部份的相對公平值比例分配至該兩部份。有關債務部份的交易成本會計入債務部份的賬面值並以實際利息法於可換股債券票據期內攤銷。

認股權證

認股權證將透過以定額現金或另一項金融資產交換定額的本公司本身股權工具以外的方式結算並於衍生合約訂立日期分類為衍生工具及按公平值初步確認，隨後於報告期末按公平值重新計量。所產生之溢利或虧損於損益即時確認。

衍生金融工具

本集團的衍生金融工具包括商品期貨、臨時定價安排及外匯遠期合約。

於日後買賣的可以淨現金結算的非金融項目的合約計作衍生工具，除非該等合約訂立及繼續持有的目的乃為根據實體的預期購買、銷售或使用安排收取非金融項目。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derivative financial instruments (continued)

Such derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derivatives of the Group do not qualify for hedge accounting thus they are deemed as financial assets held for trading or financial liabilities held-for-trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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

3. 重大會計政策(續)

金融工具(續)

衍生金融工具(續)

相關衍生金融工具於衍生合約訂立日期以公平值初步確認，並隨後於報告期末重新計入其公平值。除非該衍生工具被指定為及有效成為對沖工具，因此導致的收益或虧損立即於損益中確認，在此情況下，確認損益的時間視乎對沖關係的性質。

本集團的衍生工具並不適合作對沖會計，因此視為持作買賣的金融資產或持作買賣的金融負債。該等衍生工具公平值變動直接於損益表確認。

嵌入式衍生工具

倘非衍生主合約所包括的工具符合衍生工具的定義，且其風險及特質與主合約之風險及特質並無密切關係，及主合約並非按公平值計量及公平值變動於損益確認時，非衍生主合約內含之衍生工具乃被視作獨立衍生工具。

終止確認

僅當資產現金流量的合約權利到期時，或將其金融資產或該資產擁有權的絕大部分風險及回報轉移至另一實體時，本集團方會終止確認金融資產。倘本集團仍保留已轉移金融資產擁有權的絕大部分風險及回報，本集團將繼續確認該金融資產並確認已收所得款項的有抵押借貸。

終止確認金融資產時，資產賬面值與已收及應收代價之差額以及於其他全面收入確認及於股權中累積之累計損益將於損益確認。

當且僅當本集團的責任解除、取消或屆滿時，本集團方會終止確認金融負債。終止確認的金融負債之賬面值與已付及應付代價之差額於損益確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees and directors

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve). The Group estimates the fair value of share options using a Binominal Option Pricing Model. This model requires inputs such as share price, exercise price, risk-free rate, expected option period, expected volatility, dividend yield and option type. Service and non-market base performance conditions are taken in account when estimating the fair value at measurement date.

Instead, service and non-market base performance conditions are taken in consideration to determine the number of share options that are expected to ultimately vest.

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

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

Share options granted to consultants

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the counterparties render services, unless the services qualify for recognition as assets.

3. 重大會計政策(續)

以股份為基礎付款之交易

以股權結算及以股份為基礎付款之交易 授予僱員及董事之購股權

參考於授出日期授出購股權之公平值而釐定之已獲取服務之公平值，乃於歸屬期內以直綫基準支銷，並相應增加權益(購股權儲備)。本集團乃採用二項式期權定價模式估計購股權之公平值。此模式要求的元素包括股價、行使價、無風險利率、預期購股權期間、預期波幅、股息收益率及期權種類。基於服務及非市場的表現條件於在計量日期估計公平值時加以考慮。

此外，基於服務及非市場的表現條件會加以考慮以釐定預期最終歸屬之購股權數目。

於報告期末，本集團對預期最終將歸屬之購股權數目估計作出修訂。於歸屬期間修訂原有估計之影響(如有)於損益確認，因此該等累計開支反映經修訂估計，而購股權儲備亦作相應調整。

於行使購股權時，先前已在購股權儲備中確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於到期日尚未獲行使，則先前已在購股權儲備中確認之金額將轉撥至累計盈利。

授予顧問之購股權

為換取服務而發行之購股權乃按所收取服務之公平值計量，除非該公平值未能可靠計量，而在此情況下，所收取之服務乃參考所授出購股權之公平值計量。除非該等服務合資格確認為資產，否則於對手提供服務時，所收取服務之公平值確認為開支，而權益(購股權儲備)作相應增加。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a 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 had no impairment loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

3. 重大會計政策(續)

有形資產減值之虧損

於報告期末，本集團對其有形資產的賬面值進行審閱，以確定該等資產是否出現減值虧損的跡象。倘出現任何該等跡象，將對資產的可收回金額進行估計以釐定減值虧損(倘有)。倘不能估計單一資產的可回收金額，則集團可估計資產所屬的現金產生單位的可回收金額。於可識別合理及一貫分配的基準下，企業資產亦被分配到個別現金產生單位，否則會被分到可合理地及按一貫分配基準識別的最小現金產生單位中。

可收回金額為公平值減銷售成本及使用價值的較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其貼現值，該貼現率反應現行市場對資金時間值的評估以及估計未來現金流量未經調整的資產的獨有風險。

倘估計某項資產的可收回金額(或現金產生單位)低於其賬面值，該項資產(或現金產生單位)的賬面值須減低至可收回金額。減值虧損將即時於損益賬中確認。

倘減值虧損隨後減少，該資產(或現金產生單位)的賬面值將增加至其經修訂估計可收回金額，惟增加的賬面值不得超過以往年度資產(或現金產生單位)確認為並無減值虧損時所釐定的賬面值。減值虧損的減少會即時於損益賬中確認。

4. 估計不確定因素的主要來源

以下為有關日後的主要假設及於報告期末很可能會引致下個財政期間資產及負債賬面值大幅調整的其他估計不確定因素的主要來源。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Write down on inventories

Management of the Group reviews the inventories listing on a category-by-category basis at the end of reporting period, and assesses whether the cost of the finished products will exceed their net realisable value. Management estimates the net realisable value for such inventories based primarily on the latest resale value and quoted prices on applicable commodity exchanges. If the market price of inventories are to decline, additional write down may be required. The Group's inventories are stated at the lower of cost and net realisable value in the consolidated statement of financial position at the end of reporting period. The carrying amount of inventories is disclosed in Note 21.

Estimated impairment of property, plant and equipment

When there is indication that an item of the property, plant and equipment has suffered an impairment loss, management of the Group takes into consideration of the estimation of its recoverable amount. The recoverable amount calculation requires the Company to estimate higher of fair value less costs to sell and value in use expected to arise from the property, plant and equipment and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of property, plant and equipment is disclosed in Note 17.

Depreciation of property, plant and equipment

Property, plant and equipment (other than construction in progress) are depreciated on a straight line basis over their estimated useful lives, after taking into account their estimated residual value. The Group assesses annually the residual value and the useful lives of property, plant and equipment. If the expectation differs from the original estimate, such difference will impact the depreciation charge in the year in which such estimate is changed.

Fair value of embedded derivative components of convertible bonds and warrants

As described in Notes 31 and 32, the directors of the Company use their judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The fair values of the embedded derivative components of convertible bonds and warrants are determined using the Binomial Option Pricing Model adjusted for specific terms and conditions of the respective instrument. Major inputs into the model include quoted market prices, risk free rates, expected volatility, dividend yields and the option's life.

4. 估計不確定因素的主要來源 (續)

存貨撇減

本集團管理層於報告期末按類別檢討存貨，並估計製成品的成本會否超逾可變現淨值。管理層主要按最新轉售價值及相關商品交易所報價估計有關存貨的可變現淨值。倘存貨市價下跌，則或須作出額外撇減。本集團於報告期末的所有存貨均按成本及淨現值(以較低者為準)於綜合財務狀況表列賬。存貨之賬面值於附註21披露。

物業、廠房及設備的減值估計

倘有跡象顯示物業、廠房及設備項目已出現減值虧損，本集團管理層會考慮估計物業、廠房及設備的可回收金額。計算可回收金額要求本公司估計較高的公平值減出售成本及對預期物業、廠房及設備所產生之使用價值及適當之貼現率以計算現值。倘實際未來現金流量少於預期，則可能出現重大減值虧損。物業、廠房及設備之賬面值於附註17披露。

物業、廠房及設備折舊

物業、廠房及設備(在建工程除外)經計及其剩餘價值後，以直線法按估計可用年期折舊。本集團每年就評估物業、廠房及設備之剩餘價值及可使用年期進行評估，倘預期有別於原定估計，則有關差異將影響估計更改年內之折舊開支。

可換股債券及認股權證內嵌入式衍生工具的公平值

誠如附註31及32所述，本公司董事採用彼等之判斷就並無於活躍市場報價之金融工具選用適當之估值技術。採納市場從業員一般應用之估值技術。可換股債券及認股權證內嵌入式衍生工具的公平值乃使用二項期權定價模式釐定，以適應各自工具的特定條款及條件。該模式所輸入之主要數據包括所報市價、無風險利率、預期波動、股息回報率及期權期限。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

5. CAPITAL MANAGEMENT

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 remained unchanged from prior years.

The capital structure of the Group consists of debt, which includes bank borrowings and convertible bonds disclosed in Note 28 and Note 31, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising capital, various reserves and accumulated profits.

The directors of the Company review the capital structure periodically. The directors of the Company also balance the overall capital structure through the payment of dividends, new share issues and share repurchases as well as the issue of new debt or the redemption of existing debt. No changes were made in the objectives, policies or processes during the year ended 31 December 2012.

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Financial assets	金融資產		
Investments at FVTPL	按公平值計入損益之投資	24,677	—
Derivative financial instruments	衍生金融工具	55,438	37,021
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	837,874	935,298
Available-for-sale investments	持作出售投資	15,470	19,060
Financial liabilities	金融負債		
Derivative financial instruments	衍生金融工具	21,520	39,765
Embedded derivative components of convertible bonds	可換股債券嵌入式衍生工具部分	85,290	—
Warrants	認股權證	8,046	—
Amortised cost	攤銷成本	2,916,427	3,131,250

5. 資本管理

本集團管理資本旨在保障本集團屬下實體可持續經營，並透過維持債務與股權的最佳平衡而為股東提供最大回報。本集團的整體策略與過往年度相同。

本集團的資本架構包括債務(包括附註28及附註31分別所披露的銀行借貸及可換股債務，扣除現金及現金等值項目)及本公司擁有人應佔權益(包括資本、多項儲備及累計溢利)。

本公司董事定期審閱資本架構。本公司董事亦透過支付股息、發行新股及股份購回以及發行新債務或贖回現有債務平衡本集團整體資本架構。截至二零一二年十二月三十一日止年度，有關目標、政策或程序並無變動。

6. 金融工具

6a. 金融工具の種類

	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
	24,677	—
	55,438	37,021
	837,874	935,298
	15,470	19,060
	21,520	39,765
	85,290	—
	8,046	—
	2,916,427	3,131,250

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bills receivables, investments at FVTPL, derivative financial assets, pledged bank deposits, restricted bank deposits, bank balances and cash, amounts due from (to) a substantial shareholder, available-for-sale investment, trade and other payables, derivative financial liabilities, bank borrowings and overdrafts, convertible bonds, embedded derivative components of convertible bonds and warrants. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group has foreign currency sales, purchases, trade and other receivables, pledged bank deposits, bank balances and cash, available-for-sale investment, trade and other payables, and bank borrowings, which expose the Group to market risk arising from changes in foreign exchange rates. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors its foreign currency risk exposure and considers any foreign currency forward contracts should the need arise.

6. 金融工具(續)

6b. 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、應收票據、按公平值計入損益之投資、衍生金融資產、已抵押銀行存款、受限制銀行存款、銀行結餘及現金、應收(應付)主要股東款項、可供出售投資、貿易及其他應付款項、衍生金融負債、銀行借貸及透支、可換股債券、可換股債券嵌入式衍生工具部分及認股權證。該等金融工具詳情於相關附註披露。有關該等金融工具的風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。為減輕該等風險而制訂的政策載於下文。管理層管理及監控該等風險以確保及時有效地採取適當措施。

市場風險

(i) 貨幣風險

本集團因有外幣買賣、貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、持作出售投資、貿易及其他應付款項及銀行借貸而面對外匯匯率變動帶來的市場風險。本集團現時並無外幣對沖政策。然而，管理層仍密切監控外幣風險，並會於需要時考慮任何外幣遠期合約。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

In addition, the Group had entered into several foreign currency forward contracts with a bank to reduce its exposure to currency fluctuation risk of payments for trade payables which were denominated in United States dollars ("USD"). The derivatives were not accounted for under hedge accounting. The Group was required to estimate the fair value of the foreign currency forward contracts at the end of the reporting period, which therefore also exposed the Group to currency risk.

The carrying amounts of the Group's monetary assets and liabilities which are denominated in currencies other than the functional currency of the relevant group entities are as follows:

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

此外，本集團與一間銀行訂立多項遠期外匯合約，以降低其因以美元(「美元」)支付應付貿易賬款而面臨的貨幣波動風險。衍生工具未按對沖會計法列賬。本集團須於報告期末估計遠期外匯合約之公平值，由此導致本集團面臨其他貨幣風險。

本集團貨幣資產及負債之賬面值乃除相關集團實體之功能貨幣以外之以下貨幣計值：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Monetary assets	貨幣資產		
HK\$	港元	5,935	4,850
RMB	人民幣	3,770	183,193
USD	美元	16,030	93,660
Euro ("EUR")	歐元(「歐元」)	221,714	1,205
Monetary liabilities	貨幣負債		
HK\$	港元	4,420	8,451
USD	美元	1,669,891	1,924,896
EUR	歐元	14,950	60,405
Net monetary assets (liabilities)	貨幣資產(負債)淨額		
HK\$	港元	1,515	(3,601)
RMB	人民幣	3,770	183,193
USD	美元	(1,653,861)	(1,831,236)
EUR	歐元	206,764	(59,200)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the foreign currencies of HK\$, RMB, USD and EUR when such currencies are different from the functional currency of the relevant group entities.

A 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel because it represents management's assessment of the possible change in foreign exchange rates. On this basis, if the foreign currencies strengthen/weaken against the functional currency of the relevant group entities by 5%, the Group's post-tax profit for the year would increase/decrease by the following magnitude, and vice versa:

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析

本集團主要因港元、人民幣、美元及歐元並非相關集團實體的功能貨幣而面對該等貨幣的風險。

公司內部向高級管理人員呈報外幣風險時使用5%的敏感度比率，乃因該比率代表管理層所評估匯率可能出現的波動比率。基於此，倘外幣兌換相關集團實體之功能貨幣升值/貶值5%，本集團年內除稅後溢利將增加/減少的幅度如下，反之亦然：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Increase (decrease) in profit:	溢利增加(減少)：		
Monetary assets and liabilities	貨幣資產及負債		
HK\$ strengthening against RMB	港元兌人民幣升值	63	(150)
USD strengthening against RMB	美元兌人民幣升值	(62,656)	(71,005)
EUR strengthening against RMB/USD	歐元兌人民幣 /美元升值	8,335	(2,472)
RMB strengthening against USD	人民幣兌美元升值	157	7,648

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) *Currency risk (continued)*

Sensitivity analysis (continued)

The sensitivity analysis below had been determined based on the exposure to the Group's forward buying rate risk at the end of the reporting period. If the forward exchange rate of EUR strengthens/weakens 5% against USD while all other input variables of the valuation models were held constant, the Group's post-tax profit for the year would increase/decrease by the following magnitude:

Increase/decrease in profit 溢利增加/減少

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

Other than HK\$, RMB, USD and EUR, the Group does not have any other major exposure to foreign currency risk.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(i) *貨幣風險(續)*

敏感度分析(續)

以下敏感度分析乃僅根據本集團於報告期末所面臨之遠期買入匯率風險釐定。倘歐元兌美元遠期匯率升值/貶值5%，而估值模式之所有其他輸入變量維持不變，則本集團年內溢利將增加/減少的幅度如下：

	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Increase/decrease in profit 溢利增加/減少	2,646	-

管理層認為，由於年終風險無法反映年內風險，故該敏感度分析並不代表固有外匯風險。

除港元、人民幣、美元及歐元外，本集團並無面對其他主要外幣風險。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of London Interbank Offered Rate arising from the Group's USD denominated borrowings.

The Group considers the variable-rate bank balances are within short maturity period, and the fluctuation in interest rate and the cash flow interest rate risk arising from the bank balances are insignificant.

The Group's fair value interest rate risk relates primarily to its fixed-rate pledged bank deposits, bank borrowings and overdrafts and convertible bonds. It is the Group's policy to maintain a majority of borrowings at fixed rate of interest so as to reduce the cash flow interest rate risk.

The Group has not entered into any interest rate hedging contracts. Management monitors the Group's related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

Sensitivity analysis

The carrying amounts of the Group's monetary liabilities which carried variable interest rates at the end of the reporting period 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
Liabilities	負債	245,160	582,370

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團因銀行存款及浮息銀行借貸的當前市場利率波動而面對現金流量利率風險。本集團的現金流利率風險主要集中於因本集團以美元計值的貸款引起的倫敦銀行同業拆息的波動。

本集團認為浮息結餘乃於短期內到期，而利率波動及因銀行結餘導致的現金流利率風險屬微乎其微。

本集團的公平值利率風險主要與定息已抵押銀行存款、銀行借貸及透支及可換股債券有關。本集團的政策為將大部分借貸維持為定息借貸，減低現金流量利率風險。

本集團並無訂立任何利率對沖合約。管理層會密切監管本集團相關利率風險並於必要時考慮對沖重大利率風險。

敏感度分析

於報告期末，按浮息利率計息的本集團貨幣負債賬面值如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis (continued)

The sensitivity analysis below was determined based on the exposure to risk of interest rate changes for variable-rate bank borrowings at the end of the reporting period and management considered that such exposure for variable-rate bank deposits was minimal as the amount involved was not significant.

A 100 basis points increase or decrease was used when reporting interest risk internally to key management personnel because it represented management's assessment of the possible change in interest rate.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year would decrease/increase by the following magnitude:

	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Decrease/increase in profit 溢利減少/增加	9,194	4,378

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感度分析(續)

下列敏感度分析乃基於報告期末浮息銀行借貸的利率變動風險而定，由於所涉數額不大，故管理層認為浮息銀行存款的利率變動風險並不大。

以100個基點的升跌為標準向內部主要管理人員呈報利率風險，是由於此為管理層對利率可能變動的評估。

倘利率增加/減少100個基點而所有其他變數不變，則本集團年內除稅後溢利減少/增加的幅度如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Equity, debt and commodity price risks

At 31 December 2012, the Group was exposed to equity, debt and commodity price risks through its available-for-sale investment, investments at FVTPL, aluminium, copper, zinc and steel rebar future contracts and its provisional pricing arrangements embedded in sales contracts.

Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to commodity price risk of aluminium, copper, zinc and steel rebar future contracts and the provisional pricing arrangements embedded in sales contract of copper scrap at the end of the reporting period. If the commodity price risk of aluminium, copper, zinc and steel rebar future contracts and the of quoted copper future price for the valuation of provisional pricing arrangements had been 5% higher/lower, the Group's post-tax profit or other comprehensive income for the year would increase/decrease by the following magnitude:

Increase/decrease in profit 溢利增加/減少

The sensitivity analysis above excluded the price risks on available-for-sale investments and investments at FVTPL, the management considers the price sensitivity on available-for-sale investment and investments at FVTPL are not significant.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(iii) 股權、債項及商品價格風險
於二零一二年十二月三十一日，本集團因於可供出售投資、按公平值計入損益之投資、鋁銅鋅鋼筋期貨合約及臨時定價安排而面對股權、債項及商品價格風險。

敏感度分析

下列敏感度分析乃基於各報告期末鋁銅鋅鋼筋期貨合約以及臨時定價安排面對的商品價格風險而定。倘鋁銅鋅鋼筋期貨合約的商品價格及就臨時定價安排估值所報的銅期貨價格上升/下降5%，則本集團年內除稅後溢利或其他全面收入增加/減少的幅度如下：

	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Increase/decrease in profit 溢利增加/減少	89,893	43,690

上述敏感度分析不包括可供出售投資及按公平值計入損益之投資之價格風險，管理層認為，可供出售投資及按公平值計入損益之投資之價格敏感度並不重要。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(iv) Equity price risk on the Company's shares

At 31 December 2012, the Group was also exposed to equity price risk as a result of the fair value change on the embedded derivative components of convertible bonds and the warrants the Company had issued as set out in Notes 31 and 32.

Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to the Company's shares' equity price risk of embedded derivative components of convertible bonds and warrants. If the share price of the Company inputted to the valuation model for assessing the fair values of the embedded derivative components of convertible bonds and warrants had been 10% higher/lower while all other variables were held constant, the Group's post-tax profit for the year would be changed by the following magnitude:

		Company's share price 10% higher 本公司股價上漲10%		Company's share price 10% lower 本公司股價下跌10%	
		2012 二零一二年 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	2011 二零一一年 HK\$'000 千港元
(Decrease) increase in profit	溢利(減少) 增加	(25,673)	N/A 不適用	22,825	N/A 不適用

In management's opinion, the sensitivity analyses are not necessarily representative of the inherent market risk as the pricing model used in the fair value valuation of the embedded derivative components of convertible bonds and warrants involves multiple variable where certain variables are interdependent.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(iv) 本公司股份之股票價格風險於二零一二年十二月三十一日，本集團亦因本公司已發行的可換股債券之嵌入式衍生工具部份及認股權證之公平值變動(如附註31及32所載)而面臨股票價格風險。

敏感度分析

下列敏感度分析乃根據可換股債券之嵌入式衍生工具部份及認股權證所面臨之本公司股票價格風險而釐定。倘用於評估可換股債券之嵌入式衍生工具部份及認股權證內公平值而輸入至估值模式之本公司股價上漲/下跌10%，而所有其他變量保持不變，則本公司年內除稅後溢利變動之幅度如下：

管理層認為，敏感度分析未必代表固有市場風險，因為可換股債券之嵌入式衍生工具部份及認股權證之公平值估值中所使用之定價模式，涉及多個變數，而其中若干變數屬互為影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Credit risk

As at 31 December 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

At 31 December 2012, the Group had concentration of credit risk as 31% and 73% (2011: 26% and 70%) of its total trade receivables was due from its largest customer and the five largest customers respectively. The five largest customers have good repayment history and credit quality with reference to the track records of these customers under internal assessment by the Group.

The Group also exposes to concentration of credit risk on arising on the amount due from a substantial shareholder of HK\$23,636,000 (2011: Nil) as at 31 December 2012, and deposits with several banks and commodities future brokers with high credit ratings. The substantial shareholder has good repayment history and credit quality with reference to the track records under internal assessment by the Group.

In order to minimise the credit risk, management of the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

信貸風險

於二零一二年十二月三十一日，本集團因交易方無法履行責任而面臨蒙受財務虧損的最大信貸風險額度為綜合財務狀況表所呈列相關已確認金融資產之賬面值。

於二零一二年十二月三十一日，本集團有信貸集中風險，因貿易應收款項總值的31%及73%(二零一一年：26%及70%)分別來自本集團的最大客戶及五大客戶。根據本集團對該等客戶作出內部評估記錄，該等客戶擁有良好還款記錄及信貸質素。

於二零一二年十二月三十一日，本集團亦因應收主要股東款項23,636,000港元(二零一一年：零)及於若干銀行及具有高信貸評級之商品期貨經紀之存款而承受信貸集中風險。經參照本集團內部評估之過往記錄，主要股東具有良好的還款記錄及售貨質素。

為減低信貸風險，本集團管理層逐一審查貿易債務於報告期末之可收回款項，確保對不可收回款項作出充足減值虧損撥備。因此，本公司董事認為本集團之信貸風險顯著降低。

由於交易方是國際評級機構評級為信譽良好之銀行，故流動資金之信貸風險有限。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk

The objective of the Group is to maintain a balance between continuity of funding and the flexibility through the use of bank borrowings.

The following table details the Group's remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial liabilities. The table was drawn up based on the undiscounted contractual net cash outflows on derivative liabilities that settle on a net basis, and the undiscounted gross (inflows) and outflows on those derivatives that required gross settlement. The liquidity analysis for the Group's derivative financial liabilities were prepared based on the contractual maturities as the management considered that the contractual maturities were essential for an understanding of the timing of the cash flows of derivatives.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險

本集團的目標為保持持續供資、靈活運用銀行借貸之間的平衡。

下表詳列本集團非衍生金融負債的剩餘合約年期。列表顯示本集團可能須付款的最早日期的非衍生金融負債未貼現現金流量。倘利息流量為浮息，未貼現金額則按報告期末的利率曲線計算。

此外，下表詳列本集團衍生金融負債的流動資金分析，顯示以淨額結算的衍生負債未貼現淨額流出量，及以總額結算的衍生負債未貼現總額(流入量)及流出量。由於管理層認為合約年期對理解衍生負債現金流量的時間至關重要，故本集團衍生金融負債的流動資金分析乃基於合約年期而編製。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表格

		Weighted average interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Total carrying value at the end of the reporting period
		加權平均利率	按要求或少於一個月	一至三個月	三個月至一年	一至五年	未貼現現金流量總額	於報告期末之賬面總值
		%	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
At 31 December 2012	二零一二年十二月三十一日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	貿易及其他應付款項	-	215,290	-	-	-	215,290	215,290
Amount due to a substantial shareholder	應付主要股東款項	-	42,917	-	-	-	42,917	42,917
Bank borrowings and overdrafts	銀行借貸及透支							
- fixed rate	- 定息	3.67	808,746	546,687	361,250	-	1,716,683	1,704,513
- variable rate	- 浮息	3.45	695	1,390	248,346	-	250,431	245,160
Convertible bonds	可換股債券							
- fixed rate	- 定息	4.00	-	16,316	16,316	864,748	897,380	708,547
			1,067,648	564,393	625,912	864,748	3,122,701	2,916,427
Derivatives – net settlement	衍生工具 – 淨額結算							
Aluminium, copper, zinc and steel rebar future contracts	鋁銅鋅鋼筋期貨合約		6,676	13,331	-	-	20,007	20,007
Provisional pricing arrangements	臨時定價安排	-	-	-	1,433	-	1,433	1,433
Derivatives – gross settlement	衍生工具 – 總額結算		6,676	13,331	1,433	-	21,440	21,440
Foreign currency forward contracts	外幣遠期合約							
- inflow	- 流入	-	-	(73,652)	-	-	(73,652)	(73,652)
- outflow	- 流出	-	-	73,732	-	-	73,732	73,732
			-	80	-	-	80	80
Derivative financial liabilities	衍生金融負債		6,676	13,411	1,433	-	21,520	21,520

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

	Weighted average interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Total undiscounted cash flows	Total carrying value at the end of the reporting period
	加權平均利率	按要求或少於一個月	一至三個月	三個月至一年	未貼現現金流量總額	於報告期末之賬面總值
	%	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
At 31 December 2011						
Non-derivative financial liabilities						
Trade and other payables						
Bank borrowings						
– fixed rate	4.61	652,051	800,017	645,955	2,098,023	2,069,327
– variable rate	5.29	570,082	13,639	–	583,721	582,370
		1,701,686	813,656	645,955	3,161,297	3,131,250
Derivatives – net settlement						
Aluminium, copper and zinc future contracts	–	17,350	17,346	–	34,696	34,696
Provisional pricing arrangements	–	–	–	5,069	5,069	5,069
		17,350	17,346	5,069	39,765	39,765

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表格(續)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2012, the aggregate carrying amounts of these bank borrowings amounted to HK\$629,252,000 (2011: HK\$918,461,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid within one to two years (2011: within three years) after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements and the facility letters. At that time, the aggregate principal and interest cash outflows of HK\$436,961,000 and HK\$193,798,000 will be repaid within one year and one to two years respectively (2011: HK\$748,931,000 and HK\$209,372,000 within one year and one to three years respectively).

The amounts included above for the variable interest rate instruments are subject to change if changes in actual interest rates differ to those estimated at the end of the reporting period.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險(續)

須按要求償還之銀行借貸計入上述到期日分析之「按要求或少於一個月」時間範圍內。於二零一二年十二月三十一日，該等銀行借貸之賬面值總額達629,252,000港元(二零一一年：918,461,000港元)。經計及本集團之財務狀況後，董事相信銀行不可能將行使其酌情權以要求即時還款。董事相信，該等銀行借貸將於報告日期後一年至兩年內(二零一一年：三年內)根據貸款協議及融資函件所載預定還款日期償還。屆時，本金及利息現金流出為436,961,000港元及193,798,000港元，並分別於一年內及一至兩年內償還(二零一一年：748,931,000港元及209,372,000港元，並分別於一年內及一至三年內償還)。

倘實際利率之變動有別於報告期末釐定之估計利率變動，上述浮息工具之金額或會出現變動。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value

The fair value of financial assets and financial liabilities of the Group were determined as follows:

- the fair value of derivative financial instruments (excluding provisional pricing arrangements) and available-for-sale investments traded on active markets were determined with reference to quoted market prices and exchange rates;
- the fair value of the provisional pricing arrangements are measured using quoted market price of commodity future contracts with approximate prompt date; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) were determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- the fair value of investments at FVTPL were determined with reference to inputs other than quoted prices that are observable for the investment indirectly; and
- the fair value of embedded derivative components of convertible bonds and warrants were determined using Binomial Option Pricing Models where the main assumptions are included in Notes 31 and 32.

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

6. 金融工具(續)

6c. 公平值

本集團金融資產及金融負債之公平值按下列方式釐定：

- 於活躍流動市場交易的衍生金融工具(不包括臨時定價安排)及可供出售投資的公平值參考市場報價及匯率釐定；
- 臨時定價安排公平值乃參考具有相似到期日的商品期貨合約的市場報價計算；及
- 其他金融資產及金融負債(不包括衍生工具)的公平值乃根據貼現現金流量分析以公認定價模式釐定。
- 按公平值計入損益之投資之公平值經參照輸入數據(而非可供投資直接參考之報價)後釐定；及
- 可換股債券及認股權證嵌入式衍生工具部份之公平值乃使用二項期權定價模式釐定，其主要假設載於附註31及32。

本公司董事認為，於綜合財務報表按攤銷成本列賬的金融資產及金融負債的賬面值與其公平值相若。



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position

The following table provided an analysis of financial instruments that were measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements were those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements were those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the liability that are not based on observable market data.

6. 金融工具(續)

6c. 公平值(續)

於綜合財務狀況表確認的公平值計量

下表載列首次確認後按公平值計量的金融工具之分析，按公平值的可觀察程度分為一至三級。

- 一級公平值計量指按同類資產或負債於活躍市場的報價(未經調整)計量。
- 二級公平值計量指按資產或負債的直接(即價格)或間接(即按價格計算者)可觀察參數(一級計量所用報價除外)計量。
- 第三級公平值計量乃根據估值方法得出，其中包括對負債而言不可根據可觀察市場數據取得之輸入資料。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

		Level 1 一級 HK\$'000 千港元	Level 2 二級 HK\$'000 千港元	Level 3 三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2012	於二零一二年十二月三十一日				
Available-for-sale financial assets	可供出售金融資產				
Listed equity securities	上市股本證券	15,470	-	-	15,470
Financial assets at FVTPL	按公平值計入損益的金融資產				
Investments at FVTPL	按公平值計入損益之投資	-	24,677	-	24,677
Derivative financial assets	衍生金融資產	50,761	4,677	-	55,438
Financial liabilities at FVTPL	按公平值計入損益的金融負債				
Derivative financial liabilities	衍生金融負債	20,087	1,433	-	21,520
Derivative components of convertible bonds	可換股債券嵌入式衍生工具部分	-	-	85,290	85,290
Warrants	認股權證	-	-	8,046	8,046
As at 31 December 2011	於二零一一年十二月三十一日				
Available-for-sale financial assets	可供出售金融資產				
Listed equity securities	上市股本證券	19,060	-	-	19,060
Financial assets at FVTPL	按公平值計入損益的金融資產				
Derivative financial asset	衍生金融資產	37,021	-	-	37,021
Financial liabilities at FVTPL	按公平值計入損益的金融負債				
Derivative financial liability	衍生金融負債	34,696	5,069	-	39,765

There were no transfers between the three levels during either of the years ended 31 December 2011 or 2012.

截至二零一一年或二零一二年十二月三十一日止年度，三個層級之間並無轉移。

6. 金融工具(續)

6c. 公平值(續)

於綜合財務狀況表確認的公平值計量(續)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities

		Derivative components of convertible bonds 可換股債券之衍生 工具部份 HK\$'000 千港元	Warrants 認股權證 HK\$'000 千港元
At 1 January 2011 and 31 December 2011	於二零一一年一月一日及 二零一一年十二月三十一日	—	—
Issue of convertible bonds	發行可換股債券	142,771	13,418
Gain recognised in profit or loss	於損益中確認的收益	(57,481)	(5,372)
At 31 December 2012	於二零一二年十二月三十一日	85,290	8,046

6. 金融工具(續)

6c. 公平值(續)

金融負債之第三級公平值計量之對賬

7. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents the amounts received or receivable for the sales of metal scrap, net of sales related taxes, during the year.

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

7. 收益及分部資料

本集團收益指年內銷售廢金屬之已收或應收款項，扣除銷售相關稅項。

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



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. REVENUE AND SEGMENT INFORMATION (continued)

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

- (i) metal recycling business (including sales of copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap);
- (ii) foundry business (including sales of aluminium-alloy ingots and copper rod and wire); and
- (iii) wholesales business.

7. 收益及分部資料(續)

本集團主要從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬，亦從事涉及生產及銷售鋁錠、以及銅桿及銅線等的鑄造業務與涉及買賣其他未加工廢金屬等的批發業務。業務及可呈報分部按主要產品劃分為三類業務活動：

- (i) 金屬再生業務(包括銷售廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬)；
- (ii) 鑄造業務(包括銷售鋁錠及銅桿以及銅線)；及
- (iii) 批發業務。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and segment results

An analysis of the Group's segment revenues and segment results by operating and reportable segment is as below.

For the year ended 31 December 2012

7. 收益及分部資料(續)

分部收益及分部業績

以下為按業務及可呈報分部時本集團分部收益及分部業績所作之分析。

截至二零一二年十二月三十一日止年度

	Metal recycling business 金屬再生業務				Foundry business 鑄造業務			Wholesales 批發業務		Total
	Copper scrap 廢銅	Steel scrap 廢鋼	Aluminium scrap 廢鋁	Iron scrap 廢鐵	Other metal scrap 其他廢金屬	Aluminium-ingots 鋁錠	Copper rod and wire 銅桿及銅線	Other metal scrap without processing 其他未加工廢金屬	Elimination 對銷	
	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	HK\$'000 千港元	HK\$'000 千港元
REVENUE	收益									
External sales	外部銷售									
Inter-segment sales	分部間銷售									
Total segment revenue	分部收益總額									
Segment profit	分部溢利									
Other income	其他收入									
Other gains and losses	其他收益及虧損									
Distribution and selling expenses	分銷及銷售開支									
Administrative expenses	行政開支									
Other expense	其他開支									
Finance costs	財務成本									
Profit before tax	除稅前溢利									
Income tax expense	所得稅開支									
Profit for the year	年內溢利									
Inventory allowance included in segment profit	包括於分部溢利內的存貨撥備									
	(18,946)	(13,418)	(690)	(8)	(42)	-	(7,514)	-	-	(40,618)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and segment results (continued)

For the year ended 31 December 2011

7. 收益及分部資料(續)

分部收益及分部業績(續)

截至二零一一年十二月三十一日止年度

		Metal recycling business					Foundry business		Wholesales business		Total
		金屬再生業務					鑄造業務		批發業務		
		Copper scrap	Steel scrap	Aluminium scrap	Iron scrap	Other metal scrap	Aluminium-ingots	Copper rod and wire	Other metal scrap		
									without processing		
廢銅	廢鋼	廢鋁	廢鐵	廢金屬	鋁錠	銅桿及銅線	其他未加工廢金屬		對銷		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
REVENUE	收益										
External sales	外部銷售	5,711,958	1,882,559	252,272	346,142	67,421	312,468	716,803	525,899	-	9,815,522
Inter-segment sales	分部間銷售	15,613	51,260	194,592	-	134	8,005	-	4,477,634	(4,747,238)	-
Total segment revenue	分部收益總額	<u>5,727,571</u>	<u>1,933,819</u>	<u>446,864</u>	<u>346,142</u>	<u>67,555</u>	<u>320,473</u>	<u>716,803</u>	<u>5,003,533</u>	<u>(4,747,238)</u>	<u>9,815,522</u>
Segment profit	分部溢利	<u>190,470</u>	<u>24,740</u>	<u>15,716</u>	<u>13,631</u>	<u>(2,298)</u>	<u>12,945</u>	<u>64,972</u>	<u>196,123</u>	<u>(63,712)</u>	<u>452,587</u>
Other income	其他收入										22,345
Other gains and losses	其他收益及虧損										2,051
Distribution and selling expenses	分銷及銷售開支										(31,303)
Administrative expenses	行政開支										(143,466)
Finance costs	財務成本										(97,755)
Profit before tax	除稅前溢利										204,459
Income tax expense	所得稅開支										(88,208)
Profit for the year	年內溢利										<u>116,251</u>
Inventory allowance included in segment profit	包括於分部溢利內的存貨撥備	(46,731)	(27,688)	(1,387)	(527)	(3,066)	-	(18,158)	-	-	(97,557)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and segment results (continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the gross profit resulted in each segment without allocation of other income, other gains and losses, distribution and selling expenses, administrative expenses, other expense, finance costs and income tax expense. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market price.

Segment assets and segment liabilities

Information on segment assets and segment liabilities of the Group are not reviewed by the CODM for the purpose of resource allocation and performance assessment nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities are presented.

Geographical information

Approximately 90.3% of external revenue of the Group during the year ended 31 December 2012 (2011: 95.0%) are attributable to customers established in the PRC, the place of domicile of the Group's major operating entities. The remaining revenue is immaterial for separate disclosure of its geographical information. Majority of the Group's non-current assets are located in the PRC.

Information about major customers

No individual customer contributed to more than 10% of the Group's revenue for the years ended 31 December 2012 and 2011.

7. 收益及分部資料(續)

分部收益及分部業績(續)

業務及可呈報分部之會計政策與附註3所述之本集團會計政策相同。分部溢利指各分部產生的毛利，未分配其他收入、其他收益及虧損、分銷及銷售開支、行政開支、其他開支、財務成本及所得稅開支，此乃向本公司執行董事報告以便分配資源及評估業績的計量。

分部間銷售以現行市價扣除。

分部資產及分部負債

由於本集團的分部資產及分部負債資料並未由營運總裁審閱以分配資源及評核表現或以其他方式定期呈交營運總裁，故並無呈列分部資產及分部負債的分析。

地區資料

截至二零一二年十二月三十一日止年度，本集團逾約90.3%（二零一一年：95.0%）的外界收入來自在中國（本集團主要經營實體的註冊國）成立的客戶，餘下不重要的收入則分部於其他地區，不另作披露。大部分非流動資產位於中國。

主要客戶的資料

截至二零一二年及二零一一年十二月三十一日止年度，概無個別客戶貢獻超過本集團收益的10%。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

8. COST OF SALES

Included in cost of sales are the following inventory allowance:

Inventory allowance 存貨撥備

Management assesses whether the carrying value of inventories exceed their net realisable value at the end of the reporting period. Management estimates the net realisable value for inventories with reference to the ask price of metal scrap in the relevant markets and the quoted prices of metal on applicable commodity exchanges at the end of reporting period. As at 31 December 2012, because the market prices of the commodities were lower than the respective purchase prices of certain inventories held, an inventory allowance of approximately HK\$40,618,000 (2011: HK\$97,557,000) was recognised.

8. 銷售成本

銷售成本包括以下存貨撥備：

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
40,618	97,557

管理層於報告期末評估存貨賬面值是否超過存貨可變現淨值。管理層參考於報告期末相關市場的廢金屬賣價及相關商品交易所的金屬報價估計存貨可變現淨值。於二零一二年十二月三十一日，由於商品市價較所持若干存貨的各自採購價為低，因此確認存貨撥備約40,618,000港元(二零一一年：97,557,000港元)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

9. OTHER INCOME

9. 其他收入

		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	6,689	16,701
Gross rental income from investment properties	投資物業租金收入總額	1,329	-
Less: direct operating expenses	減：直接經營開支	(106)	-
Net rental income from investment properties	投資物業租金收入淨額	1,223	-
Rental income for a temporary lease	暫時土地租金收入	-	1,125
Government subsidies (note)	政府補助(附註)	9,734	3,471
Transportation and scale income	運輸及磅秤收入	1,647	-
Dividend income from available-for-sale investment	可供出售投資股息收入	418	-
Others	其他	1,742	1,048
		21,453	22,345

note: The Group received unconditional government subsidies from a local municipal government as an encouragement for the development and advancement of business. No other contingencies attach to the government subsidies that have been recognised.

