



華耐控股有限公司
SINOREF HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1020

Annual Report 2012 年報



Contents

目錄

Corporate Information	2	公司資料	2
Chairman's Statement	4	主席報告書	4
Management Discussion and Analysis	6	管理層討論與分析	6
Corporate Governance Report	14	企業管治報告	14
Directors and Senior Management	27	董事及高級管理層	27
Report of the Directors	33	董事會報告	33
Independent Auditor's Report	50	獨立核數師報告	50
Consolidated Statement of Comprehensive Income	53	綜合全面收益表	53
Consolidated Statement of Financial Position	54	綜合財務狀況表	54
Consolidated Statement of Changes in Equity	55	綜合權益變動表	55
Consolidated Statement of Cash Flows	57	綜合現金流量表	57
Notes to the Consolidated Financial Statements	58	綜合財務報表附註	58
Summary of Results, Assets and Liabilities	112	業績、資產及負債概要	112

Corporate Information

公司資料

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTOR

Mr. Gao Zhilong

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

COMPANY SECRETARY

Mr. Tam Chi Ming George

AUTHORISED REPRESENTATIVES

Dr. Zhang Lanyin
Mr. Tam Chi Ming George

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

REGISTERED OFFICE

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

執行董事

徐葉君先生
張蘭銀博士
顧敖行先生

非執行董事

高志龍先生

獨立非執行董事

姚恩澍先生
楊富強先生
徐紹恆先生

公司秘書

譚志明先生

授權代表

張蘭銀博士
譚志明先生

審核委員會

徐紹恆先生 (*主席*)
姚恩澍先生
楊富強先生

薪酬委員會

姚恩澍先生 (*主席*)
徐葉君先生
徐紹恆先生
楊富強先生

提名委員會

徐葉君先生 (*主席*)
姚恩澍先生
楊富強先生
徐紹恆先生

註冊辦事處

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

East Qingyuan Ave.
Yixing EDZ, Jiangsu
China 214200

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITORS

Deloitte Touche Tohmatsu

LEGAL ADVISOR

Chiu & Partners

PRINCIPAL BANKER

Bank of Communications

COMPANY WEBSITE

www.sinoref.com.hk

STOCK CODE

Stock Exchange of Hong Kong: 1020

總辦事處及中國主要營業地點

中國江蘇省
宜興經濟開發區
慶源大道東
郵編214200

香港主要營業地點

香港
金鐘道89號
力寶中心1座2007室

開曼群島股份過戶登記總處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

核數師

德勤•關黃陳方會計師行

法律顧問

趙不渝馬國強律師事務所

主要往來銀行

交通銀行

公司網址

www.sinoref.com.hk

股份代號

香港聯交所：1020

Chairman's Statement

主席報告書

Dear Shareholders,

I am pleased to present on behalf of the Board ("Board") of Directors ("Directors") of Sinoref Holdings Limited ("Sinoref" or the "Group") its annual report for the year ended 31 December 2012.

Since its listing on the Main Board of the Stock Exchange of Hong Kong Limited, Sinoref has maintained steady growth despite of the industry downturn in the past two years. This is attributable to our proven successful strategy, which is to grow through increasing production capacity, strengthening research and development, and expanding customer base.

In 2012, against the backdrop of global economic uncertainty and the sluggish domestic economic growth, the iron and steel industry experienced overcapacity, excess inventory and inflated iron ore prices. Many steel manufacturers in the PRC were still suffering from making losses on their financial statements. In spite of the challenging market condition, the management strove hard to expand the Group's business. For the year ended 31 December 2012, the Group's turnover was approximately RMB323 million. Its total sales volume exceeded 10,000 tonnes, and the domestic customer base reached 27 in 2012. With the completion of the second production line in the fourth quarter of 2011, the management is confident the increase in production capacity will keep the Group well positioned to tap into future market opportunities.

One of the core values of Sinoref is its strong research and development capability, which has clearly differentiated the Group from many other players in the industry. In 2012, Sinoref has obtained 6 new patents, increasing its total number of patents to 13. The application of advanced technology helps Sinoref be named "Enterprise in High and New Technology", thus enables the Group's subsidiary to enjoy a preferential tax rate of 15% granted by the PRC government, which effectively enhances its profitability.

各位股東：

本人謹代表華耐控股有限公司（「華耐」或「本集團」）董事（「董事」）會（「董事會」）向股東提呈截至二零一二年十二月三十一日止年度之全年業績報告。

自於香港聯合交易所有限公司主板上市以來，儘管過去兩年行業市道低迷，華耐一直保持著穩定的增長。這是由於透過不斷提高產能，加強研發及擴大客戶群而令我們的策略得以成功。

於二零一二年，在全球經濟存在不明朗因素，國內經濟增長放緩的背景下，鋼鐵行業經歷產能過剩、庫存過剩及鐵礦石價格上漲。中國眾多鋼廠的財務報表仍然是赤字。儘管市況嚴峻，管理層努力實幹，以擴充本集團的業務。截至二零一二年十二月三十一日止年度，本集團的營業額約為人民幣32,300萬元。二零一二年，集團總銷量超過10,000噸，及國內客戶群達27名。管理層相信，隨著二零一一年第四季度第二條生產線的完工，產能的提升將讓本集團可以輕鬆把握未來市場商機。

華耐的核心價值之一是其強大的研發能力，令本集團從業內眾多同業中脫穎而出。在二零一二年，華耐已獲得6項新專利，令專利總數增至13項。應用先進技術有助華耐獲得「高新技術企業」稱號，從而使本集團附屬公司享有中國政府授出的15%優惠稅率並有效地提高其盈利能力。

Chairman's Statement 主席報告書

Looking ahead, we believe growth in GDP in the PRC and the increasing numbers of demand for infrastructure projects, have set a favourable condition for the steel industry and hence the advanced steel flow control products sector industry. Meanwhile, the management envisages the demand for advanced steel flow control products would continue to grow under the favourable context in the current 12th Five-Year Plan and is ready to prudently implement comprehensive strategies to secure business opportunities in the future so as to maximise Sinoref's profit and bring fruitful returns for shareholders.

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

Xu Yejun
Chairman

展望未來，我們相信，中國國內生產總值的增長及基礎設施項目需求數量的上升給予鋼鐵行業良好的發展環境及因而推動高端鋼水控流產品行業的發展。同時，管理層設想，在目前第12個五年計劃的有利背景下，對高端鋼水控流產品的需求會繼續增加，並準備好審慎落實全面策略，以在未來抓住商機，繼而使華耐的利潤最大化並為其股東帶來豐碩回報。

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

徐葉君
主席

Management Discussion and Analysis

管理層討論與分析

MARKET REVIEW

The European debt crisis has been lingering since the beginning of 2012 and, coupled with the rising concern of the US fiscal cliff in the second half of 2012, contributed to a bumpy global economic recovery. Worries about the ability of European policymakers to manage the Eurozone crisis and US policymakers to agree on a fiscal plan surely played important roles. All of these factors, coupled with the pronounced slowdown of China's domestic economic growth, the sluggish iron and steel industry has exerted significant impact on the trend of the iron and steel market. At the same time, the sustained deterioration of the market condition, overcapacity, excess inventory and the inflation of iron ore prices have brought enormous pressure and challenges for the production and operations of steel manufacturers.

Notwithstanding the considerable uncertainties about the global economy and the prospects of the domestic iron and steel industry, China's crude steel output volume in 2012 slightly increased by approximately 3.1% year-on-year to approximately 716.5 million tonnes according to the World Steel Association. Favourable government policies appear to have fuelled this growth momentum. China's 12th Five-Year Plan (5YP) is the main contributor to this increase. Green low-carbon smelting, comprehensive utilisation of resources and independent innovation are key themes of the current 5YP. Manufacturing plants not attaining required improvements are eliminated or forced to upgrade their existing facilities in order to comply with the more stringent emission reduction policy. In addition, newly built manufacturing plants are targeting at the high-end market with greater emission reduction capabilities. The result is a growing demand for advanced steel flow control products. The core competencies of the Group allow it to accommodate the specific needs of its market. The outstanding research and development achievements of the Group have attained numerous patents and entitled the Group to the Chinese High-tech Enterprise tax relief. The management remains steadfast in its development strategy for its advanced steel flow control products to better capture the blooming business opportunities driven by government policy while helping to promote a greener China in the future.

市場回顧

自二零一二年年初以來，歐洲債務危機陰霾不散，加上對二零一二年下半年美國財政懸崖的擔憂與日俱增，全球經濟復甦阻力重重。而其中重要的因素是市場擔憂歐洲政策制定者處理歐元區危機及對美國政策制定者協定財政計劃的能力。所有此等因素，加上中國國內經濟增長的顯著放緩，鋼鐵工業的不景氣對鋼鐵市場走勢產生了深遠影響。同時，市場環境的持續惡化、產能過剩、存貨過多及鐵礦石價格的飛漲對鋼廠的生產及經營帶來了極大壓力和挑戰。

儘管全球經濟及國內鋼鐵工業的前景尚有極大不明朗因素，但是根據國際鋼鐵協會的資料，中國於二零一二年的粗鋼產量按年小幅上升約3.1%至約71,650萬噸。利好的政府政策刺激了此增長勢頭。中國的十二五規劃（五年規劃）是此次增長的主要推動因素。綠色低碳熔煉、綜合利用資源及獨立創新是此五年規劃的主要題材。未能達到規定改善目標的鋼廠被淘汰或被迫升級其現有設施，以符合更加嚴格的減排政策。此外，新建鋼廠具有更大的減排能力並對準高端市場。其結果就是對高端鋼水控流產品的需求持續增加。本集團可利用其核心競爭力適應市場特定需求。本集團優秀的研發成就已取得多項專利，使本集團可享有中國高新技術企業稅項減免的待遇。管理堅持其高端鋼水控流產品發展策略，以更好地掌握政府政策帶來的發展商機，同時有助未來實現一個更綠色環保的中國。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

Expanded Production Capacity

As the second production line commenced its commercial production in the fourth quarter of 2011, together with the production capacity of the first production line, the annual production capacity of the Group's has been more than doubled to approximately 16,800 tonnes. During the year ended 31 December 2012, the Group's sales volume continued to grow and the utilisation rates of the first and second production lines were 100% and approximately 20% respectively. The increase in the utilisation rate was driven by the rapid expansion of our customer base in both domestic and overseas markets, which led to the gradual increase in the Group's output volume in 2012.

Broadened Customer Base in Domestic Market

As a result of the Group's top-notch advanced steel flow control products and prominent reputation in the industry, the Group received an encouraging result in expanding and further cementing our customer base. During the year ended 31 December 2012, the Group had secured new customers including top 2012 500 Chinese enterprises – namely Panggang Group Company Limited (攀鋼集團有限公司), Liuzhou Iron & Steel Company Limited (柳州鋼鐵股份有限公司) and Benxi Beiyang Iron & Steel (Group) Company Limited (本溪北營鋼鐵(集團)股份有限公司). Including the new additions, the Group's total number of customers has reached 27. This comprise nine of the top 10 steel manufacturers in the PRC, including Baosteel Group, Shougang Group, Hebei Steel Group and Wuhan Steel Group. For the year ended 31 December 2012, the Group generated approximately RMB22.7 million in revenue from the new customers, representing 7.1% of the total revenue.

業務回顧

擴大產能

由於二零一一年第四季度第二條生產線開始投產，連同第一條生產線的產能，本集團的年產能增加超過一倍至約16,800噸。截至二零一二年十二月三十一日止年度，本集團銷售量持續增加，第一及第二條生產線的利用率分別為100%及約20%。利用率的增長受到我們在國內及海外市場的客戶基礎快速擴大的推動，此引致本集團於二零一二年的產量逐步增加。

擴大國內市場的客戶基礎

受益於本集團一流高端鋼水控流產品及在業內的卓越聲譽，本集團在擴充及進一步鞏固集團客戶基礎方面成績斐然。於截至二零一二年十二月三十一日止年度，本集團已獲得了新客戶，當中包括二零一二中國企業500強，分別是攀鋼集團有限公司、柳州鋼鐵股份有限公司及本溪北營鋼鐵(集團)股份有限公司。計及新添客戶在內，本集團的客戶總數達27名，包括中國十大鋼廠之中的九家鋼廠(包括寶鋼集團、首鋼集團、河北鋼鐵集團及武漢鋼鐵集團)。於截至二零一二年十二月三十一日止年度，本集團從新客戶中錄得約人民幣2,270萬元的收入，佔總收入的7.1%。

Management Discussion and Analysis

管理層討論與分析

Expanded Overseas Market

The management of the Group understands the importance of diversifying its customer base especially under nowadays volatile market condition. As such, it has devoted considerable effort to expand the overseas market and has achieved remarkable results. The Group's overseas customers include the world's largest steel and mining company, ArcelorMittal, the world's largest steel manufacturer, processor and distributor of special long steel products, Deutsche Edelstahlwerke GmbH and the largest steel producer in Russia, Magnitogorsk Iron & Steel Works. As a result, including both its domestic and overseas customers, the Group has established business partnerships with five of the top 10 steel manufacturers in the world. During the year, the Group generated approximately RMB13.3 million in revenue from overseas customers, an increase of approximately 432% as compared with RMB2.5 million for the previous year. The Group intends to adhere to its business strategies to continuously expand its overseas network in order to increase its brand awareness globally and strengthen its leading position in the industry.

Enhanced Research and Development

The management of the Group strive to uphold and enhance its core competency technology. To further cement the Group's market leading position, its research and development team has continuously devoted time and effort to collaborate with the leading research institutions and universities to develop its own proprietary advanced steel flow products with unique technologies. During the period under review, the Group attained five new utility patents namely Carbonless-liner Ladle Shroud (一種in-situ無碳內襯長水口), Steel-plated Shell for Ladle Shroud (一種鋼包長水口用鋼殼), Embedded Porcelain Nut for Stoppers used in Continuous Casting of Steel (鋼鐵連鑄用塞棒的陶瓷質埋入螺母), Anti-steel Flow Leakage Upper Nozzle Steel Shell (防鋼水滲流上水口鋼殼) and Anti-steel Flow Leakage Tundish Upper Nozzle (防鋼水滲漏中間包上水口) and one new registered invention patent namely Subentry Nozzle for Thin Slab Casting Process (薄板坯浸入式水口). As at 31 December 2012, the Group had a total of 13 registered patents. Not only have the proprietary advanced steel flow products allowed the Group to enjoy the preferential tax rate, but its state-of-the-art products have also pushed the Group's sales volume to new heights.

