



中國管業集團有限公司 CHINA PIPE GROUP LIMITED

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

股份代號：380

Stock code: 380

年報2009 Annual Report



	Pages
	頁次
Corporate Profile 公司資料	2
Chairman's Statement 主席報告	5
Management Discussion and Analysis 管理層討論及分析	7
Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷	12
Corporate Governance Report 企業管治報告	21
Report of the Directors 董事會報告	36
Independent Auditor's Report 獨立核數師報告書	50
Consolidated Income Statement 綜合收益表	53
Consolidated Statement of Comprehensive Income 綜合全面收益表	54
Consolidated Balance Sheet 綜合資產負債表	55
Balance Sheet 資產負債表	57
Consolidated Statement of Changes in Equity 綜合權益變動表	58
Consolidated Cash Flow Statement 綜合現金流量表	59
Notes to the Financial Statements 財務報表附註	60
Five Year Financial Summary 五年財務摘要	168

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Lai Guanglin (*Chairman*)
Mr. U Kean Seng
Mr. Zhao Yue

Independent Non-executive Directors

Mr. Wong Yee Shuen, Wilson
Mr. Lau Kwok Ting
Ms. Wu Xiuru

COMPANY SECRETARY

Mr. Tsang Wai Yip, Patrick

AUTHORISED REPRESENTATIVES

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

INDEPENDENT AUDITOR

PricewaterhouseCoopers

SOLICITORS

Angela Ho & Associates

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

董事會

執行董事

俞安生先生
蔡尚武先生
Sam Ming Choy 先生
賴福麟先生

非執行董事

Lai Guanglin 先生 (*主席*)
余建成先生
趙越先生

獨立非執行董事

黃以信先生
劉國定先生
吳秀茹女士

公司秘書

曾偉業先生

法定代表

俞安生先生
曾偉業先生

獨立核數師

羅兵咸永道會計師事務所

法律顧問

何文琪律師事務所

香港股份過戶登記處

香港中央證券登記有限公司
香港
皇后大道東 183 號
合和中心
46 樓

PRINCIPAL BANKERS

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

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HEAD OFFICE

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

PRINCIPAL PLACE OF BUSINESS

Retail shops

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

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

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

Rua Da Ribeira Do Patane No. 13,
R/C, Macau
Tel: (853) 2855 3693
Fax: (853) 2895 1020

主要往來銀行

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

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

總辦事處

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

主要營業地點

門市

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

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

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

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

Warehouse

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

Tel: (852) 2471 9048

Fax: (852) 2482 1298

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

電話：(852) 2471 9048

傳真：(852) 2482 1298

CHINA OFFICE

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

Tel: 86-21-6355 9755

Fax: 86-21-6355 9699

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

Tel: 86-20-6194 9418

86-20-6194 9428

Fax: 86-20-8455 4077

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

Tel: 86-53-5698 7788

Fax: 86-53-5698 7789

貨倉

新界元朗錦綉花園貨倉泰園路地段 104 Lot 3719

電話：(852) 2471 9048

傳真：(852) 2482 1298

新界元朗錦綉花園貨倉泰園路地段 104 Lot 372383

電話：(852) 2471 9048

傳真：(852) 2482 1298

中國辦事處

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

電話：86-21-6355 9755

傳真：86-21-6355 9699

中國廣州市番禺區
石基鎮小龍明朗尾路 3 段

電話：86-20-6194 9418

86-20-6194 9428

傳真：86-20-8455 4077

中國山東省烟台市福山區
門樓鎮金裕豐路 1 號

電話：86-53-5698 7788

傳真：86-53-5698 7789

I have pleasure in presenting to the shareholders the annual report of China Pipe Group Limited ("the Company") and its subsidiaries (collectively "the Group") for the year ended 31st December 2009.

FINANCIAL RESULTS

For the year ended 31st December 2009, the Group recorded revenue of approximately HK\$453.8 million (2008: HK\$701.8 million), representing a decrease of 35% as compared with that in 2008. The loss attributable to the equity holders of the Company was approximately HK\$39.7 million in 2009, as compared with approximately HK\$42.6 million last year. The basic loss per share was approximately HK0.31 cents (2008: HK0.34 cents).

FINAL DIVIDEND

The directors do not recommend a final dividend for the year ended 31st December 2009 (2008: Nil).

BUSINESS REVIEW

2009 was a challenging year for the Group. After the financial tsunami happened in the last quarter of 2008, the Hong Kong economy, similar to other countries', has gone to a recession. Many construction projects have been deferred and hence demand for construction materials was adversely affected. At the same time, the market competition continued to be fierce. As a result, the profit margin of our Hong Kong trading operation was, to a certain extent, affected.

To cope with the challenging environment, the management has streamlined the Hong Kong trading operations. Given the particularly volatile market, we have strengthened our purchasing function and managed to control our cost at a reasonable level. In addition, the Group persisted to improve our service to and deepen our business relationship with our customers.

本人欣然向股東提呈中國管業集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零零九年十二月三十一日止年度之年報。

財務業績

於截至二零零九年十二月三十一日止年度，本集團錄得收入約453,800,000港元(二零零八年：701,800,000港元)，較二零零八年下降35%。於二零零九年，本公司股權持有人應佔虧損約為39,700,000港元，而去年則為約42,600,000港元。每股基本虧損約為0.31港仙(二零零八年：0.34港仙)。

末期股息

董事並不建議派付截至二零零九年十二月三十一日止年度之末期股息(二零零八年：無)。

業務回顧

回顧二零零九年，本集團面臨種種挑戰。二零零八年末季發生金融海嘯後，香港經濟與其他國家經濟類似，步入衰退。眾多建築項目延遲，建築材料需求因而受到不利影響。同時，市場競爭持續激烈。故此，本集團香港營運業務之邊際利潤在一定程度上受到影響。

為應對嚴峻的經濟環境，管理層已精簡香港營運業務。鑒於市場異常多變，本集團已加強採購功能，並將成本控制在合理水平。此外，本集團持續改善客戶服務，並深化與本集團客戶的業務關係。

STRATEGIC DEVELOPMENT

In July 2009, we have announced an acquisition of 60% of equity interest in 煙臺金裕豐無縫鋼管有限公司 (“Jinyufeng”), which is principally engaged in the manufacturing and distribution of seamless pipes and related products in mainland China. The transaction was completed in early November 2009. After completion, Jinyufeng has already started to make contributions to the Group in terms of revenue and profit. The Group will leverage on the production technology and experience of this newly acquired business to complement our existing operation. We shall increase our resources to enhance our purchasing function and distribution network and focus our business development on a regional basis.

PROSPECTS

The Group will strengthen our efforts to upgrade our products and services, develop new markets, and deepen our business relationship with our customers.

Since the completion of our acquisition of Jinyufeng in early November 2009, we have been rationalizing its operation. In particular, we have improved our sales strategy and focused on selling pipes to energy related projects operated by major oil and gas companies in mainland China. Through this, we aim at improving the gross profit margin of Jinyufeng and accordingly the return to the Group.

In order to further improve return to our shareholders, the management is also actively seeking investment opportunities in the Asia Pacific region.

APPRECIATION

I would like to take this opportunity to express our thankfulness to a team of dedicated and professional employees for their outstanding performance at the time of global turbulence and to our shareholders for their persistent support.

策略發展

二零零九年七月，本集團宣佈收購煙臺金裕豐無縫鋼管有限公司(「金裕豐」)60%之股權，該公司主要於中國大陸從事製造及分銷無縫鋼管及相關產品。該交易於二零零九年十一月初完成。完成後，金裕豐已開始對本集團之收入及溢利作出貢獻。本集團將善用新收購業務之生產技術及經驗，完善本集團現有運營。我們將增加我們的資源，加強我們的採購功能和分銷網絡和集中於區域基礎發展我們的業務。

展望

本集團將努力提升產品及服務、拓展新市場，並加深與本集團客戶的業務關係。

自從本集團於二零零九年十一月初完成收購金裕豐後，一直致力於優化其營運。當中，本集團已改善其銷售策略，並專注售予經營中國大陸石油及燃氣公司之相關能源項目。憑藉此舉，本集團旨在提高金裕豐的毛利率，從而提升本集團的回報。

為進一步提升本集團股東之回報，管理層正積極於亞太地區尋求投資機會。

致謝

本人藉此對熱衷及專業的員工團隊於全球動盪時期的傑出表現，以及股東長期支持表示感謝。

FINANCIAL REVIEW

For the year ended 31st December 2009, the Group recorded revenue of approximately HK\$453.8 million (2008: HK\$701.8 million), representing a decrease of 35% as compared with that in 2008. The loss attributable to equity holders of the Company was approximately HK\$39.7 million in 2009, as compared with approximately HK\$42.6 million last year. The basic loss per share was approximately HK0.31 cents (2008: HK0.34 cents).

REVIEW OF OPERATIONS

Trading of pipes and fittings

In the last quarter of 2008, Hong Kong economy had been inevitably affected by the global financial turmoil. The economic downturn and the tightening of liquidity led to a negative sentiment on the property market. Consequently, it brought adverse impact on the demand for construction materials. In the second half of 2009, however, the property market in Hong Kong had shown signs of recovery.

In 2009, the trading of pipes and fittings reported revenue (excluding inter group sales) of approximately HK\$390.9 and a loss attributable to equity holders of the Company for the year amounting to approximately HK\$13.2 million. The loss was mainly attributable to the decrease in gross profit margin and a specific provision for inventories amounting to approximately HK\$11.8 million.

財務業績

截至二零零九年十二月三十一日止年度，本集團錄得收入約為453,800,000港元(二零零八年：701,800,000港元)，較二零零八年下降35%。於二零零九年內，本公司股權持有人應佔虧損約為39,700,000港元，對比二零零八年約為42,600,000港元。每股基本虧損約為0.31港仙(二零零八年：0.34港仙)。

業務回顧

喉管及管件貿易

於二零零八年第四季，香港經濟飽受環球金融風暴衝擊。經濟衰退以及收緊銀根，為物業市場帶來負面氣氛，結果引致對建築材料需求亦帶來不良影響。但於二零零九年下半年，香港物業市場逐漸呈現復甦跡象。

二零零九年內，喉管及管件貿易業務分類錄得收入(不含集團內銷售)約390,900,000港元及本公司股權持有人應佔虧損約13,200,000港元。虧損主要來自毛利率下降以及一項約11,800,000港元之特殊存貨減值準備所致。

Manufacturing and sale of seamless pipes

In early November 2009, the Group completed an acquisition of 60% equity interests in a company, Jinyufeng, a leading manufacturer of seamless pipes in Yantai, Shandong Province, the mainland China. The purchase consideration was RMB18 million in cash plus an issue of 800,000,000 new shares of the Company. This acquisition has strengthened our earnings in terms of revenue and profit contribution from new product and would develop our business in the potential market in mainland China.

For the period from November to December 2009, seamless pipes segment reported revenue of approximately HK\$61.2 million and profit attributable to equity holders of the Company of approximately HK\$0.4 million.

Investment in properties

For the year ended 31st December 2009, the Group had recorded fair value gains of approximately HK\$12.1 million on the investment properties held in Hong Kong and loss of approximately HK\$8.0 million on vacant properties held in Shanghai.

At the end of 2009, the Group had initiated action to dispose of the investment properties in Hong Kong and the disposals with an aggregate amount of approximately HK\$114.7 million, were completed in January and February 2010.

After year end, the Group has leased out some units of the retail shops located in Shanghai. As the Group is expecting to lease out more shops this year, the properties will generate more steady rental income and return to the Group in the future.

生產及銷售無縫鋼管

於二零零九年十一月初，本集團完成收購一家公司60%權益，金裕豐，它為一家於國內山東省煙台著名的無縫鋼管生產商。收購代價為人民幣18,000,000之現金及發行800,000,000股本公司新股份。是次收購加強本集團的盈利，其中包括收入及來自新產品的溢利貢獻，有助本集團於內地市場發展業務的潛能。

自二零零九年十一月至十二月止期間，無縫鋼管業務分類錄得收入約61,200,000港元及本公司股權持有人應佔溢利約400,000港元。

投資物業

截至二零零九年十二月三十一日年度止，本集團於香港的投資物業之公允值收益約12,100,000港元及於上海空置的物業之公允值虧損約8,000,000港元。

於二零零九年年底，本集團已採取行動出售於香港之投資物業，出售總值約為114,700,000港元，出售已於二零一零年一月及二月完成。

年底後，本集團位於上海的商舖之部份單位已租出。本集團預計於來年會陸續租出更多單位，該等物業在未來將為本集團帶來穩定的租金收入及回報。

PROSPECTS

The Group will strengthen our efforts to upgrade our products and services, develop new markets, and deepen our business relationship with our customers.

Since the completion of our acquisition of Jinyufeng in early November 2009, we have been rationalizing its operation. In particular, we have improved our sales strategy and focused on selling pipes to oil fields of energy related projects operated by major oil and gas companies in mainland China. Through this, we aim at improving the gross profit margin of Jinyufeng and accordingly the return to the Group.

In order to further improve return to our shareholders, the management is actively seeking investment opportunities in the Asia Pacific region.

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 31st December 2009, the cash and bank balances of the Group were approximately HK\$55.8 million (2008: HK\$19.5 million). Basically the Group's working capital requirement has been financed by its internal resources. The Group believes that funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 31st December 2009, the Group had aggregate banking facilities of term loans and trade finance facilities of approximately HK\$407.8 million (2008: HK\$327.3 million) and approximately HK\$308.1 million (2008: HK\$303.0 million) were utilised. The Group's total bank borrowings stood at approximately HK\$278.1 million (2008: HK\$294.2 million) of which approximately HK\$238.2 million (2008: HK\$160.0 million) bank borrowings will be matured within one year.

前景

本集團將進一步提升產品及服務，發展新的市場，並加深與本集團客戶的業務關係。

自從本集團於二零零九年十一月初完成收購金裕豐後，一直致力於優化其營運。當中，本集團已改善其銷售策略，並專注售予經營中國大陸石油及燃氣公司之相關能源項目。憑藉此舉，本集團旨在提高金裕豐的毛利率，從而提升本集團的回報。

為進一步提升本集團股東之回報，管理層正積極於亞太地區尋求投資機會。

流動資金及資本來源分析

於二零零九年十二月三十一日之現金及銀行結餘約為55,800,000港元(二零零八年：19,500,000港元)。本集團所需之營運資金來自內部資源。本集團相信由業務產生之資金及可用之銀行融資額度，足以應付本集團日後之流動資金需求。

於二零零九年十二月三十一日，本集團之貸款及貿易融資的銀行融資額度共約407,800,000港元(二零零八年：327,300,000港元)，已動用之銀行融資額度約達308,100,000港元(二零零八年：303,000,000港元)。本集團的銀行貸款總額為278,100,000港元(二零零八年：294,200,000港元)，其中約238,200,000港元(二零零八年：160,000,000港元)之銀行借貸將於一年內到期。

Of the total HK\$278.1 million bank borrowings at 31st December 2009, HK\$243.8 million (2008: entire amount of HK\$294.2 million) were subject to floating rates and HK\$34.3 million were subject to fixed rate.

As at 31st December 2009, the Group had unsecured shareholder loans amounted to approximately HK\$54.4 million, of which HK\$49.4 million bearing interest at HK dollar prime rate plus 4.75% per annum and HK\$5 million bearing interest rate at 1% per month.

The gearing ratio as measured by total debt to total equity maintained at approximately 81% as at 31st December 2009 and approximately 80% as at 31st December 2008.

As at 31st December 2009, 40% (2008: 82%) of the Group's total bank borrowings were denominated in HK dollars, 60% (2008: 18%) were denominated in Renminbi.

The Group conducts its business transactions mainly in Hong Kong dollar, Renminbi, United States dollar, Euro and Australian dollar. For the year under review, the Group has not entered into any derivative contracts or hedging transactions. In order to mitigate foreign exchange risk, however, the Group has been closely monitoring its foreign currency exposure and requirement and will arrange for any hedging facilities if necessary.

CHARGE ON ASSETS

As at 31st December 2009, certain assets of the Group held by subsidiaries with an aggregate carrying value of approximately HK\$479.3 million (2008: HK\$315.5 million) were pledged to banks for banking facilities obtained.

於二零零九年十二月三十一日未償還銀行貸款共約278,100,000港元，243,800,000港元(二零零八年：全數金額294,200,000港元)以浮動利率計息，34,300,000港元以固定利率計息。

於二零零九年十二月三十一日，本集團之無抵押股東貸款為54,400,000港元，當中約49,400,000港元按年息港元最優惠利率加4.75%計息，以及5,000,000港元按月息1%計息。

於二零零九年十二月三十一日，按借貸總額相對於總權益計算的資產負債比率維持在約81%，二零零八年十二月三十一日約為80%。

於二零零九年十二月三十一日，本集團銀行貸款總額內40%(二零零八年：82%)以港元結算，60%(二零零八年：18%)以人民幣結算。

本集團之業務交易主要以港元、人民幣、美元、歐元及澳元結算。於回顧年度，本集團並無訂立任何衍生工具合約或對沖交易。為減輕外幣風險，本集團一直密切監控外幣風險及規定，並將於必要時作出對沖安排。

資產押記

於二零零九年十二月三十一日，本集團之附屬公司持有若干資產之賬面總值約為479,300,000港元(二零零八年：315,500,000港元)，已抵押予銀行取得銀行融資。

CONTINGENT LIABILITIES

As at 31st December 2009, a subsidiary of the Group in mainland China has provided a corporate guarantee in favour of a bank to support the banking facilities of HK\$29.2 million (2008: Nil) obtained by an independent third party.