附註：地方市政府為鼓勵本集團業務發展與進步而給予本集團的無條件政府補助。已確認政府補助沒有附加其他或然事件。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

10. OTHER GAINS AND LOSSES

10. 其他收益及虧損

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Gain (loss) on fair value changes of:	公平值變動收益(虧損)：		
– derivative financial instruments (note)	– 衍生金融工具(附註)	214,977	(78,892)
– investments at FVTPL	– 按公平值計入損益之投資	11	–
– derivative components of convertible bonds (Note 31)	– 可換股債券衍生工具部分(附註31)	57,481	–
– warrants (Note 32)	– 認股權證(附註32)	5,372	–
Net foreign exchange gains	匯兌收益淨額	6,858	79,081
Recognition of impairment loss on trade and other receivables	貿易及其他應收款項減值虧損確認	(8,014)	(452)
Loss on disposal of available-for-sale investment	出售可供出售投資虧損	(429)	–
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(2,139)	(126)
Impairment loss recognised on property, plant and equipment	物業、廠房及設備已確認的減值虧損	–	(1,099)
Impairment loss on available-for-sale investment	可供出售投資減值虧損	(7,029)	–
Net compensation received from suppliers	收取供應商補償淨額	5,672	3,539
		272,760	2,051

note: The amounts arose from aluminium, copper, zinc and steel rebar future contracts, provisional pricing arrangements embedded in sales contracts and foreign currency forward contracts.

附註：該等金額乃按鋁銅鋅鋼筋期貨合約，該等銷售合約內含的臨時定價安排及外幣遠期合約計算。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

11. FINANCE COSTS

11. 財務成本

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Interest on:	以下各項的利息：		
– bank borrowings wholly repayable within five years	– 須於五年內償清的銀行借貸	106,743	97,755
– bank overdraft	– 銀行透支	694	–
Effective interest expense on convertible bonds	可換股債券之實際利息開支	65,252	–
		172,689	97,755

12. PROFIT BEFORE TAX

12. 除稅前溢利

		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 has been arrived at after charging:	除稅前溢利，已扣除：		
Directors' emoluments	董事酬金	6,759	14,625
Other staff costs	其他員工成本	209,716	205,789
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款，不包括董事之退休福利計劃供款	2,723	3,009
Share-based payments, excluding those of directors	以股份為基礎的付款，不包括董事以股份為基礎的付款	15,787	11,378
Total staff costs	員工成本總額	234,985	234,801
Cost of inventories recognised as an expense	確認為開支的存貨成本	8,031,286	9,362,935
Depreciation of investment properties	投資物業折舊	1,244	–
Depreciation of property, plant and equipment	物業、廠房及設備折舊	69,254	24,250
Amortisation of prepaid lease payments	預付租金攤銷	7,995	909
Total depreciation and amortisation	折舊及攤銷總額	78,493	25,159
Auditor's remuneration	核數師酬金	2,300	2,650

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors

Details of the emoluments paid by the Group to the directors of the Company for the year are as follows:

13. 董事、主要行政人員及僱員酬金

本集團於年內支付本公司董事的酬金詳情如下：

		Salaries and Fees	Performance bonus (note i)	Retirement benefit scheme contributions	Share-based payment	Total
		薪金及袍金	表現花紅 (附註i)	退休福利計劃供款	以股份為基礎的付款	合計
		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
Year ended 31 December 2012:	截至二零一二年十二月三十一日止年度：					
Executive directors:	執行董事：					
Mr. Fang Ankong ("Mr. Fang")	方安空先生 (「方先生」)	24	1,176	500	8	2,264
Mr. Stephanus Maria van Ooijen	Stephanus Maria van Ooijen 先生	24	1,056	300	-	1,539
Mr. Gu Liyong	顧李勇先生	24	936	300	8	1,927
Non-executive directors:	非執行董事：					
Mr. Ralph Sytze Ybema (note ii)	Ralph Sytze Ybema 先生 (附註ii)	6	31	-	-	138
Mr. Li Xikui	李錫奎先生	150	-	-	-	297
Dr. Loke Yu	陸海林博士	150	-	-	-	297
Ms. Zhang Jingdong	章敬東女士	150	-	-	-	297
Mr. Michael Charles Lion (note ii)	Michael Charles Lion 先生(附註ii)	-	-	-	-	-
		528	3,199	1,100	16	6,759

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued) Directors (continued)

13. 董事、主要行政人員及僱員 酬金(續) 董事(續)

		Fees	Salaries and allowances	Performance bonus (note i) (附註i)	Retirement benefit scheme contributions (退休福利計劃供款)	Share-based payment (以股份為基礎的付款)	Total (合計)
		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
Year ended 31 December 2011:	截至二零一一年十二月三十一日止年度						
Executive directors:	執行董事:						
Mr. Fang	方先生	24	918	500	7	8,444	9,893
Mr. Stephanus Maria van Ooijen	Stephanus Maria van Ooijen先生	24	1,056	300	-	741	2,121
Mr. Gu Liyong	顧李勇先生	24	677	300	2	648	1,651
Non-executive directors:	非執行董事:						
Mr. Ralph Sytze Ybema	Ralph Sytze Ybema先生	150	-	-	-	90	240
Mr. Li Xikui	李錫奎先生	150	-	-	-	90	240
Dr. Loke Yu	陸海林博士	150	-	-	-	90	240
Ms. Zhang Jingdong	章敬東女士	150	-	-	-	90	240
		672	2,651	1,100	9	10,193	14,625

Mr. Fang is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

方先生亦為本公司之主要行政人員及其上述薪酬包括其作為主要行政人員提供服務之薪酬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued) Employees

Of the five highest paid individuals of the Group, three (2011: three) were directors, whose emoluments are included in the disclosures above. The emoluments of the remaining two (2011: two) individuals were as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	3,529	2,901
Performance bonus (note i)	表現花紅(附註i)	700	650
Retirement benefit scheme contributions	退休福利計劃供款	21	19
		4,250	3,570

Analysed into the following bands:

		Number of individual 人士人數	Number of individual 人士人數
HK\$1,500,000 to HK\$2,000,000	1,500,000 港元至 2,000,000 港元	1	2
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	1	-

notes:

- (i) The performance bonus was determined as a percentage of the net profit before inventory allowance.
- (ii) Mr. Ralph Sytze Ybema resigned and Mr. Michael Charles Lion was appointed as non-executive director on 17 January 2012.
- (iii) During both years, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during both years.

13. 董事、主要行政人員及僱員 酬金(續) 僱員

於本集團五名最高薪酬人士當中，三名(二零一一年：三名)為董事，其酬金已載於上文的披露。餘下兩名(二零一一年：兩名)人士的酬金如下：

酬金範圍分析如下：

附註：

- (i) 表現花紅乃按存貨撥備前的淨溢利以百分比釐定。
- (ii) 於二零一二年一月十七日，Ralph Sytze Ybema 先生已退任及 Michael Charles Lion 先生獲委任為非執行董事。
- (iii) 於兩個年度內，本集團並無向任何董事或五名最高薪人士支付酬金，作為吸引加入本集團或於加入本集團時的獎勵或離職補償。於兩個年度內，亦無董事放棄任何酬金。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

14. INCOME TAX EXPENSE

14. 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:	即期稅項：		
PRC Enterprises Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)	22,556	93,454
Hong Kong	香港	791	13,388
Other jurisdiction	其他司法權區	127	129
		23,474	106,971
(Over)underprovision in prior years:	於過往年度撥備(超出)不足：		
PRC EIT	中國企業所得稅	1,050	142
Hong Kong	香港	(4,745)	-
		(3,695)	142
Deferred tax (Note 33)	遞延稅項(附註33)	12,904	(18,905)
		32,683	88,208

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

14. INCOME TAX EXPENSE (continued)

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

14. 所得稅開支(續)

年內稅項開支可與綜合全面收益表內除稅前溢利對賬如下：

		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	72,034	204,459
Tax at applicable tax rates (note iv)	按適用稅率計算之稅項(附註iv)	11,455	52,193
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	12,875	15,672
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(28,723)	(3,297)
Tax effect of deductible temporary differences not recognised	未確認的可扣減臨時差額的稅務影響	26	4,789
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	43,557	16,013
Utilisation of tax loss previously not recognised	使用之前未確認稅項虧損	(3,823)	-
Deferred tax provided on dividends withholding tax on PRC subsidiaries	中國附屬公司股息預扣稅之遞延稅項	1,011	2,696
(Over)underprovision in prior years	過往年度撥備(超出)不足	(3,695)	142
Tax charge for the year	年內所得稅開支	32,683	88,208

notes:

- (i) The Group's PRC subsidiaries are subject to PRC EIT at the rate of 25%.
- (ii) All the Hong Kong subsidiaries are subject to Hong Kong Profits Tax at the rate of 16.5%.
- (iii) Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.
- (iv) As the Group operates in different tax jurisdictions, separate reconciliations using the domestic tax rate in each individual tax jurisdiction have been aggregated and presented.

附註：

- (i) 本集團的中國附屬公司須按25%的稅率繳納中國企業所得稅。
- (ii) 所有香港附屬公司均須按16.5%的稅率繳納香港利得稅。
- (iii) 於其他司法權區產生的稅項乃按相關司法權區的現行稅率計算。
- (iv) 由於本集團於不同稅務司法權區經營，按各稅務司法權區地方稅率計算的獨立對賬已合併呈列。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

15. DIVIDENDS

15. 股息

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Dividend recognised as distribution during the year:	已確認年內分派股息：		
2011 final dividend paid – HK3.7 cents per share	已派付二零一一年末期股息 – 每股3.7港仙	38,612	–
2010 final dividend paid – HK9 cents per share	已派付二零一零年末期股息 – 每股9港仙	–	89,641

note:

- (i) Shareholders were offered a choice of cash or scrip in respect of the 2010 final dividend. As a result, the 2010 final dividend was settled as to HK\$88,449,000 in cash and HK\$1,192,000 in scrip shares.
- (ii) The final dividend of HK2.12 cents in respect of the year ended 31 December 2012 (2011: final dividend of HK3.7 cents in respect of the year ended 31 December 2011) per share amounting to approximately HK\$22,122,000 in total (2011: HK\$38,549,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

附註

- (i) 股東就二零一零年末期股息可選擇以現金或以股代息方式結算。因此，二零一零年末期股息以現金88,449,000港元及以股代息1,192,000港元結算。
- (ii) 董事建議派發截至二零一二年十二月三十一日止年度之末期股息每股2.12港仙(二零一一年：截至二零一一年十二月三十一日止年度之末期股息每股3.7港仙)，總額約22,122,000港元(二零一一年：38,549,000港元)，須待由股東於即將舉行之股東週年大會上批准後，方可作實。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

16. EARNINGS PER SHARE

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

16. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

		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 attributable to owners of the Company for the purposes of basic earnings per share	計算本公司擁有人應佔每股基本盈利的年內溢利	88,591	152,087
Effect of diluted potential ordinary shares:	潛在普通股攤薄影響：		
– Interest on convertible bonds	– 可換股債券的利息	65,252	–
– Gain on change in fair value of the derivative components of convertible bonds	– 可換股債券衍生工具部分的公平值變動收益	(57,481)	–
Profit for the year attributable to owners of the Company for the purpose of diluted earnings per share	計算本公司擁有人應佔每股攤薄盈利的年內溢利	96,362	152,087
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利的普通股加權平均數目	1,043,069,463	1,035,912,789
Effect of diluted potential ordinary shares	潛在普通股攤薄影響		
– Convertible Bond (Note 31)	– 可換股債券(附註31)	113,615,982	–
– Share options (Note 37)	– 購股權(附註37)	3,818,367	1,349,778
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利的普通股加權平均數目	1,160,503,812	1,037,262,567

The computation of diluted earnings per share does not assume the exercise of the Company's warrants and certain share options granted under the Post-IPO Share Option Scheme because the exercise prices of these warrants and share options were higher than the average market price of the Company's shares between the date of their issuance and the end of the reporting period.

計算每股攤薄盈利並不假設行使本公司認股權證及若干根據首次公開發售後購股權計劃授出的購股權，因為該等認股權證及購股權的行使價高於其發行日期至該報告期末期間本公司股份的平均市價。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Office furniture and equipment 辦公傢俱 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本							
At 1 January 2011	於二零一一年一月一日	133,046	96,774	11,046	5,582	2,766	4,315	253,529
Exchange realignment	匯兌調整	4,330	5,357	573	348	1,032	370	12,010
Additions	添置	2,053	44,951	5,560	7,470	9,242	63,449	132,725
Transfers	轉讓	-	20,650	-	-	32,674	(53,324)	-
Disposal	出售	-	-	(137)	(1,520)	-	(5)	(1,662)
At 31 December 2011	於二零一一年 十二月三十一日	139,429	167,732	17,042	11,880	45,714	14,805	396,602
Exchange realignment	匯兌調整	(22)	(29)	(1)	-	(7)	(2)	(61)
Additions	添置	263	22,100	2,568	3,666	7,154	56,371	92,122
Transfers	轉讓	413	9,564	-	-	3,941	(13,918)	-
Transfer to investment properties (Note 19)	轉至投資物業(附註19)	(37,312)	-	-	-	-	-	(37,312)
Disposal	出售	(1,681)	(7,323)	(284)	(6,520)	(556)	-	(16,364)
At 31 December 2012	於二零一二年 十二月三十一日	101,090	192,044	19,325	9,026	56,246	57,256	434,987
DEPRECIATION	折舊							
At 1 January 2011	於二零一一年一月一日	25,175	18,382	3,726	2,261	250	-	49,794
Exchange realignment	匯兌調整	1,111	1,045	214	113	54	-	2,537
Provided for the year	年內撥備	6,519	11,766	2,252	1,449	2,264	-	24,250
Impairment loss recognised in profit or loss	於損益中確認之 減值虧損	-	787	120	84	108	-	1,099
Disposal	出售	-	-	(122)	(923)	-	-	(1,045)
At 31 December 2011	於二零一一年 十二月三十一日	32,805	31,980	6,190	2,984	2,676	-	76,635
Exchange realignment	匯兌調整	12	45	11	7	132	-	207
Charge for the period	期內支出	5,361	19,281	3,307	1,941	39,364	-	69,254
Transfer to investment properties (Note 19)	轉至投資物業(附註19)	(5,260)	-	-	-	-	-	(5,260)
Disposal	出售	(60)	(1,910)	(55)	(2,004)	(283)	-	(4,312)
At 31 December 2012	於二零一二年 十二月三十一日	32,858	49,396	9,453	2,928	41,889	-	136,524
CARRYING VALUE	賬面值							
At 31 December 2012	於二零一二年 十二月三十一日	68,232	142,648	9,872	6,098	14,357	57,256	298,463
At 31 December 2011	於二零一一年 十二月三十一日	106,624	135,752	10,852	8,896	43,038	14,805	319,967

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

- (i) As at 31 December 2012, certain buildings with carrying amount of HK\$44,825,000 (2011: HK\$99,918,000) were pledged as security for bank borrowings granted to the Group.
- (ii) During the year, certain buildings of the Group situated in Hong Kong and held under medium-term leases at the carrying amount of HK\$32,052,000 were transferred from the category of owner-occupied properties to the category of investment properties by the end of owner-occupation. The Group's investment properties as at 31 December 2012 were stated at cost less depreciation using the same depreciation rates adopted for owner-occupied properties.
- (iii) As at 31 December 2012, all buildings were situated in the PRC (2011: leasehold land and buildings situated in Hong Kong and held under medium-term leases were HK\$32,674,000 and buildings situated in the PRC were HK\$73,950,000).
- (iv) The property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives, after taking into account their residual value, as follows:

Buildings	20 years, the relevant lease term, whichever is shorter
Plant and machinery	9%-20%
Office furniture and equipment	9%-30%
Motor vehicles	9%-30%
Leasehold improvement	30%-50%, the relevant lease term or the estimated useful lives whichever is shorter

During the year, the estimated useful lives of the leasehold improvements in a factory facility were shortened in view of the expected schedule of relocation of the facility. As a result of such a change in estimate, the Group's leasehold improvements of the aforementioned facility for the year ended 31 December 2012 were fully depreciated and the depreciation charge has increased by approximately HK\$32,156,000 which was included in other expenses.

- (v) As at 31 December 2011, the directors conducted a review of the Group's plant and equipment and determined that a number of those assets used in the Group's metal recycling business were impaired, accordingly, impairment losses of HK\$1,099,000 were recognised in respect of these assets. The recoverable amounts of the relevant assets were determined on the basis of their value in use. No impairment loss was recognised in respect of property, plant and equipment for the year ended 31 December 2012.

17. 物業、廠房及設備(續)

附註:

- (i) 於二零一二年十二月三十一日，賬面值為44,825,000港元(二零一一年: 99,918,000港元)的若干樓宇抵押作為授予本集團銀行借貸的擔保。
- (ii) 年內，本集團位於香港以中期租約持有賬面值32,052,000港元之若干樓宇在業主自用結束後已從業主自用物業分類轉至投資物業分類。本集團於二零一二年十二月三十一日的投資物業以成本減折舊按與業主自用物業折舊率相同的折舊率列賬。
- (iii) 於二零一二年十二月三十一日，所有樓宇均位於中國(二零一一年: 位於香港以中期租約持有賬面值32,674,000港元之若干租賃土地及樓宇以及位於中國賬面值為73,950,000港元之樓宇)。
- (iv) 物業、廠房及設備(在建工程除外)經計算其剩餘價值後，按估計可用年期折舊如下:

樓宇	20年或有關租期(以較短者為準)
廠房及機器	9%至20%
辦公傢俱及設備	9%至30%
汽車	9%至30%
租賃物業裝修	30%至50%或有關租期或估計可用年期(以較短者為準)

年內，由於預期安排設施搬遷，故工廠設施的租賃物業裝修的估計可用年期縮短。由於估計的該等變動，截至二零一二年十二月三十一日止年度本集團上述設施的租賃物業裝修已悉數折舊及折舊費用已增加約32,156,000港元，於其他開支入賬。

- (v) 於二零一一年十二月三十一日，董事檢討了本集團的廠房及設備並釐定其中數個資產減值，因此有關本集團金屬再生業務中使用的該等資產減值虧損為1,099,000港元。相關資產的可回收金額按其使用價值釐定。截至二零一二年十二月三十一日止年度並無就物業、廠房及設備確認減值虧損。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

18. PREPAID LEASE PAYMENTS

18. 預付租金

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
The prepaid lease payments	預付租金		
comprise leasehold land	包括租賃土地		
– in Hong Kong held under	– 位於香港以		
medium term leases	中期租約持有	149,066	153,148
– in the PRC held under	– 位於中國以		
medium term leases	中期租約持有	206,168	38,064
		355,234	191,212
Analysed for reporting purposes as:	以呈報為目的的分析：		
Current asset	流動資產	8,687	5,244
Non-current asset	非流動資產	346,547	185,968
		355,234	191,212

notes:

- (i) The leasehold land in Hong Kong is under a medium term sub-lease and for specific usage.
- (ii) As at 31 December 2012, prepaid lease payments with carrying amount of HK\$186,194,000 (2011: HK\$38,064,000) were pledged as security for bank borrowings granted to the Group.
- (iii) During the year, the Group acquired certain leasehold land in the PRC held under medium term lease with carrying amount of HK\$171,436,000 (2011: Nil).

附註：

- (i) 位於香港的租賃土地按中期租約分租作特定用途。
- (ii) 於二零一二年十二月三十一日，賬面值為186,194,000港元(二零一一年：38,064,000港元)的預付租金抵押作為授予本集團銀行借貸的擔保。
- (iii) 年內，本集團於中國獲得若干租賃土地，以中期租約持有，賬面值為171,436,000港元(二零一一年：無)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

19. INVESTMENT PROPERTIES

19. 投資物業

		HK\$'000 千港元
COST	成本	
At 1 January 2011 and 31 December 2011	於二零一一年一月一日及 二零一一年十二月三十一日	-
Transferred from property, plant and equipment on 1 May 2012	於二零一二年五月一日轉撥自物業、 廠房及設備	37,312
At 31 December 2012	於二零一二年十二月三十一日	37,312
DEPRECIATION	折舊	
At 1 January 2011 and 31 December 2011	於二零一一年一月一日及 二零一一年十二月三十一日	-
Transfer from property, plant and equipment on 1 May 2012	於二零一二年五月一日 轉撥自物業、廠房及設備	5,260
Provided for the year	年內撥備	1,244
At 31 December 2012	於二零一二年十二月三十一日	6,504
CARRYING VALUE	賬面值	
At 31 December 2012	於二零一二年十二月三十一日	30,808
At 31 December 2011	於二零一一年十二月三十一日	-

Notes:

- (i) The above investment properties, which are situated in Hong Kong and held under medium-term leases, are depreciated on a straight-line basis at 5% per annum.
- (ii) As at 31 December 2012, the investment properties were pledged as security for bank borrowings granted to the Group.
- (iii) The fair value of the Group's investment properties at 31 December 2012 was HK\$64,800,000. The fair value has been arrived at based on a valuation carried out by Roma Appraisals Limited, independent valuers not connected with the Group, by reference to recent market prices for similar properties in similar locations and conditions.