擴充海外市場

本集團管理層瞭解客戶基礎多元化的重要性，尤其是在現今市場行情不穩的情況下。因此，本集團已投入大量精力擴充海外市場並取得了顯著的成果。本集團的海外客戶包括世界最大的鋼鐵及礦業公司ArcelorMittal，世界最大的超長鋼材產品製造商、加工商及分銷商Deutsche Edelstahlwerke GmbH及俄羅斯最大的鋼鐵生產商Magnitogorsk Iron & Steel Works。因此，計及國內及海外客戶在內，本集團已與全球十大鋼廠中的五個鋼廠建立業務夥伴關係。於年內，本集團從海外客戶中所產生的收入約為人民幣1,330萬元，較上一年度的人民幣250萬元增加約432%。為在全球範圍內提升集團品牌知名度及鞏固其於業內的翹楚地位，本集團擬堅持其業務策略以不斷擴充其海外網絡。

加強研發

本集團管理層致力維護及提升其技術的核心競爭力。為進一步鞏固集團的市場翹楚地位，集團研發團隊已無私奉獻時間及精力，以與主要研究機構及院校精誠合作開發出擁有自主知識產權及獨特技術的高端鋼水產品。於回顧期間，本集團取得了五項新的實用專利，即in-situ無碳內襯長水口、鋼包長水口用鋼殼、鋼鐵連鑄用塞棒的陶瓷質埋入螺母、防鋼水滲流上水口鋼殼及防鋼水滲漏中間包上水口，及一項新註冊發明專利即薄板坯浸入式水口。於二零一二年十二月三十一日，本集團合共有13項註冊專利。自主知識產權的高端鋼水產品不僅讓本集團可以享有優惠稅率，而且其最先進的產品亦使本集團的銷售量屢創新高。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2012, the Group's revenue decreased slightly to approximately RMB322.7 million, representing a decrease of approximately 0.2% as compared with approximately RMB323.4 million for the previous year. The decrease in revenue was mainly due to the decrease in average selling price, notwithstanding the rising sales volume. Total sales volume increased by approximately 17.4% to approximately 10,100 tonnes for the year ended 31 December 2012. Such growth was a combined effect of (i) securing 3 new customers in the PRC who have collectively purchased approximately 730 tonnes from the Group during the reviewing period and contributed approximately RMB22.7 million or 7.1% to the Group's total revenue in 2012; and (ii) securing new overseas end-use customers who have made combined purchases with existing overseas end-use customers totaling approximately RMB13.3 million or 4.1% of the Group's total revenue in 2012.

Cost of Sales

The Group's cost of sales mainly comprised costs of raw materials, labour, depreciation and other direct costs of sales. During the year, the Group's cost of sales increased by approximately 18.9% from RMB142.7 million in 2011 to approximately RMB169.7 million in 2012. The increase was mainly attributable to the increase in sales volume, costs of raw materials and depreciation.

財務回顧

收入

截至二零一二年十二月三十一日止年度，本集團的收入由去年的約人民幣32,340萬元輕微下跌約0.2%至約人民幣32,270萬元，下跌的主要原因是雖然銷售量增加，但平均售價下跌。總銷售量由截至二零一二年十二月三十一日止年度上升約17.4%至約10,100噸。銷售量增長歸因於以下共同效應：(i)本集團於回顧期間在中國獲得3名新客戶，該等客戶於回顧期內向本集團共同購買約730噸產品，為本集團二零一二年的總收入貢獻約人民幣2,270萬元或7.1%；及(ii)本集團獲得新海外終端客戶，該等客戶與現有海外終端客戶合共向本集團購買的產品為本集團二零一二年的總收入貢獻約人民幣1,330萬元或4.1%。

銷售成本

集團的銷售成本主要包括原材料成本、勞工成本、折舊及其他直接銷售成本。年內，集團銷售成本由二零一一年的人人民幣14,270萬元上升約18.9%至二零一二年的約人民幣16,970萬元。銷售成本上升，主要是由於銷售量、原材料成本增加以及折舊所致。

Management Discussion and Analysis

管理層討論與分析

Gross Profit & Gross Profit Margin

The Group's gross profit decreased by approximately 15.4% from approximately RMB180.7 million for the year ended 31 December 2011 to approximately RMB153.0 million for the year ended 31 December 2012. The Group's gross profit margin also decreased from approximately 55.9% for the year ended 31 December 2011 to approximately 47.4% for the year ended 31 December 2012. The decrease in the Group's gross profit and gross profit margin were mainly attributable to (i) the increase in costs of raw materials by approximately 13.8%; (ii) the decrease in average selling price; and (iii) the depreciation of the second production line which commenced operation in the fourth quarter of 2011.

Selling and Distribution Costs

The Group's selling and distribution costs comprised sales commission, sales staff costs and transportation costs. During the year under review, our selling and distribution costs increased slightly to approximately RMB29.5 million, representing an increase of approximately 4.2% from approximately RMB28.3 million for the previous year. The increase was mainly attributable to the increase in transportation costs due to the increased sales volume.

Administrative Expenses

The Group's administrative expenses decreased by approximately 20.6% from approximately RMB39.3 million for year ended 31 December 2011 to approximately RMB31.2 million for the year ended 31 December 2012. The decrease was primarily due to the decrease of the amortisation of non-cash expenses associated with the share options from approximately RMB18.0 million for the year ended 31 December 2011 to approximately RMB12.2 million in 2012, notwithstanding the increase in staff costs of approximately 14.8% from approximately RMB6.1 million for the year ended 31 December 2011 to approximately RMB7.0 million for the year ended 31 December 2012.

毛利及毛利率

集團的毛利由截至二零一一年十二月三十一日止年度約人民幣18,070萬元，下跌約15.4%至截至二零一二年十二月三十一日止年度約人民幣15,300萬元。集團的毛利率亦由截至二零一一年十二月三十一日止年度約55.9%，下降至截至二零一二年十二月三十一日止年度約47.4%。毛利及毛利率均下跌，主要是由於(i)原材料成本增加約13.8%；(ii)平均售價下跌；及(iii)於二零一一年第四季度開始營運的第二條生產線的折舊所致。

銷售及分銷成本

本集團的銷售及分銷成本包括銷售佣金、銷售人員成本及運輸成本。回顧年度內，集團的銷售及分銷成本由去年約人民幣2,830萬元小幅上升約4.2%至約人民幣2,950萬元。成本上升主要是由於銷量上升導致運輸成本增加所致。

行政開支

集團的行政開支由截至二零一一年十二月三十一日止年度約人民幣3,930萬元，下跌約20.6%至截至二零一二年十二月三十一日止年度約人民幣3,120萬元。開支減少，主要歸因於與購股權有關的非現金開支攤銷從截至二零一一年十二月三十一日止年度約人民幣1,800萬元減少至截止二零一二年的約人民幣1,220萬元，儘管員工成本從截至二零一一年十二月三十一日止年度的約人民幣610萬元上升約14.8%至截至二零一二年十二月三十一日止年度的約人民幣700萬元。

Management Discussion and Analysis

管理層討論與分析

Taxation

During the period under review, the Group's PRC subsidiary has successfully applied for the Chinese High-tech Enterprise Certification (中國高新技術企業認證). As a result, the Group's PRC subsidiary was subject to the PRC Enterprise Income Tax ("EIT") rate of 15% for the period under review and the same rate will apply in the next 2 years.

Profit for the Year

As a result of the foregoing, the Group's profit for the year decreased by approximately 21.2% to approximately RMB72.5 million from approximately RMB92.0 million for the previous year. The Group's net profit margin also decreased accordingly from approximately 28.4% for the previous year to approximately 22.5% in the current year. The decrease was mainly due to a combination of factors, which include (i) the decrease in average selling price; (ii) the increase in costs of sales by approximately 18.9% from approximately RMB142.7 million for the year ended 31 December 2011 to approximately RMB169.7 million in 2012, driven by the increase in raw material costs; (iii) the decrease in administration expenses mainly attributable to the amortisation of non-cash expenses of approximately RMB12.2 million associated with share options granted to management and staff; and (iv) the adjustment of the PRC EIT rate subject to the group to 15% as a result of the approval of the preferential tax rate for the year ended 31 December 2012. The Group's earnings per share decreased by approximately 21.3% from RMB7.67 cents for the year ended 31 December 2011 to RMB6.04 cents in 2012.

Final Dividends

The Board does not recommend the payment of a final dividend for year ended 31 December 2012 (2011: HK1 cent (equivalent to approximately RMB0.81 cent) per share).

稅項

回顧期內，本集團的中國附屬公司成功申請中國高新技術企業認證。因此，回顧期內，本集團的中國附屬公司須按15%的稅率繳納中華人民共和國企業所得稅（「**企業所得稅**」），相同稅率將適用於未來2年。

年度溢利

基於上述原因，本集團的年度溢利從上一年的約人民幣9,200萬元下跌約21.2%至約人民幣7,250萬元。本集團的淨利潤率亦從上一年的約28.4%相應下跌至本年度的約22.5%。此項減少主要是由於多個因素的共同影響，其中包括(i)平均售價下跌；(ii)受原材料成本上升的影響，銷售成本從截至二零一一年十二月三十一日止年度的約人民幣14,270萬元增加約18.9%至二零一二年的約人民幣16,970萬元；(iii)行政開支減少—主要是由於與授予管理層及員工的購股權有關的非現金開支攤銷約人民幣1,220萬元；及(iv)由於截至二零一二年十二月三十一日止年度的優惠稅率獲得批准，本集團須繳納的中國企業所得稅率調整為15%。本集團的每股收益由截至二零一一年十二月三十一日止年度的人民幣7.67分下跌約21.3%至二零一二年的人民幣6.04分。

末期股息

董事會不建議派付截至二零一二年十二月三十一日止年度的末期股息（二零一一年：每股1港仙（約相等於人民幣0.81分））。

Management Discussion and Analysis

管理層討論與分析

Capital Structure, Liquidity and Financial Resources

During the year ended 31 December 2012, the Group's net cash from operating activities was approximately RMB77.7 million (2011: RMB88.0 million) and the Group's bank balances and cash was approximately RMB369.8 million (2011: RMB305.6 million).

Total equity of the Group as at 31 December 2012 was approximately RMB619.7 million (2011: RMB544.8 million). The Group does not have any outstanding bank loan as at 31 December 2012 (2011: nil).

Pledge of Assets

As at 31 December 2012, the Group did not have any pledge of assets.

CONTINGENT LIABILITIES

As at 31 December 2012, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any current material legal proceedings, nor is our Group aware of any pending or potential material legal proceedings involving the Group.

HUMAN RESOURCES AND STAFF REMUNERATION

As at 31 December 2012, the Group had 243 staff members employed in mainland China and Hong Kong (2011: 223). Total staff costs for the year were approximately RMB49.0 million (2011: RMB53.0 million). During the year, the Group continued to reinforce the training provided to its staff by providing training and study opportunities for management staff and professional technicians. In addition, the Group has provided timely update to all staff with the latest government policies of the industry to continuously enhance the professional standard and quality of the staff. Meanwhile, the Group has provided competitive remuneration for the staff which encourages them to commit themselves and serve customers whole-heartedly.

資本架構、流動資金及財務資源

於截至二零一二年十二月三十一日止年度，本集團經營活動產生的現金淨額約為人民幣7,770萬元（二零一一年：人民幣8,800萬元），本集團的銀行結餘及現金約為人民幣36,980萬元（二零一一年：人民幣30,560萬元）。

本集團於二零一二年十二月三十一日的權益總額約為人民幣61,970萬元（二零一一年：人民幣54,480萬元）。於二零一二年十二月三十一日，本集團並無任何未償還銀行貸款（二零一一年：無）。

資產抵押

於二零一二年十二月三十一日，本集團並無任何資產抵押。

或然負債

截至二零一二年十二月三十一日，本集團並無向本集團以外的任何公司提供任何形式的擔保。本集團並無涉及任何重大法律訴訟，亦不知悉有任何涉及本集團的未決或潛在的重大法律訴訟。

人力資源及員工薪酬

截至二零一二年十二月三十一日，本集團於中國大陸及香港共有243名員工（二零一一年：223名）。本年度的員工成本總額約為人民幣4,900萬元（二零一一年：人民幣5,300萬元）。年內，本集團繼續加強員工培訓工作，向管理人員和專業技術人員提供培訓及學習的機會。此外，本集團亦及時向所有員工提供政府的最新行業政策方面的資訊，不斷提高員工的專業水平及質素。同時，本集團還向其員工提供有競爭力之薪酬，鼓勵彼等全心全意為客戶服務。

Management Discussion and Analysis

管理層討論與分析

PROSPECTS

Waves of regional unrest, the slow pace of global economic recovery due to the Eurozone crisis and averting the US fiscal cliff have made 2012 the gloomiest year for the iron and steel industry in recent times. Overcapacity, excess inventory and the inflation of iron ore prices are still the main obstacles to the progressive growth of domestic steel manufacturers. However, the surplus capacity was alleviated in the fourth quarter of 2012 which helped ease the adverse condition of the steel manufacturers. According to the recent forecast by the Chinese Academy of Social Sciences, China's GDP annual growth rate is expected to increase to 8.4% in 2013 from 7.8% in the previous year. The successful structural transformation of China's economy into a domestic demand driven model has gradually uplifted steel consumption in the machinery, car manufacturing and electrical appliances industries. Coupled with the ongoing rapid urbanisation and the increasing need of upgrading infrastructure in the PRC, the management anticipates a gradual domestic economic upturn of growth in 2013.

At the same time, in response to the rising public awareness of air pollution in China, the elimination of outdated production facilities and an upgrade of emission reduction equipment are progressively moving forward. While research and development capability remains as the Group's core competence, it continues to be enhanced through collaborating with well-known universities and research institutions in enriching the Group's product range. This initiative goes beyond being a proactive market move to contributing to the policy in promoting a greener China.

The management of the Group understands the diversification of its customer base reduces the dependence on a single market. The marketing team is utilising its strength in the domestic market to solicit more customers in China as well as in overseas markets particularly Europe, Korea, Taiwan and North America.

While 2012 has been a very tough year for the iron and steel industry, the Group has leveraged its competitive edge and has successfully achieved encouraging results despite the adverse market conditions. Motivated by this modest success in 2012, the management stands firm on its development strategies for advanced steel flow control products and is more strongly resolved to overcome the challenges in the coming years.

展望

區域性動盪的衝擊、歐元區危機以及躲避美國財政懸崖導致的全球經濟復甦步伐放緩使二零一二年成為鋼鐵行業在最近時期最為悲觀的一年。產能過剩，庫存過多以及鐵礦石價格的飛漲仍然是國內鋼廠進一步發展的主要障礙。然而，產能過剩的問題於二零一二年第四季度有所減緩，有助緩和鋼廠的不利條件。根據中國社會科學研究院最近作出的預測，中國的國內生產總值年增長率預計將從上一年度的7.8%提高到二零一三年的8.4%。中國經濟結構成功轉型為國內需求驅動模式，逐漸提高了機械、汽車製造及電器等行業的鋼材消耗量。加上中國持續快速的城市化進程和基礎設施改造的需求增加，管理層預計二零一三年國內經濟將逐步好轉。

同時，針對公眾對中國空氣污染的覺悟不斷提高，淘汰過時的生產設施和減排設備的升級正逐步向前推進。本集團的研發能力仍然是集團的核心競爭力，並繼續通過與知名大學和研究機構的合作得到加強，其最終目的是豐富我們的產品線。這不僅是一個積極的市場舉措，同時亦是在為建設綠色中國之政策作出貢獻。

本集團管理層深知，其客戶基礎的多樣化有助於降低對單一市場的依賴。營銷團隊正利用其於國內市場的優勢爭取更多的中國及海外市場（特別是歐洲、韓國、台灣和北美）的客戶。

雖然二零一二年對鋼鐵行業來說是極其艱難的一年，但本集團利用其競爭優勢，在不利的市場條件下成功地取得了令人鼓舞的成績。在二零一二年稍有建樹的鼓舞下，管理層決定堅持其高端鋼水控流產品的發展戰略，並更有信心在未來數年戰勝挑戰。

Corporate Governance Report

企業管治報告

The board (“Board”) of directors (“Directors”) of Sinoref Holdings Limited (“Company”) hereby presents this Corporate Governance Report in the Group’s annual report for the year ended 31 December 2012.