STAFF AND EMPLOYMENT

As at 31st December 2009, the Group employed a total of 543 (2008: 193) employees. Total employee benefit expenses was approximately HK\$44.4 million (2008: HK\$60.1 million).

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

或然負債

於二零零九年十二月三十一日，本集團於中國的一家附屬公司為一位獨立第三方取得銀行融資而向銀行提供之公司擔保約為29,200,000港元(二零零八年：無)。

員工及薪酬政策

於二零零九年十二月三十一日，本集團共僱用543名(二零零八年：193名)僱員，員工福利開支共約44,400,000港元(二零零八年：60,100,000港元)。

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

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Brief biographical details of Directors and senior management are set out below:

EXECUTIVE DIRECTORS

Mr. Yu Ben Ansheng, aged 45, was appointed as Executive Director and Chief Executive Officer of the Company on 13th May 2009. He has over 20 years of experience in investment management, investment banking, and general management of listed companies. Mr. Yu began his career at Mackenzie Financial Corporation in Toronto, Canada as an investment analyst in 1989 and since then, he has served several major financial corporations including J.P. Morgan, Deutsche Bank, and CITIC Capital. In addition to his vast investment banking and management experience, Mr. Yu has also managed listed companies such as New World Cyberbase Limited and Asia Logistics Holdings Limited in Hong Kong. During his past career, Mr. Yu has focused on direct investment and M&A activities in sectors including construction materials, infrastructure, energy, technologies, media and financial services.

Mr. Yu has a Bachelor of Art degree in English Literature from the Beijing Foreign Studies University, a Master of Art degree in Education from the University of Toronto, and a Master's degree in Business Administration from the University of Western Ontario.

Mr. Sam Ming Choy, aged 45, was appointed as Independent Non-executive Director of the Company on 23rd February 2009. He has been re-designated as Executive Director and Chief Operating Officer of the Company with effect from 15th September 2009. He has approximately 15 years of experience in managing investment enterprises. He was admitted to the Australian Government and served as Senior Commercial Representative in 1995, and has held the posts of executive director of Australian New Resource Investment Group since 2001, the executive director of American Chinese Culture Foundation (中美文化基金會) and American Chinese Culture Relics Society (中美文物協會) since 2006 respectively. Mr. Sam Ming Choy holds a Doctor of Business Administration jointly issued by Tsinghua University and Southern California University.

董事及高級管理人員之履歷簡述如下：

執行董事

俞安生先生，45歲，於二零零九年五月十三日獲委任為本公司執行董事兼首席執行官，彼在投資管理、投資銀行及上市公司管理方面累積逾20年經驗。俞先生於一九八九年加入加拿大多倫多Mackenzie Financial Corporation，開始投資分析師之職業生涯。此後，彼曾服務於摩根大通、德意志銀行及中信資本等多間主要金融機構。除在投資銀行及資產管理方面累積豐富之經驗外，俞先生亦曾管理新世界數碼基地有限公司及亞洲物流控股有限公司等若干香港上市公司。於過往職業生涯中，俞先生專注於建材、基礎設施、能源、科技、傳媒及金融服務等行業之直接投資及併購活動。

俞先生持有北京外國語大學英國文學學士學位、多倫多大學教育學碩士學位及加拿大西安大略大學工商管理碩士學位。

Sam Ming Choy先生，45歲，於二零零九年二月二十三日獲委任為本公司之獨立非執行董事。彼自二零零九年九月十五日起被調任為本公司之執行董事兼首席營運官。彼擁有約15年管理投資企業之經驗。彼於一九九五年加入澳洲政府，出任Senior Commercial Representative (高級商務代表)，自二零零一年起出任Australian New Resource Investment Group之執行董事，自二零零六年起出任中美文化基金會及中美文物協會之執行董事。Sam Ming Choy先生持有清華大學與Southern California University聯合頒發之工商管理博士學位。

Mr. Cai Shangwu, aged 41, was appointed as Executive Director of the Company on 23rd February 2009, he has more than 18 years experience in engineering, sales and marketing, and business development in greater China region. Mr. Cai worked in Zhuhai Jiuzhou Port responsible for technical and engineering work from July 1990 to October 1994. Mr. Cai also worked as the service manager for Sisu Terminal Systems Pte Ltd from October 1995 to March 1998. Mr. Cai was the regional manager of Renold Transmission Singapore from April 1998 to July 2001, and the chief representative officer of Renold Transmission Singapore stationed in Beijing from July 2001 to April 2004. Mr. Cai was the deputy general manager who set up and operated the Renold Transmission Shanghai Co., Ltd. from April 2004 to August 2005, and became the general manager of the company to oversee its business from August 2005 to November 2008. Mr. Cai holds a bachelor of engineering degree from South China University of Technology (華南理工大學) and a master of science degree from National University of Singapore (新加坡國立大學).

Mr. Lai Fulin, aged 44, was appointed as Executive Director of the Company on 1st October 2009. Mr. Lai has over 20 years of experience in the banking sector, investments management and general management of companies in China. Mr. Lai worked in the Bank of China in Shenzhen during 1986 to 2001. During 1995 to 2001, he was the deputy general manager of a subsidiary of Bank of China dealing with businesses in the securities industry. During 2002 to 2008, Mr. Lai was the general manager of Shenzhen Huao Guanli Technologies Company Limited (深圳市華奧冠力科技實業有限公司). Mr. Lai holds a certificate of graduation in Chinese Language from Shenzhen Institute of Education (深圳教育學院). Mr. Lai is the younger brother of Mr. Lai Guanglin, the controlling shareholder, the Chairman and a Non-executive Director of the Company.

蔡尚武先生，41歲，於二零零九年二月二十三日獲委任為本公司之執行董事。彼擁有逾18年在大中華地區之工程、銷售及市場推廣以及業務發展之經驗。於一九九零年七月至一九九四年十月，蔡先生任職於珠海九洲港，負責技術及工程工作。蔡先生於一九九五年十月至一九九八年三月出任Sisu Terminal Systems Pte Ltd之服務經理。蔡先生於一九九八年四月至二零零一年七月出任Renold Transmission Singapore之區域經理；於二零零一年七月至二零零四年四月出任Renold Transmission Singapore駐北京之首席代表。蔡先生於二零零四年四月至二零零五年八月曾出任副總經理，負責成立及經營瑞諾德動力傳動(上海)有限公司，於二零零五年八月至二零零八年十一月出任公司總經理，負責監管公司業務。蔡先生持有華南理工大學之工程學士學位及新加坡國立大學之理學碩士學位。

賴福麟先生，44歲，於二零零九年十月一日獲委任為本公司之執行董事。彼在中國銀行業、投資管理及企業管理方面累積逾20年經驗。賴先生於一九八六年至二零零一年期間任職於中國銀行深圳市分行。於一九九五年至二零零一年期間，他曾出任中國銀行之屬下證券公司副總經理一職。於二零零二年至二零零八年期間，賴先生出任深圳市華奧冠力科技實業有限公司總經理一職。賴先生持有深圳教育學院中文科大專畢業證書。賴先生乃Lai Guanglin先生(為本公司之控股股東、主席及非執行董事)之胞弟。

NON-EXECUTIVE DIRECTORS

Mr. Lai Guanglin, aged 46, was appointed as Non-executive Director and the Chairman of the Company on 23rd February 2009. Mr. Lai has extensive experience in business development and venture investment management. From 2000 to 2002, Mr. Lai was the managing director of Shenzhen Keding Venture Capital Management Co., Ltd., a venture investment management company. In 2002, Mr. Lai founded Ace Choice Management Limited, a company that specialises in promoting business and investment activities between the PRC and other countries. Mr. Lai is currently the chairman of the board of directors of Agria Corporation, a company listed on the New York Stock Exchange. His wholly owned investment vehicle, Brothers Capital Limited, is the largest shareholder of Agria Corporation. Mr. Lai was also an independent non-executive director of KXD Digital Entertainment Ltd., a company listed on the Singapore Stock Exchange, during 29th May 2003 to 7th May 2009. Mr. Lai holds a bachelor's degree in accounting from Monash University, Australia. He is a certified public accountant in Australia. Mr. Lai is the brother of Mr. Lai Fulin, an Executive Director of the Company.

非執行董事

Lai Guanglin先生，46歲，於二零零九年二月二十三日獲委任為本公司非執行董事兼主席，Lai先生在業務發展及創業投資管理方面有豐富經驗。在二零零零年至二零零二年間，Lai先生在一間創業投資管理公司深圳科鼎創業投資管理有限公司擔任董事總經理之職。在二零零二年，Lai先生創立Ace Choice Management Limited，此乃一間專門促進中國與其他國家之間發展業務及投資活動之公司。Lai先生現為一間在紐約證券交易所上市的公司華奧物種集團有限公司之董事會主席。Lai先生全資擁有的投資公司Brothers Capital Limited是華奧物種集團有限公司之最大股東。Lai先生亦曾於二零零三年五月二十九日至二零零九年五月七日止期間任新加坡證券交易所上市之公司KXD Digital Entertainment Ltd.之獨立非執行董事。Lai先生持有澳洲Monash University之會計學系學士學位，彼為澳洲執業會計師。Lai先生乃賴福麟先生（為本公司之執行董事）之胞兄。

Mr. U Kean Seng, aged 43, was appointed as Non-executive Director of the Company on 23rd February 2009. Mr. U has more than 14 years of experience in legal practice. Mr. U specialises in the area of corporate law and corporate finance. Mr. U was admitted to the Supreme Court of Victoria, Australia in 1991, the Singapore Bar in 1993 and the Roll of Solicitors for England and Wales in 2009. Mr. U holds a bachelor's degree in economics and a bachelor's degree in laws (Honours) from Monash University, Australia. Mr. U currently holds the professional appointment as the Head of Corporate and Legal Affairs of Agria Corporation, a company listed on the New York Stock Exchange. Brothers Capital Limited, an investment vehicle wholly-owned by Mr. Lai Guanglin, is the largest shareholder of Agria Corporation. Mr. U is an independent director of GRP Limited, Miyoshi Precision Limited and Ossia International Limited, all of which are companies listed on the Singapore Stock Exchange. Mr. U served as independent director of CPH Ltd (formerly known as Circuits Plus Holdings Limited), a company listed on the Singapore Stock Exchange, from December 2003 to July 2006, NTI International Limited, a company listed on the Singapore Stock Exchange, from November 2004 to April 2007, New Wave Holdings Ltd (formerly known as New Wave Technologies Ltd), a company listed on the Singapore Stock Exchange, from December 2003 to July 2006, Automated Touchstone Machines Limited, a company formerly listed on the Singapore Stock Exchange, from July 2005 to April 2007 and as non-executive director of Radiance Group Limited (formerly known as Radiance Electronics Limited), a company listed on the Singapore Stock Exchange, from 21st November 2007 to 2nd December 2009.

余建成先生，43歲，於二零零九年二月二十三日獲委任為本公司之非執行董事。余先生擁有逾14年之法律執業經驗。余先生擅於處理公司法及企業融資事務。余先生於一九九一年取得澳洲維多利亞州最高法院認可資格，於一九九三年取得新加坡大律師公會認可資格，並於二零零九年取得英格蘭與威爾斯律師登記冊認可資格。余先生持有澳洲Monash University之經濟學學士學位及法學學士學位(榮譽)。余先生目前擔任之專業職務為紐約證券交易所上市公司華奧物種集團有限公司之企業及法律事務總監。Lai Guanglin先生全資擁有的投資公司Brothers Capital Limited是華奧物種集團有限公司之最大股東。余先生為GRP Limited、Miyoshi Precision Limited(三吉精工有限公司)及Ossia International Limited之獨立董事，該等公司均於新加坡證券交易所上市。余先生曾於二零零三年十二月至二零零六年七月擔任新加坡證券交易所上市公司CPH Ltd(前稱Circuits Plus Holdings Limited)之獨立董事；曾於二零零四年十一月至二零零七年四月擔任新加坡證券交易所上市公司NTI International Limited之獨立董事；曾於二零零三年十二月至二零零六年七月擔任新加坡證券交易所上市公司New Wave Holdings Ltd(前稱New Wave Technologies Ltd)之獨立董事，曾於二零零五年七月至二零零七年四月擔任前新加坡證券交易所上市公司辰通智能設備(深圳)有限公司之獨立董事，以及曾於二零零七年十一月二十一日至二零零九年十二月二日擔任新加坡證券交易所上市公司Radiance Group Limited(建光集團有限公司)(前稱Radiance Electronics Limited(建光電子有限公司))之非執行董事。

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

Mr. Zhao Yue, aged 45, was appointed as Non-executive Director of the Company on 23rd February 2009, he has more than 20 years of management experience. Mr. Zhao has served as the deputy general manager of Agria Brothers Biotech (Shenzhen) Co., Ltd. since August 2008 and as the chief operating officer of Agria Corporation, a company listed on the New York Stock Exchange, since December 2008. Brothers Capital Limited, an investment vehicle wholly-owned by Mr. Lai Guanglin, is the largest shareholder of Agria Corporation. Mr. Zhao was a managing director of Yetop International Investment Co., Ltd. in Hong Kong from July 2007 to August 2008. Prior to that, Mr. Zhao served as the executive director and president of Lianhong Investment Co. Ltd from October 2003 to July 2007; the vice president of Bossen International Ltd from October 2001 to September 2003; the executive vice president of Bocom Group from October 2001 to September 2003; the vice president and chief operating officer of Compass Pacific Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited, from September 2000 to September 2001; and the managing director of Yatton Group, a subsidiary of Esquel Enterprises Ltd. from August 1995 to August 2000. Mr. Zhao holds a bachelor of engineering degree in management information systems and a master of engineering degree in industrial business administration from Tsinghua University as well as a master degree in economics from the State University of New York.

趙越先生，45歲，於二零零九年二月二十三日被委任為本公司之非執行董事。彼擁有20多年管理經驗。趙先生自二零零八年八月起出任Agria Brothers Biotech (Shenzhen) Co., Ltd.之副總經理，以及自二零零八年十二月起出任紐約證券交易所上市公司華奧物種集團有限公司之營運總監。Lai Guanglin先生全資擁有的投資公司Brothers Capital Limited是華奧物種集團有限公司之首席運營官。趙先生於二零零七年七月至二零零八年八月出任香港之Yetop International Investment Co., Ltd.之董事總經理。在此之前，趙先生於二零零三年十月至二零零七年七月出任Lianhong Investment Co. Ltd之執行董事兼總裁；於二零零一年十月至二零零三年九月出任Bossen International Ltd之副總裁；於二零零一年十月至二零零三年九月出任Bocom Group之執行副總裁；於二零零零年九月至二零零一年九月出任香港聯合交易所有限公司上市公司圓通科技控股有限公司之副總裁兼首席運營官；以及於一九九五年八月至二零零零年八月出任溢達企業有限公司之附屬公司Yatton Group之董事總經理。趙先生持有清華大學之管理信息系統工程學士學位及工業業務管理工程碩士學位，以及紐約州立大學之經濟學碩士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yee Shuen, Wilson, aged 43, was appointed as Independent Non-executive Director of the Company on 23rd February 2009, he is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of Australia CPA and Australasian Institute of Banking and Finance. He holds a master of commerce degree, specializing in Banking and Finance from the University of New South Wales. With more than 19 years of experience in PricewaterhouseCoopers and Ernst and Young, Mr. Wong specializes in the area of auditing banks and listed companies. Mr. Wong is an executive director of Advance Step International Limited and an independent director of Contel Corporation Limited, a company listed on the Singapore Stock Exchange. Mr. Wong was also an independent director of Memory Devices Limited, a company listed on the Singapore Stock Exchange from November 2005 to September 2008.

Mr. Lau Kwok Ting, aged 42, was appointed as Independent Non-executive Director of the Company on 23rd February 2009, he has approximately 19 years of experience in investment, corporate finance and business operation in Asia. Mr. Lau is currently a vice president at Ivory Capital Private Limited, an investment banking corporation in Hong Kong. Prior to that, Mr. Lau had worked for different private companies and listed groups including Seven Network Asia Limited, Asia Logistics Technologies Limited, KPMG Corporate Finance Limited, New World CyberBase Limited and Cathay International Limited responsible for investment and corporate finance functions. Mr. Lau started his career in marketing and services at multinational companies in industrial and consumer products. Mr. Lau graduated with a bachelor of science degree in civil and structural engineering and a master degree in business administration from the University of Hong Kong. He holds a bachelor of laws degree from the University of London. Mr. Lau is also a Chartered Financial Analyst® charter holder at CFA Institute in the US.