附註：

- (i) 上述位於香港及以中期租約持有的物業以直線基準按每年5%折舊。
- (ii) 於二零一二年十二月三十一日，投資物業予以質押作為銀行向本集團提供借貸的抵押。
- (iii) 本集團投資物業於二零一二年十二月三十一日的公平值為64,800,000港元。該公平值乃根據羅馬國際評估有限公司(與本集團無關連之獨立估值師)參照處於類似位置及狀況的類似物業的目前市場價格所作估值而達致。

20. AVAILABLE-FOR-SALE INVESTMENT

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

20. 可供出售投資

指投資於香港上市的股本證券，並參考活躍市場所報買入價釐定按公平值列賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

21. INVENTORIES

21. 存貨

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Raw materials	原料	1,160,851	1,562,982
Finished goods	製成品	1,821,748	1,656,289
		2,982,599	3,219,271

At 31 December 2012, inventories were stated at purchase cost of HK\$2,087,057,000 and the remaining HK\$895,542,000 inventories were stated at the lower of cost and net realisable value with reference to the quoted prices of metal scrap in the relevant markets.

At 31 December 2011, all inventories were stated at the lower of cost and net realisable value with reference to the quoted prices of metal scrap in the relevant markets.

於二零一二年十二月三十一日，存貨以採購成本2,087,057,000港元列賬及餘下895,542,000港元經參考相關市場所報廢金屬價以成本與可變現淨值之較低者列賬。

於二零一一年十二月三十一日，所有存貨均於參考相關市場所報廢金屬價以較低價之成本或淨現值列賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Trade receivables:	貿易應收款項：		
0-30 days	0至30日	129,614	207,462
31-60 days	31至60日	30,097	1,336
61-90 days	61至90日	685	36,332
91-180 days	91至180日	36,683	54,425
Over 180 days	超過180日	3,015	3,011
		200,094	302,566
Other receivables:	其他應收款項：		
Deposits and prepayments	按金及預付款項	48,343	99,388
Deposits paid for purchase of raw materials	購買原料之已付按金	264,432	186,063
VAT recoverable	可退回增值稅	264,473	217,248
Others	其他	8,732	8,132
		585,980	510,831
		786,074	813,397

notes:

- (i) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limit. Credit limits to customers are reviewed regularly.

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

- (ii) The aged analysis of the Group's trade receivables at the end of the reporting period, net of allowance for doubtful debts, was prepared based on the invoice date which approximate to the date of revenue recognition.

附註：

- (i) 於接納新客戶前，本集團將評估潛在客戶的信貸質素及界定客戶的信貸限額，並對給予客戶的限額定期進行檢討。

本集團一般給予貿易客戶30至90日的信貸期。在獲得管理層批准後，本集團可向信貸紀錄良好的貿易客戶授出更長的信貸期。

- (ii) 於報告期末，本集團貿易應收款項扣除呆賬撥備後的賬齡分析按發票日期(與收益確認日期相若)呈列。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

22. TRADE AND OTHER RECEIVABLES (continued)

notes: (continued)

- (iii) Included in the trade receivable balance are the following past due debts for which impairment loss of HK\$7,332,000 has been provided:

Aging analysis of trade receivables which were past due

31-60 days	31至60日
61-90 days	61至90日
91-180 days	91至180日
Over 180 days	超過180日

The Group does not hold any collateral against the above amounts. However, management believes that the carrying amounts are recoverable given that adequate impairment allowance has been recognised as follow:

Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結餘
Recognition of impairment loss on trade and other receivables	貿易及其他應收款項減值虧損 確認
Amounts written off as uncollectible	撤銷為不可收回的款項
Balance at end of the year	年終結餘

22. 貿易及其他應收款項(續)

附註：(續)

- (iii) 貿易應收款項結餘包括下列作出減值虧損撥備7,332,000港元的逾期債務：

已過期的貿易應收款項賬齡分析

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
-	112
-	852
36,683	54,425
3,015	3,011
39,698	58,400

本集團並無持有上述款項之任何抵押。然而，管理層認為，鑑於足夠的減值撥備已確認如下，故該等款項仍可收回：

呆賬撥備的變動

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
-	-
8,014	452
(682)	(452)
7,332	-

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

22. TRADE AND OTHER RECEIVABLES (continued)

notes: (continued)

- (iv) Trade and other receivables that were denominated in currencies other than the functional currency of the relevant group entities are as follows:

RMB	人民幣
HK\$	港元
EUR	歐元

22. 貿易及其他應收款項(續)

附註：(續)

- (iv) 以有關集團公司功能貨幣以外的貨幣計值的貿易及其他應收款項如下：

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
-	79,443
291	3,140
91	2

23. BILLS RECEIVABLES

An analysis of the Group's bills receivables by age at the end of the reporting period, based on their invoice dates (also approximate to the date of revenue recognition), are as follows:

0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
91-180 days	91至180日

23. 應收票據

於報告期末，本集團的應收票據賬齡分析按發票(與收益確認日期相若)日期呈報如下：

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
4,834	617
370	16,268
1,850	15,369
-	1,422
7,054	33,676

24. INVESTMENTS AT FVTPL

Investments at FVTPL include:

Unlisted investments:
- Investment fund investing in listed PRC debt securities

按公平值計入損益之投資包括：
非上市投資：
- 投資於中國上市債務證券的投資基金

24. 按公平值計入損益之投資

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
24,677	-

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS

25. 衍生金融工具

			2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
	notes 附註			
Derivative financial asset				
Aluminium, copper, zinc and steel rebar future contracts	(i)	衍生金融資產 鋁銅鋅及鋼筋期貨合約	50,761	37,021
Provisional pricing arrangements	(ii)	臨時定價安排	4,677	-
			55,438	37,021
Derivative financial liability				
Aluminium, copper, zinc and steel rebar future contracts	(i)	衍生金融負債 鋁銅鋅及鋼筋期貨合約	20,007	34,696
Provisional pricing arrangements	(ii)	臨時定價安排	1,433	5,069
Foreign currency forward contracts	(iii)	外幣遠期合約	80	-
			21,520	39,765

notes:

- (i) Aluminium, copper, zinc and steel rebar future contracts (net settlement)

The Group enters into aluminium, copper, zinc and steel rebar future contracts in order to manage its exposure to the price risk of aluminium, copper and other metal inventory. These contracts are actively traded in an active market and are measured at fair values based on unadjusted quoted price at the end of the reporting period, with gain or loss recognised directly in the profit or loss.

附註：

- (i) 鋁銅鋅及鋼筋期貨合約(淨額結算)

本集團已訂立鋁銅鋅及鋼筋期貨合約，以管理鋁銅及其他金屬存貨的價格風險。於報告期末，該等合約於活躍市場上成交活躍且基於未經調整報價以公平值計量，相關損益直接於損益賬中確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

25. 衍生金融工具(續)

notes: (continued)

附註：(續)

- (i) Aluminium, copper, zinc and steel rebar future contracts (net settlement) (continued)

- (i) 鋁銅鋅及鋼筋期貨合約(淨額結算)(續)

Major terms of the aluminium, copper, zinc and steel rebar future contracts outstanding at the end of the reporting period are set out below:

於報告期末，未到期鋁銅鋅及鋼筋期貨合約的主要條款如下：

31 December 2012

二零一二年十二月三十一日

Contract price 合約價格	Standard trading unit 標準買賣單位	Total units 總單位	Maturity date 到期日
<i>Aluminium future contracts:</i> <i>鋁期貨合約：</i>			
Buy at prices ranging from USD1,898 to USD2,071 per tonne 按介乎每噸1,898美元至2,071美元的價格購買	25 tonnes 25噸	252	From 10 January 2013 to 28 March 2013 自二零一三年一月十日至 二零一三年三月二十八日
Sell at prices ranging from USD2,080 to USD2,135 per tonne 按介乎每噸2,080美元至2,135美元的價格銷售	25 tonnes 25噸	144	From 2 January 2013 to 28 March 2013 自二零一三年一月二日至 二零一三年三月二十八日
Buy at prices ranging from USD2,074 to USD2,124 per tonne 按介乎每噸2,074美元至2,124美元的價格購買	25 tonnes 25噸	244	From 2 January 2013 to 27 March 2013 自二零一三年一月二日至 二零一三年三月二十七日
Sell at prices ranging from USD1,944 to USD2,050 per tonne 按介乎每噸1,944美元至2,050美元的價格銷售	25 tonnes 25噸	224	From 24 January 2013 to 28 February 2013 自二零一三年一月二十四日至 二零一三年二月二十八日
<i>Copper future contracts:</i> <i>銅期貨合約：</i>			
Buy at prices ranging from RMB55,400 to RMB58,810 per tonne 按介乎每噸人民幣55,400元至人民幣58,810元的價格購買	5 tonnes 5噸	2,684	From 15 January 2013 to 15 April 2013 自二零一三年一月十五日至 二零一三年四月十五日
Buy at prices ranging from USD7,510 to USD7,923 per tonne 按介乎每噸7,510美元至7,923美元的價格購買	25 tonnes 25噸	508	From 16 January 2013 to 28 March 2013 自二零一三年一月十六日至 二零一三年三月二十八日
Sell at prices ranging from USD7,920 to USD8,269 per tonne 按介乎每噸7,920美元至8,269美元的價格銷售	25 tonnes 25噸	204	From 3 January 2013 to 20 March 2013 自二零一三年一月三日至 二零一三年三月二十日

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

notes: (continued)

- (i) Aluminium, copper, zinc and steel rebar future contracts (net settlement)
(continued)

31 December 2012 (continued)

Contract price 合約價格	Standard trading unit 標準買賣單位	Total units 總單位	Maturity date 到期日
Buy at prices ranging from USD7,926 to USD8,305 per tonne 按介乎每噸7,926美元至8,305美元 的價格購買	25 tonnes 25噸	300	From 3 January 2013 to 28 March 2013 自二零一三年一月三日至 二零一三年三月二十八日
Sell at prices ranging from USD7,633 to USD7,929 per tonne 按介乎每噸7,633美元至7,929美元 的價格銷售	25 tonnes 25噸	96	From 15 January 2013 to 21 February 2013 自二零一三年一月十五日至 二零一三年二月二十一日
<i>Zinc future contracts:</i> 鋅期貨合約：			
Buy at prices ranging from USD1,852 to USD2,080 per tonne 按介乎每噸1,852美元至2,080美元 的價格購買	25 tonnes 25噸	429	From 9 January 2013 to 28 March 2013 自二零一三年一月九日至 二零一三年三月二十八日
Sell at prices ranging from USD2,057 to USD2,107 per tonne 按介乎每噸2,057美元至2,107美元 的價格銷售	25 tonnes 25噸	288	From 3 January 2013 to 28 March 2013 自二零一三年一月三日至 二零一三年三月二十八日
Buy at prices ranging from USD2,054 to USD2,105 per tonne 按介乎每噸2,054美元至2,105美元 的價格購買	25 tonnes 25噸	208	From 2 January 2013 to 27 March 2013 自二零一三年一月二日至 二零一三年三月二十七日
Sell at prices ranging from USD1,890 to USD2,075 per tonne 按介乎每噸1,890美元至2,075美元 的價格銷售	25 tonnes 25噸	296	From 3 January 2013 to 28 March 2013 自二零一三年一月三日至 二零一三年三月二十八日
<i>Steel rebar future contracts:</i> 鋼筋期貨合約：			
Sell at prices ranging from RMB3,942 to RMB3,990 per tonne 按介乎每噸人民幣3,942元至人民幣3,990元 的價格銷售	10 tonnes 10噸	900	15 May 2013 二零一三年五月十五日

25. 衍生金融工具(續)

附註：(續)

- (i) 鋁銅鋅及鋼筋期貨合約(淨額結算)(續)

二零一二年十二月三十一日(續)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

notes: (continued)

- (i) Aluminium, copper, zinc and steel rebar future contracts (net settlement)
(continued)

31 December 2011

Contract price 合約價格	Standard trading unit 標準買賣單位	Total units 總單位	Maturity date 到期日
Aluminium future contracts: 鋁期貨合約:			
Buy at prices ranging from RMB16,155 to RMB16,340 per tonne 按介乎每噸人民幣16,155元至人民幣16,340元 的價格購買	5 tonnes 5噸	170	From 15 February 2012 to 15 March 2012 自二零一二年二月十五日至 二零一二年三月十五日
Buy at prices ranging from USD1,966 to USD1,998 per tonne 按介乎每噸1,966美元至1,998美元 的價格購買	25 tonnes 25噸	136	From 4 January 2012 to 19 March 2012 自二零一二年一月四日至 二零一二年三月十九日
Sell at prices ranging from USD2,030 to USD2,269 per tonne 按介乎每噸2,030美元至2,269美元 的價格銷售	25 tonnes 25噸	176	From 10 January 2012 to 2 March 2012 自二零一二年一月十日至 二零一二年三月二日
Buy at prices ranging from USD2,000 to USD2,249 per tonne 按介乎每噸2,000美元至2,249美元 的價格購買	25 tonnes 25噸	440	From 3 January 2012 to 9 March 2012 自二零一二年一月三日至 二零一二年三月九日
Sell at prices ranging from USD1,972 to USD2,014 per tonne 按介乎每噸1,972美元至2,014美元 的價格銷售	25 tonnes 25噸	108	From 3 January 2012 to 19 March 2012 自二零一二年一月三日至 二零一二年三月十九日
Copper future contracts: 銅期貨合約:			
Buy at prices ranging from RMB57,760 to RMB57,880 per tonne 按介乎每噸人民幣57,760元至人民幣57,880元 的價格購買	5 tonnes 5噸	150	15 March 2012 二零一二年三月十五日
Buy at prices ranging from USD6,710 to USD7,565 per tonne 按介乎每噸6,710美元至7,565美元 的價格購買	25 tonnes 25噸	252	From 3 January 2012 to 28 March 2012 自二零一二年一月三日至 二零一二年三月二十八日

25. 衍生金融工具(續)

附註:(續)

- (i) 鋁銅鋅及鋼筋期貨合約(淨額結算)(續)

二零一一年十二月三十一日

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

notes: (continued)

- (i) Aluminium, copper, zinc and steel rebar future contracts (net settlement)
(continued)

31 December 2011 (continued)

Contract price 合約價格	Standard trading unit 標準買賣單位	Total units 總單位	Maturity date 到期日
Sell at prices ranging from USD7,630 to USD8,039 per tonne 按介乎每噸7,630美元至8,039美元 的價格銷售	25 tonnes 25噸	136	From 25 January 2012 to 7 March 2012 自二零一二年一月二十五日至 二零一二年三月七日
Buy at prices ranging from USD7,602 to USD8,140 per tonne 按介乎每噸7,602美元至8,140美元 的價格購買	25 tonnes 25噸	264	From 27 January 2012 to 23 March 2012 自二零一二年一月二十七日至 二零一二年三月二十三日
Sell at prices ranging from USD6,934 to USD7,580 per tonne 按介乎每噸6,934美元至7,580美元 的價格銷售	25 tonnes 25噸	152	From 3 January 2012 to 24 February 2012 自二零一二年一月三日至 二零一二年二月二十四日
Zinc future contracts: 鋅期貨合約:			
Buy at prices ranging from USD1,780 to USD1,830 per tonne 按介乎每噸1,780美元至1,830美元 的價格購買	25 tonnes 25噸	116	From 18 January 2012 to 20 January 2012 自二零一二年一月十八日至 二零一二年一月二十日
Sell at prices ranging from USD1,840 to USD2,101 per tonne 按介乎每噸1,840美元至2,101美元 的價格銷售	25 tonnes 25噸	366	From 4 January 2012 to 22 March 2012 自二零一二年一月四日至 二零一二年三月二十二日
Buy at prices ranging from USD1,843 to USD2,079 per tonne 按介乎每噸1,843美元至2,079美元 的價格購買	25 tonnes 25噸	702	From 3 January 2012 to 23 March 2012 自二零一二年一月三日至 二零一二年三月二十三日
Sell at prices ranging from USD1,796 to USD1,828 per tonne 按介乎每噸1,796美元至1,828美元 的價格銷售	25 tonnes 25噸	36	From 3 January 2012 to 20 January 2012 自二零一二年一月三日至 二零一二年一月二十日

25. 衍生金融工具(續)

附註:(續)

- (i) 鋁銅鋅及鋼筋期貨合約(淨額結算)(續)

二零一一年十二月三十一日(續)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

notes: (continued)

(ii) Provisional pricing arrangements (net settlement)

During the year, the Group entered into copper scrap sales contracts that contain provisional pricing arrangements with certain customers. The Group recognises sales revenue, upon delivery of goods once the significant risks and rewards of ownership has been transferred to the customers, based on the quoted copper prices on the Shanghai Futures Exchange or London Metal Exchange as at date of delivery with a fixed discount on the purity of copper scrap (the "Provisional Selling Price"). The Group will receive the payments from the customers ranging from 70% to 90% of the Provisional Selling Price in accordance with its normal trade terms (the "Provisional Payments").

In general, the provisional pricing arrangements allow the Group to choose a date ("Price-fixing Date") within a period of six to twelve months after delivery to the customers ("Pricing-fixing Period") to fix the final selling price of the copper scrap sold with reference to the copper future prices as quoted on the Shanghai Futures Exchange with similar terms as the provisional pricing arrangement on the Pricing-fixing Date, as adjusted for the agreed purity of the copper scrap sold ("Final Selling Price"). If the Group does not choose the Price-fixing Date within the Price-fixing Period, then the last date in the Pricing-fixing Period is deemed to be the Price-fixing Date for the purpose of determining the Final Selling Price. The difference between the Final Selling Price and the Provisional Payments, once determined, will be settled within a specified period.

For accounting purposes, the provisional price arrangements are separated from the host contract for sales of copper scrap and are accounted for as derivative instruments, the fair value change of which is recognised in profit or loss.

Major terms of the provisional pricing arrangements contracts outstanding at 31 December 2012 and 2011 are as follows:

31 December 2012

Notional amount 名義金額	Provisional Selling Prices 臨時售價	Price-fixing Periods 定價期間
6 contracts to sell 1,773 tonnes of copper scrap in total 有關銷售總計1,773噸廢銅的6份合約	Sell at prices ranging from RMB45,882 to RMB52,608 per tonne 按介乎每噸人民幣45,882元至人民幣52,608元的價格銷售	From 26 March 2013 to 12 July 2013 自二零一三年三月二十六日至二零一三年七月十二日
2 contracts to sell 1,744 tonnes of copper scrap in total 有關銷售總計1,744噸廢銅的2份合約	Sell at prices ranging from USD7,327 to USD7,699 per tonne 按介乎每噸7,327美元至7,699美元的價格銷售	31 October 2013 二零一三年十月三十一日

25. 衍生金融工具(續)

附註：(續)

(ii) 臨時定價安排(淨額結算)

年內，本集團與若干客戶訂立包括臨時定價安排的廢銅銷售合約，本集團將重大風險及回報轉移至客戶後，並按當時上海期貨交易所或倫敦金屬交易所所報的銅價(「臨時售價」)為基準確認銷售收入。根據正常貿易條款，本集團將向客戶收取的款項介乎臨時售價的70%至90%(「臨時付款」)。

一般而言，臨時定價安排讓本集團可選取於向客戶交付貨品後六至十二個月期間(「定價期間」)內的一個日期(「定價日期」)經參考於定價日期按與臨時定價安排類似條款之上海期貨交易所所報銅期貨價後釐定所售廢銅的最終售價(「最終售價」)，並按所售廢銅的協定純度進行調整。倘本集團並無選取於定價期間內的定價日期，則定價期間之最後日期被視為釐定最終售價的定價日期。最終售價與臨時付款的差額一經釐定，將於某個特定期間內結算。

就會計目的而言，臨時定價安排須脫離廢銅銷售的主合約並計入為衍生工具，其公平值變動於損益內確認。

於二零一二年及二零一一年十二月三十一日尚未執行的臨時定價安排合約的主要條款如下：

二零一二年十二月三十一日

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

notes: (continued)

(ii) Provisional pricing arrangements (net settlement) (continued)

31 December 2011

Notional amount 名義金額	Provisional Selling Prices 臨時售價	Price-fixing Periods 定價期間
27 contracts to sell 14,300 tonnes of copper scrap in total 有關銷售總計14,300噸廢銅的 27份合約	Sell at prices ranging from RMB45,794 to RMB55,685 per tonne 按介乎每噸人民幣45,794元至人民幣55,685元 的價格銷售	From 21 April 2012 to 30 June 2012 自二零一二年四月二十一日至 二零一二年六月三十日

(iii) Foreign currency forward contracts (gross settlement)

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

Major terms of the foreign currency forward contracts are as follows:

31 December 2012

Notional amount 名義金額	Forward contract rates 遠期合約成交率	Maturity date 到期日
4 contracts to buy USD9,501,123 in total 4份共9,501,123美元的 購入合約	USD1: EUR1.30122 to EUR1.31473 1美元兌1.30122歐元至 1.31473歐元	From 14 March 2013 to 18 March 2013 自二零一三年三月十四日至 二零一三年三月十八日

31 December 2011

No foreign currency forward contract was outstanding at 31 December 2011.