The Board is committed to maintaining a high standard of corporate governance and endeavours in following the code provisions (“Code Provisions”) as set out in the Code on Corporate Governance Practices (“Former Code”), which was revised and renamed as the Corporate Governance Code (“Revised Code”) on 1 April 2012, contained in Appendix 14 to the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The Board considers such commitment is essential for the growth of the Group and for maximising the interest of the shareholders (“Shareholders”) of the Company. The Company regularly reviews its corporate governance practices to ensure that the latest development in corporate governance can be followed and observed.

CORPORATE GOVERNANCE PRACTICES

During the financial year under review, the Company had complied with all the Code Provisions of the former Code for the period from 1 January 2012 to 31 March 2012 and of the revised Code for the period from 1 April 2012 to 31 December 2012, except for the deviations from Code Provision A.2.1 which are explained below.

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

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

華耐控股有限公司（「本公司」）董事會（「董事會」）謹此在本集團截至二零一二年十二月三十一日止年度之年報中呈列本企業管治報告。

董事會致力維持高水準之企業管治，並竭盡所能遵行香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載於二零一二年四月一日經修訂及重命名為企業管治守則（「經修訂守則」）的企業管治常規守則（「前守則」）之守則條文（「守則條文」）。董事會認為，此項承諾對本集團之發展及使本公司股東（「股東」）的利益最大化等至關重要。本公司定期檢討其企業管治常規，以確保遵行及遵守企業管治之最新發展。

企業管治常規

除偏離守則條文第A.2.1條的規定（參閱下文解釋）外，於回顧財政年度內，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期間一直分別遵守前守則及經修訂守則的所有守則條文。

根據前守則及經修訂守則的守則條文第A.2.1條，主席與行政總裁的角色應予區分，不應由同一人擔任。

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

The Company, having made specific enquiry of all Directors and senior management of the Group, all the Directors and senior management of the Group have confirmed that they have complied with the required standard as set out in the Code and Appendix 10 to the Listing Rules regarding securities transactions by Directors and senior management of the Group throughout the financial year ended 31 December 2012.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's overall strategic policies. The management is delegated with the authority and responsibility by the Board for the management of the Group.

The Board is currently composed of three executive Directors namely Mr. Xu Yejun as the chairman, Dr. Zhang Lanyin and Mr. Gu Aoxing; one non-executive Director, Mr. Gao Zhilong; and three independent non-executive Directors namely Mr. Yao Enshu, Mr. Yang Fuqiang and Mr. Tsui Siu Hang, Steve. The biographical details of the Directors are set out under "Directors and Senior Management" on pages 27 to 31 of this annual report of the Company for the year ended 31 December 2012.

In accordance with Article 105(A) of the articles of association of the Company, each of Dr. Zhang Lanyin, Mr. Tsui Siu Hang, Steve and Mr. Yao Enshu will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the annual general meeting of the Company. The non-executive Director was appointed for a specific term of three years.

證券交易之標準守則

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

經本公司向所有董事及本集團高級管理層個別作出查詢後，所有董事及本集團高級管理層已確認，於截至二零一二年十二月三十一日止財政年度已就董事及本集團高級管理層進行證券交易遵守守則所載的規定標準及上市規則附錄10之規定。

董事會

董事會負責本公司的領導及控制權，並監察本集團的整體策略性政策。管理層履行董事會委託的權力及責任，藉以管理本集團。

董事會現時包括三名執行董事，即徐葉君先生（主席）、張蘭銀博士及顧敖行先生；一名非執行董事高志龍先生；及三名獨立非執行董事，即姚恩澍先生、楊富強先生及徐紹恒先生。董事之履歷詳情載於本公司截至二零一二年十二月三十一日止年度之年報第27至31頁「董事及高級管理層」一節。

根據本公司組織章程細則第105(A)條，張蘭銀博士、徐紹恒先生及姚恩澍先生將於本公司股東週年大會上輪值退任，惟符合資格並願意膺選連任。非執行董事獲委任的具體年期為三年。

Corporate Governance Report

企業管治報告

The Board meets regularly to review and determine the corporate strategies and overall strategic policies. Each of the members of the Board has full access to relevant information at the meetings. During the financial year ended 31 December 2012, the Board has convened 4 regular meetings at which, among other things, the following activities were conducted at such regular meetings:

- (1) approved the interim results and interim report for the six months ended 30 June 2012;
- (2) approved the annual results and annual report for the financial year ended 31 December 2012 and matters to be considered at the annual general meeting of the Company;
- (3) reviewed and approved corporate strategies of the Group for the financial year ending 31 December 2013; and
- (4) reviewed the performance and financial position of the Group.

The Board is also responsible for determining the Company's corporate governance policies and performing corporate governance duties set out under the Revised Code. Its corporate governance duties include, among others, (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal or regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) to review the Company's disclosure in the Corporate Governance Report.

董事會定期召開會議，以檢討及制定企業策略及整體策略性政策。董事會每位成員均有權取閱會議之相關資料。於截至二零一二年十二月三十一日止財政年度，董事會已召開4次定期會議，並在該等定期會議上處理（其中包括）以下事務：

- (1) 批准截至二零一二年六月三十日止六個月之中期業績及中期報告；
- (2) 批准截至二零一二年十二月三十一日止財政年度之年度業績及年報以及於本公司股東週年大會上審議之事宜；
- (3) 審閱及批准本集團於截至二零一三年十二月三十一日止財政年度之企業策略；及
- (4) 檢討本集團之表現及財務狀況。

董事會亦負責釐定載於經修訂守則下公司的企業管治政策及履行企業管治責任。其企業管治職責包括（其中包括）(i)制定及檢討本公司的企業管治政策及常規；(ii)檢討及監察董事及高級管理層的培訓及持續專業發展；(iii)檢討及監察本公司在遵守法律或監管規定方面的政策及常規；(iv)制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；及(v)檢討本公司在《企業管治報告》內的披露。

Corporate Governance Report 企業管治報告

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

除董事會定期會議外，董事會亦在須對特定事宜作出董事會決策時召開會議。

Details of the Directors' attendance records at the board meetings during the financial year ended 31 December 2012 are as follows:

截至二零一二年十二月三十一日止財政年度內，董事出席董事會會議之記錄詳情如下：

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

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

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

Corporate Governance Report

企業管治報告

Details of the Directors' attendance records at the general meetings of the Company during the financial year ended 31 December 2012 are as follows:

截至二零一二年十二月三十一日止財政年度內，董事出席本公司股東大會之記錄詳情如下：

	Attendance		出席率
Executive Directors		執行董事	
Mr. Xu Yejun (<i>Chairman</i>)	1/1	徐葉君先生 (<i>主席</i>)	1/1
Dr. Zhang Lanyin	1/1	張蘭銀博士	1/1
Mr. Gu Aoxing	1/1	顧敖行先生	1/1
Non-executive Director		非執行董事	
Mr. Gao Zhilong	1/1	高志龍先生	1/1
Independent non-executive Directors		獨立非執行董事	
Mr. Yao Enshu	1/1	姚恩澍先生	1/1
Mr. Yang Fuqiang	1/1	楊富強先生	1/1
Mr. Tsui Siu Hang, Steve	1/1	徐紹恒先生	1/1

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

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

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

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

DIRECTORS' TRAINING

Pursuant to Code Provision A.6.5 of the Revised Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The Company shall be responsible for arranging suitable training for all Directors at the Company's expense.

During the financial year under review, the Company has organised a training session conducted by qualified professionals on the amendments to the Listing Rules relating to the Revised Code and associated Listing Rules, so as to ensure that they fully understood their roles, functions and duties under the Listing Rules. Mr. Xu Yejun, Dr. Zhang Lanyin, Mr. Gu Aoxing, Mr. Gao Zhilong, Mr. Yao Enshu, Mr. Yang Fuqiang and Mr. Tsui Siu Hang, Steve attended such training session.

NOMINATION COMMITTEE

The nomination committee of the Company ("Nomination Committee") is currently consisted of four members, comprising one executive Director, namely Mr. Xu Yejun (chairman) and three independent non-executive Directors, namely Mr. Yao Enshu, Mr. Yang Fuqiang and Mr. Tsui, Siu Hang Steve. It was established by the Board with effect from 27 March 2012 and its duties are clearly defined in its terms of reference which have been prepared and adopted according to the Code Provisions.

The Nomination Committee reviews regularly the structure, size and composition of the Board and may make recommendations to the Board on the nominees for appointment as directors for their consideration and approval. The Nomination Committee has not held any meeting for this purpose during the year under review as the Company has not appointed any new director during the year under review.

董事培訓

根據經修訂守則的守則條文第A.6.5條，所有董事應持續參加專業的培訓計劃，增加和更新其知識和技能，以確保彼等向董事會作出知情及相關貢獻。本公司須向所有董事安排合適的培訓，費用由本公司承擔。

於回顧財政年度內，本公司已組織由合資格專業人士就有關經修訂守則及相關上市規則之修訂而進行之培訓課程，以確保彼等充分瞭解其根據上市規則之角色、職能及責任。徐葉君先生、張蘭銀博士、顧敖行先生、高志龍先生、姚恩澍先生、楊富強先生及徐紹恒先生均已參加培訓課程。

提名委員會

本公司提名委員會（「提名委員會」）目前由四位成員組成，包括一名執行董事徐葉君先生（主席）及三名獨立非執行董事即姚恩澍先生、楊富強先生及徐紹恒先生。提名委員會由董事會於二零一二年三月二十七日成立，其職責已在按照守則條文編製及採納之職權範圍中界定。

提名委員會定期審查董事會結構、人數及組成，并向董事會建議委任為董事之提名人，供其審議及批准。由於本公司於回顧年度內並無委任任何新董事，故提名委員會並未就此於回顧年度舉行任何會議。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

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

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

Details of attendance of each member of the Remuneration Committee during the financial year ended 31 December 2012 are as follows:

	Attendance		出席率
Executive Director		執行董事	
Mr. Xu Yejun	1/1	徐葉君先生	1/1
Independent non-executive Directors		獨立非執行董事	
Mr. Yao Enshu (<i>Chairman</i>)	1/1	姚恩澍先生 (<i>主席</i>)	1/1
Mr. Yang Fuqiang	1/1	楊富強先生	1/1
Mr. Tsui Siu Hang, Steve	1/1	徐紹恒先生	1/1

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

During the financial year ended 31 December 2012, the Remuneration Committee had convened one meeting with full attendance by its members and conducted the following activities:

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

薪酬委員會

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

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

截至二零一二年十二月三十一日止財政年度，薪酬委員會每名成員之出席詳情如下：

董事會與審核委員會在外聘核數師之選擇及委任上並無意見分歧。

於截至二零一二年十二月三十一日止財政年度，薪酬委員會曾召開一次會議，全體成員均有參與，並處理以下事務：

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

AUDIT COMMITTEE

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

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

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

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

審核委員會

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

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

於回顧財政年度，審核委員會曾召開2次會議並處理以下事務：

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

Corporate Governance Report

企業管治報告

Details of attendance of each member of the Audit Committee during the financial year ended 31 December 2012 are as follows:

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

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

截至二零一二年十二月三十一日止財政年度，審核委員會每名成員之出席詳情如下：

董事會與審核委員會在外聘核數師之選擇及委任上並無意見分歧。

AUDITORS' REMUNERATION

During the financial year ended 31 December 2012, the nature of the audit and non-audit services provided by Deloitte Touche Tohmatsu, the auditors of the Company, and the relevant fees paid/payable by the Company for such services are as follows:

Services rendered	Fee paid/payable HK\$
Annual audit	1,250,000
Interim review	510,000

核數師酬金

截至二零一二年十二月三十一日止財政年度，本公司核數師德勤•關黃陳方會計師行提供之審計及非審計服務之性質，以及本公司就該等服務支付／應付之有關費用如下：

所提供之服務	已付／應付費用 港元
年度審計	1,250,000
中期審計	510,000

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the state of affairs of the Group. In preparing the financial statements for the financial year ended 31 December 2012, the Directors have selected appropriate accounting policies and applied them consistently, and have prepared the financial statements on a historical cost basis.

The statement of the external auditor about their reporting responsibilities on the financial statements are set out in the Independent Auditor's Report on page 50 to 52 of this annual report of the Company.

就財務報表承擔之責任

董事負責編製正確及公平反映每一財政期間本集團財務狀況之財務報表。在編製截至二零一二年十二月三十一日止財政年度之財務報表時，董事已選擇適當之會計政策及貫徹應用，並按歷史成本基準編製財務報表。

外聘核數師有關彼等就財務報表之申報責任之聲明已載於本公司之年報第50頁至52頁之獨立核數師報告內。

INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective system of internal control. The Board has entrusted the audit committee with the responsibility to review the effectiveness of the Group's internal control annually or at any time necessary. The review covers all material controls, including financial, operational and compliance controls, and risk management functions, and takes into account the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

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

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting

The following procedures for shareholders ("Shareholders") of the Company to convene an extraordinary general meeting ("EGM") of the Company are prepared in accordance with Article 64 of the articles of association of the Company:

- (a) one or more Shareholders ("Requisitionist(s)") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the Directors for the transaction of any business specified in such requisition.

內部控制

董事會負責維持完善及有效之內部控制系統。董事會已授權審核委員會每年或於任何必要時候檢討本集團內部控制之有效性。檢討範圍涵蓋所有重大控制內容，包括財務、運營及合規控制及風險管理職能，並考慮本集團在會計及財務匯報職能方面的員工資源、資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。

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

股東權利

股東召開股東特別大會之程序

下列本公司股東（「股東」）召開股東特別大會（「股東特別大會」）之程序乃根據本公司組織章程細則第64條所編製：

- (a) 於遞呈要求日期持有不少於本公司繳足股本十分之一的任何一名或多名有權於股東大會上投票的股東（「呈請人」）通過書面通知有權要求董事會召開股東特別大會，以處理有關要求中指明的任何事項。

Corporate Governance Report

企業管治報告

(b) Such requisition shall be made in writing to the Board or the company secretary of the Company at the following:

Principal place of business of the Company in Hong Kong

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

Email: ir@sinoref.com.hk

Attention: the Board of Directors/Company Secretary

Registered office of the Company

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

Attention: the Board of Directors/Company Secretary

(c) The EGM shall be held within two months after the deposit of such requisition.

(d) If the Directors fail to proceed to convene such meeting within twenty-one (21) days of such deposit, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

(b) 有關要求須以書面形式向董事會或公司秘書提出：

本公司之香港主要營業地點

地址：香港金鐘道89號力寶中心1座2007室

郵件：ir@sinoref.com.hk

收件人：董事會／公司秘書

本公司之註冊辦事處

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

收件人：董事會／公司秘書

(c) 股東特別大會將於遞呈書面請求後兩個月內召開。

(d) 倘董事會未能在書面請求遞交後二十一(21)天內召開股東特別大會，則呈請人可以同樣方式自行召開股東特別大會，而因董事會未能召開該大會令呈請人產生的所有合理費用由本公司向呈請人進行償付。

Corporate Governance Report 企業管治報告

Procedures for shareholders to direct enquiries to the Company

For matters in relation to the Board, the Shareholders can contact the Company at the following:

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

Email: ir@sinoref.com.hk

Tel: (852) 2530 0401

Fax: (852) 2530 0662

Attention: the Board of Directors/Company Secretary

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered Shareholders can contact:

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited

Address: 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

Email: is-enquiries@hk.tricorglobal.com

Tel: (852) 2980 1333

Fax: (852) 2810 8185

股東向本公司直接查詢的程序

凡有關董事會的事宜，股東可按以下方式聯繫本公司：

地址：香港金鐘道89號力寶中心1座2007室

郵件：ir@sinoref.com.hk

電話：(852) 2530 0401

傳真：(852) 2530 0662

收件人：董事會／公司秘書

凡有關股份登記相關事宜，如股份過戶登記、更改名稱或地址、丟失股票或股息單，登記股東可按以下方式聯繫本公司：

香港股份過戶登記分處

卓佳證券登記有限公司

地址：香港灣仔皇后大道東28號金鐘匯中心26樓

郵件：is-enquiries@hk.tricorglobal.com

電話：(852) 2980 1333

傳真：(852) 2810 8185

Corporate Governance Report

企業管治報告

Procedures for shareholders to put forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her proposal ("Proposal") with his/her detailed contact information at the Company's principal place of business at Suite 2007, Tower 1, Lippo Centre, 89 Queensway, Hong Kong.