獨立非執行董事

黃以信先生，43歲，於二零零九年二月二十三日獲委任為本公司之獨立非執行董事。彼為香港會計師公會資深成員，以及澳洲會計師公會及澳洲銀行及金融學會成員。彼持有新南威爾士大學之商學碩士學位，專業為銀行及金融學。彼曾於羅兵咸永道會計師事務所及安永會計師事務所任職逾19年，擅於處理銀行及上市公司審核事務。黃先生為Advance Step International Limited之執行董事及新加坡證券交易所上市公司Contel Corporation Limited (康特爾集團有限公司)之獨立董事。黃先生亦曾於二零零五年十一月至二零零八年九月出任新加坡證券交易所上市公司Memory Devices Limited (儲科電子有限公司)之獨立董事。

劉國定先生，42歲，於二零零九年二月二十三日獲委任為本公司之獨立非執行董事。彼擁有約19年之亞洲區投資、企業融資以及業務營運經驗。劉先生目前為Ivory Capital Private Limited (一間香港投資銀行公司)之副總裁。在此之前，劉先生曾任職不同的私人公司及上市集團，包括七網絡亞洲有限公司、亞洲物流科技有限公司、畢馬威企業財務有限公司、新世界數碼基地有限公司以及Cathay International Limited (國泰國際集團)，負責投資及企業融資事務。劉先生在工業及消費產品跨國公司之市場推廣及服務範疇開展其事業。劉先生取得香港大學之土木工程理學士學位及工商管理碩士學位，以及倫敦大學之法學學士學位。劉先生亦擁有美國特許金融分析師學會頒發之特許金融分析師® (CFA) 資格。

Ms. Wu Xiuru, aged 56, was appointed as Independent Non-executive Director of the Company on 19th August 2009, she has extensive experience in corporate planning and managements, accounting, finance, auditing and project management. Ms. Wu worked in various corporations and organisations in China including Civil Aviation General Airline Company (民航通用航空公司), Administration of Civil Aviation (Guangzhou) (民航廣州管理局) and Guangzhou Baiyun International Airport (廣州白雲國際機場), etc. Ms. Wu has been working as the chief accountant of Guangdong Airport Management Corp. Ltd. (廣東省機場管理集團公司) since May 2006.

Ms. Wu holds a certificate of completion of post-graduation study in management studies from the South China University of Technology and a master of business administration degree from Macau University of Science and Technology.

SENIOR MANAGEMENT

Mr. TSANG Wai Yip, Patrick, aged 41, was appointed as the Chief Financial Officer and Company Secretary of the Company on 6th November 2009, he is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants in England and Wales. Prior to joining the Company, Mr. Tsang had held various finance positions in a number of listed companies and has over 19 years of experience in auditing, accounting and corporate finance.

吳秀茹女士，56歲，於二零零九年八月十九日獲委任為本公司之獨立非執行董事。彼於企業規劃及管理、會計、融資、審計及項目管理方面積逾豐富經驗。吳女士曾於中國多間公司及組織工作，包括民航通用航空公司、民航廣州管理局及廣州白雲國際機場等。自二零零六年五月起，吳女士一直為廣東省機場管理集團公司之總會計師。

吳女士持有華南理工大學之管理工程研究生課程進修班結業證書及澳門科技大學之工商管理碩士學位。

高級管理人員

曾偉業先生，41歲，於二零零九年十一月六日獲委任為本公司首席財務官兼公司秘書，彼為香港會計師公會及英國特許公認會計師公會之資深會員，亦為英格蘭及威爾士特許會計師協會會員。加入本公司前，曾先生曾於多間上市公司出任不同的財務職務，在審計、會計及企業融資方面擁有逾十九年的經驗。

Mr. CHAN Churk Kai, aged 56, joined the Group in 1978 and is the managing director of the pipe trading subsidiary, Bun Kee (International) Limited. With over 32 years of experience in the trading of pipes, fittings and other related accessories, he is responsible for the development and supervision of the sales department. Mr. Chan is an associate member of the Institute of Plumbing and Heating Engineering (U.K.), Asian Institute of Intelligent Buildings and the Hong Kong Association of Energy Engineers. He is also a member of Lions Club.

Ms. CHAN Yuk Fan, aged 46, joined the Group in 1982 and is the sales director of the pipe trading subsidiary, Bun Kee (International) Limited. Ms. Chan is responsible for the Group's sales operations including wholesale division, Hong Kong and Macau retail shops and new product development. She is also responsible for training new staff members of the sales and marketing team of the Group. Ms. Chan has over 26 years of experience in the selling of pipes, fittings and other related accessories.

Mr. LAI Kui Chung, aged 52, joined the Group in 1979 and is the warehouse director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Lai is responsible for the warehouse and transportation activities of the Group. He has over 30 years of experience in supervising warehouse and transportation operations. Mr. Lai holds a Certificate in Store Supervision from a technical institute.

Mr. KU Chun Ming, aged 44, joined the Group in 1993 and is the associate sales director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Ku has over 21 years of experience in sales and marketing activities. He is responsible for the sales and promotion activities including the exhibitions and seminars.

陳焯佳先生，56歲，於一九七八年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之董事總經理，在喉管、管件及其他相關配件之貿易方面積逾32年經驗，負責發展及監督銷售部門。陳先生為英國水喉工程學會、亞洲智能建築學會及香港能源工程師學會會員。彼亦為獅子會會員。

陳玉芬女士，46歲，於一九八二年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之銷售董事。陳女士負責本集團之銷售業務，包括批發部門、香港及澳門零售店及新產品業務發展。彼亦負責培訓本集團銷售及市場推廣隊伍之新員工。陳女士在銷售喉管、管件及其他相關配件方面積逾26年經驗。

黎居忠先生，52歲，於一九七九年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之倉務董事，負責本集團之倉儲及運輸業務。彼在管理倉庫及運輸營運方面積逾30年經驗，持有工業學院之倉庫管理證書。

古俊明先生，44歲，於一九九三年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之副銷售董事。古先生在銷售及市場推廣業務積逾21年經驗。彼負責銷售及市場推廣活動，包括展覽及研討會。

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

Ms. LO Wai Yin, Susan, aged 51, joined the Group in 1986 and is a shop general manager of the pipe trading subsidiary, Bun Kee (International) Limited. Ms. Lo is responsible for the daily operations of the Group's retail shops. She is also responsible for training new staff members or salesmen of the Group. Ms. Lo has approximately 23 years of experience in the selling of pipes, fittings and other related accessories.

Mr. CHAN Long Ping, Ryan, aged 48, joined the Group in 1997 and is the senior sales manager of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Chan holds a Bachelor's Degree in International Relationship from Hong Kong International Affair College in 2008 and has over 11 years of experience in sales and planning. He is responsible for the sales and marketing development.

Mr. CHAN Chi Man, Mann, aged 40, joined the Group in 2009 and is currently the senior product manager of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Chan has over 8 years of experience in piping industry and is now responsible for the sales and marketing development of the civil engineering division of Bun Kee (International) Limited.

盧惠然女士，51歲，於一九八六年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之店鋪總經理。盧女士負責本集團零售店鋪之日常運作。彼亦負責培訓本集團之新入職員工或售貨員。盧女士於銷售喉管、管件及其他相關配件方面積逾23年經驗。

陳浪平先生，48歲，於一九九七年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之資深銷售經理。陳先生於二零零八年獲Hongkong International Affair College頒發國際關係學士學位，在銷售及策劃方面積逾11年經驗，負責銷售及市場發展工作。

陳志文先生，40歲，於二零零九年加入本集團，現為喉管貿易附屬公司彬記(國際)有限公司之資深生產經理。陳先生在喉管工業逾8年經驗及現負責彬記(國際)有限公司的土木工程部的銷售及市場發展工作。

China Pipe Group Limited (the “Company”) is committed to maintain a high standard of corporate governance. The board of director of the Company (the “Board”) and management maintain and enhance the policies and practices of the Company on a timely, transparency, effective and reasonable manner, so as to maintain good, solid and reasonable corporate governance. The Company believes that good corporate governance is not only in the interest of shareholders and investors but also in the interest of the Company. The Company will continue to raise the standard to formalize the best practice of corporate governance as far as we could.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31st December 2009, except for the following deviations:

Code Provision A.2.1

During the year, the roles of the Chairman and Chief Executive Officer of the Company were performed by the same individual, Ms. Wing Man Yi, until her resignation on 23rd February 2009. The Board met regularly to consider major matters affecting the operations of the Company.

The Company has taken step to comply with the code provision A.2.1 of the Code. On 23rd February 2009, Mr. Lai Guanglin was appointed as the Chairman and Non-executive Director of the Company. On 13th May 2009, Mr. Yu Ben Ansheng was appointed as Executive Director and Chief Executive Officer of the Company.

中國管業集團有限公司(「本公司」)致力達致高水平之企業管治。本公司董事會(「董事會」)及管理層並確保及提升本公司適時、透明度、有效及合理的政策及實務，並確保良好、穩固及合理的企業管治。本公司相信良好的企業管治不單為股東及投資者的利益設想，亦符合本公司的利益。本公司將繼續提高標準，務求制定最佳之正規企業管治常規。

企業管治常規守則

截至二零零九年十二月三十一日止年度，本公司已全年遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四內所載之企業管治常規守則(「守則」)的守則條文，惟以下偏離除外：

守則條文第A.2.1條

年內，本公司之主席及首席執行官兩者的職務由同一人榮文怡女士擔任，直至彼於二零零九年二月二十三日辭任。本公司董事會定期會面，以考慮影響本公司運作的重要事項。

本公司已採取措施以符合守則之守則條文第A.2.1條，於二零零九年二月二十三日，Lai Guanglin先生獲委任為本公司主席兼非執行董事。於二零零九年五月十三日，俞安生先生獲委任為本公司執行董事兼首席執行官。

Code Provision A.4.1

During the year, none of the existing Non-executive Directors of the Company (excluding the independent non-executive directors of the Company) is appointed for a specific term, which constitutes a deviation from code provision A.4.1. However, all directors of the Company are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to Company's bye-law 99 which was amended on 15th June 2006. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the provisions of the Code. Nevertheless, in view of good corporate governance practices, the non-executive directors of the Company have, after year end, entered into a letter of appointment with the Company for a term from 20th April 2010 to 31st December 2011 and that their term of appointment will be limited accordingly. As such, the Company has taken step to comply with the code provision A.4.1 of the Code.

守則條文第A.4.1條

年內，本公司現任非執行董事（不包括獨立非執行董事）並無指定任期，此舉構成偏離守則條文第A.4.1條。然而，根據於二零零六年六月十五日修訂之本公司細則第99條，本公司之所有董事須至少每三年輪值退任一次，並於本公司之股東週年大會上膺選連任。因此，董事會認為已採取足夠措施確保本公司之企業管治常規不遜於守則條文。然而，基於良好企業管治常規之考慮，於年結後，本公司之非執行董事與本公司已簽訂一份委任書，由二零一零年四月二十日起至二零一一年十二月三十一日止，故彼等之任期受該等規則所限。因此，本公司已採取措施遵守守則內之守則條文第A.4.1條。

BOARD OF DIRECTORS

Composition

As at 31st December 2009, the Board had ten members, comprising four executive Directors, Mr. Yu Ben Ansheng acting as Chief Executive Officer of the Company, Mr. Sam Ming Choy acting as Chief Operating Officer of the Company, Mr. Lai Fulin and Mr. Cai Shangwu, three non-executive Directors, Mr. Lai Guanglin acting as the Chairman of the Company, Mr. U Kean Seng and Mr. Zhao Yue and three independent non-executive Directors, Mr. Wong Yee Shuen, Wilson, Mr. Lau Kwok Ting and Ms. Wu Xiuru, one of whom namely, Mr. Wong Yee Shuen, Wilson has appropriate professional accounting experience and expertise. Biographical details of the Directors are set out on pages 12 to 20 of this annual report.

The Board has balance of skills and experience appropriate for the requirements of the business. The Board membership is covered by professionally qualified and widely experienced personnel to bring in valuable contributions and different professional advices and consultancy for development of the Company. All Directors have separate and independent access to the advice and services of the senior management and the company secretary with a view to ensuring the board procedures, and all applicable rules and regulations are followed. The principal functions of the Board are to supervise the management of the business and affairs; to approve the strategic plans, investment and funding decision; to review the Group's financial performance and operative initiatives.

董事會

組成人員

於二零零九年十二月三十一日，董事會有十名成員，包括四名執行董事為俞安生先生（為本公司首席執行官）、Sam Ming Choy先生（為本公司首席營運官）、賴福麟先生及蔡尚武先生，三名非執行董事，Lai Guanglin先生（為本公司主席）、余建成先生及趙越先生，以及三位獨立非執行董事，黃以信先生、劉國定先生及吳秀茹女士，其中黃以信先生擁有適當的專業會計經驗及專門知識。董事之履歷載於本年報第12至20頁。

董事會具備適用於管理集團業務之技能及經驗。董事會成員涵蓋具備專業資格及廣泛經驗之人士，為本公司之發展提供不同專業意見及諮詢，並作出寶貴貢獻。所有董事均可自行透過獨立途徑接觸高級管理層及公司秘書以取得建議及服務，藉以確保遵守董事會程序，以及所有適用規則及規例。董事會之主要功能為監督業務及事務管理；批核策略性計劃、投資及撥付資金決定；以及檢討集團財務表現及經營活動。

The Board, led by the Chairman, is responsible for the formulation of Group wide strategies and policies, including an oversight of the management. Management is responsible for the day-to-day operations of the Group under the leadership of the executive Directors.

Mr. Lai Guanglin, the Non-executive Director and Chairman of the Company, is the brother of Mr. Lai Fulin, an Executive Director of the Company.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that they are independent.

As at the date of this report, each of the Non-executive Directors (including the Independent Non-executive Directors) has entered into a letter of appointment with the Company. All the Non-executive Directors were appointed for a specific term and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

Chairman and Chief Executive Officer

The position of the Chairman and the Chief Executive Officer of the Company are held by separate individuals since 13th May 2009. The roles of the Chairman are separated from that of the Chief Executive Officer. Such division of responsibilities helps to reinforce their independence and accountability.

董事會在主席領導下，負責制訂集團的整體策略及政策，包括監督管理層的工作。在執行董事的帶領下，管理層負責集團的日常營運。

Lai Guanglin 先生(本公司之非執行董事兼主席)乃賴福麟先生(本公司之執行董事)之胞兄。

每名獨立非執行董事已根據上市規則第3.13條的規定，作出有關其獨立性的年度獨立確認，本公司認為所有獨立非執行董事均遵守上市規則第3.13條所列的獨立指引，因此認為其均為獨立。

於本報告日期，每名非執行董事(包括獨立非執行董事)均與本公司簽訂委任書。所有非執行董事之委任均有指定任期及須根據本公司之公司細則規定於本公司股東週年大會上輪值退任及重選連任。

主席和首席執行官

自二零零九年五月十三日起，本公司主席及首席執行官的職位由不同人士出任。主席的職責有別於首席執行官。有關分工有助加強他們的獨立和問責性。

On 23rd February 2009, Mr. Lai Guanglin was appointed as the Chairman and Non-executive Director of the Company. Mr. Lai Guanglin has taken up the role of providing leadership for the Board and ensures that the Board works effectively and discharge its responsibility properly. With the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. Mr. Lai also ensures that good corporate governance practice is in force from time to time, and all key issues are discussed by the Board in a timely manner. On 13th May 2009, Mr. Yu Ben Ansheng was appointed as an Executive Director and Chief Executive Officer of the Company. He is responsible for managing the day-to-day business of the Company.

Board Committees

A number of Board committees, including audit committee, remuneration committee and nomination committee, have been established by the Board to strengthen its functions and to enhance its expertise. Audit committee and remuneration committee have been formed with specific written terms of reference which deals clearly with the committees' authority and duties.