25. 衍生金融工具(續)

附註：(續)

(ii) 臨時定價安排(淨額結算)(續)

二零一一年十二月三十一日

(iii) 遠期外匯合約(總額結算)

本集團訂立遠期外匯合約以減低外匯風險。該等合約於報告期末遠期報價匯率按公平值計量，相關損益直接於損益賬中確認。

遠期外匯合約主要條款如下：

二零一二年十二月三十一日

二零一一年十二月三十一日

於二零一一年十二月三十一日概無遠期外匯合約。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

26. PLEDGED BANK DEPOSITS/RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH 26. 已抵押銀行存款／受限制銀行存款／銀行結餘及現金

Pledged bank deposits

These represent deposits pledged to banks to secure banking facilities granted to the Group. Bank deposits of HK\$105,765,000 (2011: HK\$127,004,000) were pledged to secure short-term bank borrowings and are therefore classified as current assets.

At the end of the reporting period, the pledged bank deposits carried fixed interest rates as follows:

已抵押銀行存款

該等存款指向銀行抵押以為向本集團授出的銀行信貸作出擔保的存款。105,765,000港元(二零一一年: 127,004,000港元)的銀行存款已抵押作短期銀行借貸的擔保，因此被分類為流動資產。

於報告期末，已抵押銀行存款按以下固定利率計算。

		2012 二零一二年	2011 二零一一年
Interest rate per annum	年利率	0.45% to 6.00% 0.45% 至 6.00%	0.53% to 1.30% 0.53% 至 1.30%

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

26. PLEDGED BANK DEPOSITS/RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH (continued)

Restricted bank deposits

The balance represents deposits placed with certain financial institutions to secure the Group's margin accounts with these financial institutions for the trading aluminium, copper and zinc futures. The restricted bank deposits are non-interest bearing.

Bank balances and cash

These represent cash and short-term bank deposits with an original maturity of three months or less. At the end of the reporting period, the bank balances carried interest rates as follows:

		2012 二零一二年	2011 二零一一年
Interest rate per annum	年利率	0.01% to 1.15% 0.01% 至 1.15%	0.01% to 0.5% 0.01% 至 0.5%

Pledged bank deposits, restricted bank deposits and bank balances and cash held in the PRC with an aggregate amount of HK\$238,646,000 (2011: HK\$302,752,000) were denominated in RMB and were subject to foreign exchange control.

Pledged bank deposits, restricted bank deposits and bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities 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
RMB	人民幣	3,770	103,750
HK\$	港元	5,644	1,710
USD	美元	16,030	93,660
EUR	歐元	221,623	1,203

26. 已抵押銀行存款／受限制銀行存款／銀行結餘及現金(續)

受限制銀行存款

結餘指本集團為取得若干金融機構有關買賣鋁銅鋅期貨的保證賬戶而存於相關金融機構的存款。受限制銀行存款為不計息。

銀行結餘及現金

該等款項包括現金及原到期日為三個月或以下的短期銀行存款。於報告期末，銀行結餘利率如下：

在中國持有的已抵押銀行存款、受限制銀行存款與銀行結餘及現金總額為238,646,000港元(二零一一年：302,752,000港元)，全部以人民幣計值並受外匯管制。

以有關集團公司功能貨幣以外貨幣計值的已抵押銀行存款、受限制銀行存款與銀行結餘及現金如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

27. TRADE AND OTHER PAYABLES

27. 貿易及其他應付款項

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Trade payables:	貿易應付款項：		
0-30 days	0至30日	72,718	206,179
31-60 days	31至60日	17,836	129,432
61-90 days	61至90日	-	1,996
91-180 days	91至180日	1,061	3,091
Over 180 days	超過180日	16,355	6,853
		107,970	347,551
Other payables:	其他應付款項：		
Other payables and accruals (note iv)	其他應付款項及應計費用(附註iv)	142,063	124,399
Interest payable	應付利息	6,877	14,989
Receipts in advance from customers	預收客戶款項	8,529	32,613
		157,469	172,001
		265,439	519,552

notes:

- (i) The average credit period for trade purchases is 30 to 60 days.
- (ii) The aged analysis of the Group's trade payables was prepared based on the invoice date.
- (iii) Trade and other payables that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

附註：

- (i) 貿易採購的平均信貸期為30至60日。
- (ii) 本集團貿易應付款項的賬齡分析乃基於發票日而編製。
- (iii) 以有關集團公司功能貨幣以外貨幣計值的貿易及其他應付款項如下：

		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	3,590	7,621
EUR	歐元	14,950	60,405
USD	美元	29,860	-

- (iv) Included in other payables and accruals are import declaration, freight charges, accrued salaries and audit fee.

- (iv) 其他應付款項及應計費用包括進口報關、運費、應計薪金及審計費用。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

28. BANK BORROWINGS AND OVERDRAFTS

28. 銀行借貸及透支

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Fixed-rate borrowings:	定息借貸：		
Secured bank loans	有抵押銀行貸款	771,369	1,450,404
Unsecured bank loans	無抵押銀行貸款	931,743	616,638
Unsecured bank overdrafts	無抵押銀行透支	1,401	2,285
Variable-rate borrowings:	浮息借貸：		
Secured bank loans	有抵押銀行貸款	179,256	12,415
Unsecured bank loans	無抵押銀行貸款	65,904	569,955
		1,949,673	2,651,697
Carrying amount repayable (note (i)):	應付賬面值(附註(i))：		
Within one year	一年內	1,755,875	2,457,393
More than two years, but not more than five years	超過兩年，但不多於五年	193,798	194,304
		1,949,673	2,651,697
Less:	減：		
Amounts due within one year shown under current liabilities without repayment on demand clause	於流動負債下呈列的 不需要根據按 要求還款條款一年內 到期的金額	(1,320,421)	(1,733,236)
Amounts due within one year shown under current liabilities with repayment on demand clause	於流動負債下呈列的需要 根據按 要求還款條款一年內到期的金額	(435,454)	(724,157)
Amounts due over one year shown under current liabilities with repayment on demand clause	於流動負債下呈列的需要 根據按 要求還款條款逾期 一年的金額	(193,798)	(194,304)
Amounts shown under non-current liabilities	非流動負債下呈列的金額	-	-

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

28. BANK BORROWINGS AND OVERDRAFTS (continued) 28. 銀行借貸及透支(續)

notes:

- (i) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- (ii) At the end of the reporting period, the effective interest rates of the borrowings are as follows:

		2012 二零一二年	2011 二零一一年
Effective interest rate per annum:	實際年利率：		
Fixed-rate borrowings	定息借貸	1.50% to 6.20% 1.50% 至 6.20%	1.50% to 7.02% 1.50% 至 7.02%
Variable-rate borrowings	浮息借貸	3.31% to 3.91% 3.31% 至 3.91%	4.41% to 6.41% 4.41% 至 6.41%

- (iii) The Group's borrowings that are denominated in currencies other than the functional currency of the relevant group entities 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
HK\$	港元	830	830
USD	美元	1,640,031	1,924,896

- (iv) During the year ended 31 December 2012, one of the Group's subsidiaries exceeded the loan-to-equity ratio specified in a bank loan agreement in relation to certain bank loan with a repayable on a demand clause. The relevant subsidiary has obtained a waiver from the relevant bank that it would not demand immediate repayment of the bank loan as a result of the breach of the financial covenant.

During the year ended 31 December 2011, one of the Group's subsidiaries exceeded the loan-to-equity ratio specified in a bank loan agreement in relation to certain bank loan with a repayable on demand clause. The excess was remedied by the subsidiary in November 2011 by settling part of the outstanding bank borrowings to lower the loan-to-equity ratio and the relevant bank subsequently confirmed that it would not take any action against that subsidiary.

附註：

- (i) 到期金額乃按貸款協議所載的預定還款日期計算。
- (ii) 於報告期末，借貸的實際利率如下：

- (iii) 以有關集團公司功能貨幣以外貨幣計值的本集團借貸如下：

- (iv) 截至二零一二年十二月三十一日止年度，本集團其中一間附屬公司的貸款股本比率超過貸款協議內就應要求償還條款的若干銀行貸款所訂明的比率。該有關附屬公司已取得有關銀行的豁免將不會因財務指標違約而要求即時償還銀行貸款。

截至二零一一年十二月三十一日止年度，本集團其中一間附屬公司的貸款股本比率超過貸款協議內就應要求償還條款的若干銀行貸款所訂明比率。超過的部分由附屬公司於二零一一年十一月透過結清部分未償還銀行貸款以降低貸款股本比率作出補償，相關銀行於其後已確認不會對該附屬公司採取任何行動。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. SHARE CAPITAL

29. 股本

	notes 附註	Number of shares 股份數目	Amounts 金額 HK\$ 港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 at 1 January 2011, 31 December 2011 and 2012	於二零一一年一月一日、 二零一一年及二零一二年 十二月三十一日 每股面值0.01港元的普通股	5,000,000,000	50,000,000
Issued and fully paid:	已發行並繳足：		
Ordinary shares of HK\$0.01 each at 1 January 2011	於二零一一年一月一日 每股面值0.01港元的普通股	1,000,000,000	10,000,000
Issue of new shares	發行新股 (i)	60,000,000	600,000
Issue of scrip dividend	發行以股代息 (ii)	209,206	2,092
Exercise of share options	行使購股權 (iii)	1,645,500	16,455
Shares repurchased and cancelled	股份購回及註銷 (iv)	(20,000,000)	(200,000)
At 31 December 2011	於二零一一年十二月三十一日	1,041,854,706	10,418,547
Exercise of share options	行使購股權 (iii)	3,621,500	36,215
Shares repurchased and cancelled	股份購回及註銷 (iv)	(1,970,000)	(19,700)
At 31 December 2012	於二零一二年十二月三十一日	1,043,506,206	10,435,062

notes:

- (i) On 15 April 2011, arrangements were made for a placement to independent investors of 60,000,000 shares of HK\$0.01 each in the Company held by HWH Holdings Limited ("HWH") and Delco Participation B.V. ("Delco"), the controlling shareholders with over 30% beneficial interest in the Company, in aggregate, at a price of HK\$6.60 per share, representing a discount of approximately 11.41% to the closing market price of the Company's shares on 15 April 2011.

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

附註：

- (i) 於二零一一年四月十五日，本公司按每股6.60港元(較本公司股份於二零一一年四月十五日的收市價折讓約11.41%)的價格向獨立投資者作出配售每股面值0.01港元的60,000,000股份的配售安排，該等股份由HWH Holdings Limited(「HWH」)、Delco Participation B.V.(「Delco」)(HWH及Delco乃合共持有本公司多於30%本公司之實益權益的控股股東)持有。

根據於同日訂立的認購協議，HWH及Delco按每股6.60港元認購本公司每股面值0.01港元的60,000,000股新股。所得款項用作一般營運資金用途。認購事項已於二零一一年四月二十九日完成。該等新股根據於二零一零年六月二十三日全體股東通過的書面決議案授予董事的一般授權發行。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

29. SHARE CAPITAL (continued)

notes: (continued)

- (ii) On 22 June 2011, the Company issued and allotted a total of 209,206 new shares of HK\$0.01 each in the Company at a price of HK\$5.70 per share to shareholders who elected to receive new shares in lieu of cash final dividend for the year ended 31 December 2010.
- (iii) During the year, 2,637,000 and 984,500 (2011: 1,585,000 and 60,500) share options under the Pre-IPO Scheme and the Scheme (as defined in Note 38) were exercised at a subscription price of HK\$2.43 and HK\$3.38 (2011: HK\$2.43 and HK\$3.38) per share respectively, resulting in the issue of 2,637,000 and 984,000 (2011: 1,585,000 and 60,500) ordinary shares of HK\$0.01 each in the Company.
- (iv) During the year, the Company repurchased 1,970,000 (2011: 20,000,000) of its own shares on the Stock Exchange at an aggregate consideration of approximately HK\$7,865,000 (2011: HK\$83,946,000) pursuant to the general mandate granted to the directors at its annual general meeting. The highest and lowest prices paid for the repurchased shares were HK\$4.09 and HK\$3.84 (2011: HK\$4.55 and HK\$3.69), respectively.

Details of the repurchases are as follows:

Month of the repurchases 回購月份	Total number of the ordinary share repurchased 回購普通股 總數	Highest price paid per share 已付每股 最高價 HK\$ 港元	Lowest price paid per share 已付每股 最低價 HK\$ 港元	Aggregate consideration 總代價 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:				
September 2012	1,802,000	4.09	3.87	7,215
October 2012	168,000	3.90	3.84	650
	<u>1,970,000</u>			<u>7,865</u>
Year ended 31 December 2011: 截至二零一一年 十二月三十一日止年度:				
August 2011	2,780,000	4.50	4.08	11,640
September 2011	9,934,000	4.55	3.84	42,476
October 2011	7,286,000	4.30	3.69	29,830
	<u>20,000,000</u>			<u>83,946</u>

All of the above shares were cancelled upon repurchase. The nominal value of the cancelled shares was credited to the capital redemption reserve and the aggregate consideration was paid out of the reserves of the Company.

None of the Company's subsidiaries purchased, sold and redeemed any of the Company's listed securities during both years.

- (v) All the above-mentioned new shares allotted and issued ranked pari passu in all respects with the other shares then in issue.

29. 股本(續)

附註:(續)

- (ii) 於二零一一年六月二十二日,本公司按每股5.70港元的價格向股東(其獲選於截至二零一零年十二月三十一日止年度收取新股以取代末期股息)發行及配發每股0.01港元的209,206股新股。
- (iii) 年內,首次公開發售前計劃及計劃(定義見附註38)項下的2,637,000股及984,500股(二零一一年:1,585,000股及60,500股)購股權分別按每股2.43港元及3.38港元(二零一一年:2.43港元及3.38港元)的認購價獲行使,導致本公司發行每股面值0.01港元的2,637,000股及984,000股(二零一一年:1,585,000股及60,500股)普通股。
- (iv) 年內,本公司根據於其股東週年大會上向股東授出的一般授權於聯交所購回其本身股份1,970,000股(二零一一年:20,000,000股),合共代價7,865,000港元(二零一一年:83,946,000)。購回股份的最高及最低價格分別為4.09港元及3.84港元(二零一一年:4.55港元及3.69港元)。

回購詳情如下:

上述所有股份均於購回後註銷。註銷股份的名義金額計入資本贖回儲備,及總代價自本公司儲備中撥付。

於兩個年度內,概無本公司的附屬公司購買、出售及贖回本公司任何上市證券。

- (v) 已配發及發行的上述新股與當時已發行的其他股份在所有方面均享有同等權益。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

30. NON-CONTROLLING INTERESTS

30. 非控股權益

		Share of net assets (liabilities) of subsidiaries 所佔附屬公司 淨資產(負債)	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	17,398	34,880
Acquisition of additional interest in a subsidiary	收購於一間附屬公司的 額外權益	–	(4,950)
Capital contribution	注資	–	22,367
Share of loss for the year	年內所佔虧損	(49,240)	(35,836)
Share of foreign currency translation reserve	所佔外幣匯兌儲備	(207)	937
Deregistration of a non-wholly owned subsidiary	註銷一間非全資附屬公司	(9,414)	–
At 31 December	於十二月三十一日	(41,463)	17,398

31. CONVERTIBLE BONDS

31. 可換股債券

		Debt component 債務部分 HK\$'000 千港元	Derivative component 衍生部分 HK\$'000 千港元
At 1 January 2012	於二零一二年一月一日	–	–
Fair value at initial recognition	初步確認之公平值	659,611	142,771
Interest charge	利息費用	65,252	–
Interest paid	已付利息	(16,316)	–
Changes in fair value	公平值變動	–	(57,481)
Carrying amount at 31 December 2012	於二零一二年十二月三十一日 之賬面值	708,547	85,290

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

31. CONVERTIBLE BONDS (continued)

notes:

- (i) On 1 March 2012 ("Issue Date"), the Company issued convertible bonds to HWH, Delco and Sims Metal Management Dragon Holdings Limited ("Sims") (collectively the "Subscribers") with an aggregate principal sum of HK\$815,800,000 (the "Convertible Bonds") with detachable three-year warrants (the "Warrants") at total consideration of HK\$815,800,000 (the "Subscription"). Details of Warrants are set out in Note 32.
- (ii) The major terms of Convertible Bonds are as below:
- (a) The Convertible Bonds carry 4% coupon interest per annum payable in arrears semi-annually. Unless previously converted, the Convertible Bonds will be fully redeemed by the Company at its principal amount upon maturity on 1 March 2015 ("Maturity Date"). No early redemption of the Convertible Bonds is allowed unless the Company commits an event of default under the terms and conditions of the Convertible Bonds.
- (b) The Maturity Date shall be extended to the fifth anniversary of the Issue Date, if any of the Subscribers is not able to exercise any conversion rights on or before the Maturity Date solely because of the minimum public float restriction under the Listing Rules.
- (c) The holders of the Convertible Bonds have the right to convert the principal amount of the Convertible Bonds into shares of HK\$0.01 each of the Company at an initial conversion price of HK\$6 per share (subject to anti-dilutive adjustments) at any time during the period from the second anniversary of Issue Date up to 10 business days prior to Maturity Date, subject to the minimum public float requirement.
- (iii) The Convertible Bonds comprise debt component and derivative component (including conversion, extension and early redemption options), which are measured at fair value of HK\$659,611,000 and HK\$142,771,000, respectively, on initial recognition. In the opinion of the directors of the Company, the Company will be able to maintain the minimum public float of Company's shares required under the Listing Rules and will not trigger the condition of the extension of the Convertible Bonds. Also, the event of default is unlikely to occur and will not trigger the early redemption of Convertible Bonds, therefore the fair values of the extension and early redemption options were considered insignificant on initial recognition and as at 31 December 2012.
- (iv) The fair value of the debt component on initial recognition was calculated using the present value of contractually determined stream of future cash flows discounted at the effective interest rate of 11.756%.

In subsequent periods, the debt component of the Convertible Bonds is carried at amortised cost using the effective interest method.