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the board of directors of the Company will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (a) Notice in writing of not less than 14 clear days and not less than 10 clear business days if the Proposal requires approval by way of an ordinary resolution of the Company in an EGM.
- (b) Notice in writing of not less than 21 clear days and not less than 10 clear business days if the Proposal requires approval by way of a special resolution of the Company in an extraordinary general meeting of the Company.
- (c) Notice in writing of not less than 21 clear days and not less than 20 clear business days if the Proposal requires approval by way of a special resolution or an ordinary resolution of the Company in an annual general meeting of the Company.

INVESTOR RELATIONS

There was no significant change in the Company's constitutional documents during the year ended 31 December 2012.

股東於股東大會提呈建議的程序

為於本公司股東大會上提呈建議，股東須以書面提交建議（「建議」）通知，連同詳細聯絡資料，送至本公司主要營業地點，地址為香港金鐘道89號力寶中心1座2007室。

本公司會向本公司之香港股份過戶登記處核實該要求，於獲得股份過戶登記處確認該要求為恰當及合乎程序後，將要求本公司董事會在股東大會的議程內加入建議。

就上述股東提出於股東大會上考慮之建議而向全體股東發出通告之通知期因建議之性質有所不同，詳情如下：

- (a) 倘該建議需要通過本公司於股東特別大會上以一項普通決議案的方式批准，則該書面通知為不少於足14天及不少於足10個營業日。
- (b) 倘該建議需要通過本公司於本公司股東特別大會上以一項特別決議案的方式批准，則該書面通知為不少於足21天及不少於足10個營業日。
- (c) 倘該建議需要通過本公司於本公司股東週年大會上以一項特別決議案或一項普通決議案的方式批准，則該書面通知為不少於足21天及不少於足20個營業日。

投資者關係

截至二零一二年十二月三十一日止年度，本公司組織章程文件並無重大變動。

Directors and Senior Management 董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Xu Yejun, aged 48, the co-founder of our Group, is the chairman, chief executive officer and our executive Director. Mr. Xu was appointed as our executive Director on 4 February 2010. He is responsible for the overall strategic planning and management of our Group. Mr. Xu has extensive experience in the advanced steel flow control products industry, and has been engaging in such business for over 25 years. Mr. Xu is the son-in-law of the brother of Mr. Gu Aoxing (顧敖行), one of our executive Directors.

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

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

執行董事

徐葉君先生，48歲，為本集團共同創辦人，擔任集團主席、行政總裁及執行董事。徐先生於二零一零年二月四日獲委任為執行董事。他負責本集團整體策略規劃及管理。徐先生於先進鋼水控流產品行業擁有豐富經驗，從事有關業務逾25年。徐先生為本公司其中一名執行董事顧敖行先生的兄弟的女婿。

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

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

Directors and Senior Management 董事及高級管理層

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

Dr. Zhang Lanyin, aged 50, the co-founder of our Group and our chief technical officer, was appointed as our executive Director on 8 March 2010. Dr. Zhang is responsible for the production and research and development aspects of our Group.

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

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

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

張蘭銀博士，50歲，為本集團共同創辦人及技術總監，於二零一零年三月八日獲委任為執行董事。張博士負責本集團生產及研發事宜。

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

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

Directors and Senior Management 董事及高級管理層

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

Mr. Gu Aoxing, aged 61, was appointed as our executive Director on 7 June 2010. Mr. Gu is responsible for the corporate and financial matters of our Group. Mr. Gu Aoxing is the brother of Mr. Xu’s father-in-law.

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

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

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

顧敖行先生，61歲，於二零一零年六月七日獲委任為執行董事。顧先生負責本集團企業及財政事宜。顧敖行先生為徐先生岳父之兄弟。

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

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

Directors and Senior Management 董事及高級管理層

NON-EXECUTIVE DIRECTOR

Mr. Gao Zhilong, aged 36, was appointed as our non-executive Director on 7 June 2010. Mr. Gao obtained a bachelor's degree in mechanical design and manufacture from Nanjing Agricultural University (Nanjing Agricultural University) in 1999. He then worked as an assistant engineer in 常州長江客車集團有限公司 (Changzhou Changjiang Coach Group Company Limited*). Mr. Gao has worked in the quality control department in 華偉納精密工具公司 (Hua Wei Na Jingmi Gongju Company*) since December 2005. Mr. Gao is interested in approximately 25% of the share capital of Sinoref International.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yao Enshu, aged 80, was appointed as our independent non-executive Director on 7 June 2010. He was appointed as 冶金工業部幹部司副司長 (Deputy Head of the Personnel Department in the Ministry of Metallurgical Industry*) in the PRC in 1983 and was appointed as 冶金工業部人事司司長 (Head of the Human Resources Department in the Ministry of Metallurgical Industry*) in 1988. He was recognised as a senior economist by 冶金工業部 (The Ministry of Metallurgical Industry*) in the PRC in 1992.

Mr. Yang Fuqiang, aged 69, was appointed as our independent non-executive Director on 7 June 2010. He engaged in research and development work of nonferrous metals metallurgy, and was awarded the 三等國家發明獎 (Third State Invention Prize*) in 1987. He was appointed as the deputy head and head of 工業綜合一司稀土處 (Department of Nonferrous Metals, Consolidated Industry Bureau*) in 1998 and in 1990 respectively. Mr. Yang retired in December 1998.

非執行董事

高志龍先生，36歲，於二零一零年六月七日獲委任為非執行董事。高先生於一九九九年於南京農業大學取得機械設計製造專業學士學位。他其後於常州長江客車集團有限公司擔任助理工程師。高先生自二零零五年十二月起於華偉納精密工具公司的質量控制部門工作。高先生擁有華耐國際約25%股本權益。

獨立非執行董事

姚恩澍先生，80歲，於二零一零年六月七日獲委任為獨立非執行董事。他在一九八三年獲任命為中國冶金工業部幹部司副司長，並於一九八八年受命擔當冶金工業部人事司司長。他在一九九二年獲中國冶金工業部認可為高級經濟師。

楊富強先生，69歲，於二零一零年六月七日獲委任為獨立非執行董事。他從事有色金屬冶金之研發工作，並於一九八七年獲頒三等國家發明獎。彼分別於一九九八年及一九九零年獲委任為工業綜合一司稀土處副主管及主管。楊先生於一九九八年十二月離任。

Directors and Senior Management 董事及高級管理層

Mr. Tsui Siu Hang, Steve, aged 39, was appointed as our independent non-executive Director of the Company since 19 November 2010. Graduated from The University of Auckland, New Zealand with a bachelor's degree in Commerce (Accounting) in 1995, Mr. Tsui is a Certified Public Accountant in Hong Kong and a Chartered Accountant in New Zealand. He has also obtained the qualification of Financial Risk Manager from the Global Association of Risk Professional. Mr. Tsui worked for Pricewaterhouse Coopers as an audit manager from 1992 to 1997. From 2001 till now, he works as auditor in various companies. Mr. Tsui has more than 15 years of experience in the auditing field.

SENIOR MANAGEMENT

Mr. Tam Chi Ming George *HKCPA, ACIS, ACS*, aged 37, is the chief financial officer and company secretary of our Company. He joined our Group in January 2010 and is responsible for managing the corporate finance department of our Group, including overseeing financial management, compliance and reporting obligations of our Group. Mr. Tam has over 10 years' experience in auditing, financial management and corporate finance. Prior to joining our Group, Mr. Tam worked for KPMG Corporate Finance Limited as Senior Manager, responsible for executing merger and acquisition transactions. Mr. Tam is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Chartered Secretaries. Mr. Tam holds a bachelor's degree in Accountancy from the Hong Kong Polytechnic University and a master's degree in Business Administration from the University of London.

Mr. Wang Zhizhong, aged 45, is the deputy general manager and the head of our Production Department. Mr. Wang joined our Group in 2005. Mr. Wang was qualified as an assistant engineer by 無錫市人事局 (Wuxi Municipal Personnel Bureau*) in 1995. He obtained 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Achievement in Shanghai*) for each of the project named “復合結構電熔澆注空心磚研製” (Development of hollow composite fusion cast blocks*) and “大型玻璃窟上部結構用新型耐火材料品種的研究” (Research on novel refractories for super structure of glass furnace*) from 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 2000.

徐紹恒先生，39歲，於二零一零年十一月十九日獲委任為本公司獨立非執行董事。徐先生於一九九五年畢業於紐西蘭奧克蘭大學，並獲授商務（會計）學士學位。徐先生為香港執業會計師及紐西蘭特許會計師。彼亦已獲Global Association of Risk Professional頒授財務風險經理之資格。徐先生曾於一九九二年至一九九七年期間於羅兵咸永道會計師事務所擔任審計經理。由二零零一年起至現在，彼於多間公司出任核數師。徐先生於核數方面擁有逾15年經驗。

高級管理層

譚志明先生 *HKCPA, ACIS, ACS*，37歲，為本公司之財務總監及公司秘書。他於二零一零年一月加入本集團，負責管理本集團之企業財務部門，包括主責本集團之財務管理、合規及匯報責任。譚先生於核數、財務管理及企業融資方面有逾10年經驗。在加入本集團之前，譚先生於畢馬威企業財務有限公司擔任高級經理，負責執行併購交易。譚先生是香港會計師公會資深會員及香港特許秘書公會之會員。譚先生持有香港理工大學頒發之會計學士學位及倫敦大學頒發之工商管理碩士學位。

王志中先生，45歲，為副總經理兼生產部主管。王先生於二零零五年加入本集團。王先生於一九九五年從無錫市人事局取得助理工程師資格。他於二零零零年就「復合結構電熔澆注空心磚研製」及「大型玻璃窟上部結構用新型耐火材料品種的研究」項目從上海市科學技術委員會各自取得上海市科技成果完成者證書。

Directors and Senior Management 董事及高級管理層

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

Mr. Jiang Panyuan, aged 49, joined us in 2007 as head of our Purchasing Department. Mr. Jiang is mainly responsible for our procurement and environmental protection matters. Mr. Jiang graduated from 江蘇省廣播電視學校 (Jiangsu Radio and TV Institute*) in 2001 and worked as the officer in a community association in Yixing Yang'an (宜興市洋岸村民委員會) from 1989 to 2007 prior to joining our Group.

Mr. Tang Jishan, aged 39, joined us in 2007 as head of our Research and Development Department. He obtained his bachelor's and master's degree in Metallurgy of Iron and Steel in 2001, both from Wuhan University of Science and Technology. He has experience in the field of metallurgical industry. He worked in the sales department in Vesuvius Advanced Ceramics (Suzhou) Co. Ltd..

Mr. Dai Donglin, aged 44, joined us in 2007 as executive regional sales manager. He obtained a bachelor's degree in Arts from Henan University in 1992. He then joined Vesuvius Advanced Ceramics (Suzhou) Co. Ltd. from 1995 to 2004. Mr. Dai furthered his studies on Civil and Commercial Law between 1998 and 2000 in Jilin University. He has many years of experiences in sales management.

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

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

蔣盤元先生，49歲，於二零零七年加入本集團擔任採購部主管。蔣先生主要負責本集團採購及環保事宜。蔣先生於二零零一年畢業於江蘇省廣播電視學校，在加入本集團之前，他曾自一九八九年至二零零七年於宜興市洋岸村民委員會擔當主任一職。

唐繼山先生，39歲，於二零零七年加入本集團擔任研究及開發部門主管。他於二零零一年在武漢科技大學獲得鋼鐵冶金學學士及碩士學位。他於冶金行業擁有經驗。他曾於維蘇威高級陶瓷（蘇州）有限公司的销售部門任職。

戴東林先生，44歲，於二零零七年加入本集團擔任區域行政銷售經理。他於一九九二年獲河南大學頒發文學學士學位。其後，他於一九九五年至二零零四年期間加入維蘇威高級陶瓷（蘇州）有限公司。戴先生於一九九八年至二零零零年於吉林大學進修民商法。他具備多年的銷售管理經驗。

The Directors are pleased to present their report and audited financial statements of the Group for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

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

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

Particulars of the Company's major subsidiaries as at 31 December 2012 are set out in note 32 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated statement of comprehensive income on page 53 of this report.

The state of the Group's and the Company's affairs at 31 December 2012 is set out in the consolidated statement of financial position and statement of financial position on pages 54 and 109 of this report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2012 (2011: 1HK cent).

FIVE YEAR FINANCIAL SUMMARY

The result, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, are summarised on page 112 of this report.

董事謹此呈列本集團截至二零一二年十二月三十一日止年度之報告及經審核財務報表。

主要業務

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

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

本公司於二零一二年十二月三十一日之主要附屬公司詳情載於財務報表附註32。

業績及股息

本集團截至二零一二年十二月三十一日止年度之業績載於本年報第53頁之綜合全面收益表。

本集團及本公司於二零一二年十二月三十一日之財務狀況，分別載於本年報第54及109頁之綜合財務狀況表及財務狀況表。

董事不建議派付截至二零一二年十二月三十一日止年度之末期股息（二零一一年：1港仙）。

五年財務概要

摘錄自經審核財務報表，本集團於過去五個財政年度之業績、資產及負債概要載於本年報第112頁。

Report of the Directors

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of properties of the Group as at 31 December 2012 are set out in note 17 to the financial statements.

SHARE CAPITAL

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

PUBLIC FLOAT

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2012, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

RESERVES

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

物業、廠房及設備

本集團於二零一二年十二月三十一日之物業詳情載於財務報表附註17。

股本

股本變動詳情載於財務報表附註26。

公眾持股量

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

購買、贖回或出售上市證券

於截至二零一二年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

本集團儲備於年內之變動詳情載於綜合權益變動表。

MAJOR CUSTOMERS AND SUPPLIERS

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

	Percentage of the total purchases/sales accounted for
Purchases	
– the largest supplier	15.7%
– five largest suppliers combined	33.9%
Sales	
– the largest customer	11.2%
– five largest customers combined	34.0%

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

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

主要客戶及供應商

本集團主要客戶及供應商所佔本年度之銷售及採購額百分比如下：

	佔採購／ 銷售總額 百分比
採購	
– 最大供應商	15.7%
– 五大供應商合計	33.9%
銷售	
– 最大客戶	11.2%
– 五大客戶合計	34.0%

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

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

Report of the Directors

董事會報告

DIRECTORS

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

Executive Directors

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

Non-executive Director

Mr. Gao Zhilong

Independent Non-executive Directors

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

DIRECTORS' PROFILES

Directors' profiles are set out on pages 27 to 32 of this report.