Board Meetings

The Board meets regularly, and at least four times a year, additional meetings are convened when deemed necessary by the Board. Board members are provided with complete, adequate and timely information to allow the Directors to fulfill their duties properly. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

於二零零九年二月二十三日，Lai Guanglin 先生獲委任為本公司非執行董事兼主席。Lai Guanglin 先生擔任董事會之領導角色，確保董事會有效運作及適當履行其職責。在執行董事及公司秘書協助下，主席將確保所有董事獲簡報在董事會會議上提出的問題，並適時獲得充足可靠的資訊。Lai 先生亦確保不時切實執行優良之企業管治常規，以及董事會及時商討所有重大事宜。於二零零九年五月十三日，俞安生先生獲委任為本公司執行董事及首席執行官，彼負責管理本公司日常事務。

董事會轄下的委員會

董事會已成立多個董事會轄下的委員會，包括審核委員會、薪酬委員會及提名委員會，以加強其職能及提高其專門技能。審核委員會及薪酬委員會之組成訂有具體之書面職權範圍，清楚說明委員會的授權及職責。

董事局會議

董事會定期舉行會議，並每年最少舉行四次會議，於其認為有需要時召開特別會議。董事會成員獲提供完整、充份及適時資料，以便董事可妥善履行彼等之職責。此外，董事可於其認為需要時取得集團資料及獨立的專業意見。

The Board held eight meetings during the year ended 31st December 2009. Due notice and board papers were given to all Directors prior to the Board meetings in accordance to the Code. The attendance records of the Board meetings held in 2009 are set out below:

截至二零零九年十二月三十一日止年內，董事會舉行了八次會議。本公司於舉行董事會會議前，已根據守則之規定向所有董事寄發正式通知及董事會文件。於二零零九年舉行的董事會會議出席記錄列載如下：

	Attend/Eligible to attend
	出席次數／合格出席次數
Executive Directors	
Ms. Wing Man Yi (Note 1)	1/1
Mr. Chan Wing Yuen, Hubert (Note 1)	1/1
Mr. Lam Cheung Shing, Richard (Note 1)	1/1
Mr. Zhu Yongjun (Note 1)	1/1
Mr. Yu Ben Ansheng (Chief Executive Officer) (Note 3)	6/6
Mr. Lai Fulin (Note 6)	3/3
Mr. Sam Ming Choy (Chief Operating Officer) (Note 5)	7/7
Mr. Cai Shangwu (Note 2)	3/7
Non-executive Directors	
Mr. Lai Guanglin (Chairman) (Note 2)	7/7
Mr. U Kean Seng (Note 2)	6/7
Mr. Zhao Yue (Note 2)	5/7
Independent Non-executive Directors	
Mr. Lui Tin Nang (Note 1)	1/1
Mr. Ko Ming Tung, Edward (Note 1)	1/1
Mr. Ho Yiu Yue Louis (Note 1)	1/1
Mr. Wong Yee Shuen, Wilson (Note 2)	6/7
Mr. Lau Kwok Ting (Note 2)	5/7
Ms. Wu Xiuru (Note 4)	2/5
執行董事	
榮文怡女士 (附註1)	1/1
陳永源先生 (附註1)	1/1
林長盛先生 (附註1)	1/1
朱勇軍先生 (附註1)	1/1
俞安生先生 (首席執行官) (附註3)	6/6
賴福麟先生 (附註6)	3/3
Sam Ming Choy 先生 (首席營運官) (附註5)	7/7
蔡尚武先生 (附註2)	3/7
非執行董事	
Lai Guanglin 先生 (主席) (附註2)	7/7
余建成先生 (附註2)	6/7
趙越先生 (附註2)	5/7
獨立非執行董事	
呂天能先生 (附註1)	1/1
高明東先生 (附註1)	1/1
何耀瑜先生 (附註1)	1/1
黃以信先生 (附註2)	6/7
劉國定先生 (附註2)	5/7
吳秀茹女士 (附註4)	2/5

Notes:

1. Resigned on 23rd February 2009.
2. Appointed on 23rd February 2009.
3. Appointed on 13th May 2009.
4. Appointed on 19th August 2009.
5. Appointed on 23rd February 2009 and re-designated from independent non-executive Director to executive Director on 15th September 2009.
6. Appointed on 1st October 2009.

附註:

1. 於二零零九年二月二十三日辭任。
2. 於二零零九年二月二十三日委任。
3. 於二零零九年五月十三日委任。
4. 於二零零九年八月十九日委任。
5. 於二零零九年二月二十三日委任，並於二零零九年九月十五日由獨立非執行董事調任為執行董事。
6. 於二零零九年十月一日委任。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rule (the "Model Code"). Having made specific enquiry with the Directors, all Directors confirmed that they have fully complied with the required standard as set out in the Model Code during the year ended 31st December 2009.

AUDIT COMMITTEE

The Company has established an Audit Committee which, as at the date of this report, consists of three Independent Non-executive Directors, namely Mr. Wong Yee Shuen, Wilson, Mr. Lau Kwok Ting and Ms. Wu Xiuru. The Audit Committee is chaired by Mr. Wong Yee Shuen, Wilson who has the appropriate professional qualifications, accounting and financial management expertise.

The principal duties of the Audit Committee are to assist the Board in fulfilling its oversight responsibilities as to the Company's financial statements, reporting, internal control, and audit findings. The Audit Committee has met with the Company's external auditor to discuss the audit process and internal control issues raised. A written terms of reference, which describes the authority and duties of the Audit Committee, are reviewed and updated by the Board from time to time to comply with the code provision of the Code.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載有關上市發行人董事進行證券交易的標準守則(「標準守則」)。經本公司作出特別查詢後，所有董事已確認，彼等截至二零零九年十二月三十一日止年內均全面遵守標準守則所載列之所規定的標準。

審核委員會

本公司已成立審核委員會及於本報告日期，由三位獨立非執行董事組成，即黃以信先生、劉國定先生及吳秀茹女士。黃以信先生擔任主席，彼具備合適的專業資格、會計或財務管理相關的專業知識。

審核委員會之主要職責為協助董事會履行監察本公司財務報表、申報、內部控制及核數結果之責任。審核委員會與本公司外部核數師會晤，以討論核數程序、會計問題及檢討內部監控問題。董事會不時檢討及更新審核委員會授權及職責之書職權範圍，以符合守則之守則條文規定。

For 2009, the Audit Committee reviewed with the management and the Company's internal and/or external auditor, where applicable, their respective audit findings, the accounting principles and practices adopted by the Group, legal and regulatory compliance, internal control and financial reporting matters (including the annual financial statements for the year ended 31st December 2008 and interim financial statements for the period ended 30th June 2009 before recommending them to the Board for approval). In particular, the Audit Committee monitored the integrity of financial statements of the Company and the annual report and accounts and interim report and accounts of the Company, discussed such annual report and audited accounts and interim report and accounts with management and the Company's auditors, and reviewed significant financial reporting judgments contained therein.

The Audit Committee also reviewed and recommended to the Board for approval of the 2009 audit fees and re-appointment of the auditor of the Company.

於二零零九年，審核委員會與高級管理層、本公司內部及／外部聘核數師(如適用)檢討各自的審核發現、本集團採納的會計原則及實務、法例及規管的遵守、內部監控、風險管理及財務報告事項(包括提呈予董事會批核前截至二零零八年十二月三十一日止年度的全年財務報表及二零零九年六月三十日止期間的中期財務報表)。審核委員會尤其監察本公司的財務報表、年報及賬目，以及中期報告及賬目的完整性，與管理層及本公司核數師討論該等年報及經審核賬目，以及中期報告及賬目，並審閱當中就財務報告所作的重大判斷。

審核委員會並審閱及建議董事會通過二零零九年核數費及重聘本公司核數師。

The Audit Committee held two meetings during the year ended 31st December 2009. The attendance records of the Audit Committee meetings held in 2009 are set out below:

截至二零零九年十二月三十一日止年內，審核委員會舉行了二次會議。於二零零九年舉行的審核委員會會議出席記錄列載如下：

Name of members	成員姓名	Attend/Eligible to attend 出席次數/合格出席次數
Mr. Wong Yee Shuen, Wilson (Chairman) (appointed on 23rd February 2009)	黃以信先生(主席) (於二零零九年二月二十三日委任)	2/2
Mr. Lau Kwok Ting (appointed on 23rd February 2009)	劉國定先生(於二零零九年二月二十三日委任)	2/2
Ms. Wu Xiuru (appointed on 19th August 2009)	吳秀茹女士(於二零零九年八月十九日委任)	0/1
Mr. Sam Ming Choy (resigned on 15th September 2009)	Sam Ming Choy先生(於二零零九年九月十五日辭任)	1/1

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee. As at the date of this report, the Remuneration Committee comprises four members including the three Independent Non-executive Directors, Mr. Wong Yee Shuen, Wilson, Mr. Lau Kwok Ting and Ms. Wu Xiuru and one Non-executive Director, Mr. U Kean Seng. It is chaired by Mr. U Kean Seng. A written terms of reference of the Remuneration Committee has been adopted with the reference to the Code.

The Remuneration Committee is responsible for reviewing and recommending remuneration packages of the Executive Directors and senior management of the Company to the Board. The remuneration packages of the Non-executive Directors of the Company are determined by the Board.

薪酬委員會

本公司已成立薪酬委員會。於本報告日期，薪酬委員會由四位成員組成，包括三位獨立非執行董事黃以信先生、劉國定先生及吳秀茹女士及一位非執行董事余建成先生。主席由余建成先生擔任。薪酬委員會已參考守則採納書面職權範圍。

薪酬委員會負責審閱本公司執行董事及高級管理層之薪酬並提供意見給予董事會。本公司之非執行董事之薪酬乃由董事會釐定。

The Remuneration Committee held four meetings during the year ended 31st December 2009. At the meetings held in April 2009, September 2009 and November 2009, the remuneration policy, remuneration packages and bonus arrangements of the Directors and senior management have been discussed and approved. At the meeting held on 25th November 2009, the proposal for grants of share options to Directors, senior management and employees were considered and approved.

The attendance records of the Remuneration Committee meetings held in 2009 are set out below:

截至二零零九年十二月三十一日年內，薪酬委員會舉行了四次會議。於二零零九年四月、二零零九年九月及二零零九年十一月舉行之會議上，薪酬委員會就薪酬政策、董事及高級管理人員之薪酬及花紅作出討論及批准。於二零零九年十一月二十五日舉行之會議上，就向董事、高級管理人員及僱員建議授出購股權作出考慮及批准。

於二零零九年舉行的薪酬委員會會議出席記錄列載如下：

Name of members	成員姓名	Attend/Eligible to attend 出席次數／合格出席次數
Mr. U Kean Seng (<i>Chairman</i>) (<i>appointed on 23rd February 2009</i>)	余建成先生 (<i>主席</i>) (<i>於二零零九年二月二十三日委任</i>)	4/4
Mr. Wong Yee Shuen, Wilson (<i>appointed on 23rd February 2009</i>)	黃以信先生 (<i>於二零零九年二月二十三日委任</i>)	4/4
Mr. Lau Kwok Ting (<i>appointed on 23rd February 2009</i>)	劉國定先生 (<i>於二零零九年二月二十三日委任</i>)	4/4
Ms. Wu Xiuru (<i>appointed on 19th August 2009</i>)	吳秀茹女士 (<i>於二零零九年八月十九日委任</i>)	2/3
Mr. Sam Ming Choy (<i>resigned on 15th September 2009</i>)	Sam Ming Choy 先生 (<i>於二零零九年九月十五日辭任</i>)	1/1

NOMINATION COMMITTEE

A Nomination Committee has been established by the Company. As at the date of this report, the Nomination Committee comprises four members including the three Independent Non-executive Directors, Mr. Wong Yee Shuen, Wilson, Mr. Lau Kwok Ting and Ms. Wu Xiuru and the Chairman of the Company, Mr. Lai Guanglin. It is chaired by Mr. Lai Guanglin.

The primary duty of the Nomination Committee is making recommendations to the Board on appointment and removal of directors and management of Board succession.

In assessing nomination of new Directors, the Nomination Committee has taken into consideration of the candidate's qualification, ability and potential contribution to the Group. The Nomination Committee has considered the past performance, experience and qualification of directors, general market conditions and practices and the Company's bye-laws in selecting and recommending directors for retirement by rotation.

提名委員會

本公司已成立提名委員會。於本報告日期，提名委員會由四位成員組成，包括三位獨立非執行董事黃以信先生、劉國定先生及吳秀茹女士及本公司主席Lai Guanglin先生，主席由Lai Guanglin先生擔任。

提名委員會之主要職務為就委任及罷免董事以及管理董事會繼承事宜向董事會提出建議。

於評核提名之新董事，提名委員會已考慮其應徵者之資歷、能力及可能對本集團的貢獻。提名委員會已考慮董事往績表現、經驗、資歷、整體市場環境及慣例及本公司之公司細則以甄選及推薦董事輪值告退。

The Nomination Committee held two meetings during the year ended 31st December 2009. The attendance records of the Nomination Committee meetings held in 2009 are set out below:

截至二零零九年十二月三十一日止年內，提名委員會舉行了二次會議。於二零零九年舉行的提名委員會會議出席記錄列載如下：

Name of members	成員姓名	Attend/Eligible to attend 出席次數／合格出席次數
Mr. Lai Guanglin (<i>Chairman</i>) (<i>appointed on 23rd February 2009</i>)	Lai Guanglin 先生 (主席) (於二零零九年二月二十三日委任)	2/2
Mr. Wong Yee Shuen, Wilson (<i>appointed on 23rd February 2009</i>)	黃以信先生 (於二零零九年二月二十三日委任)	2/2
Mr. Lau Kwok Ting (<i>appointed on 23rd February 2009</i>)	劉國定先生 (於二零零九年二月二十三日委任)	2/2
Ms. Wu Xiuru (<i>appointed on 19th August 2009</i>)	吳秀茹女士 (於二零零九年八月十九日委任)	0/1
Mr. Sam Ming Choy (<i>resigned on 15th September 2009</i>)	Sam Ming Choy 先生 (於二零零九年九月十五日辭任)	1/1

The Nomination Committee discussed and reviewed the Board composition of the Company as well as other related matters. In addition, the Nomination Committee recommended the re-designation of Mr. Sam Ming Choy and the appointment of other directors to the Board for approval during the year under review. The Nomination Committee also conducted an annual review of the independence of the independent non-executive Directors.

提名委員會對本公司董事局之組成及其他相關事宜作出了討論及檢討。此外，提名委員會於回顧年內向董事局建議批准調任 Sam Ming Choy 先生及委任其他董事。提名委員會並於每年進行檢討獨立非執行董事的獨立性。

INTERNAL CONTROL

The Board is responsible for maintaining an adequate system of internal controls within the Group and for reviewing their effectiveness. The system of internal controls is designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. It is also designed to provide reasonable, but not absolute, assurance that material misstatement or loss can be avoided, and to manage and minimize risks of failure in operation systems.

The Board engaged RSM Nelson Wheeler Consulting Limited (“RSM Nelson Wheeler”) to perform internal audit function to assess the effectiveness of the financial, operational and compliance controls and risk management functions of the Company and the Group’s major subsidiaries on a rotation basis.

At the meeting of the Audit Committee held on 12th April 2010, RSM Nelson Wheeler had reported their review work for the year ended 31st December 2009 performed in accordance with the detailed risk-based audit plan which was approved by the Audit Committee. The Board, through the Audit Committee, has conducted a review on the effectiveness of the Group’s internal control systems for the year ended 31st December 2009. The Audit Committee members, together with the senior management, have also reviewed, considered and discussed all findings relating to the internal control systems and recommendations for improvement.

內部監控

董事會負責為本集團維持一個充份有效之內部控制系統，以及審查其效率。內部控制系統乃為推動營運之效能及效率、保護資產、確保內部及外部報告之質素，以及確保遵守適用之法例及規例而設。內部監控系統旨在合理（而非絕對）保證能夠避免出現嚴重誤報或損失的情況，並管理及減低運作系統上的風險。

董事會已委聘羅申美諮詢顧問有限公司（「羅申美」）輪流對本公司及本集團之主要附屬公司進行內部監控審核，就財務監控、運作監控、合規監控及風險管理功能等方面之效率進行評估。

就審核委員會於二零一零年四月十二日舉行之審核委員會會議，羅申美就根據一份以風險為基礎所編制的詳盡審核計劃（經審核委員會批准）所進行截至二零零九年十二月三十一日止年度的檢閱工作向審核委員會匯報。董事會已透過審核委員會檢討截至二零零九年十二月三十一日止年度的集團內部監控制度成效。審核委員會成員以及高級管理層並已檢閱、考慮及對有關於內部監控系統之調查結果及提供改善之建議作出討論。

AUDITOR'S REMUNERATION

The fees charged by the auditor generally depends on the scope and volume of the auditor's work. For the year ended 31st December 2009, the remunerations to the auditor of the Company were approximately HK\$1,325,000 for audit services and HK\$42,500 for non-audit services comprising tax services.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements. The senior management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial information and position of the Company.

The responsibilities of the auditor of the Company with respect to the financial statements of the Group is set out in the Independent Auditor's Report on pages 50 to 52.

GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

核數師薪酬

核數師收取的費用一般視乎其工作量及範圍而定。截至二零零九年十二月三十一日止，本公司的核數師薪酬包含約1,325,000港元的審核服務費及42,500港元包括稅項服務費用。

董事及核數師之財務申報責任

董事會負責提呈一份平衡、清晰易明之年度報告、中期報告、價格敏感公告以及上市規則及其他監管規定要求之其他披露。高級管理人員負責向董事會提供解釋及資料，讓董事會能夠對本公司之財務資料及狀況進行有根據之評審。

本公司核數師就有關本集團財務報表之責任列載於第50至52頁的獨立核數師報告。

持續經營

董事在作出適當查詢後認為，本公司擁有充分資源以在可預見將來繼續經營，故編制財務報表時採用持續經營之基準為適當。

COMMUNICATIONS WITH SHAREHOLDERS

The Board is obliged to provide regular, effective and fair communication with shareholders of the Company. Information is conveyed to the shareholders of the Company on a timely basis. The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include general meetings, annual/interim reports, various notices, announcements and circulars. Such documents are sent to all shareholders of the Company and/or its nominees and accessible on the Company's website. The detailed procedures for conducting a poll has been explained by the chairman at the commencement of general meetings.

Shareholders' views on matters that affect the Company are welcomed by the Board at shareholders' meetings. Shareholders of the Company are notified of shareholders' meetings through notices and reports or circulars sent to them. Each item of special business in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. A separate resolution is proposed by the chairman of the meetings in respect of each separate issue, including the re-election of Directors. The Chairman of the Audit, Remuneration and Nomination Committees or failing this his duly appointed delegate, are available at the meetings to answer those questions in regard to the work of these committees.

與股東之溝通

董事會有義務經常與本公司股東進行公平而有效之溝通，並及時向本公司股東傳達各種資訊。本公司會使用各種溝通工具，以確保其股東充分瞭解關鍵業務需要。該等工具包括股東大會、年報／中期報告、各種通知、公告及通函。該文件會寄發予本公司的全體股東及／或其委託人，亦可於本公司網站下載。主席亦於股東大會上解釋進行投票表決之詳細程序。

董事會歡迎股東在股東大會上就影響本公司之事項，提出其觀點及意見。本公司股東通過寄發予彼等之通告及報告或通函獲知會召開股東大會之消息。必要時，大會通告中載列之每一項特別事項，均為提呈通過之決議案附有解釋說明。會議主席應就每項獨立的事宜個別提出決議案(包括重選董事)。審核委員會、薪酬委員會及提名委員會之主席或其適當委任的代表出席大會，以便回答股東對委員會工作之提問。

The Directors submit their report together with the audited financial statements for the year ended 31st December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 38 to the financial statements.

An analysis of the Group's performance for the year by operating segments is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2009 are set out in the consolidated income statement on page 53.

The Directors do not recommend the payment of a final dividend.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 168.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in note 26 to the financial statements.

DISTRIBUTABLE RESERVES

At 31st December 2009, reserves of the Company available for distribution, including the contribution surplus, amounted to HK\$34,647,000 (2008: HK\$57,865,000). Details of the distributable reserves of the Company are set out in note 26 to the financial statements.

董事謹此提呈其截至二零零九年十二月三十一日止年度之報告連同經審核財務報表。

主要業務

本公司之主要業務為投資控股，而其附屬公司之主要業務則載於財務報表附註38。

按營運分類之本集團表現之分析載於財務報表附註5。

業績及分派

本集團截止二零零九年十二月三十一日止年度之業績載於第53頁之綜合收益表。

董事不建議派發末期股息。

五年財務概要

本集團過去五個財政年度業績及資產和負債之概要載於第168頁。

儲備

本集團及本公司年內之儲備變動情況詳情載於財務報表附註26。

可供分派儲備

於二零零九年十二月三十一日，本公司可用作分派之儲備（包括繳入盈餘）共計34,647,000港元（二零零八年：57,865,000港元）。本公司之可供分派儲備之詳情載於財務報表附註26。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in properties, plant and equipment of the Group are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 25 to the financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31st December 2009 are set out in note 27 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Other than the issue of 800,000,000 shares by the Company during the year, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 24th June 2004, a share option scheme (the "Scheme") of the Company was approved by shareholders of the Company. Relevant information relating to the Scheme is set out as follows:

(a) Purpose of the Scheme

The purpose of the Scheme is to provide the Company with a flexible means of giving incentive and/or rewarding the participants.

物業、廠房及設備

本集團之物業、廠房及設備之變動詳情載於財務報表附註14。

股本

本公司之股本詳情變動載於財務報表附註25。

借貸

本集團於二零零九年十二月三十一日之借貸詳情載於財務報表附註27。

贖回、出售或贖回股份

本公司於年內概無贖回其任何股份。除本公司於年內發行800,000,000股股份外，本公司及其任何附屬公司於年內概無買賣任何本公司股份。

購股權計劃

本公司於二零零四年六月二十四日舉行之股東週年大會上，本公司股東批准本公司購股權計劃（「計劃」）。有關計劃之相關資料載述如下：

(a) 計劃的目的

計劃旨在為本公司提供一個靈活方法，藉以獎勵及／或回報予參與者。

(b) Participants of the Scheme

The board of Director (the "Board") may offer to grant options to the participants which means (i) any Director (including any executive director, non-executive director or independent non-executive director) of any member of the Group; (ii) any employee (whether full-time or part-time) of any member of the Group; (iii) any consultant, adviser, supplier, customer or sub-contractor of the Group; and (iv) any other person whatsoever from time to time determined by the Board as having contributed to the development, growth or benefit of the Group.

(c) Total number of shares available for issue under the Scheme

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the issued share capital of the Company as at the date of the general meeting of the Company approving the Scheme. The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares of the Company in issue from time to time.

(d) Maximum entitlement of each participant

Total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including exercised or outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue as at the date of grant.

(b) 計劃之參與者

董事會（「董事會」）可向參與者授出購股權。參與者乃指 (i) 本集團各成員公司之任何董事（包括執行董事、非執行董事或獨立非執行董事）；(ii) 本集團各成員公司之任何僱員（不論屬全職或非全職）；(iii) 本集團任何之專業諮詢人、顧問、供應商、客戶或分包商；及 (iv) 董事會不時釐定為對本集團之發展、增長或利益作出貢獻之任何其他人士。

(c) 根據計劃可供發行之股份數目

因行使根據計劃及本公司任何其他購股權計劃將予授出之所有購股權而可發行之股份總數，合共不得超過本公司於股東大會上批准計劃當日已發行股份總數之10%。因行使根據計劃及本公司任何其他購股權計劃已授出而尚未行使之購股權而可發行之股份數目，合共不得超過不時已發行股份總數之30%。

(d) 根據計劃每位參與者之最高股份限額

於任何十二個月期間，因行使授予每位參與者之購股權（包括已行使或尚未行使之購股權）而發行及將發行予每位參與者之股份總數，不得超過授出日期已發行股份總數之1%。

(e) Minimum period for options to be held

No minimum period for which an option must be held before it can be exercised unless otherwise specified in the relevant offer letter.

(f) Period and payment an acceptance of options

Pursuant to the Scheme, HK\$10 is payable by the grantee to the Company on acceptance of the option within 28 days from the date of grant of the option.

(g) Basis determining the subscription price

The subscription price of a share in respect of any particular option granted under the Scheme shall be a price determined by the Board and notified to the participants and shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average of the closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of a share.

(h) Life of the Scheme

Subject to earlier termination by the Company at general meeting or by the Board, the life of the Scheme commenced from 24th June 2004, date of adoption, and will end on 23rd June 2014.

(e) 持有購股權之最短期限

除非任何關要約之條款另有指明外，否則購股權毋須持有最短期限亦可行使。

(f) 接納購股權之期間及付款

根據該等計劃，承授人須在接納購股權後於授出購股權日期起計二十八日內向本公司支付10.00港元。

(g) 釐定認購價之基準

根據計劃授出之任何特定購股權之股份認購價，將由董事會酌情釐定，並知會參與者，而認購價應至少為(a)於授出日期(須為營業日)聯交所每日報價表所列之股份收市價；(b)緊接授出日期前五個營業日聯交所每日報價表所列之股份收市價的平均價格；及(c)一股份之面值，以最高者為準。

(h) 計劃之有效期

除本公司於股東大會上或由董事會提早終止外，計劃之有效期由二零零四年六月二十四日(採納日期)起至二零一四年六月二十三日為止。

Details of options granted, exercised, lapsed or cancelled and outstanding under the Scheme during the year are as follows:

於年度內，根據計劃授出、行使、失效、註銷及尚未行使的購股權之詳情如下：

Name of Directors 董事姓名	Held as at 1st January 2009 於二零零九年 一月一日 持有	Granted and accepted 已授出並接納 (Note 6) (附註6)	Exercised 已行使	Lapsed/ cancelled 已失效/已註銷	Held as at 31st December 2009 於二零零九年 十二月三十一日 持有
Lai Fulin (Note 4) 賴福麟 (附註4)	-	50,000,000	-	-	50,000,000
Sam Ming Choy (Note 3) Sam Ming Choy (附註3)	-	50,000,000	-	-	50,000,000
U Kean Seng (Note 1) 余建成 (附註1)	-	30,000,000	-	-	30,000,000
Zhao Yue (Note 1) 趙越 (附註1)	-	30,000,000	-	-	30,000,000
Wong Yee Shuen, Wilson (Note 1) 黃以信 (附註1)	-	10,000,000	-	-	10,000,000
Lau Kwok Ting (Note 1) 劉國定 (附註1)	-	10,000,000	-	-	10,000,000
Wu Xiuru (Note 2) 吳秀茹 (附註2)	-	10,000,000	-	-	10,000,000
Employees 僱員	-	402,000,000	-	-	402,000,000
	-	592,000,000	-	-	592,000,000

Notes:

- Appointed as executive Directors/ non-executive Director/independent non-executive Directors on 23rd February 2009.
- Appointed as independent non-executive Director on 19th August 2009.
- Appointed as independent non-executive Director on 23rd February 2009 and re-designated to executive Director on 15th September 2009.
- Appointed as executive Director on 1st October 2009.
- Pursuant to the Scheme, a total of 592,000,000 share options were granted on 3rd December 2009 and accepted by the above grantees, with an exercise price of HK\$0.071 and are exercisable from 2nd June 2010 to 2nd December 2019.
- Vesting of options granted to certain employees are subject to achievement of profit target.
- The closing price of the shares immediately before the date on which the share options were granted was HK\$0.0704.

附註：

- 於二零零九年二月二十三日委任為執行董事／非執行董事／獨立非執行董事。
- 於二零零九年八月十九日委任為獨立非執行董事。
- 於二零零九年二月二十三日委任為獨立非執行董事，並於二零零九年九月十五日調任為執行董事。
- 於二零零九年十月一日委任為執行董事。
- 根據計劃，合共592,000,000股購股權已於二零零九年十二月三日授出，並得到上述之承授人接納，行使價為0.071港元，可由二零一零年六月二日至二零一零年十二月二日止期間行使。
- 授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。
- 股份於緊接購股權授出當日前收市價為0.0704港元。

Details of the fair value of options granted under the Scheme during the year ended 31st December 2009 and the accounting policy adopted for the options are set out in note 8 and note 2(r)(iv) to the financial statements respectively.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme of the Company, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS

The Directors of the Company during the year and up to the date of this report are:

EXECUTIVE DIRECTORS

Mr. Cai Shangwu (Note 2)
Ms. Wing Man Yi (Note 1)
Mr. Chan Wing Yuen, Hubert (Note 1)
Mr. Lam Cheung Shing, Richard (Note 1)
Mr. Zhu Yongjun (Note 1)
Mr. Sam Ming Choy (*Chief Operating Officer*) (Note 5)
Mr. Yu Ben Ansheng (*Chief Executive Officer*) (Note 3)
Mr. Lai Fulin (Note 6)

NON-EXECUTIVE DIRECTORS

Mr. Lai Guanglin (*Chairman*) (Note 2)
Mr. U Kean Seng (Note 2)
Mr. Zhao Yue (Note 2)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yee Shuen, Wilson (Note 2)
Mr. Lau Kwok Ting (Note 2)
Mr. Lui Tin Nang (Note 1)
Mr. Ko Ming Tung, Edward (Note 1)
Mr. Ho Yiu Yue Louis (Note 1)
Ms. Wu Xiuru (Note 4)

有關截至二零零九年十二月三十一日止年度根據計劃授出購股權的公允值及有關購股權的會計政策的詳情分別載於財務報表附註8及附註2(r)(iv)。

董事收購股份或債券的權利

除本公司之購股權計劃外，於年度內任何時間，本公司或其任何附屬公司概無參與訂立任何安排，致使本公司董事可藉收購本公司或任何其他法團的股份或債券獲益。

董事

年內及直至本報告刊發日期之本公司董事為：

執行董事

蔡尚武先生 (附註2)
榮文怡女士 (附註1)
陳永源先生 (附註1)
林長盛先生 (附註1)
朱勇軍先生 (附註1)
Sam Ming Choy 先生 (*首席營運官*) (附註5)
俞安生先生 (*首席執行官*) (附註3)
賴福麟先生 (附註6)

非執行董事

Lai Guanglin 先生 (*主席*) (附註2)
余建成先生 (附註2)
趙越先生 (附註2)

獨立非執行董事

黃以信先生 (附註2)
劉國定先生 (附註2)
呂天能先生 (附註1)
高明東先生 (附註1)
何耀瑜先生 (附註1)
吳秀茹女士 (附註4)

Notes:

1. Resigned on 23rd February 2009.
2. Appointed on 23rd February 2009.
3. Appointed on 13th May 2009.
4. Appointed on 19th August 2009.
5. Appointed on 23rd February 2009 and re-designated from independent non-executive Director to executive Director on 15th September 2009.
6. Appointed on 1st October 2009.

In accordance with bye-law 99 of the Bye-laws of the Company, Mr. Cai Shangwu, Mr. Zhao Yue and Mr. Lau Kwok Ting will retire from office by rotation. Mr. Lau Kwok Ting has notified the Company that he will not offer himself for re-election at the forthcoming annual general meeting due to his other personal commitments, Mr. Cai Shangwu and Mr. Zhao Yue, being eligible will offer themselves for re-election at the forthcoming annual general meeting.

In accordance with bye-law 102(B) of the Bye-laws of the Company, Mr. Lai Fulin and Ms. Wu Xiuru will hold office until the next following annual general meeting and, being eligible, will offer themselves for re-election.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers that all of them are independent.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out in the Biographical Details of Directors and Senior Management section of this annual report.

附註:

1. 於二零零九年二月二十三日辭任。
2. 於二零零九年二月二十三日委任。
3. 於二零零九年五月十三日委任。
4. 於二零零九年八月十九日委任。
5. 於二零零九年二月二十三日委任，並於二零零九年九月十五日由獨立非執行董事調任為執行董事。
6. 於二零零九年十月一日委任。

根據公司細則第99條，蔡尚武先生、趙越先生及劉國定先生將輪值退任。除劉國定先生已通知本公司，彼因其他私人事務將不會於應屆股東週年大會上膺選連任，蔡尚武先生及趙越先生，惟有資格並將會於應屆股東週年大會上願意膺選連任。

根據公司細則第102(B)條，賴福麟先生及吳秀茹女士之任期至下一次股東週年大會止，惟有資格並將願意膺選連任。

獨立非執行董事之獨立確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條規定作出獨立性之年度確認，而本公司亦認為彼等為獨立。

董事及高級管理人員履歷

董事及高級管理人員之履歷載於本年報的董事及高級管理人員履歷內。

DIRECTORS' SERVICE CONTRACT

None of the Directors offering themselves for re-election at the forthcoming annual general meeting of the Company has entered into any service contract with the Company or any of its subsidiaries, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 33 to financial statements, no contracts of significance in relation to the Company's business to which the Company, its subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Significant related party transactions entered by the Group during the year ended 31st December 2009 are disclosed in note 33 to the financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors and their respective associates has an interest in any business which competes or may complete with the business in which the Group engaged.

董事服務合約

於即將舉行之股東週年大會上願意膺選連任之董事概無與本公司或其任何附屬公司簽訂不可於一年內毋須繳付賠償(法定賠償除外)而終止之任何服務合約。

董事於重大合約中之權益

除財務報表附註33所披露外，本公司、其附屬公司或其控股公司概無訂立任何與本公司業務有關而本公司董事於其中直接或間接擁有重大權益，且於年結時或年內任何時間仍然有效之重大合約。

本集團於截至二零零九年十二月三十一日止年內訂立之重大有關連人士之交易於財務報表附註33披露。

董事於競爭性業務之權益

董事及彼等各自之聯繫人概無擁有與本集團構成或可能構成競爭之任何業務權益。

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

As at 31st December 2009, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were set out as below:

(i) Interest in the Company

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

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

The interests of the Directors in the share options of the Company as beneficial owner are also set out in the section headed "Share Options Scheme" above.