31. 可換股債券(續)

附註:

- (i) 於二零一二年三月一日(「發行日期」),本公司向HWH、Delco及Sims Metal Management Dragon Holdings Limited(「Sims」)(統稱「認購人」)發行三年期可拆分認股權證(「認股權證」)且本金總額為815,800,000港元之可換股債券,總代價為815,800,000港元(「認購事項」)。認股權證的詳情載於附註32。
- (ii) 可換股債券的主要條款載列如下:
- (a) 可換股債券附有4%的年票息,每半年支付一次。除非先前兌換,否則本公司將於二零一五年三月一日到期時(「到期日」)以本金額贖回全部可換股債券。除非本公司違反可換股債券的條款及條件,否則不允許提早贖回可換股債券。
- (b) 倘若任何認購人僅因上市規則的最低公眾持股量限制而不能於到期日或之前行使任何兌換權,則到期日延長至發行日期的第五週年。
- (c) 可換股債券持有人有權於發行日期第二週年至到期日前10個營業日之期間任何時間以初步兌換價每股6港元(可予反攤薄調整)將可換股債券的本金額轉換成本公司每股面值0.01港元的股份,惟須遵守最低公眾持股量的規定。
- (iii) 可換股債券包括債務部分及衍生部分,(包括兌換、延期及提早贖回權)乃按公平值分別為659,611,000港元及142,771,000港元於初步確認時計量。本公司董事認為,本公司將能維持上市規則規定本公司股份的最低公眾持股量以及不會觸發可換股債券延期的情況。此外,違約事件不大可能會發生以及不會觸發提早贖回可換股債券,因此,延期及提早贖回權的公平值在初步確認時及截至二零一二年十二月三十一日被視為較小。
- (iv) 初始確認時債務部分的公平值乃使用按實際利率11.756%貼現的合約釐定未來現金流的現值計算。

於其後期間,可換股債券之債務部分乃按攤銷成本採用實際利率法列賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

31. CONVERTIBLE BONDS (continued)

notes: (continued)

- (v) The fair value of the derivative component was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

		At Issue Date 於發行日期	At 31/12/2012 於二零一二年 十二月三十一日
Stock price	股價	HK\$4.33 4.33港元	HK\$3.91 3.91港元
Exercise price	行使價	HK\$6.00 6.00港元	HK\$6.00 6.00港元
Expected volatility (note a)	預期波幅(附註a)	53.189%	53.189%
Dividend yield	股息收益率	0.855%	0.946%
Option life	期權年期	35.5 months 35.5個月	25.5 months 25.5個月
Risk free rate (note b)	無風險利率(附註b)	0.277%	0.119%

notes:

- (a) The volatility was determined with reference to the implied volatility of the Group as at the Issue Date.
- (b) The risk free rate was determined with reference to the Hong Kong Exchange Fund Yield.
- (c) In subsequent periods, the derivative component is measured at fair value with changes in fair value recognised in profit and loss.
- (vi) No conversion of the Convertible Bonds took place since the Issue Date.

31. 可換股債券(續)

附註:(續)

- (v) 衍生工具部分的公平值乃按二項期權定價模式釐定及該模式所輸入之主要數據如下:

	At Issue Date 於發行日期	At 31/12/2012 於二零一二年 十二月三十一日
Stock price	HK\$4.33 4.33港元	HK\$3.91 3.91港元
Exercise price	HK\$6.00 6.00港元	HK\$6.00 6.00港元
Expected volatility (note a)	53.189%	53.189%
Dividend yield	0.855%	0.946%
Option life	35.5 months 35.5個月	25.5 months 25.5個月
Risk free rate (note b)	0.277%	0.119%

附註:

- (a) 波幅乃經參照本集團於發行日期之引伸波幅而釐定。
- (b) 無風險利率乃參考香港交易所基金孳息率而釐定。
- (c) 於其後期間，衍生工具部分按公平值計量，公平值之變動於損益內確認。
- (vi) 自發行日期概無兌換可換股債券。

32. WARRANTS

The Warrants are exercisable to subscribe for an aggregate amount of HK\$75,830,646 for fully paid shares of HK\$0.01 each in the Company at an initial subscription price of HK\$6 per share (subject to anti-dilutive adjustments) on and after the first business day immediately following the second anniversary of the Issue Date up to Maturity Date. HWH and Delco also agreed to assign the Warrants to Sims that they were entitled as a result of the Subscription.

32. 認股權證

認股權證可予行使，於緊隨發行日期第二週年的第一個營業日及之後直至到期日按初始認購價每股6港元(可予反攤薄調整)認購總額75,830,646港元本公司每股面值0.01港元的繳足股份。HWH及Delco同意向Sims轉讓因認購事項而有權享有的認股權證。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

32. WARRANTS (continued)

The Maturity Date shall be extended to the fifth anniversary of the Issue Date of the Warrants if any of the Warrant holders is not able to exercise any subscription rights on or before the Maturity Date solely because of the minimum public float restriction under the Listing Rules (the "Extension").

The Warrants are classified as a derivative and recognised at fair value on initial recognition and subsequent measurement dates. Changes in the fair value of the Warrants are recognised in profit and loss. The fair value of warrants at initial recognition and as at 31 December 2012 were HK\$13,418,000 and HK\$8,046,000, respectively.

The change in fair value of HK\$5,372,000 was recognised in profit or loss. In the opinion of the directors of the Company, the Company will be able to maintain the minimum public float of the Company's shares under the Listing Rules and will not trigger the condition of the extension of the Warrants, therefore, the fair value of the warrants did not take into account the Extension.

The fair value of the warrants was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

		At Issue Date 於發行日期	At 31/12/2012 於二零一二年 十二月三十一日
Stock price	股價	HK\$4.33 4.33 港元	HK\$3.91 3.91 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note a)	預期波幅(附註a)	53.189%	53.189%
Dividend yield	股息收益率	0.855%	0.946%
Warrant life	認股權證年期	36.0 months 36.0 個月	26.0 months 26.0 個月
Risk free rate (note b)	無風險利率(附註b)	0.281%	0.119%

notes:

- (a) The volatility was determined with reference to the implied volatility of the Group as at the Issue Date.
- (b) The risk free rate was determined with reference to the Hong Kong Exchange Fund Yield.

No exercise of the Warrants took place since the Issue Date.

32. 認股權證(續)

倘若任何認股權證持有人僅因上市規則的最低公眾持股量限制而未能於到期日或之前行使任何認購權，則到期日將延長至認股權證發行日期的第五週年(「延期」)。

認股權證被分類為一項衍生工具且於初始確認及隨後計量日按公平值確認。認股權證公平值之變動於損益內確認。認股權證在初步確認時及於二零一二年十二月三十一日的公平值分別為13,418,000港元及8,046,000港元。

公平值變動5,372,000港元於損益內確認。本公司董事認為，本公司將能夠維持上市規則所規定本公司股份的最低公眾持股量，並不會觸發認股權證延期的情況，因此，認股權證的公平值並未計及延期。

認股權證之公平值乃使用二項式期權定價模式釐定及主要及該模式所輸入之主要數據如下：

附註：

- (a) 波幅乃經參照本集團於發行日期之引伸波幅而釐定。
- (b) 無風險利率乃經參照香港交易所基金孳息率而立定。

自發行日期無行使任何認股權證。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

33. DEFERRED TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for financial reporting purposes:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	32,365	30,388
Deferred tax assets	遞延稅項資產	(12,621)	(23,594)
		19,744	6,794

33. 遞延稅項

為於綜合財務狀況表內呈列，若干遞延稅項資產及負債已被抵銷。以下為就財務呈報目的的遞延稅項結餘分析：

The deferred tax (assets) liabilities recognised by the Group and movements thereon during the current and prior years are as follows:

本集團確認的遞延稅項(資產)負債及其於本年度及以往年度的變動如下：

		Accelerated tax depreciation 加速 稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Inventories provision 存貨撥備 HK\$'000 千港元	Allowance for doubtful debts 呆賬撥備 HK\$'000 千港元	Unrealised profit on inventories 未變現 存貨溢利 HK\$'000 千港元	Change in fair value of derivative financial instruments 衍生金融工具 公平值變動 HK\$'000 千港元	Distributable profits of subsidiaries 附屬公司的 可分配溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2011	於二零一一年一月一日	-	-	-	-	-	-	25,699	25,699
(Credit) charge to profit or loss for the year	年內(計入)扣除損益	1,993	(1,695)	(19,488)	-	(404)	(2,007)	2,696	(18,905)
At 31 December 2011	於二零一一年十二月三十一日	1,993	(1,695)	(19,488)	-	(404)	(2,007)	28,395	6,794
(Credit) charge to profit or loss for the year	年內(計入)扣除損益	1,041	(628)	9,263	(1,025)	(998)	4,240	1,011	12,904
Exchange realignment	匯兌調整	-	-	35	(4)	-	15	-	46
At 31 December 2012	於二零一二年十二月三十一日	3,034	(2,323)	(10,190)	(1,029)	(1,402)	2,248	29,406	19,744

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

33. DEFERRED TAX (continued)

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$491,304,000 (2011: HK\$430,609,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At 31 December 2012, the Group had unused tax losses of HK\$248,347,000 (2011: HK\$80,820,000) available to offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK\$14,077,000 (2011: HK\$10,269,000). No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK\$234,270,000 (2011: HK\$70,551,000) due to the unpredictability of future profit streams. All the tax losses may be carried forward indefinitely except for those amounting to HK\$202,501,000 (2011: HK\$52,853,000) arising from the PRC which may be carried forward for five years.

34. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks to secure the general banking facilities granted to the Group:

33. 遞延稅項(續)

根據中國企業所得稅法，自二零零八年一月一日起中國附屬公司就所賺溢利而宣派之股息須繳預扣稅。綜合財務報表內並未就中國附屬公司累積溢利應佔之臨時差額491,304,000港元(二零一一年：430,609,000港元)而作出遞延稅項撥備，因為本集團足以掌控臨時差額撥回之時間，而臨時差額很可能不會於可見將來撥回。

於二零一二年十二月三十一日，本集團擁有未動用稅項虧損248,347,000港元(二零一一年：80,820,000港元)以抵銷未來溢利。就相關虧損確認的遞延稅項資產達14,077,000港元(二零一一年：10,269,000港元)。有關餘下未動用的稅項虧損234,270,000港元(二零一一年：70,551,000港元)並未確認為遞延稅項資產。所有稅項虧損將無限期承前結轉，除在中國產生的可於五年內承前結轉稅項虧損達202,501,000港元外(二零一一年：52,853,000港元)。

34. 資產抵押

於報告期末，本集團已向銀行抵押以下資產，以擔保授予本集團之一般銀行信貸：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Buildings (Note 17)	樓宇(附註17)	44,825	99,918
Prepaid lease payments (Note 18)	預付租金(附註18)	186,194	38,064
Investment properties (Note 19)	投資物業(附註19)	30,808	—
Trade receivables	貿易應收款項	—	30,534
Bank deposits (Note 26)	銀行存款(附註26)	105,765	127,004
		367,592	295,520

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

35. CAPITAL COMMITMENTS

35. 資本承擔

	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment, and prepaid lease payments	11,971	185,932

就收購物業、廠房及設備及預付租金已訂約但未於綜合財務報表中撥備的資本開支

36. RETIREMENT BENEFIT PLANS

The Group operates a MPF Scheme for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

36. 退休福利計劃

本集團根據強制性公積金計劃條例為香港所有合資格僱員設立強積金計劃。強積金計劃之資產透過一名獨立受託人控制之基金與本集團所持資產分開持有。根據強積金計劃的規定，僱主及其僱員分別須按規定訂明的比率向計劃供款。本集團對強積金計劃之唯一責任為根據該計劃作出所需供款。並無已沒收供款可用作扣減日後應付供款。

於中國受僱之僱員可參與中國政府所運作之國家管理退休福利計劃。中國附屬公司須按僱員基本薪酬的若干百分比向該退休福利計劃供款，為該等福利提供資金。本集團對退休福利計劃之唯一責任為根據計劃作出所需供款。



Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS

(i) Pre-IPO Share Option Scheme

Pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a pre-IPO share option scheme (the "Pre-IPO Scheme") was adopted by the Company. Pursuant to the Pre-IPO Scheme, the Company could grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group ("Participants") to subscribe for shares in the Company. The purpose of the Pre-IPO Scheme was to recognise the contribution that Participants made or might have made to the growth of the Group. It aimed to give Participants an opportunity to acquire a personal stake in the Company and helped motivate Participants to optimise their performance and efficiency, and also to help attract or retain Participants whose contributions are important to the long-term growth and profitability of the Group.

37. 以股份為基礎付款之交易

(i) 首次公開發售前購股權計劃

根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納首次公開發售前購股權計劃(「首次公開發售前計劃」)。根據首次公開發售前計劃，本公司可向本集團董事(包括執行董事、非執行董事及獨立非執行董事)及僱員、本集團任何成員公司的任何諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人或服務供應商(「參與者」)授出購股權，以認購本公司股份。首次公開發售前計劃旨在嘉許參與者對本集團發展作出或可能已作出的貢獻，向參與者提供機會購買本公司私人股票，激勵彼等提升業績表現及效率，並吸納或留任對本集團長遠發展及盈利至關重要的參與者。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

The maximum number of shares in respect of which options could be granted is 12,140,000 shares, representing 1.214% of shares of the issued share capital of the Company immediately upon the listing of the Company's shares on the Stock Exchange (the "Listing"), but excluding any shares which could fall to be issued upon the exercise of the options granted or to be granted under the Pre-IPO Scheme, the other schemes and shares that could fall to be issued upon the exercise of the over-allotment option in connection with the Listing.

Share options granted under the Pre-IPO Scheme are exercisable at the initial offer price to the public (i.e. HK\$2.43 per share). Each of the holders of the share options under the Pre-IPO Scheme shall be entitled to exercise his/her options in the following manner:

Service period that share options can be vested after the date of Listing

於上市日期後可行使購股權的服務期間

Attaining 1 year
持有一年
Attaining 2 years
持有兩年
Attaining 3 years
持有三年

(i) 首次公開發售前購股權計劃(續)

可授出的購股權所涉最高股份數目為12,140,000股股份，相當於緊隨本公司股份於聯交所上市(「上市」)後本公司已發行股本中股份的1.214%，惟不包括因行使根據首次公開發售前計劃及其他計劃授出或將予授出的購股權而可能將予發行的任何股份，以及因行使與上市有關的超額配股權而可能將予發行的股份。

根據首次公開發售前計劃授出的購股權按給予公眾人士的初步發售價(即每股股份2.43港元)行使。首次公開發售前計劃下各購股權持有人均有權以下列方式行使其購股權：

Maximum percentage of share options exercisable

可行使購股權的百分比上限

30% of the total number of options granted
授出購股權總數的30%
30% of the total number of options granted
授出購股權總數的30%
40% of the total number of options granted
授出購股權總數的40%

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

In 2010, 12,140,000 options were granted to eligible Participants under the Pre-IPO Scheme and the total number of shares that can be issued upon the exercise of all options is 12,140,000 shares. The estimated fair value of the options at the date of grant is HK\$7,837,000. Details of the share options granted under the Pre-IPO Scheme and their subsequent movements are as follows:

(i) 首次公開發售前購股權計劃(續)

於二零一零年，根據公開發售前計劃向合資格股東授出12,140,000份購股權，於行使全部購股權後股份發行總數為12,140,000股股份。於授出日期的購股權的估計公平值為7,837,000港元。首次公開發售前購股權計劃項下授出的購股權的詳情及其後續變動如下：

Category of Eligible Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2011 於二零一一年一月一日尚未行使的購股權數目	Exercised during the year 年內行使 (note b) (附註b)	Lapsed due to employee resignation during the year 年內由於僱員辭職而失效	Number of options outstanding as at 31.12.2011 於二零一一年十二月三十一日尚未行使的購股權數目	Exercised during the year 年內行使 (note b) (附註b)	Lapsed due to employee resignation during the year 年內由於僱員辭職而失效	Number of options outstanding as at 31.12.2012 於二零一二年十二月三十一日尚未行使的購股權數目
Directors 董事	12.7.2010 二零一零年七月十二日	HK\$2.43 2.43港元	12.7.2011-12.7.2012	12.7.2011	1,477,500	-	-	1,477,500	(1,477,500)	-	-
			二零一一年七月十二日至二零一二年七月十二日	二零一一年七月十二日							
			13.7.2012-12.7.2013	13.7.2012	1,477,500	-	-	1,477,500	-	-	1,477,500
			二零一二年七月十三日至二零一三年七月十二日	二零一二年七月十三日							
Employees and other participants 僱員及其他參與者	12.7.2010 二零一零年七月十二日	HK\$2.43 2.43港元	12.7.2011-12.7.2012	12.7.2011	2,164,500	(1,585,000)	-	579,500	(579,500)	-	-
			二零一一年七月十二日至二零一二年七月十二日	二零一一年七月十二日							
			13.7.2012-12.7.2013	13.7.2012	2,164,500	-	(24,000)	2,140,500	(580,000)	-	1,560,500
			二零一二年七月十三日至二零一三年七月十二日	二零一二年七月十三日							
			13.7.2013-12.7.2014	13.7.2013	2,886,000	-	(32,000)	2,854,000	-	(64,000)	2,790,000
			二零一三年七月十三日至二零一四年七月十二日	二零一三年七月十三日							
					7,215,000	(1,585,000)	(56,000)	5,574,000	(1,159,500)	(64,000)	4,350,500
					12,140,000	(1,585,000)	(56,000)	10,499,000	(2,637,000)	(64,000)	7,798,000
					-		2,001,000			3,038,000	
Number of options exercisable at the end of the year 年終可行使的購股權數目											
Weighted average exercise price 加權平均行使價		HK\$2.43 2.43港元	HK\$2.43 2.43港元	HK\$2.43 2.43港元	HK\$2.43 2.43港元	HK\$2.43 2.43港元	HK\$2.43 2.43港元	HK\$2.43 2.43港元	HK\$2.43 2.43港元	HK\$2.43 2.43港元	

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS 37. 以股份為基礎付款之交易(續) (continued)

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

notes:

- (a) The date of grant was the date when Participants accepted the offer of options under the Pre-IPO Scheme.
- (b) In respect of the share options exercised during the year, the share prices at the dates of exercise ranged from HK\$3.75 to HK\$4.16 (2011: HK\$4.10 to HK\$6.28).
- (c) The fair value of the options was calculated using the Binomial model. The inputs into the model were as follows:

		Lot 1 第一批	Lot 2 第二批	Lot 3 第三批
Grant date share price	授出日期股價	HK\$2.39 2.39港元	HK\$2.39 2.39港元	HK\$2.39 2.39港元
Exercise price	行使價	HK\$2.43 2.43港元	HK\$2.43 2.43港元	HK\$2.43 2.43港元
Expected volatility	預期波幅	49.798%	54.803%	51.954%
Expected option period	預期購股權期限	1.492 years 1.492年	2.495 years 2.495年	3.495 years 3.495年
Risk-free rate	無風險利率	0.514%	0.776%	1.109%
Expected dividend yield	預期股息收益率	3.557%	3.557%	3.557%

Expected volatility was determined with reference to the historical volatility of certain comparable listed companies.

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

- (d) The Group recognised an expense of HK\$2,005,000 for the year (2011: HK\$3,527,000) in relation to share options granted by the Company under the Pre-IPO Scheme.

(i) 首次公開發售前購股權計劃(續)

附註：

- (a) 授出日期為參與者接納根據公開發售前購股權計劃授出之購股權的日期。
- (b) 年內就獲行使購股權而言，於行使日期之股價介乎3.75港元至4.16港元(二零一一年：4.10港元至6.28港元)。
- (c) 購股權公平值乃按二項式模式計算，該模式所輸入數據如下：

預期波幅乃經參考若干可比較上市公司的過往波幅釐定。

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

- (d) 年內，本集團就有關本公司根據首次公開發售前計劃授出購股權確認開支2,005,000港元(二零一一年：3,527,000港元)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(ii) Post-IPO Share Option Scheme

In addition, pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a post-IPO share option scheme (the "Scheme") was also adopted.

Pursuant to the Scheme, the Company may grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who the board considers, in its sole discretion, have contributed or will contribute to the Group ("Eligible Scheme Participants"). The Scheme is a share incentive scheme and is established to reward Eligible Scheme Participants who have contributed to the Group and to encourage Eligible Scheme Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the shareholders as a whole. The Scheme is valid and effective for a period of ten years from 23 June 2010.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme shall not in aggregate exceed 10% of shares of the Company as of the date of the approval by the shareholders in general meeting, without approval from the Company's shareholders. The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time. The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Scheme Participant in any twelve-month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant.