DIRECTORS' SERVICE CONTRACTS

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

董事

於年內直至本報告日期之董事如下：

執行董事

徐葉君先生 (*主席兼行政總裁*)
張蘭銀博士
顧敖行先生

非執行董事

高志龍先生

獨立非執行董事

姚恩澍先生
楊富強先生
徐紹恒先生

董事履歷

董事履歷載於本年報第27至32頁。

董事服務合約

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

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

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

DIRECTORS' INTERESTS IN CONTRACTS

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

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

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

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

董事於合約之權益

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

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

Report of the Directors

董事會報告

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

DIRECTORS' INTEREST IN SHARES

As at 31 December 2012, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), are set out below:

Long and short positions in the Shares and underlying Shares

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

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

董事於股份之權益

於二零一二年十二月三十一日，本公司董事或行政總裁於本公司或其任何相關聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中所擁有本公司根據證券及期貨條例第352條須存置之登記冊中所記錄，或根據證券及期貨條例第XV部或上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

於股份及相關股份之好倉及淡倉

Notes:

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

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

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

Save as disclosed above, as at 31 December 2012, none of the Directors or chief executive of the Company had any interest or short positions of the in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code.

附註：

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

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

4. 該等購股權由徐葉君先生之妻子顧淑萍女士持有。

除上文披露者外，於二零一二年十二月三十一日，本公司董事或行政總裁於本公司或其任何相關聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，概無擁有本公司根據證券及期貨條例第352條須存置之登記冊中所記錄，或根據證券及期貨條例第XV部或標準守則須知會本公司及聯交所之任何權益或淡倉。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2012, so far as was known to the Directors of the Company, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long and short positions in the Shares and underlying Shares

Name of Shareholder	Nature of interest	Number of securities held (Note 1)	Interest in underlying shares of share option (Note 1)	Approximate percentage of shareholding (%)
股東姓名	權益性質	所持證券數目 (附註1)	購股權之相關股份權益 (附註1)	概約股權百分比 (%)
Ms. Gu Shuping (Note 2) 顧淑萍女士(附註2)	Interest of spouse 配偶權益	360,000,000 Shares (L) 360,000,000股股份(L)	3,000,000 (L) 3,000,000 (L)	30.25
	Beneficial owner 實益擁有人	–	500,000 (L) 500,000 (L)	0.042
Ms. Chai Xiaoyuan (Note 3) 柴笑媛女士(附註3)	Interest of spouse 配偶權益	171,000,000 Shares (L) 171,000,000股股份(L)	–	14.25
Ms. Zhao Yijun (Note 4) 趙毅君女士(附註4)	Interest of spouse 配偶權益	90,000,000 Shares (L) 90,000,000股股份(L)	9,000,000 (L) 9,000,000 (L)	8.25

Notes:

- The letter "L" denotes the person's long position in our Shares.
- Ms. Gu Shuping is the wife of Mr. Xu Yejun.
- Ms. Chai Xiaoyuan is the wife of Mr. Gao Zhilong.
- Ms. Zhao Yijun is the wife of Dr. Zhang Lanyin.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 31 December 2012, had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

主要股東之權益

於二零一二年十二月三十一日，就本公司董事所知，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有須根據證券及期貨條例第336條登記於本公司存置的登記冊之權益或淡倉如下：

於股份及相關股份之好倉及淡倉

附註：

- 「L」代表該人士於本公司股份之好倉。
- 顧淑萍女士為徐葉君先生的妻子。
- 柴笑媛女士為高志龍先生的妻子。
- 趙毅君女士為張蘭銀博士的妻子。

除上文所披露者外，就本公司董事及行政總裁所知，於二零一二年十二月三十一日，並無任何人士在本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露之權益或淡倉，或直接或間接擁有可於任何情況下在本公司或按本公司須根據證券及期貨條例第336條存置的登記冊所記錄的主要股東的股東大會上投票之任何類別股本的面值5%或以上之權益。

SHARE OPTION SCHEME

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

Eligible participants of the Share Option Scheme include the following:

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

購股權計劃

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

購股權計劃之合資格參與者包括以下人士：

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

Report of the Directors 董事會報告

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

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

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

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

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

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

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

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

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

Since the Adoption Date and up to 31 December 2012, 120,000,000 share options has been granted by the Company, representing 10% of the issued share capital of the Company as at the date of this annual report.

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

根據購股權計劃認購股份之認購價將由董事會釐定，惟不得低於下列最高者：

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

由採納日期直至二零一二年十二月三十一日，本公司已授出120,000,000份購股權，相等於本公司於本年報日期之已發行股本10%。

Report of the Directors

董事會報告

DIRECTOR'S INTEREST IN SHARE OPTIONS

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

董事於購股權之權益

根據購股權計劃授出之購股權於年內之變動根據上市規則第17.07條呈列如下：

Name of Director or his associate	Date of grant	Outstanding at 1 January 2011	No. of share options					Outstanding at 31 December 2011	Exercise price if share options	Exercise Period
			Granted during the year	Exercised during the year	Forfeited during the year	Cancelled during the year	Lapsed during the year			
	授出日期	於二零一一年一月一日尚未行使	年內授出	年內行使	年內沒收	年內註銷	年內失效	於二零一一年十二月三十一日尚未行使	購股權之行使價	行使期
									(Note 2)	
									HK\$	
									港元	
Mr. Xu Yejun	22/11/2010	3,000,000	-	-	-	-	-	3,000,000	1.408	22/11/2011 to 21/11/2020
										22/11/2011至21/11/2020
Dr. Zhang Lanyin	22/11/2010	5,000,000	-	-	-	-	-	5,000,000	1.408	22/11/2011 to 21/11/2020
		(Note 3)								22/11/2011至21/11/2020
	27/9/2011	-	4,000,000	-	-	-	-	4,000,000	0.476	27/9/2012 to 26/9/2021
			(Note 4)							27/9/2012至26/9/2021
			(附註4)							
Mr. Gu Aoxing	22/11/2010	5,000,000	-	-	-	-	-	5,000,000	1.408	22/11/2011 to 21/11/2020
		(Note 3)								22/11/2011至21/11/2020
		(附註3)								
	27/9/2011	-	4,000,000	-	-	-	-	4,000,000	0.476	27/9/2012 to 26/9/2021
			(Note 4)							27/9/2012至26/9/2021
			(附註4)							
Ms. Gu Shuping	22/11/2010	500,000	-	-	-	-	-	500,000	1.408	22/11/2011 to 21/11/2020
		(Note 1)								22/11/2011至21/11/2020
		(附註1)								

Notes:

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

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

附註：

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

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

Report of the Directors

董事會報告

EMPLOYEES' INTEREST IN SHARE OPTION SCHEME

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

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

Notes:

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

僱員於購股權計劃之權益

於回顧期內，根據購股權計劃可認購本公司股份之購股權詳情如下：

附註：

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

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

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

CONNECTED TRANSACTIONS

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

COMPETING INTERESTS

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

PRE-EMPTIVE RIGHTS

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

MANAGEMENT CONTRACTS

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

購買本公司證券之權利

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

關連交易

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

競爭權益

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

優先購買權

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

管理合約

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

Report of the Directors

董事會報告

EMOLUMENT POLICY

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

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

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

EVENTS AFTER THE REPORTING PERIOD

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

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

The Audit Committee currently comprises Mr. Tsui Siu Hang, Steve (Chairman), Mr. Yao Enshu and Mr. Yang Fuqiang. The Audit Committee has reviewed and discussed with the management and the external auditors financial reporting matters including the annual results for the year ended 31 December 2012.

酬金政策

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

董事之酬金乃由本公司薪酬委員會經考慮市場競爭力、個人表現及績效而決定。

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

報告期後事項

報告期後並無重大事項發生而須於財務報表中披露。

企業管治

本公司企業管治詳情載於本年報「企業管治報告」一節。

審核委員會

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

審核委員會成員現時包括徐紹恒先生（主席）、姚恩澍先生及楊富強先生。審核委員會已與管理層及外聘核數師一同審閱及討論財務申報事宜，包括截至二零一二年十二月三十一日止年度之全年業績。

AUDITOR

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

CLOSURE OF REGISTER OF MEMBERS

For determining the qualification for attending the annual general meeting of the Company to be held on 18 June 2013, the register of members of the Company will be closed from 14 June 2013 to 18 June 2013 (both dates inclusive), during which period no transfer of shares will be effected. In order to be qualified for attending the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 13 June 2013.

By order of the Board
Sinoref Holdings Limited
Xu Yejun
Chairman
Hong Kong, 19 March 2013

核數師

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

暫停辦理股份過戶登記

為釐定出席本公司將於二零一三年六月十八日舉行的股東週年大會之資格，本公司將於二零一三年六月十四日至二零一三年六月十八日（包括首尾兩日）暫停辦理股東登記，期間將不會辦理股份過戶手續。為符合資格出席本公司股東週年大會，所有股份過戶文件連同有關股票須於二零一三年六月十三日下午四時三十分前，交回本公司在香港之股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

承董事會命
華耐控股有限公司
主席
徐葉君
香港，二零一三年三月十九日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF SINOREF HOLDINGS LIMITED

華耐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Sinoref Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 53 to 112, 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.

致華耐控股有限公司列位股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審計列載於第53至112頁華耐控股有限公司(「貴公司」)及其附屬公司(合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一二年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITY

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

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

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

核數師的責任

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

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

OPINION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 March 2013

意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公平地反映 貴公司於二零一二年十二月三十一日的事務狀況及截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一三年三月十九日

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	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
		附註		
Revenue	收入	7	322,671	323,421
Cost of sales	銷售成本		(169,687)	(142,722)
Gross profit	毛利		152,984	180,699
Interest income on bank deposits	銀行存款的利息收入		1,399	1,700
Selling and distribution costs	銷售及分銷成本		(29,474)	(28,334)
Administrative expenses	行政開支		(31,244)	(39,297)
Profit before taxation	除稅前溢利		93,665	114,768
Taxation	稅項	9	(21,186)	(22,757)
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔 年內溢利及年內 全面收入總額	10	72,479	92,011
Earnings per share	每股盈利	14		
Basic	基本		RMB6.04 cents 人民幣6.04分	RMB7.67 cents 人民幣7.67分
Diluted	攤薄		RMB6.04 cents 人民幣6.04分	RMB7.67 cents 人民幣7.67分

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2012
於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	111,604	123,320
Prepaid land lease payments	預付土地租賃款項	16	9,862	10,097
Deposit paid for acquisition of plant and equipment	收購廠房及設備已付按金		–	31
			121,466	133,448
Current assets	流動資產			
Inventories	存貨	17	19,979	24,913
Trade receivables	貿易應收款項	18	131,151	117,905
Bills receivables	應收票據	19	46,937	39,715
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		685	688
Prepaid land lease payments	預付土地租賃款項	16	235	235
Tax recoverable	可收回稅項		4,294	–
Bank balances and cash	銀行結餘及現金	20	369,805	305,572
			573,086	489,028
Current liabilities	流動負債			
Trade payables	貿易應付款項	21	22,537	21,007
Other payables and accruals	其他應付款項及應計費用	22	32,066	36,185
Tax liabilities	稅項負債		6,500	11,014
			61,103	68,206
Net current assets	流動資產淨值		511,983	420,822
Total assets less current liabilities	資產總值減流動負債		633,449	554,270
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	23	13,720	9,425
			619,729	544,845
Capital and reserves	資本及儲備			
Share capital	股本	24	104,201	104,201
Reserves	儲備		515,528	440,644
Total equity	權益總額		619,729	544,845

The consolidated financial statements on pages 53 to 112 were approved and authorised for issue by the Board of Directors on 19 March 2013 and are signed on its behalf by:

於第53至112頁之綜合財務報表由董事會於二零一三年三月十九日批准及授權刊發，並由以下代表簽署：

董事
DIRECTOR

董事
DIRECTOR

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Share capital	Share premium	Special reserve	Statutory reserves	Share options reserve	Retained profits	Total
		股本	股份溢價	特別儲備	法定儲備	購股權儲備	保留溢利	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元 (Note a) (附註a)	人民幣千元 (Note b) (附註b)	人民幣千元	人民幣千元	人民幣千元
At 1 January 2011	於二零一一年 一月一日	104,201	80,442	46,867	26,588	1,895	210,004	469,997
Profit for the year representing total comprehensive income for the year	年內溢利(指年內 全面收入總額)	-	-	-	-	-	92,011	92,011
Final dividend for year ended 31 December 2010	截至二零一零年 十二月三十一日 年度之末期股息	-	-	-	-	-	(35,207)	(35,207)
Recognition of equity settled share-based payments	確認股本結算以 股份為基礎付款	-	-	-	-	18,044	-	18,044
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	12,685	-	(12,685)	-
At 31 December 2011	於二零一一年 十二月三十一日	104,201	80,442	46,867	39,273	19,939	254,123	544,845
Profit for the year representing total comprehensive income for the year	年內溢利(指年內 全面收入總額)	-	-	-	-	-	72,479	72,479
Final dividend for year ended 31 December 2011	截至二零一一年 十二月三十一日 年度之末期股息	-	-	-	-	-	(9,840)	(9,840)
Recognition of equity settled share-based payments	確認股本結算以 股份為基礎付款	-	-	-	-	12,245	-	12,245
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	9,545	-	(9,545)	-
At 31 December 2012	於二零一二年 十二月三十一日	104,201	80,442	46,867	48,818	32,184	307,217	619,729

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

Notes:

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

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

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

附註：

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

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

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

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Operating activities	經營活動		
Profit before taxation	除稅前溢利	93,665	114,768
Adjustments for:	就以下各項作出調整：		
Interest income	利息收入	(1,399)	(1,700)
Write-off of property, plant and equipment	撇銷物業、廠房及設備	7	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,635	7,532
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	235	234
Share-based payments expense	以股份為基礎付款開支	12,245	18,044
Operating cash flows before movements in working capital	營運資本變動前之經營現金流量	117,388	138,878
Decrease (increase) in inventories	存貨減少(增加)	4,934	(9,640)
Increase in trade receivables	貿易應收款項增加	(13,246)	(21,312)
Increase in bills receivable	應收票據增加	(7,222)	(9,136)
Decrease (increase) in other receivables, deposits and prepayments	其他應收款項、按金及預付款項減少(增加)	3	(172)
Increase in trade payables	貿易應付款項增加	1,530	5,759
Increase in other payables and accruals	其他應付款項及應計費用增加	21	1,836
Net cash generated from operations	經營活動產生之現金淨額	103,408	106,213
PRC income tax paid	已付中國所得稅	(25,699)	(18,167)
Net cash from operating activities	經營活動所得現金淨額	77,709	88,046
Investing activities	投資活動		
Interest received	已收取利息	1,399	1,700
Purchase of property, plant and equipment	購買物業、廠房及設備	(5,035)	(64,490)
Deposit paid for acquisition of plant and equipment	收購廠房及設備已付按金	-	(31)
Net cash used in investing activities	投資活動所用現金淨額	(3,636)	(62,821)
Cash used in financing activities	融資活動所用現金		
Dividends paid	已付股息	(9,840)	(35,207)
Net increase (decrease) in cash and cash equivalents	現金及現金等值物增加(減少)淨額	64,233	(9,982)
Cash and cash equivalents at beginning of the year	年初現金及現金等值物	305,572	315,554
Cash and cash equivalents at end of the year, representing bank balances and cash	年終現金及現金等值物，以銀行結餘及現金列示	369,805	305,572

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 was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 30.