董事於股份、相關股份或債券之權益及淡倉

於二零零九年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或須根據上市發行人董事進行證券交易的標準守則(「標準守則」)知會本公司及聯交所之權益或淡倉如下：

(i) 於本公司之權益

附註：此等權益以實益擁有人身份持有。

於上文「購股權計劃」一節中亦載有董事作為實益擁有人而於本公司購股權中擁有之權益。

(ii) Long position in shares of the Company

(ii) 於本公司之股份擁有之好倉

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

Notes:

附註:

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

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

SUBSTANTIAL SHAREHOLDERS

As at 31st December 2009, the interests or short positions of the following persons or corporations, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in share and underlying share of the Company

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

Notes:

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

主要股東

於二零零九年十二月三十一日，以下人士或法團（上文所披露之本公司董事或最高行政人員除外）於本公司股份及相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉如下：

於本公司股份及相關股份之好倉

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

附註：

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

Save as disclosed above, as at 31st December 2009, the Company had not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases

– the largest supplier	15.53%
– five largest suppliers combined	41.46%

Sales

– the largest customer	5.03%
– five largest customers combined	18.04%

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

除上文披露者外，於二零零九年十二月三十一日，本公司並無獲通知有任何其他人士或法團（本公司董事或最高行政人員除外）於本公司股份或相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

管理合約

年內並無訂立或存在涉及本集團全部或任何重大部分業務之任何管理及行政合約。

主要客戶及供應商

本集團主要供應商及客戶年內分別所佔之採購及銷售百分比如下：

採購

– 最大供應商	15.53%
– 五大供應商合計	41.46%

銷售

– 最大客戶	5.03%
– 五大客戶合計	18.04%

各董事、其聯繫人士或任何股東（就董事所知擁有本公司股本5%以上者）概無上述主要供應商或客戶擁有之任何權益。

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code of Corporate Governance Practices contained in Appendix 14 to the Listing Rules. Please refer to the Corporate Governance Report on pages 21 to 35 for details.

Details of the audit committee and remuneration committee are set out in the Corporate Governance Report.

AUDIT COMMITTEE

An audit committee currently consists of three independent Non-executive Directors, namely Mr. Wong Yee Shuen, Wilson, Mr. Lau Kwok Ting and Ms. Wu Xiuru.

By reference to “A Guide for The Formation of An Audit Committee” published by the HKICPA, written terms of reference which describe the authority and duties of the audit committee were prepared and adopted by the Board of the Company.

The annual results have been reviewed by the audit committee of the Company.

SUBSEQUENT EVENT

Details of significant events which have been taken place subsequent to the balance sheet date are set out in note 35 to the financial statements.

遵守企業管治常規守則

於年內，本公司已遵守上市規則附錄十四內所載之企業管治常規守則之守則條文。詳情請參閱第21頁至35頁之企業管治報告。

審核委員會及薪酬委員會之詳情載於企業管治報告內。

審核委員會

本公司已成立審核委員會，目前由三名獨立非執行董事黃以信先生、劉國定先生及吳秀茹女士所組成。

本公司之董事會參照香港會計師公會頒佈之「組成審核委員會之指引」，制訂及採納審核委員會之書面職權範圍，訂明審核委員會的權力及責任。

本公司之審核委員會已審閱全年業績。

結算日後事項

於結算日後進行之重大事項，詳情載於財務報表附註35。

PUBLIC FLOAT

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

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

Lai Guanglin

Chairman

Hong Kong, 20th April 2010

公眾持股量

根據本公司可取得之公開資料以及就董事所知，於本報告日期，本公司維持上市規則所規定之既訂公眾持股量。

核數師

本財務報表已獲羅兵咸永道會計師事務所審核，該核數師任滿告退，惟有資格及願意膺選連任。

承董事會命

主席

Lai Guanglin

香港，二零一零年四月二十日



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong
Telephone +852 2289 8888
Facsimile +852 2810 9888
pwchk.com

TO THE SHAREHOLDERS OF CHINA PIPE GROUP LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Pipe Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 53 to 167, which comprise the consolidated and Company balance sheets as at 31st December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

致中國管業集團有限公司股東

(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第53至167頁中國管業集團有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零零九年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、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附註解釋。

董事就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按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

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 Section 90 of the Companies Act 1981 of Bermuda 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 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核對該等綜合財務報表作出意見，並按照百慕達一九八一年《公司法》第90條僅向整體股東報告，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核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2009 and of the Group's loss 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20th April 2010

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及貴集團於二零零九年十二月三十一日的事務狀況及貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一零年四月二十日

Consolidated Income Statement

綜合收益表

For the year ended 31st December 2009
截至二零零九年十二月三十一日止年度

		Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Revenue	收入	5	453,785	701,766
Cost of sales	銷售成本		(381,077)	(534,856)
Gross profit	毛利		72,708	166,910
Other gains/(losses), net	其他收益/(虧損)淨額	6	9,670	(58,572)
Selling and distribution costs	銷售及分銷成本		(12,705)	(18,968)
General and administrative expenses	一般及行政費用		(99,668)	(112,627)
Operating loss	經營虧損	7	(29,995)	(23,257)
Finance costs, net	財務費用淨額	9	(12,985)	(13,611)
Loss before income tax	稅前虧損		(42,980)	(36,868)
Tax credit/(expense)	稅項抵免/(支出)	10	3,583	(5,728)
Loss for the year	年度虧損		(39,397)	(42,596)
Attributable to:	應佔:			
Equity holders of the Company	本公司股權持有人		(39,662)	(42,596)
Minority interest	少數股東權益		265	-
			(39,397)	(42,596)
			HK cents 港仙	HK cents 港仙
Loss per share	每股虧損	12	(0.31)	(0.34)
Basic and diluted	基本及攤薄			
			HK\$'000 千港元	HK\$'000 千港元
Dividend	股息	13	-	2,507

The notes on pages 60 to 167 are an integral part of these financial statements.

第60至167頁之附註為此等財務報表之組成部分。

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31st December 2009
截至二零零九年十二月三十一日止年度

		Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Loss for the year	年度虧損		(39,397)	(42,596)
Other comprehensive income:	其他全面收益:			
Currency translation differences	貨幣換算差額		576	12,144
Total comprehensive income for the year	年度全面收益總額		(38,821)	(30,452)
Attributable to:	應佔:			
Equity holders of the Company	本公司股權持有人		(39,092)	(30,452)
Minority interest	少數股東權益		271	-
			(38,821)	(30,452)

The notes on pages 60 to 167 are an integral part of these financial statements.

第60至167頁之附註為此等財務報表之組成部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31st December 2009
於二零零九年十二月三十一日

		Note 附註	31st December 2009 二零零九年 十二月三十一日 HK\$'000 千港元	31st December 2008 二零零八年 十二月三十一日 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	118,485	11,791
Land use rights	土地使用權	15	30,535	–
Goodwill	商譽	16	22,787	–
Investment properties	投資物業	17	185,231	295,498
Deferred tax assets	遞延稅項資產	28	11,761	–
Rental deposits and other assets	租約按金及其他資產	21	3,061	972
			371,860	308,261
Current assets	流動資產			
Inventories	存貨	20	180,448	260,337
Trade and other receivables	貿易及其他應收款項	21	163,440	189,374
Financial assets at fair value through profit or loss	按公允值透過 損益列賬的財務資產	19	–	22,493
Tax recoverable	可收回稅項		–	893
Pledged bank deposit	抵押銀行存款	22	38,576	20,000
Cash and cash equivalents	現金及現金等價物	23	55,784	19,476
			438,248	512,573
Assets held-for-sale	持作出售資產	24	114,680	–
			552,928	512,573
Total assets	總資產		924,788	820,834

The notes on pages 60 to 167 are an integral part of these financial statements.

第60至167頁之附註為此等財務報表之組成部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31st December 2009
於二零零九年十二月三十一日

		Note 附註	31st December 2009 二零零九年 十二月三十一日 HK\$'000 千港元	31st December 2008 二零零八年 十二月三十一日 HK\$'000 千港元
EQUITY	權益			
Equity holders	股權持有人			
Share capital	股本	25	26,665	25,065
Reserves – others	儲備 – 其他	26	388,385	379,559
			415,050	404,624
Minority interest	少數股東權益		33,093	–
Total equity	總權益		448,143	404,624
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Loan from a shareholder	股東貸款	33	–	29,651
Borrowings	借貸	27	39,973	134,155
Deferred tax liabilities	遞延稅項負債	28	18,736	1,997
			58,709	165,803
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	29	95,691	83,223
Amount due to a related company	應付一家關連公司款項	33	23,449	1,994
Amount due to a minority shareholder	應付一位少數股東款項		133	–
Loan from a shareholder	股東貸款	33	59,881	–
Taxation payable	應付稅項		631	5,180
Borrowings	借貸	27	238,151	160,010
			417,936	250,407
Total liabilities	總負債		476,645	416,210
Total equity and liabilities	總權益及負債		924,788	820,834
Net current assets	流動資產淨額		134,992	262,166
Total assets less current liabilities	總資產減流動負債		506,852	570,427

Lai Guanglin
Director

Yu Ben Ansheng
Director

Lai Guanglin
董事

俞安生
董事

The notes on pages 60 to 167 are an integral part of these financial statements.

第60至167頁之附註為此等財務報表之組成部分。

Balance Sheet

資產負債表

As at 31st December 2009
於二零零九年十二月三十一日

		Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司投資	18	96,901	96,901
Current assets	流動資產			
Deposits, prepayments and other receivables,	按金、預付款及 其他應收款項	21	403	208
Amounts due from subsidiaries	應收附屬公司款項	18	256,724	219,433
Financial assets at fair value through profit or loss	按公允價值透過 損益列賬的財務資產	19	-	22,493
Tax recoverable	可收回稅項		-	415
Cash and cash equivalents	現金及現金等價物	23	877	474
			258,004	243,023
Total assets	總資產		354,905	339,924
EQUITY	權益			
Equity holders	股權持有人			
Share capital	股本	25	26,665	25,065
Reserves – others	儲備 – 其他	26	161,983	137,283
Total equity	總權益		188,648	162,348
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Loan from a shareholder	股東貸款	33	-	29,651
Current liabilities	流動負債			
Other payables	其他應付款項	29	1,200	2,053
Amounts due to subsidiaries	應付附屬公司款項	18	105,176	145,872
Loan from a shareholder	股東貸款	33	59,881	-
			166,257	147,925
Total liabilities	總負債		166,257	177,576
Total equity and liabilities	總權益及負債		354,905	339,924
Net current assets	流動資產淨額		91,747	95,098
Total assets less current liabilities	總資產減流動負債		188,648	191,999

Lai Guanglin
Director

Yu Ben Ansheng
Director

Lai Guanglin
董事

俞安生
董事

The notes on pages 60 to 167 are an integral part of these financial statements.

第60至167頁之附註為此等財務報表之組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st December 2009
截至二零零九年十二月三十一日止年度

		Equity holders 股權持有人									
		Share based									
		Share capital	Share premium	Capital reserve	Merger reserve	Exchange reserve	payment reserve	Retained earnings	Minority interest	Total	
		以股份為							少數	總額	
Note		股本	股份溢價	資本儲備	合併儲備	匯兌儲備	基礎的付款	保留溢利	小計	股東權益	
附註		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1st January 2008	於二零零八年一月一日	25,065	79,418	34,115	3,700	4,199	-	301,112	447,609	-	447,609
Loss for the year	年度虧損	-	-	-	-	-	-	(42,596)	(42,596)	-	(42,596)
Other comprehensive income:	其他全面收益:										
Currency translation differences	貨幣換算差額	-	-	-	-	12,144	-	-	12,144	-	12,144
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	12,144	-	(42,596)	(30,452)	-	(30,452)
Dividend	股息	-	-	-	-	-	-	(12,533)	(12,533)	-	(12,533)
At 31st December 2008	於二零零八年十二月三十一日	25,065	79,418	34,115	3,700	16,343	-	245,983	404,624	-	404,624
At 1st January 2009	於二零零九年一月一日	25,065	79,418	34,115	3,700	16,343	-	245,983	404,624	-	404,624
Loss for the year	年度虧損	-	-	-	-	-	-	(39,662)	(39,662)	265	(39,397)
Other comprehensive income:	其他全面收益:										
Currency translation differences	貨幣換算差額	-	-	-	-	570	-	-	570	6	576
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	570	-	(39,662)	(39,092)	271	(38,821)
Issue of new shares for an acquisition of a subsidiary	發行新股收購一家附屬公司	25, 26	1,600	47,200	-	-	-	-	48,800	-	48,800
Share based payment	以股份為基礎的付款		-	-	-	-	718	-	718	-	718
Acquisition of a subsidiary	收購一家附屬公司	34	-	-	-	-	-	-	-	32,822	32,822
			1,600	47,200	-	-	718	-	49,518	32,822	82,340
At 31st December 2009	於二零零九年十二月三十一日		26,665	126,618	34,115	3,700	16,913	718	206,321	415,050	448,143

The notes on pages 60 to 167 are an integral part of these financial statements.

第 60 至 167 頁之附註為此等財務報表之組成部分。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st December 2009
截至二零零九年十二月三十一日止年度

		Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流量			
Cash generated from operations	經營業務產生之現金	32(a)	111,067	63,216
Interest paid	已付利息		(7,049)	(13,642)
Interest received	已收利息		110	190
Income tax paid	已付所得稅		(4,212)	(6,533)
Net cash generated from operating activities	經營活動所得現金淨額		99,916	43,231
Cash flows from investing activities	投資業務之現金流量			
Purchase of property, plant and equipment	購入物業、廠房及設備		(4,098)	(2,207)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		-	549
Purchase of investment properties	購入投資物業		-	(71,080)
Acquisition of a subsidiary	收購一家附屬公司	32(b)	(21,128)	-
Net cash used in investing activities	投資活動所用現金淨額		(25,226)	(72,738)
Cash flows from financing activities	融資活動之現金流量			
Drawdown of borrowings	提用借貸		238,232	132,822
Repayment of borrowings	償還借貸		(320,785)	(117,381)
Loan from a shareholder	股東貸款		24,868	29,651
Amount due to a related company	應付一家關連公司款項		22,869	-
Dividends paid to equity holders	已派股權持有人之股息		-	(12,533)
Increase in pledged bank deposit	抵押銀行存款增加		(1,428)	(20,000)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額		(36,244)	12,559
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	現金、現金等價物及銀行透支增加/(減少)淨額		38,446	(16,948)
Exchange differences	匯兌差額		22	1,001
Cash, cash equivalents and bank overdrafts at beginning of the year	年初之現金、現金等價物及銀行透支		17,316	33,263
Cash, cash equivalents and bank overdrafts at end of the year	年終之現金、現金等價物及銀行透支		55,784	17,316

The notes on pages 60 to 167 are an integral part of these financial statements.

第60至167頁之附註為此等財務報表之組成部分。

1. General information

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

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

During the past two years, the major changes in the Group are as follows:

- (i) On 15th October 2008, Maxable International Enterprises Limited and Interchina Holdings Limited entered into agreements to dispose of all their shares in the Company to an independent third party, Singapore Zhongxin Investment Company Limited (“Singapore Zhongxin”), a company incorporated in the British Virgin Islands and wholly owned by Mr. Lai Guanglin. The agreements were completed on 27th October 2008 and 6th February 2009 respectively and Singapore Zhongxin then owned 74.25% equity interest in the Company and become the ultimate holding company.
- (ii) On 11th November 2009, the Group completed the acquisition of 60% equity interest in 煙臺金裕豐無縫鋼管有限公司 (“Jinyufeng”) for cash consideration of RMB18 million and issue of 800,000,000 new shares of the Company.

Goodwill of approximately HK\$22,266,000 arose as a result of the acquisition. Details of the acquisition are set out in Note 34.

1. 一般資料

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

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

過去兩年，本集團之主要變動如下：

- (i) 於二零零八年十月十五日，Maxable International Enterprises Limited與國中控股有限公司訂立協議，藉以出售彼等於本公司之全部股份予一獨立第三方Singapore Zhongxin Investment Company Limited(「Singapore Zhongxin」)。Singapore Zhongxin於英屬維爾京群島註冊成立並由Lai Guanglin先生全資擁有。該等協議分別於二零零八年十月二十七日及二零零九年二月六日完成，Singapore Zhongxin繼而持有本公司74.25%股本權益並成為最終控股公司。
- (ii) 於二零零九年十一月十一日，本集團完成收購煙臺金裕豐無縫鋼管有限公司(「金裕豐」)之60%股本權益，以人民幣18,000,000元之現金代價及發行800,000,000股本公司的新股份。

因收購而產生商譽約22,266,000港元。收購詳情於附註34內披露。

2. Basis of preparation and accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2. 編製基準及會計政策

下文載列編製此等綜合財務報表時採納之主要會計政策。除非另有所述，所採用的政策與所呈報的過往年度一致。

綜合財務報表依照據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）以歷史成本慣例編制，經就重估按公允價值透過損益列賬的財務資產及投資物業按公允價值列賬而作出修訂。

按照香港財務報告準則編制財務報表，須要使用若干關鍵的會計估計，亦需要管理層在應用本集團會計政策的過程中作出判斷，涉及高度判斷或高度複雜性的範疇或對綜合財務報表屬重大假設和估算的範疇，已於附註4內披露。

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

Adoption of new and revised standards

The Group has adopted the following new and amended HKFRS, which are mandatory for accounting periods beginning on or after 1st January 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 27 and HKFRS 1 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Financial Instruments – Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 18	Transfer of Assets from Customers
Annual Improvements Project	Improvements to HKFRSs

The Group has assessed the impact of the adoption of these new and revised standards, amendments to existing standards and interpretation and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the consolidated financial statements except the following.