(ii) 首次公開發售後購股權計劃

此外，根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納首次公開發售後購股權計劃(「該計劃」)。

根據該計劃，本公司可向董事會全權酌情認為已為或將為本集團作出貢獻的本集團董事(包括執行董事、非執行董事及獨立非執行董事)及僱員、本集團任何成員公司的任何諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人或服務供應商(「合資格計劃參與者」)授出購股權。該計劃是一項股份獎勵計劃，為獎勵合資格計劃參與者對本集團作出的貢獻以及鼓勵合資格計劃參與者為本公司及股東的整體利益而提升本公司及股份的價值而設立。該計劃自二零一零年六月二十三日起計十年內有效。

因行使根據該計劃將予授出的所有購股權而可能發行的最高股份數目合共不得超過股東於股東大會批准日期的本公司股份的10%(無須本公司股東批准)。因行使根據該計劃及本公司任何其他購股權計劃所授出但尚未行使的所有購股權而可能發行的股份於任何時候不得超過不時已發行股份的30%。於任何十二個月期間直至授出日期，因行使根據該計劃及本公司任何其他購股權計劃向每名合資格計劃參與者授出的購股權(包括已行使及尚未行使的購股權)而發行及將予發行的最高股份數目不得超過於授出日期已發行股份的1%。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates is required to be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Where granting of options to a substantial shareholder or any independent non-executive director or their respective associates which will result in the number of shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant exceed of 0.1% of the total number of shares in issue and have an aggregate value in excess of HK\$5 million, based on the official closing price of the shares at the date of each grant, such proposed grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting.

Options granted have to be taken up within a period of 28 days from the date of offer upon payment of HK\$1.

The exercise price is determined by the board of directors and but in any event shall not be less than the highest of:

- the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange on the offer date, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- the average of the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the offer date; and
- the nominal value of the shares.

Options granted are exercisable for a period to be notified by the board of directors to each grantee and such period shall expire not later than 4 years from the date of grant of options.

(ii) 首次公開發售後購股權計劃(續)

向本公司董事、主要行政人員或主要股東(定義見上市規則)或彼等各自的任何聯繫人授出任何購股權，須經獨立非執行董事(不包括任何身為購股權承授人的獨立非執行董事)批准。當向主要股東或任何獨立非執行董事或彼等各自的任何聯繫人授出購股權，將導致於十二個月期間直至授出日期(包括該日)因行使向該等人士授出及將予授出的購股權(包括已行使、已註銷及尚未行使的購股權)而發行及將予發行的股份數目超過已發行股份總數的0.1%，且根據各授出日期股份的官方收市價計算，總值超過5,000,000港元，則須待本公司發出通函並經股東於股東大會上批准後，方可建議授出上述購股權。

所授購股權須於提呈日期起計28日內接納，接納時須支付1港元。

行使價由董事會釐定，惟無論如何不會低於下列各項之最高者：

- 於提呈日期(該日須為聯交所辦理證券交易業務的日子)聯交所的每日報表所列股份在聯交所的官方收市價；
- 緊接提呈日期前五個營業日聯交所的每日報表所列股份在聯交所的平均官方收市價；及
- 股份的面值。

所授購股權可於董事會知會各承授人的期間行使，而該期間不得於授出購股權日期起計四年後屆滿。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS 37. 以股份為基礎付款之交易(續)

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

Details of the share options granted under the Scheme and their subsequent movements are as follows:

(ii) 首次公開發售後購股權計劃(續)

根據該計劃授出的購股權及其後變動詳情如下：

Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2011 於二零一一年一月一日 尚未行使的 購股權數目	Granted during the year	Exercised during the year	Lapsed due to employee resignation during the year 年內由於 僱員辭職 而失效	Number of options outstanding as at 31.12.2011 於二零一一年十二月三十一日 尚未行使的 購股權數目	Reclassified during the year	Granted during the year	Exercised during the year	Lapsed during the year	Number of options outstanding as at 31.12.2012 於二零一二年十二月三十一日 尚未行使的 購股權數目
合資格計劃參與者類別	授出日期	每股行使價	行使期	歸屬日期	購股權數目	年內授出	年內行使	年內由於 僱員辭職 而失效	購股權數目	重新分類 (note a) (附註a)	年內授出	年內行使	年內失效 (note b) (附註b)	購股權數目
Directors 董事	3.5.2011 二零一一年 五月三日	HK\$6.388 6.388港元	3.5.2012-3.5.2013	3.5.2012	-	442,500	-	-	442,500	(45,000)	-	-	-	397,500
			二零一二年五月三日至 二零一三年五月三日	二零一二年 五月三日	-	442,500	-	-	442,500	(45,000)	-	-	-	397,500
			4.5.2013-3.5.2014 二零一三年五月四日至 二零一四年五月三日	4.5.2013 二零一三年 五月四日	-	590,000	-	-	590,000	(60,000)	-	-	-	530,000
Directors 董事	24.6.2011 二零一一年 六月二十四日 (note c) (附註c)	HK\$6.388 6.388港元	3.5.2012-3.5.2013	3.5.2012	-	5,250,000	-	-	5,250,000	-	-	-	(5,250,000)	-
			二零一二年五月三日至 二零一三年五月三日	二零一二年 五月三日	-	5,250,000	-	-	5,250,000	-	-	-	(5,250,000)	-
			4.5.2013-3.5.2014 二零一三年五月四日至 二零一四年五月三日	4.5.2013 二零一三年 五月四日	-	7,000,000	-	-	7,000,000	-	-	-	(7,000,000)	-
Directors 董事	28.3.2012 二零一二年 三月二十八日	HK\$4.186 4.186港元	28.3.2013-27.3.2016	28.3.2013	-	-	-	-	-	-	262,500	-	-	262,500
			二零一三年三月二十八日至 二零一六年三月二十七日	二零一三年 三月二十八日	-	-	-	-	-	-	262,500	-	-	262,500
			28.3.2014-27.3.2016 二零一四年三月二十八日至 二零一六年三月二十七日	28.3.2014 二零一四年 三月二十八日	-	-	-	-	-	350,000	-	-	-	350,000
Directors 董事	24.5.2012 二零一二年 五月二十四日 (note d) (附註d)	HK\$4.186 4.186港元	28.3.2013-27.3.2016	28.3.2013	-	-	-	-	-	-	5,550,000	-	-	5,550,000
			二零一三年三月二十八日至 二零一六年三月二十七日	二零一三年 三月二十八日	-	-	-	-	-	-	5,550,000	-	-	5,550,000
			28.3.2014-27.3.2016 二零一四年三月二十八日至 二零一六年三月二十七日	28.3.2014 二零一四年 三月二十八日	-	-	-	-	-	7,400,000	-	-	-	7,400,000
			28.3.2015-27.3.2016 二零一五年三月二十八日至 二零一六年三月二十七日	28.3.2015 二零一五年 三月二十八日	-	-	-	-	-	7,400,000	-	-	7,400,000	
					-	18,975,000	-	-	18,975,000	(150,000)	19,375,000	-	(17,500,000)	20,700,000

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS 37. 以股份為基礎付款之交易(續)

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

(ii) 首次公開發售後購股權計劃(續)

Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2011 於二零一一年一月一日尚未行使的購股權數目	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed due to resignation during the year 年內由缺僱員辭職而失效	Number of options outstanding as at 31.12.2011 於二零一一年十二月三十一日尚未行使的購股權數目	Reclassified during the year 年內重新分類 (note a) (附註a)	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	Number of options outstanding as at 31.12.2012 於二零一二年十二月三十一日尚未行使的購股權數目	
Employees and other participants 僱員及其他參與者	22.9.2010 二零一零年九月二十二日	HK\$3.38 3.38港元	22.9.2011-22.9.2012	22.9.2011	1,131,000	-	(60,500)	(15,000)	1,055,500	-	-	(984,500)	(71,000)	-	
			二零一一年九月二十二日至二零一二年九月二十二日	二零一一年九月二十二日	1,131,000	-	-	(15,000)	1,116,000	-	-	-	-	(30,000)	1,086,000
			23.9.2012-22.9.2013	23.9.2012	1,131,000	-	-	(15,000)	1,116,000	-	-	-	-	(30,000)	1,086,000
Employees and other participants 僱員及其他參與者	3.5.2011 二零一一年五月三日	HK\$6.388 6.388港元	3.5.2012-3.5.2013	3.5.2012	-	3,756,000	-	(183,000)	3,573,000	45,000	-	-	(141,000)	3,477,000	
			二零一二年五月三日至二零一三年五月三日	二零一二年五月三日	-	3,756,000	-	(183,000)	3,573,000	45,000	-	-	(141,000)	3,477,000	
			4.5.2013-3.5.2014	4.5.2013	-	3,756,000	-	(183,000)	3,573,000	45,000	-	-	(141,000)	3,477,000	
Employees and other participants 僱員及其他參與者	28.3.2012 二零一二年三月二十八日	HK\$4.186 4.186港元	28.3.2013-27.3.2016	28.3.2013	-	-	-	-	-	-	3,457,500	-	(114,000)	3,343,500	
			二零一三年三月二十八日至二零一六年三月二十七日	二零一三年三月二十八日	-	-	-	-	-	-	-	3,457,500	-	(114,000)	3,343,500
			28.3.2014-27.3.2016	28.3.2014	-	-	-	-	-	-	-	3,457,500	-	(114,000)	3,343,500
Employees and other participants 僱員及其他參與者	28.3.2015-27.3.2016	HK\$4.186 4.186港元	28.3.2015-27.3.2016	28.3.2015	-	-	-	-	-	-	4,610,000	-	(152,000)	4,458,000	
			二零一五年三月二十八日至二零一六年三月二十七日	二零一五年三月二十八日	-	-	-	-	-	-	-	4,610,000	-	(152,000)	4,458,000
			28.3.2015-27.3.2016	28.3.2015	-	-	-	-	-	-	-	4,610,000	-	(152,000)	4,458,000
					3,770,000	12,520,000	(60,500)	(660,000)	15,569,500	150,000	11,525,000	(984,500)	(991,000)	25,269,000	
					3,770,000	31,495,000	(60,500)	(660,000)	34,544,500	-	30,900,000	(984,500)	(18,491,000)	45,969,000	
Number of options exercisable at the end of the year 於年底行使的購股權數目					-	-	-	-	1,020,500	-	-	-	-	4,960,500	
Weighted average exercise price 加權平均行使價					HK\$3.38 3.38港元	HK\$6.39 6.39港元	HK\$3.38 3.38港元	HK\$6.16 6.16港元	HK\$6.07 6.07港元	-	HK\$4.19 4.19港元	HK\$3.38 3.38港元	HK\$5.24 5.24港元	HK\$5.17 5.17港元	

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

notes:

- (a) During the year, a director resigned from the Company but was retained as a consultant to the Group to provide consultancy services similar to those rendered by employees.
- (b) 17,500,000 share options granted to directors were lapsed in the year as the performance condition was not met.
- (c) This represents the date when the grant of share options under the Scheme to the relevant directors of the Company (namely Mr. Fang Ankong and Mr. Stephanus Maria van Ooijen) was approved by the independent shareholders of the Company. Under the Scheme, however, the date of grant is taken to be the date when the board of directors resolved to make the offer of grant of share options to the relevant directors of the Company, which was 3 May 2011.
- (d) This represents the date when the grant of share options under the Scheme to the relevant directors of the Company (namely Mr. Fang Ankong and Mr. Stephanus Maria van Ooijen) was approved by the independent shareholders of the Company. Under the Scheme, however, the date of grant is taken to be the date when the board of directors resolved to make the offer of grant of share options to the relevant directors of the Company, which was 28 March 2012.

The share options granted are exercisable as follows:

Service period that share options can be vested after date of grant

於授出日期後可行使購股權的服務期間

- Attaining 1 year
持有一年
- Attaining 2 years
持有兩年
- Attaining 3 years
持有三年

In addition to the above service period requirement, 17,500,000, 650,000 and 18,500,000 of the share options granted to certain executive directors on 24 June 2011, 28 March 2012 and 24 May 2012, respectively, are also subject to specific profit performance targets as a condition for vesting. The options granted on 28 March 2012 and 24 May 2012 are only be vested if the Group's profit for the year ended 31 December 2012 is equal to or exceeds 130% of the Group's profit for the financial year ended 31 December 2010 ("Profit Target 2012").

(ii) 首次公開發售後購股權計劃(續)

附註：

- (a) 於年內，一名董事從本公司辭任但留任為本集團顧問，提供與其他雇員所提供的服務相類似的諮詢服務。
- (b) 由於年內並未達至溢利目標，故授予董事的17,500,000份購股權失效。
- (c) 此代表根據該計劃向有關董事(即方安空先生及Stephanus Maria van Ooijen先生)授出購股權獲本公司獨立股東批准之日。然而，根據該計劃，授出日期被認為乃董事會決定作出建議向本公司有關董事授出購股權的日期，即二零一一年五月三日。
- (d) 此代表根據該計劃向有關董事(即方安空先生及Stephanus Maria van Ooijen先生)授出購股權獲本公司獨立股東批准之日。然而，根據該計劃，授出日期被認為乃董事會決定作出建議向本公司有關董事授出購股權的日期，即二零一二年三月二十八日。

可行使的獲授出的購股權如下：

Maximum percentage of share options exercisable

可行使購股權的百分比上限

- 30% of the total number of options granted
授出購股權總數的30%
- 30% of the total number of options granted
授出購股權總數的30%
- 40% of the total number of options granted
授出購股權總數的40%

除滿足上述服務期間要求之外，於二零一一年六月二十四日、二零一二年三月二十八日及於二零一二年五月二十四日分別授予若干執行董事的17,500,000份、650,000份及18,500,000份購股權亦須均滿足特定溢利表現目標後，方會歸屬。倘本集團截至二零一二年十二月三十一日止年度之溢利等於或超過本集團截至二零一零年十二月三十一日止年度溢利的130%（「二零一二年溢利目標」），則於二零一二年三月二十八日及二零一二年五月二十四日授出之購股權方會歸屬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

The fair value of the options was calculated using the Binomial model. The inputs into the model were as follows:

(ii) 首次公開發售後購股權計劃(續)

購股權公平值按二項式模式計算，該模式所輸入數據如下：

Share options granted on 22.9.2010

於二零一零年九月二十二日授出的購股權

		Lot 1 第1組	Lot 2 第2組	Lot 3 第3組
Grant date share price	授出日期股價	HK\$3.38 3.38 港元	HK\$3.38 3.38 港元	HK\$3.38 3.38 港元
Exercise price	行使價	HK\$3.38 3.38 港元	HK\$3.38 3.38 港元	HK\$3.38 3.38 港元
Expected volatility	預期波幅	47.816%	55.886%	53.523%
Expected option period	預期購股權期間	1.5 years 1.5 年	2.503 years 2.503 年	3.503 years 3.503 年
Risk-free rate	無風險利率	0.43%	0.625%	0.847%
Expected dividend yield	預期股息收益率	2.515%	2.515%	2.515%

Share options granted on 3.5.2011

於二零一一年五月三日授出的購股權

		Lot 1 第1組	Lot 2 第2組	Lot 3 第3組
Grant date share price	授出日期股價	HK\$6.20 6.20 港元	HK\$6.20 6.20 港元	HK\$6.20 6.20 港元
Exercise price	行使價	HK\$6.388 6.388 港元	HK\$6.388 6.388 港元	HK\$6.388 6.388 港元
Expected volatility	預期波幅	42.747%	53.510%	51.323%
Expected option period	預期購股權期間	1.503 years 1.503 年	2.503 years 2.503 年	3.503 years 3.503 年
Risk-free rate	無風險利率	0.406%	0.778%	1.195%
Expected dividend yield	預期股息收益率	1.448%	1.448%	1.448%

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

(ii) 首次公開發售後購股權計劃(續)

		Share options granted on 24.6.2011		
		於二零一一年六月二十四日授出的購股權		
		Lot 1	Lot 2	Lot 3
		第1組	第2組	第3組
Grant date share price	授出日期股價	HK\$6.09	HK\$6.09	HK\$6.09
		6.09 港元	6.09 港元	6.09 港元
Exercise price	行使價	HK\$6.388	HK\$6.388	HK\$6.388
		6.388 港元	6.388 港元	6.388 港元
Expected volatility	預期波幅	38.291%	47.572%	51.216%
Expected option period	預期購股權期間	1.503 years	2.503 years	3.503 years
		1.503 年	2.503 年	3.503 年
Risk-free rate	無風險利率	0.260%	0.486%	0.803%
Expected dividend yield	預期股息收益率	1.482%	1.482%	1.482%

		Share options granted on 28.3.2012		
		於二零一二年三月二十八日授出的購股權		
		Lot 1	Lot 2	Lot 3
		第1組	第2組	第3組
Grant date share price	授出日期股價	HK\$4.10	HK\$4.10	HK\$4.10
		4.10 港元	4.10 港元	4.10 港元
Exercise price	行使價	HK\$4.186	HK\$4.186	HK\$4.186
		4.186 港元	4.186 港元	4.186 港元
Expected volatility	預期波幅	44.334%	46.651%	51.539%
Expected option period	預期購股權期間	2.500 years	3.000 years	3.500 years
		2.500 年	3.000 年	3.500 年
Risk-free rate	無風險利率	0.276%	0.338%	0.373%
Expected dividend yield	預期股息收益率	0.902%	0.902%	0.902%

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

37. 以股份為基礎付款之交易(續)

(ii) 首次公開發售後購股權計劃(續)

Share options granted on 24.5.2012

於二零一二年五月二十四日授出的購股權

		Lot 1	Lot 2	Lot 3
		第1組	第2組	第3組
Grant date share price	授出日期股價	HK\$4.06	HK\$4.06	HK\$4.06
		4.06 港元	4.06 港元	4.06 港元
Exercise price	行使價	HK\$4.186	HK\$4.186	HK\$4.186
		4.186 港元	4.186 港元	4.186 港元
Expected volatility	預期波幅	40.696%	44.958%	47.450%
Expected option period	預期購股權期間	2.344 years	2.844 years	3.344 years
		2.344 年	2.844 年	3.344 年
Risk-free rate	無風險利率	0.263%	0.279%	0.307%
Expected dividend yield	預期股息收益率	0.911%	0.911%	0.911%

Expected volatility was determined with reference to the historical volatility of certain comparable listed companies.

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

The aggregate fair value of the share options granted on 28 March 2012 and 24 May 2012 was HK\$35,843,000 of which, HK\$21,237,000 related to share options granted to certain directors with a performance condition in the form of Profit Target 2012. The Group has not recognised share-based payment expense as none of the options are expected to ultimately vest.

In respect of the share options granted without a performance condition, taking into account of (i) the applicable vesting period and (ii) the achievability of the performance conditions, the Group recognised share-based payment expense of HK\$15,698,000 for the year (2011: HK\$18,044,000).

預計波幅參照若干可比較上市公司的過往波幅釐定。

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

於二零一二年三月二十八日及於二零一二年五月二十四日授出的購股權的價值總額為35,843,000港元，其中21,237,000港元有關授予董事且以二零一二年溢利目標形式附加表現條件的購股權。本集團並無確認以股份為基礎付款的開支，因為概無購股權預期將最終歸屬。

因所授出之購股權並無表現條件，鑒於(i)適用歸屬期間及(ii)表現條款的可達性，年內本集團確認以股份為基礎的付款開支15,698,000港元(二零一一年：18,044,000港元)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

38. CONNECTED AND RELATED PARTY DISCLOSURES

(i) Transactions

During the year, the Group had the following transactions with related parties, certain of which are also deemed to be connected persons pursuant to Chapter 14A of the Listing Rules:

Name of party 關連方名稱	notes 附註	Nature of transaction 交易性質	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
<i>Connected transaction and related party transactions</i> <i>關連交易及關連方交易</i>				
Sims	(a) & (b)	Purchase of scrap metals 購買廢金屬	828,579	—
		Sales of scrap metals 銷售廢金屬	69,326	—
		Subscription of convertible bonds 認購可換股債券	315,600	—
		Interest expense on convertible bonds 可換股債券利息開支	25,243	—
		Compensation received 已收補償	2,486	—
		Compensation paid 已付補償	187	—
Delco	(b)	Subscription of convertible bonds 認購可換股債券	312,600	—
		Interest expense on convertible bonds 可換股債券利息開支	25,003	—
HWH	(b)	Subscription of convertible bonds 認購可換股債券	187,600	—
		Interest expense on convertible bonds 可換股債券利息開支	15,005	—
<i>Connected transactions</i> <i>關連交易</i>				
De Leeuw Metalen B.V.	(c)	Purchase of scrap metals 購買廢金屬	8,813	13,307
<i>Related party transactions</i> <i>關連方交易</i>				
上海路永金屬物質有限公司 (「上海路永」)	(d)	Purchase of property, plant and equipment 購置物業、廠房及設備	—	6,722
		Purchase of metal scrap 購買廢金屬	—	1,881
ISA Co., Limited ("ISA")	(e)	Acquisition of additional interest in CTHK Metals (as defined in Note 42) 於齊合香港金屬收購 額外權益(定義見附註42)	—	4,779

38. 關連人士及關連方披露

(i) 交易

於年內，本集團與關連方有以下交易，其中若干關連方根據上市規則第14A章亦被視為關連人士：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

38. CONNECTED AND RELATED PARTY DISCLOSURES (continued)

(i) Transactions (continued)

notes:

- (a) These represent transactions between the Group and Sims after Sims became a substantial shareholder with significant influence over the Company since January 2012 (details are set out in the Company's announcement on 17 January 2012).
- (b) As set out in Notes 31 and 32, in March 2012, the Company issued Convertible Bonds and Warrants to Sims, Delco and HWH, all of which are the shareholders with significant influences over the Company.
- (c) De Leeuw Metalen B.V. is controlled by a close family member of Mr. Herman Maurits de Leeuw, a shareholder with significant influence over the Company.
- (d) 上海路永 is a non-controlling shareholder of one of the Group's PRC non-wholly-owned subsidiaries and held 49% equity interest in that PRC subsidiary. 上海路永 has significant influence over a subsidiary of the Group.
- (e) On 21 December 2011, the Group further acquired 15% equity interest in CTHK Metals from ISA, non-controlling interests with significant influence on a subsidiary of the Company at the time of this acquisition, for a consideration of HK\$4,779,009 in cash. The difference between the consideration and the carrying amount of non-controlling interests, amounting to HK\$171,000, was recognised as an equity transaction in reserve.