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

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

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

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009-2011 Cycles Issued in 2012
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

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

1. 一般資料

本公司在開曼群島註冊成立為獲豁免有限公司及本公司股份在香港聯合交易所有限公司上市。本公司之註冊辦事處及主要營業地點之地址在本年報「公司資料」一節內披露。

本公司為一家投資控股公司。本公司的附屬公司之主要業務載於附註30。

綜合財務報表以人民幣呈列，而人民幣亦為本公司之功能貨幣。

2. 應用新訂及經修訂香港財務報告準則

於本年度，本集團應用以下由香港會計師公會頒佈香港財務報告準則之修訂。

香港財務報告準則第7號之修訂	披露 – 轉讓金融資產
香港會計準則第1號之修訂	於二零一二年公佈，作為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部份
香港會計準則第12號之修訂	遞延稅項 – 收回相關資產

採納該等香港財務報告準則之修訂對本集團本年度或過往年度之業績或財務狀況並無影響。

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

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:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycles, except for the amendments to HKAS 1 ²
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ³
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosures of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
Amendment to HKAS 1	Presentation of Items of Other Comprehensive Income ¹
HKAS 19 (as revised in 2011)	Employee Benefits ²
HKAS 27 (as revised in 2011)	Separate Financial Statements ²
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
Amendment to HKAS 32	Offsetting Financial Assets and Financial Liabilities ³
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

2. 應用新訂及經修訂香港財務報告準則 (續)

本集團並無提早採納以下已頒布但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則之修訂	香港財務報告準則二零零九年 – 二零一一年週期之年度改進，香港會計準則第1號之修訂除外 ²
香港財務報告準則第7號之修訂	披露 – 抵銷金融資產及金融負債 ²
香港財務報告準則第9號及香港財務報告準則第7號之修訂	香港財務報告準則第9號之強制生效日期及過渡性披露 ⁴
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	綜合財務報表、共同安排及披露於其他實體之權益：過渡性披露 ²
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂	投資實體 ³
香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	共同安排 ²
香港財務報告準則第12號	披露於其他實體之權益 ²
香港財務報告準則第13號	公平值計量 ²
香港會計準則第1號之修訂	呈列其他全面收入項目 ¹
香港會計準則第19號 (於二零一一年經修訂)	僱員福利 ²
香港會計準則第27號 (於二零一一年經修訂)	獨立財務報表 ²
香港會計準則第28號 (於二零一一年經修訂)	於聯營公司及合營企業之投資 ²
香港會計準則第32號之修訂	抵銷金融資產及金融負債 ³
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 ²

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

The principal accounting policies are set out below.

2. 應用新訂及經修訂香港財務報告準則（續）

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

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

3. 主要會計政策

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

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

主要會計政策載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

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

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

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

Revenue recognition

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

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

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

3. 主要會計政策 (續)

綜合基準

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

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

所有集團間交易、結餘、收入及開支於綜合時全數對銷。

收入確認

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 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)

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

Property, plant and equipment

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

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

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

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

3. 主要會計政策 (續)

收入確認 (續)

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

物業、廠房及設備

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

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

為了用作生產、供應貨物或行政用途而正在興建之物業分類為在建工程，以成本減任何已確認減值虧損列賬。成本包括專業費用及（就合資格資產而言）根據本集團會計政策可資本化之借貸成本。當竣工及可作擬定用途時，該等物業分類至合適的物業、廠房及設備類別。當該等資產可作擬定用途時，開始按與其他物業相同之基準計算折舊。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

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

The Group as lessee

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

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

Leasehold land and building

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

3. 主要會計政策 (續)

租賃

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

本集團為承租人

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

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

租賃土地及樓宇

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 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 land lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are 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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

3. 主要會計政策 (續)

租賃 (續)

租賃土地及樓宇 (續)

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

外幣

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

於結算及換算貨幣項目時所產生之匯兌差額，於其產生期間在損益賬內確認。按公平值重新換算非貨幣項目之匯兌差額計入期內損益賬內。

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefits costs

The employees of the Group's subsidiary which operates in the People's Republic of China ("PRC") are required to participate in a central pension scheme operated by the local municipal government. The PRC subsidiary is required to contribute certain percentage of their payroll costs to the central pension scheme.

The Group also operates a Mandatory Provident Fund Scheme in Hong Kong. The Group contributes 5% of the relevant payroll costs or HK\$15,000, equivalent to RMB12,000 (2011: HK\$12,000, equivalent to RMB10,000) per employee per annum, whichever is lower, to the scheme, which contribution is matched by employees.

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

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. 主要會計政策 (續)

退休福利成本

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

本集團亦在香港運作強制性公積金計劃。本集團將每位僱員相關薪酬成本的5%或每年15,000港元(相等於人民幣12,000元)(二零一一年: 12,000港元(相等於人民幣10,000元))兩者之較低者向計劃作出供款,而僱員亦作出等額供款。

供款金額於根據兩項計劃之規則須支付時自損益賬扣除。

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

3. 主要會計政策 (續)

稅項 (續)

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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.

Inventories

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

Impairment loss on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策 (續)

稅項 (續)

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

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

即期及遞延稅項乃於損益賬中確認。

存貨

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

有形資產減值虧損

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment loss on tangible assets (continued)

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 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.

Financial instruments

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

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

3. 主要會計政策 (續)

有形資產減值虧損 (續)

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

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

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

金融工具

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument 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 debt instrument, 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.

Loans and receivables

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產

本集團之金融資產為貸款及應收款項。分類視乎金融資產之性質及目的而定，並於最初確認時釐定。

實際利率法

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

利息收入乃按債務工具實際利率基準確認。

貸款及應收款項

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets 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 assets, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

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

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值

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

客觀減值跡象可包括：

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

減值虧損之金額按該項資產之賬面值與估計未來現金流量按金融資產的原實際利率折算之現值之差額計量。

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 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

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 instruments

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具

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

股本工具

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

實際利率法

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

利息開支按實際利率法確認。

金融負債

金融負債包括貿易應付款項及其他應付款項，其後以實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 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)

Derecognition

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

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

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or 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. 主要會計政策 (續)

金融工具 (續)

終止確認

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Equity-settled share-based payment transactions

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

3. 主要會計政策 (續)

金融工具 (續)

股本結算以股份為基礎付款交易

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

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

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

4. 估計涉及不確定性之主要來源

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of property, plant and equipment are less than the original estimated useful lives due to changes in commercial and technological environment, such difference will impact the depreciation charge for the remaining periods. At 31 December 2012, the carrying amount of property, plant and equipment is RMB111,604,000 (2011: RMB123,320,000).

4. 估計涉及不確定性之主要來源 (續)

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

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

物業、廠房及設備的可使用年期

於採用有關物業、廠房及設備折舊的會計政策時，管理層乃根據物業、廠房及設備用途之行業經驗並參考有關行業規範來估計各種物業、廠房及設備之可使用年期。倘物業、廠房及設備的實際可使用年期，由於商業及技術環境改變以致少於原本估計之可使用年期，有關差額將影響餘下期間之折舊開支。於二零一二年十二月三十一日，物業、廠房及設備之賬面值為人民幣111,604,000元（二零一一年：人民幣123,320,000元）。

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated allowances for inventories

The management estimates the net realisable value of inventories based primarily on the latest market prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and makes allowance on obsolete and slow moving items to write off or write down inventories to their net realisable values. Where the expectation on the net realisable value is lower than the carrying amount, an impairment may arise. At 31 December 2012, the carrying amount of inventories is RMB19,979,000 (2011: RMB24,913,000).

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2012, the carrying amount of trade receivables is RMB131,151,000 (2011: RMB117,905,000).

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

4. 估計涉及不確定性之主要來源 (續)

估計存貨撥備

管理層主要根據最近市價及目前市況估計存貨的可變現淨值。本集團會於各申報期末進行存貨盤點，並就陳舊及滯銷產品作出撥備以撇銷或撇減存貨至其可變現淨值。倘對變現淨值之預期低於其賬面值，則可能出現減值。於二零一二年十二月三十一日，存貨之賬面值為人民幣19,979,000元（二零一一年：人民幣24,913,000元）。

貿易應收款項的估計減值

倘出現減值虧損的客觀證據，則本集團會考慮對未來現金流量之估計。減值虧損數額乃按資產賬面值與估計未來現金流量（不包括尚未發生之未來信貸虧損）按金融資產之原實際利率（即初始確認時用於計算之實際利率）貼現的現值間之差異計算。倘實際的未來現金流量低於預期者，則可能會出現重大減值虧損。於二零一二年十二月三十一日，貿易應收款項之賬面值為人民幣131,151,000元（二零一一年：人民幣117,905,000元）。

5. 資本風險管理

本集團之資本管理旨在確保本集團內實體均可持續經營，同時透過優化債務及權益，盡量為股東帶來最大回報。本集團之整體策略與往年一樣保持不變。

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

5. CAPITAL RISK MANAGEMENT (continued)

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

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

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets

Loans and receivables (including cash and cash equivalents)

Financial liabilities

Amortised cost

金融資產

貸款及應收款項(包括現金及現金等值物)

金融負債

攤銷成本

5. 資本風險管理(續)

本集團的資本架構包括現金及現金等值物與本公司擁有人應佔權益(即股本、儲備及保留溢利)。

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

6. 金融工具

(a) 金融工具之類別

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
548,163	548,163	463,581
26,809	26,809	29,489

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

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

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

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

Market risk

Currency risk

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

6. 金融工具 (續)

(b) 金融風險管理之目的及政策

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

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

市場風險

貨幣風險

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Currency risk (continued)

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

6. 金融工具 (續)

(b) 金融風險管理之目的及政策 (續)

市場風險 (續)

貨幣風險 (續)

本集團於報告日期以外幣計值之金融資產及金融負債如下：

		Assets 資產		Liabilities 負債	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
HKD	港元	630	17,114	135	59
EUR	歐元	2,904	1,184	-	-
USD	美元	64	-	-	-
		3,604	18,298	135	59

The financial assets subject to foreign currency risk represent the bank balances denominated in HKD and trade receivables denominated in EUR and USD held by the Group.

涉及外幣風險之金融資產是指本集團所持有，以港元計值之銀行結餘及以歐元及美元計值之貿易應收款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Currency risk (continued)

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

HKD	港元
EUR	歐元
USD	美元

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

6. 金融工具 (續)

(b) 金融風險管理之目的及政策 (續)

市場風險 (續)

貨幣風險 (續)

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

Profit or loss 溢利或虧損

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
25	853
145	59
3	-

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Interest rate risk

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

Credit risk

As at 31 December 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 provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

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

6. 金融工具 (續)

(b) 金融風險管理之目的及政策 (續)

市場風險 (續)

利率風險

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

信貸風險

於二零一二年十二月三十一日，倘對手方未能履行責任，本集團面對構成財務虧損之最高信貸風險，相等於綜合財務狀況表所列各項已確認金融資產之賬面值。本集團採納之政策為僅與信譽良好之對手方進行交易，以盡量降低因違約而招致之財務損失風險。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (continued)

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

Credit risk (continued)

At 31 December 2012, the Group has concentration of credit risk as 13% (2011: 14%) and 37% (2011: 45%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. The customers of the Group operate mainly steel casting plants in the PRC and they are state-owned enterprises with sound financial position and good reputation in the industry. The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 98% (31 December 2011: 99%) of the total trade receivable as at 31 December 2012. In order to minimise the concentration risk, the management of the Group has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each of individual trade debt regularly to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity risk

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

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

6. 金融工具 (續)

(b) 金融風險管理之目的及政策 (續)

信貸風險 (續)

於二零一二年十二月三十一日，由於貿易應收款項總額之13% (二零一一年：14%) 及37% (二零一一年：45%) 分別來自本集團之最大客戶及五大客戶，因此本集團有集中信貸風險。本集團的客戶主要在中國經營鑄鋼廠及彼等為國有企業，財務狀況穩健及業內聲譽良好。本集團按地域劃分的信貸風險主要集中於中國，於二零一二年十二月三十一日佔貿易應收賬款總額的98% (二零一一年十二月三十一日：99%)。為將集中風險減至最低，本集團之管理層已委派員工負責釐定信貸限額、信貸審批及其他監控程序，以確保可採取跟進行動收回逾期債務。此外，本集團定期審閱各個別應收款項之可收回金額，以確保就不可收回金額作出充足減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

流動資金風險

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (continued)

6. 金融工具 (續)

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

(b) 金融風險管理之目的及政策 (續)

Liquidity risk (continued)

流動資金風險 (續)

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 3 months 按要求或 少於3個月 RMB'000 人民幣千元	3 months to 1 year 3個月至1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現 現金流總額 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2012 於二零一二年十二月三十一日						
Trade payables	貿易應付款項	-	22,537	-	22,537	22,537
Other payables	其他應付款項	-	4,272	-	4,272	4,272
			<u>26,809</u>	<u>-</u>	<u>26,809</u>	<u>26,809</u>
As at 31 December 2011 於二零一一年十二月三十一日						
Trade payables	貿易應付款項	-	13,732	7,275	21,007	21,007
Other payables	其他應付款項	-	8,482	-	8,482	8,482
			<u>22,214</u>	<u>7,275</u>	<u>29,489</u>	<u>29,489</u>

(c) Fair values

(c) 公平值

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

金融資產及金融負債之公平值根據貼現現金流分析以普通公認之定價模式釐定。

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

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

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

7. REVENUE

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

8. OPERATING SEGMENTS

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

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

7. 收入

收入指就一般日常業務中之銷售貨品已收及應收的淨額，再減去退貨及折扣。

8. 經營分部

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. OPERATING SEGMENTS (continued)

Information about products

The revenue of the major products is analysed as follows:

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

Information about geographical areas

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

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

Over 99% of the Group's non-current assets are located in the PRC

8. 經營分部(續)

產品資料

主要產品收入分析如下：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
158,598	163,129
82,476	84,658
62,181	61,104
19,416	14,530
322,671	323,421

地區資料

下表提供本集團按地區市場劃分的收入分析：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
309,352	320,903
13,232	2,516
87	2
322,671	323,421

本集團逾99%的非流動資產位於中國。

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

8. OPERATING SEGMENTS (continued)

Information about major customers

Revenue from a customer amounting to RMB36,260,000 (2011: RMB40,865,000) individually represents more than 10% of the Group's revenue. Four types of products were sold to that customer.

9. TAXATION

Current tax:	即期稅項：
PRC Enterprise Income Tax	中國企業所得稅
Overprovision in prior year	以前年度超額撥備
PRC withholding tax	中國預扣稅
Deferred tax (note 23):	遞延稅項（附註23）：
Current year	本年度

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

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

8. 經營分部（續）

主要客戶資料

來自一名客戶之收入達人民幣36,260,000元（二零一一年：人民幣40,865,000元），獨佔本集團總收入超過10%。本集團向該名客戶銷售四類產品。

9. 稅項

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
16,906	17,769
(15)	-
-	6,500
4,295	(1,512)
21,186	22,757

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

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

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

9. TAXATION (continued)

In accordance with the relevant income tax law as applicable to the PRC subsidiary of the Company, it was entitled to the exemption from the PRC Enterprise Income Tax for the first two years commencing from the first profit-making year after offsetting all unexpired tax losses from previous years, and thereafter to a 50% reduction for the next three years. 2007 was the first profit-making year for the Company's PRC subsidiary. As a result, the Company's PRC subsidiary was subject to a PRC Enterprise Income Tax rate of 12.5% for the prior year presented. This exemption from the PRC Enterprise Income Tax expired at the end of 2011.

On 6 August 2012, the PRC subsidiary obtained a Hi-tech certificate which is valid for three years. According to GuoShuiHan [2009] No.203, entities qualifying for the Hi-tech status could enjoy a PRC Enterprise Income Tax preferential treatment starting from the year of obtaining the Hi-tech certificate. As a result, the PRC subsidiary was subject to a PRC Enterprise Income Tax of 15% for three years commencing from 2012.