2. 編製基準及會計政策 (續)

採納新準則及經修訂準則

本集團已採納下列新準則及經修訂的香港財務報告準則，並強制性須於二零零九年一月一日起開始的會計期間或其後期間實行。

香港會計準則第1號(經修訂)	財務報表的呈報
香港會計準則第27號及香港財務報告準則第1號(修訂)	於附屬公司、共同控制實體或聯營公司投資成本
香港財務報告準則第2號(修訂)	以股份為基礎之付款 – 可行權條件和取消
香港財務報告準則第7號(修訂)	金融工具的披露
香港財務報告準則第8號	營運分類
香港(國際財務報告詮釋委員會)詮釋第18號	客戶資產之轉移
年度改進項目	香港財務報告的改進

除於下文解釋，本集團已評估採納該等新會計準則、對現有準則的修訂及詮釋後之影響，認為對本集團之業績及財務狀況並無重大影響，而會計政策及綜合財務報表呈列亦無任何重大改變。

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

Adoption of new and revised standards (cont'd)

HKAS 1 (Revised), "Presentation of Financial Statements". The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: a consolidated income statement and a consolidated statement of comprehensive income. The consolidated financial statements have been prepared under the revised disclosure requirements.

HKFRS 8, "Operating Segments". HKFRS 8 replaces HKAS 14, "Segment Reporting". It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board of directors that makes strategic decisions.

2. 編製基準及會計政策 (續)

採納新準則及經修訂準則 (續)

香港會計準則第1號(經修訂)「財務報表的呈報」。經修訂準則禁止於權益變動表內呈列收入及開支項目(即「非所有者權益變動」)，規定「非所有者權益變動」須與所有者權益變動分開呈列。所有「非所有者權益變動」須於業績報表中呈列。

實體可選擇呈列一份業績報表(全面收益表)或兩份報表(收益表及全面收益表)。本集團選擇呈列兩份報表：綜合收益表及綜合全面收益表。綜合財務報表乃根據經修訂之披露規定編製。

香港財務報告準則第8號「營運分類」。香港財務報告準則第8號取代香港會計準則第14號「分部申報」。前者規定採用「管理層方式」，據此，分類資料按內部匯報採用之相同基準呈列。營運分類之申報方式與向主要營運決策者作出之內部匯報所採用者貫徹一致。主要營運決策者已獲認為作出策略性決定之董事會。

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

Adoption of new and revised standards (cont'd)

The following new and revised standards, amendments to existing standards and interpretation have been published and are relevant to the Group's operation. They are mandatory for the Group's accounting periods beginning on or after 1st January 2010 or later periods, the Group has not early adopted them:

HKAS 24 (Revised)	Related Party Disclosures
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 1 (Amendment)	Additional Exemption for First-time Adopters
HKFRS 2 (Amendment)	Group Cash Settled Share-based Payment Transaction
HKFRS 3 (Revised)	Business Combinations
HKFRS 9	Financial Instruments
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners

2. 編製基準及會計政策(續)

採納新準則及經修訂準則(續)

以下為已頒佈與本集團業務相關的新訂準則及經修訂、對現有準則的修訂及詮釋，本集團強制須於二零一零年一月一日開始的會計期間或其後期間實行，惟本集團並無提早採納：

香港會計準則 第24號(經修訂)	關連人士披露
香港會計準則 第27號(經修訂)	綜合及獨立財務報表
香港財務報告準則 第1號(修訂)	首次採用者之額外豁免
香港財務報告準則 第2號(修訂)	集團以現金結算的以 股份為基礎的付款交易
香港財務報告準則 第3號(經修訂)	業務合併
香港財務報告 準則第9號	金融工具
香港(國際財務報告 詮釋委員會) 詮釋第17號	向所有者分配非現金 資產

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

Adoption of new and revised standards (cont'd)

Annual improvements to HKFRS published in May 2009

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 17 (Amendment)	Leases
HKAS 18 (Amendment)	Revenue
HKAS 36 (Amendment)	Impairment of Assets
HKAS 38 (Amendment)	Intangible Assets
HKAS 39 (Amendment)	Financial Instrument : Recognition and Measurement
HKFRS 2 (Amendment)	Share-based Payment
HKFRS 5 (Amendment)	Non-current Assets Held for Sale and Discontinued Operations
HKFRS 8 (Amendment)	Operating Segments

The Group has already commenced an assessment of the impact of these new and revised standards, amendments to existing standards and interpretation but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

2. 編製基準及會計政策(續)

採納新準則及經修訂準則(續)

於二零零九年五月公佈對香港財務報告準則之年度改進

香港會計準則 第1號(修訂)	財務報表的呈報
香港會計準則 第7號(修訂)	現金流量表
香港會計準則 第17號(修訂)	租賃
香港會計準則 第18號(修訂)	收入
香港會計準則 第36號(修訂)	資產減值
香港會計準則 第38號(修訂)	無形資產
香港會計準則 第39號(修訂)	金融工具： 確認及計量
香港財務報告準則 第2號(修訂)	以股份為基礎之付款
香港財務報告準則 第5號(修訂)	持作出售之非流動資產 及終止營運業務
香港財務報告準則 第8號(修訂)	營運分類

本集團已開始評估此等新準則及經修訂、修訂現有準則及詮釋的影響，但尚未能指出彼等是否將對營運及財務狀況造成重大影響。

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

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31st December.

(i) *Subsidiaries*

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. 編製基準及會計政策(續)

(a) 綜合賬目

綜合財務報表包括本公司及其所有附屬公司直至十二月三十一日止的財務報表。

(i) *附屬公司*

附屬公司指本集團有權控制其財務及營運決策的所有實體(包括特殊目的實體)，通常擁有其過半數投票權。於評估本集團是否控制另一實體時，會考慮現時可行使或可換股的潛在投票權的存在及影響。附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

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

(a) Consolidation (cont'd)

(i) Subsidiaries (cont'd)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

2. 編製基準及會計政策(續)

(a) 綜合賬目(續)

(i) 附屬公司(續)

收購附屬公司按購置法入賬。收購成本為在交易日為收購而付出的資產、發行之股本工具及發生或承擔的債務的公允價值，加上所有與收購直接有關的成本。業務合併中，不論少數股東權益的多少，收購的可辨識資產與承擔的負債及或然負債初始以收購日的公允價值計量。收購成本超過本集團所佔購入的可辨識淨資產的公允價值的數額記錄為商譽。倘若收購成本低於所購入的淨資產的公允價值，其差額將直接於綜合收益表內確認。

公司間的交易、集團公司間的交易結餘和未變現收益均作對銷。未變現虧損亦予對銷。於綜合財務報表中，附屬公司的會計政策已在有需要時作出改變，以確保與本集團採納的政策一致。

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

(a) Consolidation (cont'd)

(i) *Subsidiaries (cont'd)*

Investments in subsidiaries are carried on the balance sheet of the Company at cost together with advances by the Company which are neither planned nor likely to be settled in the foreseeable future, less provision for impairment. Provision for impairment in a subsidiary is made when the recoverable amount of the subsidiary is lower than the Company's respective cost of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(ii) *Transactions with minority interests*

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group and are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2. 編製基準及會計政策(續)

(a) 綜合賬目(續)

(i) 附屬公司(續)

於附屬公司的投資按成本連同本公司提供的墊款(並無計劃或預期於可見將來獲償付)減減值撥備於本公司的資產負債表列賬。當附屬公司的可收回金額低於本公司有關投資成本時，本公司就附屬公司作出減值撥備。本公司就附屬公司的業績按已收及應收的股息收入入賬。

(ii) 少數股東權益的交易

本集團對少數股東權益交易採用的政策與本集團的外部人士相同。向少數股東權益出售產生之收益或虧損在綜合收益表中確認。因收購少數股東權益而產生之商譽，為任何已付代價與所佔附屬公司淨資產的賬面值的差額。

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

(b) Segment reporting

It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board of directors. The board of directors are responsible for allocating resources and assessing performance of operating segments. Operating segments are not aggregated for financial reporting purposes unless the segment has similar economic characteristics and are similar in respect of the nature of products, the nature of production processes and the type or class of customers.

(c) Foreign currency translation

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

2. 編製基準及會計政策(續)

(b) 分類報告

規定採用「管理層方式」，據此，分類資料按內部匯報採用之相同基準呈列。營運分類之申報方式與向主要營運決策者作出之內部匯報所採用者貫徹一致。主要營運決策者已獲認定為董事會。董事會責任分配資源及評估營運分類表現。營運分類不會合計起來作財務報告用途，除非分類擁有類似經濟特質及類似產品性質、生產過程性質及顧客類別或分類外。

(c) 外幣換算

(i) *功能及呈列貨幣*
本集團各實體的財務報表內的項目，均採用該實體經營業務之主要經濟環境所使用的貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，即本公司之功能及呈列貨幣。

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

(c) Foreign currency translation (cont'd)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or revaluation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

2. 編製基準及會計政策(續)

(c) 外幣換算(續)

(ii) 交易及結餘

外幣交易按交易或對項目重新計量的估價當日之匯率兌換為功能貨幣。因結算該等交易及按年底之匯率換算以外幣列值之貨幣資產及負債所產生之外匯收益及虧損均列入收益表。

非貨幣項目之匯兌差額，如按公允值透過損益列賬之權益工具之匯兌差額呈報為公允值收益或虧損之一部分。非貨幣項目之匯兌差額，如可供出售財務資產之匯兌差額則計入權益中之公允價值儲蓄。

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

(c) Foreign currency translation (cont'd)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

2. 編製基準及會計政策(續)

(c) 外幣換算(續)

(iii) 集團公司

功能貨幣與呈列貨幣不同之所有集團公司(均不擁有高通脹經濟體系之貨幣)之業績及財務狀況按以下方式換算為呈列貨幣：

- 各資產負債表所呈列之資產及負債按結算日之收市匯率換算；
- 各收益表之收入及開支按平均匯率換算(除非該平均匯率並非交易當日匯率的累積影響之合理約數，在此情況下收入及開支須按交易日的匯率換算)；及
- 導致之所有匯兌差額作為權益之獨立部分確認。

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

(c) Foreign currency translation (cont'd)

(iii) Group companies (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

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

2. 編製基準及會計政策(續)

(c) 外幣換算(續)

(iii) 集團公司(續)

於綜合入賬時，換算海外業務的淨投資額、借貸及其他用作對沖有關投資的貨幣工具所產生的匯兌差額均計入權益。當部分處置或出售海外業務時，計入權益之匯兌差額於綜合收益表確認為出售收益或虧損的一部分。

因收購海外實體而產生之商譽及公允價值調整，均視作為該海外實體之資產及負債處理，並以結算日之收市匯率換算。

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

(d) Property, plant and equipment

Property, plant and equipment, comprising buildings, leasehold improvements, plant and machinery, equipment, furniture and fixtures and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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

Depreciation of building, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

2. 編製基準及會計政策 (續)

(d) 物業、廠房及設備

物業、廠房及設備(包括樓宇、租賃物業裝修、廠房及機器、設備、傢俬及裝置及汽車)乃按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購該等資產的直接開支。

當與項目有關的未來經濟利益可能流入本集團，而有關項目的成本能夠可靠地計算時，方會把該項目其後產生的成本計入資產賬面值內或確認為獨立資產(若適用)。被取替部份的賬面值會被終止確認。所有其他維修保養費於產生的財務期間於收益表中扣除。

物業、廠房及設備之折舊，乃根據其估計可使用年期採用直線法把其成本值分配予殘值計算，各估計可使用年期如下：

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

(d) Property, plant and equipment (cont'd)

Buildings	20-30 years
Machinery and equipment	3-10 years
Leasehold improvements	5 years or the lease period, if shorter
Office furniture, fixtures and fittings	3-5 years
Computer equipment	3-5 years
Office equipment	3-5 years
Motor vehicles	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in other gains, net in the income statement.

(e) Land use rights

The upfront prepayments made for land use rights are expensed in the income statement on a straight line basis over the period of the operating lease or when there is impairment, it is recognised immediately.

2. 編製基準及會計政策 (續)

(d) 物業、廠房及設備 (續)

樓宇	20至30年
機械及設備	3至10年
租賃物業裝修	5年或租賃期 (以較短者)
辦公室傢俬、裝置及設備	3至5年
電腦設備	3至5年
文儀設備	3至5年
汽車	3至5年

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

倘若資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額。

出售帶來的盈虧按比較所得款項及賬面值釐定，並於收益表中的其他收益淨額確認。

(e) 土地使用權

為土地使用權支付之預付款項按直線法於經營租賃期內在收益表中支銷，或當出現減值時於收益賬中即時確認。

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

(f) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Separately recognised goodwill is carried at cost less accumulated impairment losses. It is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. Impairment losses on separately recognised goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose.

2. 編製基準及會計政策 (續)

(f) 商譽

商譽指收購成本超過於收購日本集團應佔所收購的附屬公司之可識辨資產淨額公允價值的部分。收購附屬公司所產生商譽撥入無形資產。分開確認的商譽按成本減累計減值虧損列賬。減值測試於每年及當有事件或情況之變動顯示賬面值高於可收回金額時進行。分開確認的商譽的減值虧損不會被撥回。出售某個實體的盈虧包括與被出售實體有關的商譽的賬面值。

為進行減值測試，商譽分配至現金產生單位（「現金產生單位」），商譽乃分配至預期受惠於產生商譽的業務合併之現金產生單位。

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

(g) Investment properties

Investment property is held for long-term rental yields and is not occupied by the Group. Investment property is carried at fair value, representing open market value determined annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

These valuations are performed in accordance with the guidance issued by the Hong Kong Institution of Surveyors (“HKIS”) Valuation Standards. These valuations are reviewed annually by external valuers. Changes in fair values are recorded in the income statement as part of other gains/(losses).

Land held under operating lease are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

2. 編製基準及會計政策(續)

(g) 投資物業

投資物業並非由本集團佔用，乃為賺取長期租金收益而持有。投資物業按公允值(指每年由外部估值師釐定之公開市值)入賬。公允值以活躍市場價格為基準，並在必要時根據特定資產之性質、地點或條件予以調整。

此等估價方法乃符合香港測量師學會(「香港測量師學會」)的評估準則。此等估值每年由獨立估值師檢討。公允值之變動記入收益表作為其他收益/(虧損)一部份。

當符合投資物業之其他要求時，根據經營租約持有之土地可分類並入賬作投資物業。經營租約猶如融資租約入賬。

投資物業初始按成本(包括相關交易成本)計量。

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

(h) Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are at least tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Receipts or payments made under operating leases (net of any incentives paid to lessees or received from the lessor) are recognised as income or expenses in the income statement on a straight-line basis over the period of the lease.

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

2. 編製基準及會計政策 (續)

(h) 於附屬公司之投資及非財務資產的減值

沒有確定使用年期之資產(如商譽)毋需攤銷,但最少每年就減值進行測試。而作攤銷的資產,當有事件出現或情況改變顯示可能無法收回賬面值時就減值進行檢討,減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時,資產將按可識辨現金流量的最低層次組合(即現金產生單位)。出現減值的非財務資產(商譽除外)於各結算日就撥回減值的可能性進行檢討。

(i) 租約

凡資產擁有權的絕大部分風險和回報由出租人保留的租賃,均列作經營租賃。根據經營租賃收取或支付之租金(扣除承租人收取或出租人給予的任何優惠),按租期以直線法於收益表中確認為收入或開支。

根據經營租約出租的資產會按資產性質於資產負債表列賬。

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

(j) Non-current assets held for sale

Non-current assets are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Investment properties reclassified as non-current assets held-for-sale are stated at their fair values.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current asset.

Regular purchases and sales of financial assets are recognised on the date of trade when the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2. 編製基準及會計政策 (續)

(j) 持作出售之非流動資產

當非流動資產之賬面值將主要透過一項出售交易收回而該項出售被視為非常可能，則分類為持作出售的資產。投資物業重分類為持作出售非流動資產按其公允值列賬。

(k) 按公允值透過損益列賬的財務資產

按公允值透過損益列賬的財務資產為持作買賣之財務資產。倘若購入財務資產之主要目的是於短期內出售，即歸入此類。除非衍生工具被指定為對沖工具，否則歸類為持作買賣。歸入此類的資產則歸類為流動資產。

財務資產的定期買賣，均於交易日（即本集團承諾買賣該資產當日）確認。當本集團從該等財務資產收取現金流量的權利已到期或已被轉讓，或本集團已大致上將擁有權的所有風險和回報轉移，則該等財務資產將不予繼續確認。

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

(k) Financial assets at fair value through profit or loss (cont'd)

Gains or losses arising from change in the fair value of the financial assets at fair value through profit or loss are presented in other gains, net in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in other income in the income statement when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. For unlisted securities and when the market for a financial asset is not active, the Group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade and other receivables is described in Note 2(m).