(ii) Connected person balance

The amounts due from a connected person represent trade deposits paid by the Group to Sims and the amounts due to substantial shareholder represent trade balances with Sims, a substantial shareholder of the Company. The amounts are unsecured and interest-free. The Group generally allows an average credit period of amounts due from a connected person of 60 days and the amounts were aged less than 60 days. At the end of the reporting period, the amounts due from a connected person were neither impaired nor past due.

(iii) Compensation of key management personnel

The directors of the Company and the five highest paid employees are identified as key management members of the Group, details of their compensation during the year are set out in Note 13.

38. 關連方披露(續)

(i) 交易(續)

附註:

- (a) 指自二零一二年一月起 Sims 成為本公司對本公司有重大影響之主要股東後本集團與 Sims 之間的交易(有關詳情載於本公司日期為二零一二年一月十七日的公告)。
- (b) 如附註 31 及 32 所載, 於二零一二年三月, 本公司一向對本公司具有重大影響力之所有股東 Sims、Delco 及 HWH 發行可換股債券及認股權證。
- (c) De Leeuw Metalen B.V. 由對本公司具有重大影響力之股東 Herman Maurits de Leeuw 先生之一名近親家族成員控制。
- (d) 上海路永為本集團一間中國非全資附屬公司的非控股股東, 且持有該中國附屬公司 49% 股權。上海路永對本集團的一間附屬公司具有重大影響力。
- (e) 於二零一一年十二月二十一日, 本集團進一步向 ISA 收購齊合香港金屬的 15% 股權(於收購日期對本公司一間附屬公司有重大影響力的非控股權益), 現金代價為 4,779,009 港元。代價與非控股權益賬面值的差額 171,000 港元於儲備中確認為一項股本交易。

(ii) 關連方結餘

應收關連方款項指本集團向 Sims 支付之貿易按金及應付主要股東款項(即指與本公司主要股東 Sims 之貿易結餘)。該款項為無抵押及免息。本集團一般給予應收關連方款項的平均信貸期為 60 日, 而該款項的賬齡少於 60 日。於報告期末, 應收關連方款項既未減值亦未逾期。

(iii) 主要管理人員薪酬

本公司董事及五名最高薪酬僱員被視為本集團主要管理人員, 彼等於年內的薪酬詳情載於附註 13。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

39. OPERATING LEASES

The Group as lessee

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	年內根據經營租賃支付的最低租金：		
Plant and machinery	廠房及機器	12,515	19,851
Premises	物業	2,298	1,501
		14,813	21,352

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		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	第一年內	12,390	20,034
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	14,671	57,301
Over five years	五年以上	-	44,278
		27,061	121,613

Operating lease payments represent rentals payable by the Group for certain of its property, plant and equipment. Leases are negotiated for an average term of five years with fixed rentals.

39. 經營租賃

本集團作為承租人

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	年內根據經營租賃支付的最低租金：		
Plant and machinery	廠房及機器	12,515	19,851
Premises	物業	2,298	1,501
		14,813	21,352

於報告期末，本集團根據不可撤銷經營租賃將於下列時間到期的未來最低租金承擔如下：

		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	第一年內	12,390	20,034
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	14,671	57,301
Over five years	五年以上	-	44,278
		27,061	121,613

經營租金指本集團就若干物業、廠房及設備應付租金。租約經協商定為平均五年及租金固定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

39. OPERATING LEASES (continued)

The Group as lessor

Rental income of leasing investment properties during the year ended 31 December 2012 was HK\$1,329,000 (2011: HK\$1,125,000 from sublease of a leasehold land in the PRC on a temporary basis).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

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

39. 經營租賃(續)

本集團作為出租人

截至二零一二年十二月三十一日止年度投資物業租賃的租金收入為1,329,000港元(二零一一年:按暫時基準計中國租賃土地的分租收入為1,125,000港元)。

於報告期末,本集團與租戶約定以下未來最低租金如下:

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
1,370	—
323	—
1,693	—

40. PENDING LEGAL LITIGATIONS

As disclosed in the announcement by the Company on 14 December 2012, the Group was a defendant in legal claims filed by the lessor of certain properties in Shanghai for unpaid rent and management fees totalling approximately RMB16.6 million. The Group also filed a counter-claim against the lessor for overall expected direct economic loss of approximately RMB108 million (equivalent to approximately HK\$133 million) as a result of alleged misrepresentation by the lessor. The directors, after obtaining legal advice and considering the provisions already made by the Group, are of the opinion that the eventual resolution of the above litigations will not have any material adverse impact to the Group's future results and financial position.

40. 待決訴訟

誠如本公司於二零一二年十二月十四日的公佈所披露,上海若干物業的出租人就未付租金及管理費總計人民幣16,600,000元提出的法律訴訟中,本集團因而成為被告。本集團亦就因出租人之指稱失實陳述而導致的整體預期直接經濟損失約人民幣108,000,000元(約相等於133,000,000港元)對出租人提出反申索。董事經獲得法律意見及考慮本集團所作撥備後,認為上述起訴的最終決議並不會對本集團的未來業績及財務狀況造成任何重大不利影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 41. 本公司財務狀況表

The summarised financial position of the Company at the end of the reporting period is as follows:

於報告期末本公司財務狀況概述如下：

	notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Investments in a subsidiary, unlisted	於附屬公司之投資， 非上市	–	–
Available-for-sales investment	可供出售投資	15,470	19,060
Amount due from subsidiaries	應收附屬公司款項	2,008,539	1,127,531
Other receivables	其他應收款項	470	536
Bank balance	銀行結餘	1,369	97
Total assets	總資產	2,025,848	1,147,224
Other current liabilities	其他流動負債	15,135	16,184
Bank overdraft	銀行透支	–	2,285
Convertible bonds	可換股債券	708,547	–
Embedded derivatives components of convertible bonds	可換股債券嵌入式衍生 工具部分	85,290	–
Warrants	認股權證	8,046	–
Total liabilities	負債總額	817,018	18,469
Net Assets	資產淨額	1,208,830	1,128,755
Share capital	股本	29	10,419
Reserves	儲備	(i)	1,118,336
Total equity	權益總額	1,208,830	1,128,755

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

(i) Movement in reserves

(i) 儲備變動

		Share premium	Capital redemption reserve	Capital reserve	Share option reserve	Investment revaluation reserve	Accumulated (losses) profits	Total
		股份溢價	資本贖回儲備	資本儲備	購股權儲備	投資重估儲備	累計(虧損)溢利	總計
		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
				(note a)				
				(附註a)				
At 1 January 2011	於二零一一年一月一日	578,540	-	216,208	2,500	-	(53,364)	743,884
Profit for the year	年內溢利	-	-	-	-	-	142,804	142,804
Fair value loss on available-for-sale financial assets	可供出售金融資產 公平值虧損	-	-	-	-	(6,653)	-	(6,653)
Total comprehensive income for the year	年內全面收入 總額	-	-	-	-	(6,653)	142,804	136,151
Cash dividend paid (Note 15)	已派現金股息(附註15)	-	-	-	-	-	(88,449)	(88,449)
Scrip dividend recognised as distribution (Notes 15 & 29 (note ii))	以股代息確認為分派 (附註15及29(附註ii))	1,190	-	-	-	-	(1,192)	(2)
Issue of new shares (Note 29 (note i))	發行新股 (附註29(附註i))	395,400	-	-	-	-	-	395,400
Transaction costs attributable to issue of new shares	發行新股應佔交易成本	(10,513)	-	-	-	-	-	(10,513)
Share options exercised (Note 29 (note iii))	獲行使購股權 (附註29(附註iii))	4,040	-	-	(871)	-	871	4,040
Lapse of share options	購股權失效	-	-	-	(422)	-	422	-
Recognition of equity-settled share-based payments (Note 37)	確認為以股權結算及 股份為基礎之付款 (附註37)	-	-	-	21,571	-	-	21,571
Shares repurchased and cancelled (Note 29 (note iv))	股份購回及註銷 (附註29(附註iv))	(83,746)	200	-	-	-	(200)	(83,746)
At 31 December 2011	於二零一一年 十二月三十一日	884,911	200	216,208	22,778	(6,653)	892	1,118,336

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

(i) Movement in reserves (continued)

		Share premium	Capital redemption reserve	Capital reserve	Share option reserve	Investment revaluation reserve	Accumulated (losses) profits	Total
		股份溢價	資本贖回儲備	資本儲備	購股權儲備	投資估值儲備	累計(虧損)溢利	總計
		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
Profit for the year	年內溢利	-	-	-	-	-	92,461	92,461
Reclassified to profit or loss on disposal of available-for-sale investment	重新分類出售可供出售投資至損益	-	-	-	-	429	-	429
Fair value loss on available-for-sale financial assets	可供出售金融資產公平值虧損	-	-	-	-	(805)	-	(805)
Cumulative impairment loss reclassified to profit or loss on impairment of available-for-sale investment	重新分類可供出售投資減值至損益之累計減值虧損	-	-	-	-	7,029	-	7,029
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	6,653	92,461	99,114
Cash dividend paid (note 15)	已派現金股息(附註15)	-	-	-	-	-	(38,612)	(38,612)
Share options exercised (Note 29 (note iii))	以股代息確認作分派(附註29(附註iii))	11,920	-	-	(2,221)	-	-	9,699
Lapse of share options	購股權失效	-	-	-	(8,273)	-	8,273	-
Recognition of equity-settled share-based payments (Note 37)	確認以股權結算及股份為基礎之付款(附註37)	-	-	-	17,703	-	-	17,703
Shares repurchased and cancelled (Note 29 (note iv))	股份購回及註銷(附註29(附註iv))	(7,845)	20	-	-	-	(20)	(7,845)
At 31 December 2012	於二零一二年十二月三十一日	888,986	220	216,208	29,987	-	62,994	1,198,395

note:

(a) Capital reserve of the Company represents the net effect of (i) the capitalisation of shareholders' loans of HK\$223,708,000 and (ii) the Company issued and allotted an aggregate of 749,999,900 shares of HK\$0.01 each in the Company out of the capital reserve to its shareholders, credited as fully paid at par, in 2010.

(i) 儲備變動(續)

附註:

(a) 本公司資本儲備指於二零一零年(i)資本化股東貸款223,708,000港元及(ii)本公司以資本儲備向其股東發行及配發總計749,999,900股入賬列為繳足的每股面值0.01港元的股份之淨影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

42. 本公司附屬公司詳情

Name of subsidiary 附屬公司名稱	notes 附註	Place of operation 經營地點	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid registered capital/ share capital/ 已發行及繳足 股本/註冊股本	Attributable equity interest held by the Group 本集團所持應佔股本權益		Principal activities 主要業務
					2012	2011	
					二零一二年	二零一一年	
Chiho-Tiande International Limited ("CT International") 齊合天地國際有限公司 (「齊合國際」)	(i)	Hong Kong 香港	British Virgin Islands 2 April 2008 英屬處女群島 二零零八年四月二日	US\$2 2美元	100%	100%	Investment holding 投資控股
Chiho-Tiande Investments Limited 齊合天地投資有限公司		Hong Kong 香港	Hong Kong 16 July 2008 香港 二零零八年七月十六日	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股
Delco Europe B.V.		The Netherlands 荷蘭	The Netherlands 18 January 1985 荷蘭 一九八五年一月十八日	EUR18,151 18,151歐元	100%	100%	Purchasing agent of the Group 本集團的採購代理
Chiho-Tiande (HK) Limited 齊合天地(香港)有限公司		Hong Kong 香港	Hong Kong 12 May 2004 香港 二零零四年五月十二日	HK\$100,000 100,000港元	100%	100%	Purchasing agent of the Group and wholesales of metal scrap without processing 本集團的採購代理及未加工廢金屬批發
Hefast Holding Corporation Limited		Hong Kong 香港	Hong Kong 20 December 2002 香港 二零零二年十二月二十日	HK\$100,000 100,000港元	100%	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

42. 本公司附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	notes 附註	Place of operation 經營地點	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest held by the Group 本集團所持應佔股本權益		Principal activities 主要業務
					2012	2011	
					二零一二年	二零一一年	
Chiho-Tiande (Hong Kong) Copper Industry Company Limited ("CTHK Copper") 齊合天地(香港)銅業有限公司 (「齊合香港銅業」)		Hong Kong 香港	Hong Kong 15 June 2009 香港 二零零九年六月十五日	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股
Chiho-Tiande (HK) Metals Recycling Co. Limited ("CTHK Metals") 齊合天地(香港)再生金屬有限公司(「齊合香港金屬」)	(ii)	Hong Kong 香港	Hong Kong 20 September 2010 香港 二零一零年九月二十日	HK\$35,000,000 35,000,000港元	70%	70%	Trading of metal scrap 買賣廢金屬
Chiho-Tiande (HK) Logistics Co., Limited ("CTHK Logistics") 齊合天地(香港)物流有限公司 (「齊合香港物流」)	(iii)	Hong Kong 香港	Hong Kong 2 March 2011 香港 二零一一年三月二日	HK\$10,000 10,000港元	36.4%	36.4%	Provide logistics services for the Group 為本集團提供物流服務
Chiho-Tiande Investments (BVI) Limited		Hong Kong 香港	British Virgin Islands 9 August 2011 英屬處女群島 二零一一年八月九日	US\$1 1美元	100%	100%	Investment holding 投資控股
Chiho-Tiande Metals Investment Limited 齊合天地金屬投資有限公司		Hong Kong 香港	Hong Kong 19 August 2011 香港 二零一一年八月十九日	HK\$10,000 10,000港元	100%	100%	Inactive 無業務
Chiho-Tiande Resources Limited		Hong Kong 香港	British Virgin Islands 5 September 2011 英屬處女群島 二零一一年九月五日	US\$1 1美元	100%	100%	Inactive 無業務

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

42. 本公司附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	notes 附註	Place of operation 經營地點	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid registered capital/ share capital/ 已發行及繳足 股本/註冊股本	Attributable equity interest held by the Group 本集團所持應佔股本權益		Principal activities 主要業務
					2012	2011	
					二零一二年	二零一一年	
Chiho-Tiande (Ningbo) Metals Recycling Co., Limited 齊合天地(寧波)再生金屬有限公司	(iv)	The PRC 中國	The PRC 28 September 2008 中國 二零零八年九月二十八日	US\$12,000,000 12,000,000美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Taizhou Chiho-Tiande Foundry Company Limited 台州齊合天地鑄造有限公司	(iv)	The PRC 中國	The PRC 8 December 2003 中國 二零零三年十二月八日	US\$7,500,000 7,500,000美元	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、生產及銷售金屬產品
Taizhou Chiho-Tiande Metals Company Limited 台州齊合天地金屬有限公司	(iv)	The PRC 中國	The PRC 24 December 1999 中國 一九九九年十二月二十四日	US\$42,682,000 42,682,000美元	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、生產及銷售金屬產品
Shanghai Chiho-Tiande Resource Recycling Co., Limited 上海齊合天地再生資源有限公司		The PRC 中國	The PRC 30 September 2010 中國 二零一零年九月三十日	RMB52,000,000 人民幣52,000,000元	51%	51%	Processing and sales of metal scrap 加工及銷售廢金屬
Tianjin Chiho-Tiande Metal Recycling Company Limited ("CTTJ Metal") 天津齊合天地再生資源有限公司(「齊合天津金屬」)	(v)	The PRC 中國	The PRC 21 February 2011 中國 二零一一年二月二十一日	RMB20,000,000 人民幣20,000,000元	-	51%	Processing and sales of metal scrap and deregistered on 29 May 2012 加工及銷售廢金屬，並於二零一二年五月二十九日註銷

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

42. 本公司附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	notes 附註	Place of operation 經營地點	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid registered capital/ share capital/ 已發行及繳足 股本/註冊股本	Attributable equity interest		Principal activities 主要業務
					held by the Group		
					2012 二零一二年	2011 二零一一年	
Chiho-Tiande (YanTai) Resources Recycling Co. Limited 齊合天地(煙台)再生資源有限公司	(iv)	The PRC 中國	The PRC 15 November 2011 中國 二零一一年十一月十五日	US\$40,000,000 40,000,000美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬

None of the subsidiaries had issued any debt securities at the end of the years of 2012 and 2011.

於二零一二年及二零一一年年底概無附屬公司發行任何債務權證。

notes:

附註：

- (i) The Company holds CT International directly and all other subsidiaries indirectly.
- (ii) On 21 December 2011, the Group acquired additional 15% equity interest in CTHK Metals from ISA, details of which are set out in Note 38(i) note (e).
- (iii) On 2 March 2011, the Group established CTHK Logistics in which the Group held 52% equity interest in CTHK Logistics through 70% owned CTHK Metals.
- (iv) These entities are wholly-foreign owned enterprise established in the PRC.
- (v) On 21 February 2011, the Group established CTTJ Metal in which the Group held 51% equity interest. On 29 May 2012, the entity was deregistered.

- (i) 本公司直接持有齊合國際及間接持有所有其他附屬公司。
- (ii) 於二零一一年十二月二十一日，本集團從ISA收購齊合香港金屬的額外15%股權。詳情載於附註38(i)附註(e)。
- (iii) 於二零一一年三月二日，本集團成立齊合香港物流，其中，本集團透過擁有齊合香港金屬70%股權而持有齊合香港物流52%股權。
- (iv) 該等實體為在中國成立的外商獨資企業。
- (v) 於二零一一年二月二十一日，本集團成立齊合天津金屬，其中本集團持有51%股權。於二零一二年五月二十九日，該實體已註銷。

5-Year Financial Summary

五年財務摘要

		Year ended 31 December					
		截至十二月三十一日止年度					
		2008	2009	2010	2011	2012	
		二零零八年	二零零九年	二零一零年	二零一一年	二零一二年	
		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	
RESULTS	業績						
Revenue	收益	2,505,168	2,339,243	5,931,589	9,815,522	8,202,702	
(Loss) profit before tax	除稅前(虧損)溢利	(271,298)	587,194	482,034	204,459	72,034	
Income tax charge (expense)	所得稅抵免(開支)	71,166	(167,540)	(129,478)	(88,208)	(32,683)	
(Loss) profit for the year attributable to:	年內(虧損)溢利應佔:						
Owners of the Company	本公司擁有人	(200,132)	419,654	352,798	152,087	88,591	
Non-controlling interest	非控股權益	-	-	(242)	(35,836)	(49,240)	
		(200,132)	419,654	352,556	116,251	39,351	

		At 31 December					
		於十二月三十一日					
		2008	2009	2010	2011	2012	
		二零零八年	二零零九年	二零一零年	二零一一年	二零一二年	
		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	
ASSETS AND LIABILITIES	資產及負債						
Total assets	資產總值	1,110,846	1,851,728	3,581,367	5,314,522	5,201,979	
Total liabilities	負債總值	(1,115,883)	(1,433,630)	(1,934,686)	(3,250,502)	(3,128,437)	
Net (liabilities) assets	淨(負債)資產	(5,037)	418,098	1,646,681	2,064,020	2,073,542	

In this report, amounts denominated in US\$ have been converted into HK\$ at the rate of US\$1 = HK\$7.8 for illustration purpose only.

於本報告內，美元金額已按1美元兌7.8港元之匯率換算為港元，僅作說明之用。

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

本報告以中英文兩種語言印製，在兩種文體的說明上存在歧義時，以英文為準。