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 are subject to PRC Enterprise Income Tax which is withheld by the PRC entity. During the year ended 31 December 2012, deferred tax expense of RMB4,295,000 (2011: RMB4,988,000) in respect of the undistributed earnings of the Company's PRC subsidiary has been recognised in the consolidated statement of comprehensive income.

9. 稅項 (續)

根據適用於本公司中國附屬公司的有關所得稅法，本公司中國附屬公司獲批准在抵銷所有過往年度之未屆滿稅項虧損後自首個獲利年度起首兩年豁免中國企業所得稅，並於其後三年獲減免50%中國企業所得稅。二零零七年為本公司的中國附屬公司的首個獲利年度。因此，本公司的中國附屬公司於上一呈列年度須按12.5%的中國企業所得稅稅率繳稅。豁免繳納中國企業所得稅之事項已於二零一一年年底到期。

於二零一二年八月六日，該中國附屬公司已獲得高新技術企業證書，有效期三年。根據國稅函[2009]第203號，符合高新技術企業資格的實體自獲得高新技術企業證書當年起可享受中國企業所得稅優惠待遇。因此，該中國附屬公司自二零一二年起計三年享受15%中國企業所得稅的待遇。

根據由財政部及國家稅務總局聯合發出的通知(財稅2008第1號文件)，於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體預扣。截至二零一二年十二月三十一日止年度，有關本公司中國附屬公司之未分派盈利之遞延稅項費用為人民幣4,295,000元(二零一一年：人民幣4,988,000元)，經已在綜合全面收益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. TAXATION (continued)

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

9. 稅項 (續)

年內稅項支出與綜合全面收益表之除稅前溢利對賬如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	93,665	114,768
Tax at the PRC Enterprise Income Tax rate of 25% (2011: 25%)	按中國企業所得稅稅率25% (二零一一年：25%) 計算之稅項	23,416	28,692
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	4,774	6,863
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(13)	(17)
Tax effect attributable to tax exemptions and concessions granted to the PRC subsidiary	向中國附屬公司授出之 稅項豁免及寬減造成之 稅務影響	-	(17,769)
Tax effect attributable to preferential rate granted to the PRC subsidiary	給予中國附屬公司優惠稅率 之稅務影響	(11,271)	-
PRC withholding tax	中國預扣稅	-	6,500
Deferred tax on undistributed earnings of the PRC subsidiary	中國附屬公司未分派 盈利之遞延稅項	4,295	(1,512)
Overprovision in respect of prior years	以前年度超額撥備	(15)	-
Taxation for the year	年內稅項	21,186	22,757

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

10. PROFIT FOR THE YEAR

10. 年內溢利

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Profit for the year has been arrived at after charging:	年內溢利經扣除下列項目後達致：		
Auditor's remuneration	核數師酬金	1,074	978
Cost of inventories recognised as an expense	確認為開支之存貨成本	165,108	140,101
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,635	7,532
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	235	234
Minimum lease payments in respect of office premises	有關辦公室物業之最低租賃款項	684	685
Write-off of property, plant and equipment	撇銷物業、廠房及設備	7	-
Exchange loss, net	匯兌虧損淨額	194	1,612
Staff costs (including directors' emoluments)	員工成本（包括董事酬金）		
– Salaries and other benefits	– 薪金及其他福利	35,740	34,008
– Contributions to retirement benefits scheme	– 退休福利計劃供款	1,037	903
– Share-based payments (included in administrative expenses)	– 以股份為基礎付款（計入行政開支）	12,245	18,044
		49,022	52,955

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

11. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors, which include the Chief Executive, were as follows:

11. 董事及主要行政人員之酬金

已付或應付予各董事（包括主要行政人員）之酬金如下：

					Share-based payment performance related incentive payments 與表現相關 之以股份 為基礎 獎勵付款	Total 合計
	Fees 袍金	Salaries and allowances 薪金及津貼	Performance related bonus 與表現相關 之花紅	Retirement benefit contributions 退休福利 計劃供款		
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the 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：					
Xu Yejun	380	124	-	4	436	944
Zhang Lanyin	260	240	-	-	962	1,462
Gu Aoxing	140	63	-	2	962	1,167
Non-executive director:	非執行董事：					
Gao Zhilong	97	-	-	-	-	97
Independent non-executive directors:	獨立非執行董事：					
Yao Enshu	97	-	-	-	-	97
Yang Fuqiang	97	-	-	-	-	97
Tsui Siu Hang, Steve	97	-	-	-	-	97
	1,168	427	-	6	2,360	3,961

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

11. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

11. 董事及主要行政人員之酬金 (續)

		Fees 袍金 RMB'000 人民幣千元	Salaries and allowances 薪金及津貼 RMB'000 人民幣千元	Performance related bonus 與表現相關 之花紅 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利 計劃供款 RMB'000 人民幣千元	Share-based payment performance related incentive payments 與表現相關 之以股份 為基礎 獎勵付款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
For the year ended	截至二零一一年十二月						
31 December 2011:	三十一日止年度:						
Executive directors:	執行董事:						
Xu Yejun	徐葉君	380	124	7	4	850	1,365
Zhang Lanyin	張蘭銀	260	265	7	-	1,486	2,018
Gu Aoxing	顧敖行	140	64	7	4	1,486	1,701
Non-executive director:	非執行董事:						
Gao Zhilong	高志龍	100	-	-	-	-	100
Independent non-executive directors:	獨立非執行董事:						
Yao Enshu	姚恩澍	100	-	-	-	-	100
Yang Fuqiang	楊富強	100	-	-	-	-	100
Tsui Siu Hang, Steve	徐紹恒	100	-	-	-	-	100
		<u>1,180</u>	<u>453</u>	<u>21</u>	<u>8</u>	<u>3,822</u>	<u>5,484</u>

Mr. Xu Yejun is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive. Mr. Xu also holds shares in the Company which give him significant influence over the Group

徐葉君先生亦為本公司行政總裁及上文披露彼之酬金包括彼作為行政總裁履行職務所享有之酬金。徐先生亦持有本公司的股份，並據此對本集團具有重大影響力。

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

與表現相關之花紅乃根據個人表現釐定。

None of the directors waived any emoluments for both years.

於該兩個年度，概無董事放棄收取任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2011: three) were directors of the Company, which include the Chief Executive, whose emoluments are included in the disclosures in note 11 above. The emoluments of the remaining two (2011: two) individuals were as follows:

Salaries and allowances	薪金及津貼	922	936
Performance related bonus	與表現相關之花紅	-	7
Contributions to retirement benefits scheme	退休福利計劃供款	27	30
Share-based payment performance related incentive payments	與表現相關之 以股份為基礎獎勵付款	1,633	2,406

Their emoluments were within the following bands:

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

12. 僱員酬金

本集團五名最高薪人士當中，三名（二零一一年：三名）為本公司之董事（包括主要行政人員），其酬金已於上文附註11中披露。餘下兩名（二零一一年：兩名）人士之酬金如下：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
922	936
-	7
27	30
1,633	2,406
2,582	3,379

彼等之酬金介乎以下範圍：

2012 二零一二年 Number of employee 僱員人數	2011 二零一一年 Number of employee 僱員人數
-	-
1	-
1	1
-	1

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

13. DIVIDENDS

Final dividend paid in respect of the year ended 31 December 2011 of HK1 cent (year ended 31 December 2010: HK3.6 cents)

已付截至二零一一年十二月三十一日止年度的末期股息1港仙 (截至二零一零年十二月三十一日止年度：3.6港仙)

No final dividend in respect of the year ended 31 December 2012 (2011: final dividend of HK1 cents per share in respect of the year ended 31 December 2011) has been proposed by the directors.

No interim dividend was paid by the Company for both years.

14. EARNINGS PER SHARE

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

Earnings

Earnings for the year attributable to the owners of the Company for the purpose of calculation of basic and diluted earnings per share

盈利

就計算每股基本及攤薄盈利而言本公司擁有人應佔之年度盈利

13. 股息

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
9,840	35,207

董事並無建議派付截至二零一二年十二月三十一日止年度之末期股息 (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1港仙)。

本公司並未支付兩個年度的中期股息。

14. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
72,479	92,011

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

14. EARNINGS PER SHARE (continued)

14. 每股盈利 (續)

		Number of shares 股份數目 2012 二零一二年 '000 千股	Number of shares 股份數目 2011 二零一一年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利所使用之普通股加權平均數	1,200,000	1,200,000
Effect of dilutive potential ordinary shares: Share options	具攤薄潛力普通股之影響：購股權	-	100
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利所使用之普通股加權平均數	<u>1,200,000</u>	<u>1,200,100</u>

During the year ended 31 December 2012, the computation of diluted earnings per share did not assume the exercise of the Company's options because the exercise price of the share options was higher than the average market price of the shares of the Company.

於截至二零一二年十二月三十一日止年度，由於本公司購股權之行使價高於本公司股份之平均市場價格，因此計算每股攤薄盈利時並無假設本公司購股權獲行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Construction in progress 在建工程	Buildings 樓宇	Leasehold improvement 租賃 物業裝修	Furniture and fixtures and office equipment 傢俱及 裝置及 辦公室設備	Plant, machinery and equipment 廠房、 機器及設備	Motor vehicles 汽車	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
COST	成本							
At 1 January 2011	於二零一一年一月一日	8,913	19,789	159	1,068	38,126	7,747	75,802
Additions	添置	7,170	302	-	154	65,366	324	73,316
Transfer	轉讓	(16,083)	16,083	-	-	-	-	-
At 31 December 2011	於二零一一年十二月三十一日	-	36,174	159	1,222	103,492	8,071	149,118
Additions	添置	-	524	-	46	258	98	926
Disposal	出售	-	-	-	(71)	-	-	(71)
At 31 December 2012	於二零一二年十二月三十一日	-	36,698	159	1,197	103,750	8,169	149,973
DEPRECIATION	折舊							
At 1 January 2011	於二零一一年一月一日	-	3,520	14	637	13,011	1,084	18,266
Provided for the year	年內撥備	-	1,134	87	208	4,683	1,420	7,532
At 31 December 2011	於二零一一年十二月三十一日	-	4,654	101	845	17,694	2,504	25,798
Provided for the year	年內撥備	-	1,808	58	90	9,327	1,352	12,635
Disposal	出售	-	-	-	(64)	-	-	(64)
At 31 December 2012	於二零一二年十二月三十一日	-	6,462	159	871	27,021	3,856	38,369
CARRYING VALUES	賬面值							
At 31 December 2012	於二零一二年十二月三十一日	-	30,236	-	326	76,729	4,313	111,604
At 31 December 2011	於二零一一年十二月三十一日	-	31,520	58	377	85,798	5,567	123,320

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

15. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

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

16. PREPAID LAND LEASE PAYMENTS

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

15. 物業、廠房及設備 (續)

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

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

樓宇位於中國內地，根據中期租約持有。

16. 預付土地租賃款項

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

Analysed for reporting purposes as:

就報告而言分析如下：

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

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
9,862	10,097
235	235
10,097	10,332

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

17. INVENTORIES

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

17. 存貨

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
8,845	13,827
6,774	6,325
4,360	4,761
19,979	24,913

18. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 180 days (2011: 90 days), while other customers are due immediately when goods are delivered. The following is an aged analysis of trade receivables presented based on the goods delivery date at the end of the reporting period, which approximated the respective dates on which revenue was recognised:

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

At 31 December 2012, included in the Group's trade receivable balances are debtors with aggregate carrying amount of RMB111,392,000 (2011: RMB107,086,000), which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

18. 貿易應收款項

本集團向若干客戶授出之信貸期為180日(2011年:90日)以內,而其他客戶須於收到貨品時即時付款。以下為於申報期末根據貨品交付日期(與收入各自確認日期相近)呈列之貿易應收款項賬齡分析:

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
24,152	18,221
28,579	29,761
30,715	31,251
29,903	23,123
17,802	15,549
131,151	117,905

於二零一二年十二月三十一日,本集團之貿易應收款項結餘包括賬面總值為人民幣111,392,000元(二零一一年:人民幣107,086,000元)之應收債項,其於申報期末已逾期惟本集團並未作出減值虧損撥備。本集團並無就此等結餘持有任何抵押品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. TRADE RECEIVABLES (continued)

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

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

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

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

At 31 December 2012, included in the trade receivables is RMB2,904,000 (2011: RMB1,184,000) and RMB64,000 (2011: nil) that was denominated in EUR and USD respectively. All the remaining trade receivables are denominated in RMB.

18. 貿易應收款項 (續)

已逾期惟未減值之貿易應收款項之賬齡如下：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
19,397	14,896
22,238	24,279
26,000	29,240
27,365	23,123
16,392	15,548
111,392	107,086

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

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

於二零一二年十二月三十一日，貿易應收款項包括分別以歐元及美元計值之款項人民幣2,904,000元（二零一一年：人民幣1,184,000元）及人民幣64,000元（二零一一年：零）。其餘所有貿易應收款項以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. BILLS RECEIVABLES

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

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

At 31 December 2012, the carrying value of bills receivables include bills endorsed to suppliers on a full recourse basis that are not yet due amounting to RMB16,844,000 (2011: RMB17,046,000). As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables as assets in the consolidated financial statements. The associated trade payables secured over the bills endorsed to the suppliers which were not yet due at the end of reporting period are recognised as current liabilities in the consolidated statement of financial position.

All the bills receivables are denominated in RMB.

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

20. BANK BALANCES AND CASH

At 31 December 2012, bank balances carried interest at an average interest rate of 0.41% (2011: 0.55%) per annum.

At 31 December 2012, included in the bank balances and cash is RMB630,000 (2011: RMB17,114,000) that was denominated in HKD. All the remaining bank balances and cash are denominated in RMB.

19. 應收票據

於申報期末，應收票據賬齡分析如下：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
27,632	22,902
14,916	11,746
4,389	5,067
46,937	39,715

於二零一二年十二月三十一日，應收票據的賬面值包括按全面追索基準向供應商背書票據而尚未到還款日的款項人民幣16,844,000元（二零一一年：人民幣17,046,000元）。由於本集團尚未轉讓有關該等應收票據的重大風險及回報，故本集團繼續於綜合財務報表中確認應收票據的全數賬面值為資產。向供應商背書的票據（於申報期末尚未到期）的已保證相關貿易應付款項於綜合財務狀況表中被確認為流動負債。

所有應收票據均以人民幣計值。

背書票據自申報期末起計之到期日均少於六個月。

20. 銀行結餘及現金

於二零一二年十二月三十一日，銀行結餘之平均年利率為0.41%（二零一一年：0.55%）。

於二零一二年十二月三十一日，計入銀行結餘及現金的金額人民幣630,000元（二零一一年：人民幣17,114,000元）以港元計值。所有餘下銀行結餘及現金以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. TRADE PAYABLES

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

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

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

At 31 December 2012, included in the trade payables was RMB16,844,000 (2011: RMB17,046,000) secured over bills receivables endorsed to suppliers that were not yet due for payment.

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

21. 貿易應付款項

以下為貿易應付款項於申報期末根據收取貨品日期呈列之賬齡分析。

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
10,617	7,463
5,686	3,151
2,776	3,119
3,458	7,274
22,537	21,007

供應商向本集團授出之信貸期為30日內。

於二零一二年十二月三十一日，計入貿易應付款項的金額中包括向供應商背書的應收票據（尚未到還款日）的已保證款項人民幣16,844,000元（二零一一年：人民幣17,046,000元）。

於申報期末，貿易應付款項之賬面值以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. OTHER PAYABLES AND ACCRUALS

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

At 31 December 2011, included in payables for acquisition of property, plant and equipment was RMB500,000 relating to bills receivables endorsed to suppliers that were not yet due for payment.

22. 其他應付款項及應計費用

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
1,153	1,223
3,119	7,259
17,440	17,831
1,004	978
1,880	1,731
7,470	7,163
32,066	36,185

於二零一一年十二月三十一日，收購物業、廠房及設備應付款項當中，包括與向供應商背書應收票據有關而尚未到還款日之款項人民幣500,000元。

23. DEFERRED TAX LIABILITIES

At 1 January 2011
Credit for the year

At 31 December 2011
Charge for the year

At 31 December 2012

於二零一一年一月一日
年內抵減

於二零一一年十二月三十一日
年內支出

於二零一二年十二月三十一日

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

10,937
(1,512)

9,425
4,295

13,720

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

24. SHARE CAPITAL

24. 股本

		Number of shares at HK\$0.10 per share 每股面值 0.10港元之 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
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	<u>3,000,000</u>	<u>300,000</u>
Issued:	已發行：		
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	<u>1,200,000</u>	<u>120,000</u>
Shown in the consolidated financial statements	綜合財務報表所示		
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		<u>RMB'000 equivalent 104,201</u> <u>人民幣千元等值</u>

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

25. SHARE-BASED PAYMENT TRANSACTIONS

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

At 31 December 2012, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 120,000,000, representing 10% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

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

25. 以股份為基礎付款交易

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

於二零一二年十二月三十一日，根據該計劃已授出而尚未行使之購股權所涉及之股份數目為120,000,000股，相等於本公司於該日的已發行股份10%。在未經本公司股東事先批准情況下，根據該計劃授出的購股權所涉及之股份總數不得超過本公司於任何時間已發行股份之10%。在未經本公司股東事先批准情況下，任何個別人士於任何一年內獲授及可獲授之購股權所涉及之已發行及將予發行股份數目，不得超過本公司於任何時間已發行股份之1%。

獲授購股權人士須於授出日期起計20日內就每份獲授購股權支付1港元，以接納購股權。購股權可於授出購股權日期起計一年直至授出日期起計滿十週年當日任何時間行使。行使價由本公司董事釐定，且不得低於以下最高者：(i)本公司股份於授出日期之收市價；(ii)本公司股份於緊接授出日期前五個營業日之平均收市價；及(iii)本公司股份面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. SHARE-BASED PAYMENT TRANSACTIONS (continued)

25. 以股份為基礎付款交易 (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

Date of grant 授出日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價	Balance at 1.1.2012 於二零一二年 一月一日 之結餘	Granted during the year 年內授出	Exercised during the year 年內行使	Balance at 31.12.2012 於二零一二年 十二月三十一日 之結餘
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2011 二零一零年十一月二十二日至 二零一一年十一月二十一日	22 November 2011 to 21 November 2020 二零一一年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	18,000,000	-	-	18,000,000
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2012 二零一零年十一月二十二日至 二零一二年十一月二十一日	22 November 2012 to 21 November 2020 二零一二年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	18,000,000	-	-	18,000,000
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2013 二零一零年十一月二十二日至 二零一三年十一月二十一日	22 November 2013 to 21 November 2020 二零一三年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	24,000,000	-	-	24,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2012 二零一一年九月二十七日至 二零一二年九月二十六日	27 September 2012 to 26 September 2021 二零一二年九月二十七日至 二零二零年九月二十六日	HK\$0.476 0.476港元	18,000,000	-	-	18,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2013 二零一一年九月二十七日至 二零一三年九月二十六日	27 September 2013 to 26 September 2021 二零一三年九月二十七日至 二零二零年九月二十六日	HK\$0.476 0.476港元	18,000,000	-	-	18,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2014 二零一一年九月二十七日至 二零一四年九月二十六日	27 September 2014 to 26 September 2021 二零一四年九月二十七日至 二零二零年九月二十六日	HK\$0.476 0.476港元	24,000,000	-	-	24,000,000
				120,000,000	-	-	120,000,000
Exercisable at 31 December 2012 可於二零一二年十二月三十一日行使							54,000,000
Weighted average exercise price 加權平均行使價				HK\$0.942 0.942港元	N/A 不適用	N/A 不適用	HK\$0.942 0.942港元

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

25. SHARE-BASED PAYMENT TRANSACTIONS (continued)

25. 以股份為基礎付款交易 (續)

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

Date of grant 授出日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價	Balance at 1.1.2011 於二零一一年 一月一日之 結餘	Granted during the year 年內授出	Exercised during the year 年內行使	Balance at 31.12.2011 於二零一一年 十二月三十一日 之結餘
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2011 二零一零年十一月二十二日至 二零一一年十一月二十一日	22 November 2011 to 21 November 2020 二零一一年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	18,000,000	-	-	18,000,000
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2012 二零一零年十一月二十二日至 二零一二年十一月二十一日	22 November 2012 to 21 November 2020 二零一二年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	18,000,000	-	-	18,000,000
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2013 二零一零年十一月二十二日至 二零一三年十一月二十一日	22 November 2013 to 21 November 2020 二零一三年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	24,000,000	-	-	24,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2012 二零一一年九月二十七日至 二零一二年九月二十六日	27 September 2012 to 26 September 2021 二零一二年九月二十七日至 二零二零年九月二十六日	HK\$0.476 0.476港元	-	18,000,000	-	18,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2013 二零一一年九月二十七日至 二零一三年九月二十六日	27 September 2013 to 26 September 2021 二零一三年九月二十七日至 二零二零年九月二十六日	HK\$0.476 0.476港元	-	18,000,000	-	18,000,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2014 二零一一年九月二十七日至 二零一四年九月二十六日	27 September 2014 to 26 September 2021 二零一四年九月二十七日至 二零二零年九月二十六日	HK\$0.476 0.476港元	-	24,000,000	-	24,000,000
				60,000,000	60,000,000	-	120,000,000
Exercisable at 31 December 2011 可於二零一一年十二月三十一日行使							18,000,000
Weighted average exercise price 加權平均行使價				HK\$1.408 1.408港元	HK\$0.476 0.476港元	N/A 不適用	HK\$0.942 0.942港元

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

25. SHARE-BASED PAYMENT TRANSACTIONS (continued)

During the year ended 31 December 2012, no share options were granted to the directors and employees of the Group.

During the year ended 31 December 2011, 60,000,000 share options were granted to the directors and employees of the Group. The estimated fair values of the options granted on that date was RMB7,052,000.

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

Closing share price at the date of grant	於授出日期之股份收市價	HK\$0.43港元
Exercise price	行使價	HK\$0.476港元
Expected volatility	預期波幅	63%
Expected life	預期年期	10 years年
Risk-free rate	無風險利率	1.36%
Expected dividend yield	預期股息率	8%

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

The Binomial model had been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options were based on the directors' best estimate. The value of an option varied with different variables of certain subjective assumptions.

During the year, the Group recognised the total expense of RMB12,245,000 (2011: RMB18,044,000) in relation to share options granted by the Company.

25. 以股份為基礎付款交易 (續)

截至二零一二年十二月三十一日止年度，並無向本集團董事及僱員授出購股權。

截至二零一一年十二月三十一日止年度，向本集團董事及僱員授出60,000,000份購股權。所授購股權於當日之估計公平值為人民幣7,052,000元。

公平值乃根據二項式模式計算。向該模式輸入的數據如下：

2011
二零一一年

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

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

年內，本集團就本公司授出之購股權確認開支總額人民幣12,245,000元（二零一一年：人民幣18,044,000元）。

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

26. OPERATING LEASES

At 31 December 2012, the Group had commitment for minimum lease payment under non-cancellable operating leases which fall due as follows:

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

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

Monthly rental was fixed and recognised over the terms of the lease on a straight-line basis.

27. CAPITAL COMMITMENTS

Contracted for but not provided for in the consolidated financial statements	已訂約但未在 綜合財務報表中撥備
– Capital expenditure in respect of acquisition of plant and machinery	– 有關收購廠房及 機器之資本開支

26. 經營租賃

於二零一二年十二月三十一日，本集團根據不可撤銷經營租賃有以下最低租賃付款之承擔，其到期情況如下：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
795	449
506	–
1,301	449

該等承擔指本集團就租期為兩年之香港辦公室應付之租金。

每月租金乃於租期內按直線基準釐定及確認。

27. 資本承擔

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
–	4

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

28. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

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

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

28. 關連方交易

主要管理人員薪酬

董事及其他主要管理層成員於兩個年度之薪酬如下：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
3,105	3,181
64	55
6,998	10,962
10,167	14,198

董事及主要行政人員之酬金乃薪酬委員會參考個人表現及市場趨勢而釐定。

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

29. FINANCIAL INFORMATION OF THE COMPANY

29. 本公司之財務資料

(a) Financial information of the financial position of the Company

(a) 本公司財務狀況的財務資料

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	174	174
Property, plant and equipment	物業、廠房及設備	15	19
Amount due from a subsidiary	應收附屬公司款項	229,977	226,535
		230,166	226,728
Current asset	流動資產		
Bank balances	銀行結餘	429	16,930
Current liability	流動負債		
Other payables and accruals	其他應付款項及應計費用	(1,796)	(1,679)
Net current (liabilities) assets	流動(負債)資產淨值	(1,367)	15,251
Total assets less current liability	資產總值減流動負債	228,799	241,979
Capital and reserves	資本及儲備		
Share capital (see note 24)	股本(附註24)	104,201	104,201
Reserves	儲備	124,598	137,778
Total equity	權益總額	228,799	241,979

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

29. FINANCIAL INFORMATION OF THE COMPANY (continued)

29. 本公司之財務資料 (續)

(b) Movement of capital and reserve of the Company

(b) 本公司資本及儲備變動

		Share capital 股本	Share premium 股份溢價	Share options reserve 購股權儲備	Retained profits 保留溢利	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	104,201	80,442	1,895	48,952	235,490
Profit for the year representing total comprehensive income for the year	年內溢利 (指年內全面收入總額)	-	-	-	23,652	23,652
Final dividend for year ended 31 December 2010	截至二零一零年十二月三十一日止年度之末期股息	-	-	-	(35,207)	(35,207)
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	18,044	-	18,044
At 31 December 2011	於二零一一年十二月三十一日	104,201	80,442	19,939	37,397	241,979
Loss for the year representing total comprehensive expense for the year	年內虧損 (指年內全面開支總額)	-	-	-	(15,585)	(15,585)
Final dividend for year ended 31 December 2011	截至二零一一年十二月三十一日止年度之末期股息	-	-	-	(9,840)	(9,840)
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	12,245	-	12,245
At 31 December 2012	於二零一二年十二月三十一日	104,201	80,442	32,184	11,972	228,799

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

30. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

30. 本公司附屬公司詳情

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

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

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

Wholly foreign owned enterprise registered in the PRC.

於中國註冊之外商獨資企業。

Summary of Results, Assets and Liabilities

業績、資產及負債概要

Results of the Group for the year ended 31 December

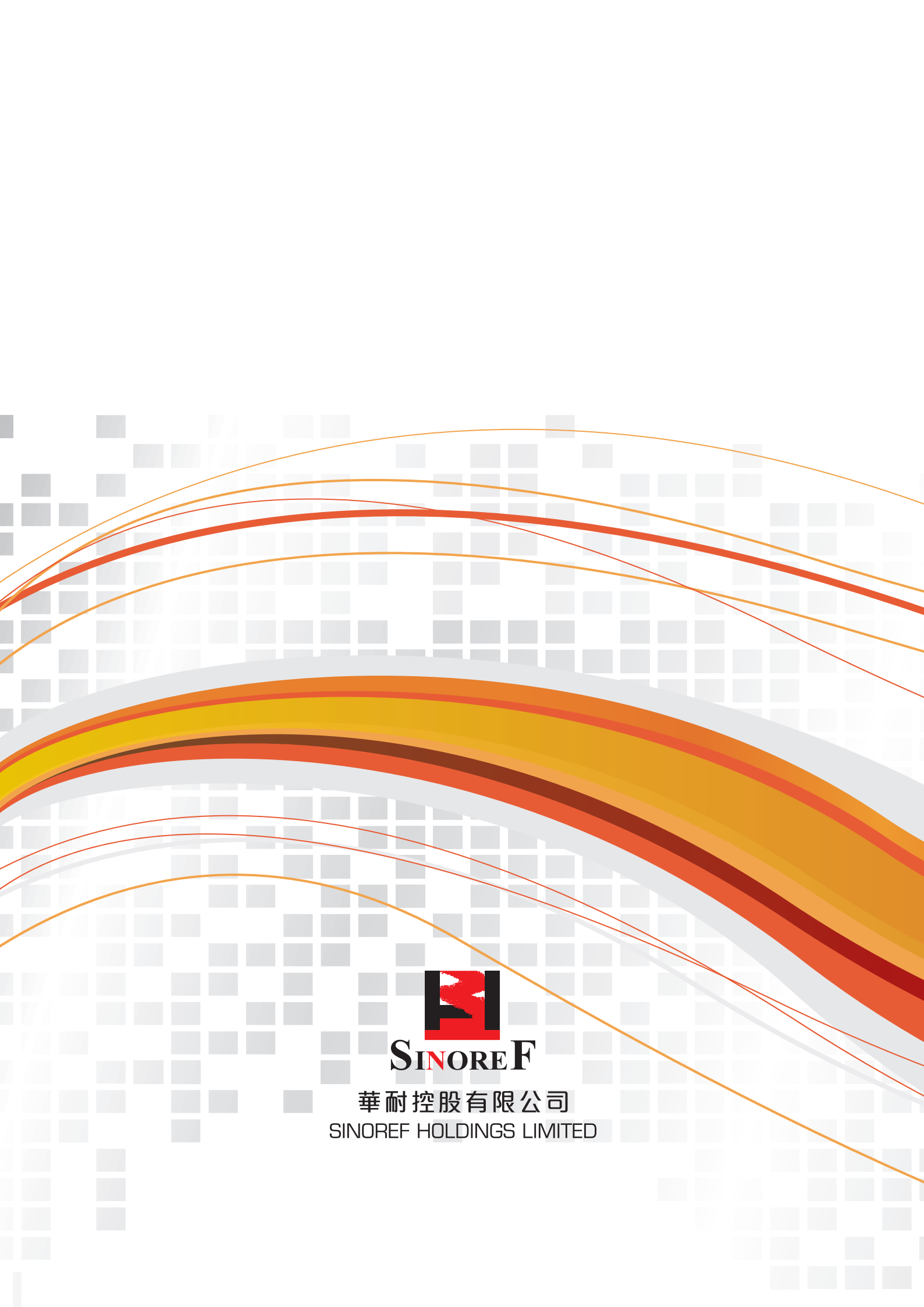
本集團截至十二月三十一日止年度之業績

		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
Turnover	營業額	67,206	156,896	318,762	323,421	322,671
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及年內全面收入總額	24,971	70,076	130,056	92,011	72,479
Earnings per share (RMB)	每股盈利 (人民幣)					
- Basic	- 基本	0.03	0.08	0.12	0.08	0.06
- Diluted	- 攤薄	N/A不適用	N/A不適用	0.12	0.08	0.06

Assets and liabilities of the Group at 31 December

本集團於十二月三十一日之資產及負債

		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
Total assets	資產總值	103,820	189,505	530,547	622,476	694,552
Less: Total liabilities	減：負債總額	(20,319)	(35,928)	(60,550)	(77,631)	(74,823)
Total net assets	總資產淨值	83,501	153,577	469,997	544,845	619,729



SINOREF

華耐控股有限公司
SINOREF HOLDINGS LIMITED