2. 編製基準及會計政策 (續)

(k) 按公允值透過損益列賬的財務資產 (續)

按公允值透過損益列賬的財務資產的公允值變動所產生之盈虧，於產生期間在收益表內其他收益淨額中呈列。按公允值透過損益列賬的財務資產的股息收入，於本集團有權收取有關款項時在收益表內其他收入中確認。

有報價投資的公允值乃按現時買入價計算。非上市證券及當某財務資產之市場並不活躍，本集團會採用適當的估值方法釐定公允值，包括採用近期按公允原則進行之交易，參考其他大致相同之工具，以及現金流量折現分析法。

本集團會於各結算日評估是否存在客觀證據證明一項財務資產或一組財務資產出現減值。就股本工具於收益表中確認的減值虧損不會透過收益表撥回。貿易及其他應收款項之減值測試載於附註2(m)。

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

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. For the segment of trading of pipes and fittings, cost is determined using the first-in, first-out (“FIFO”) method. For the segment of manufacturing and sale of seamless pipes, cost is determined using weighted average basis, the cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. 編製基準及會計政策(續)

(i) 存貨

存貨按成本及可變現淨值兩者的較低者列賬。喉管及管件貿易分類成本按先進先出(「先進先出」)法釐定，而生產及銷售無縫鋼管分類成本價按加權平均基準釐定，在產品及產成品的成本包括直接材料、直接人工及按適當比例分配的製造費用。可變現淨值按日常業務過程中估計售價減去適用之可變銷售開支計算。

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

(m) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When trade and other receivables are uncollectible, they are written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

2. 編製基準及會計政策 (續)

(m) 貿易及其他應收款項

貿易及其他應收款項按公允價值初始確認，其後採用實際利息法按攤銷成本減去減值撥備計量。當有客觀證據證明本集團不能按照應收款項原訂條款收回所有款項時，便會就貿易及其他應收款項計提減值撥備。債權人出現重大財務困難，導致債權人可能宣佈破產或進行財務重組、無力償還或拖欠款項均被視為貿易應收款減值的跡象。減值撥備乃資產賬面值與估計未來現金流量按實際利率折現的現值間的差額。資產的賬面值透過使用撥備賬扣減，而虧損金額於收益表中確認。倘貿易應收款及其他應收款項無法收回時，該款項於應收款的撥備賬中撇銷。其後收回的前期已撇銷款項將計入收益表中。

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

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

2. 編製基準及會計政策 (續)

(n) 現金及現金等價物

現金及現金等價物包括現金、銀行通知存款及銀行透支。銀行透支在資產負債表的流動負債內借貸中列示。

(o) 股本

普通股歸類為權益。發行新股份或購股權直接產生之新增成本乃於股本列作所得款項(扣除稅項)的扣除額。

(p) 貿易應付款

貿易應付款以公允價值初始確認，隨後以實際利率法按攤銷成本列賬。

(q) 借貸

借貸以公允價值扣除交易成本初始確認。借貸隨後按攤銷成本列賬，所得款項(扣除交易成本後)與贖回值之間的任何差額，使用實際利率法於借貸期內在收益表中確認。

借貸乃分類列為流動負債，惟本集團有權無條件將負債的結算期遞延至結算日後最少十二個月者則作別論。

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

(r) Employee benefits

(i) Employee leaves

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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

(ii) Bonus plans

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

2. 編製基準及會計政策 (續)

(r) 僱員福利

(i) 僱員假期

僱員可享有之年假在彼等放假時確認。本集團已就截至結算日止僱員提供服務而享有年假之估計負債計提撥備。

僱員可享有之病假及產假僅會與休假時確認。

(ii) 花紅計劃

本集團因僱員所提供之服務而擁有現時之法定或推定責任，且能可靠地估計此責任時，預計花紅支出成本會確認為一項負債。

花紅計劃之負債預期將於12個月內償還，並按照預期於償還時將予支付之金額計量。

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

(r) Employee benefits (cont'd)

(iii) Pension obligations

Following the adoption of the Mandatory Provident Fund (“MPF”) Scheme in December 2000, all employees of the Group employed in Hong Kong joined the MPF Scheme. Under this scheme, employees and the Group are required to make contributions to the scheme calculated at 5% of the individual employee’s monthly basic salaries, subject to a cap of HK\$1,000. The Group’s contributions to this scheme are expensed when they are due. The assets of the scheme are held separately from those of the Group in independently administered funds.

The Group’s employees in the People’s Republic of China (the “PRC”) are covered by various government sponsored pension plans. These government agencies are responsible for the pension liabilities to these employees. The relevant group companies pay monthly contributions to these pension plans based on certain percentages of the salaries, subject to a certain ceiling.

Under these plans, the Group has no legal or constructive obligation to make further payments once the required contributions have been paid. Contributions to these plans are expensed as incurred.

2. 編製基準及會計政策(續)

(r) 僱員福利(續)

(iii) 退休金責任

在二零零零年十二月採納強制性公積金(「強積金」)計劃後，本集團在香港之所有員工均已參與強積金計劃。根據此計劃，僱員及本集團均須按個別僱員每月基本薪金5%(以1,000港元為限)向計劃供款。本集團向此計劃作出之供款於支付時列入開支。計劃之資產與本集團之資產分開持有，由獨立管理之基金管理。

本集團於中華人民共和國(「中國」)之僱員均享有多項由政府營辦之退休金計劃。該等政府機關對有關僱員之退休金負債負責。本集團旗下相關公司根據薪金若干百分比(以若干上限為限)，每月向該等退休金計劃供款。

根據該等計劃，本集團於支付規定之供款後，並無支付其他款項之法定或推定責任。該等計劃之供款於產生時列作開支。

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

(r) Employee benefits (cont'd)

(iv) Share-based payment

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as considerations for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2. 編製基準及會計政策(續)

(r) 僱員福利(續)

(iv) 以股份支付的付款

本集團推行按股本結算、以股份支付報酬的計劃，以得到僱員提供服務作為收取本集團股本工具(購股權)的代價。僱員提供服務以換取購股權的公允價值乃確認為開支。於歸屬期內列作開支的總金額，乃參照已授出購股權的公允價值釐定，不包括任何有關服務及表現的非市場歸屬條件的影響。非市場歸屬條件包括在有關預期將歸屬購股權數目的假設內。總費用在歸屬期內計入，歸屬期是指滿足所有特訂歸屬條件所需的期間。於各結算日，本集團均會基於非市場歸屬條件修改其估計預期將歸屬的購股權數目，修改原來估計數字的影響(如有)則於收益表內確認，以及對股本作相應調整。

於購股權行使時，所得款項扣除直接交易成本計入股本(面值)及股份溢價。

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

(s) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. 編製基準及會計政策(續)

(s) 即期及遞延稅項

期內之稅項支出由即期及遞延稅項組成。稅項於收益表中確認，除了關於直接計入權益之項目，其稅項亦是計入權益。

當期所得稅支出根據本公司及其附屬公司營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延稅項的確認採用負債法就資產負債之稅基與他們在財務報表之賬面值兩者之暫時差異作全數撥備。然而，若遞延稅項來自交易(不包括企業合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延稅項資產實現或遞延稅項負債結算時預期將會應用之稅率及法例而釐定。

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

(s) Current and deferred income tax (cont'd)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(t) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. 編製基準及會計政策 (續)

(s) 即期及遞延稅項 (續)

遞延稅項資產乃就有可能將未來應課稅溢利與可動用的暫時差異抵銷而確認。

遞延稅項就附屬公司的投資產生之暫時差異而撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。

(t) 撥備

撥備於本集團由於過往事件而產生現有的法定或推定責任，可能須就解決有關負債而導致資源流出及能夠可靠地作出金額估計時確認。

撥備以為履行義務所預計需要產生之支出之現值計量，計算此等現值使用之稅前折現率能夠反映當前市場之貨幣時間價值及該負債特有之風險。時間流逝導致撥備金額之增加，確認為利息開支。

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

(u) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, net of value-added tax, rebates, returns and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

- (i) Sales of goods are recognised when goods are delivered to customers, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- (ii) Gross rental income from investment properties is recognised on a straight-line basis over the periods of the respective leases.
- (iii) Interest income is recognised on a time-proportion basis using the effective interest method.
- (iv) Dividend income is recognised when the right to receive payment is established.

(v) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2. 編製基準及會計政策(續)

(u) 收入確認

收入包括因出售貨品及提供服務的已收或應收之代價的公允價值。列示的收入乃扣除增值稅、回扣、退貨及折扣，並對銷本集團內公司間銷售後之金額。收入確認如下：

- (i) 出售貨品之收入乃於貨品運送予客戶、客戶已接納產品及有關應收款項可合理確定收回時確認。
- (ii) 投資物業之租金收入總額以直線法於各租約之年期內確認。
- (iii) 利息收入採用實際利息法按時間比例基準確認。
- (iv) 股息收入於收取款項之權利確立時確認。

(v) 股息分派

當本公司之股東批准股息後，向本公司之股東作出的股息分派會在該財政期間內的集團財務報表中確認為負債。

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

(w) Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair value, and subsequently measured at the higher of (i) the amount initially recognised less accumulated amortisation; and (ii) the amount required to be settled by the guarantor in respect of the financial guarantee contracts at the balance sheet date.

2. 編製基準及會計政策 (續)

(w) 財務擔保合約

財務擔保合約指要求擔保發行人(即擔保人)就由於指定債務人未能根據債務工具的條款於到期日向擔保受益人(「持有人」)還款所帶來的損失向持有人作出特定補償的合約。

財務擔保合約初始按公允值確認，其後按(i) 初始確認金額減累計攤銷；及(ii)擔保人於資產負債表日就財務擔保合約須結算的金額之較高者計量。

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit and counterparty risk and liquidity risk. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance by actively managing debt level and cash flow in order to maintain a strong financial position and minimising refinancing and liquidity risks by attaining healthy debt repayment capacity, appropriate maturity profile and availability of banking facilities. The Group adheres to a policy of financial prudence and did not use any derivative financial instruments or structured financial products during the year.

3. 財務風險管理

3.1 財務風險因素

本集團的業務承受各種財務風險：市場風險（包括貨幣風險、價格風險及利率風險）、信貸風險及流動資金風險。本集團的整體財務風險管理集中於金融市場的不可預測性，及通過積極管理債務水平及現金流量以維持穩健之財務狀況，及透過穩健的償債能力、適當的還款期限及取得銀行信貸額度而使再融資及流動資金風險減至最低，從而盡量減低對本集團財務表現的潛在不利影響。本集團一直以來恪守審慎之理財政策，於年內並無使用任何衍生財務工具或結構性財務產品。

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(a) *Market risk*

(i) Foreign exchange risk

The Group operates principally in Hong Kong and in mainland China and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars ("USD") and Euro. Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the entities of the Group. In order to mitigate the foreign currency risk, the Group has been closely monitoring its foreign currency exposure and requirements and will arrange for any hedging facilities if necessary.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) *市場風險*

(i) 外匯風險

本集團主要於香港及中國經營業務並因營運涉及多種貨幣而面臨外匯風險(主要涉及美元(「美元」)及歐元)。未來商業交易、本集團之實體的已確認資產及負債，其貨幣以非功能貨幣計值而產生外匯風險。為降低外幣風險，本集團一直密切監控其外匯風險及規定，及將於必要時作出對沖安排。

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(a) *Market risk (cont'd)*

(i) Foreign exchange risk (cont'd)

As HKD is pegged against USD, the Group is exposed to limited exchange rate fluctuation. As a result, the exchange rate risk exposure in respect of USD is not significant. While for Euro, the exchange rate fluctuates relatively volatile. At 31st December 2009, if Euro had strengthened/weakened by 5% (2008: 5%) against HKD with all other variables held constant, post-tax loss would have been HK\$174,000 (2008: HK\$164,000) higher/lower respectively mainly as a result of foreign exchange losses/gains on translation of Euro-denominated financial assets and liabilities.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) *市場風險(續)*

(i) 外匯風險(續)

由於港元與美元的掛鈎系統，本集團承受有限的匯率波動。因此，關於美元的外匯風險不顯著。相對而言，歐元的匯率較為波動。於二零零九年十二月三十一日，倘歐元兌港元於所有其他變量保持不變之情況下升值／貶值5%（二零零八年：5%），則除稅後虧損將分別增加／減少174,000港元（二零零八年：164,000港元），主要是由於換算歐元計值之財務資產及負債產生外匯虧損／收益所致。

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk

Other than bank balances and deposits (the "Interest Bearing Assets") specified in Note 22 and 23, the Group has no other significant Interest Bearing Assets.

The Group's interest rate risk arises from borrowings (the "Interest Bearing Liabilities") as set out in Note 27. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group analyses its interest rate exposure periodically by considering refinancing, renewal of existing positions and alternative financing. The Group's Interest Bearing Liabilities issued at variable rates include bank borrowings of HK\$243,822,000 (2008: HK\$294,165,000) and loan from a shareholder of HK\$49,360,000 (2008: Nil) whereas Interest Bearing Liabilities issued at fixed rates include bank borrowings of HK\$34,302,000 (2008: Nil), loan from a shareholder of HK\$5,000,000 (2008: HK\$29,492,000) and amount due to a related company of HK\$22,869,000 (2008: Nil).

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

除附註22及23所述的銀行結餘及存款(「計息資產」)外，本集團並無其他重大計息資產。

本集團從載於附註27的借貸(「計息負債」)產生利率風險。按浮動利率作出的借貸令本集團須承受現金流利率風險。按固定利率作出的借貸則令本集團須承受公允價值利率風險。本集團亦透過考慮再融資、更新現時利率持倉及另類融資，定期分析其利率風險。本集團的計息負債按浮動利率發行包括銀行借貸243,822,000港元(二零零八年：294,165,000港元)及股東貸款49,360,000港元(二零零八年：無)，按定息利率發行包括銀行借貸34,302,000港元(二零零八年：無)、股東貸款5,000,000港元(二零零八年：29,492,000港元)及應付一家關連公司款項22,869,000港元(二零零八年：無)。

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

At 31st December 2009, with all other variables held constant, if the interest rate on HK dollar-denominated borrowings at variable interest rate, bank balances and deposits had increased/decreased by 10 basis points (2008: 10 basis points), the corresponding increase/decrease in net finance costs (representing interest income on the Interest Bearing Assets less interest expenses on Interest Bearing Liabilities) would have resulted in an increase/decrease in the Group's loss after tax by HK\$31,000 (2008: HK\$97,000). At 31st December 2009, if the interest rate on Renminbi-denominated borrowings at variable interest rate, bank balances and deposits had increased/decreased by 25 basis points (2008: 25 basis points), the corresponding increase/decrease in net finance costs would have resulted in an increase/decrease in the Group's loss after tax by HK\$207,000 (2008: HK\$93,000).

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險(續)

於二零零九年十二月三十一日，當所有其他參數維持不變，假若按浮動利率計息的港元借貸、銀行結餘及存款利率上/下調10個基點(二零零八年：10個基點)，融資成本淨額(相當於計息資產利息收入減計息負債利息支出)將相應增加/減少，導致本集團的除稅後虧損增加/減少31,000港元(二零零八年：97,000港元)。於二零零九年十二月三十一日，假若按浮動利率計息的人民幣借貸、銀行結餘及存款利率上/下調25個基點(二零零八年：25個基點)，融資成本淨額將相應增加/減少，導致本集團的除稅後虧損增加/減少207,000港元(二零零八年：93,000港元)。

本集團並無使用任何利率掉期交易來對沖其所承受的利率風險。

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(b) *Credit and counterparty risk*

Credit risk mainly arises from bank deposits and trade and other receivables. The carrying amounts of these balances substantially represents the Group's maximum exposure to credit and counterparty risk in relation to financial assets.

As at 31st December 2008 and 2009, all the bank deposits are deposited in high quality financial institutions without significant credit risk. The credit risk on bank deposits is limited because over 70% of the Group's bank balances are placed with subsidiaries of state-owned banks and others are placed with good rating financial institutions. Management does not expect any loss from non-performance of these banks.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue trade and other receivables. In addition, the Group reviews regularly the recoverable amount of each individual trade and other receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) *信貸及交易對手風險*

信貸風險主要產生自銀行存款及貿易及其他應收款項。此等結餘的賬面值大體上相當於本集團關於財務資產所須承受的最高信貸及交易方風險。

於二零零八年及二零零九年十二月三十一日，所有銀行存款存放於信譽良好之金融機構，故並無重大信貸風險。銀行存款信貸風險有限乃由於超過70%本集團之銀行結餘存放於國有銀行之附屬公司，其他存款存放於信譽良好之金融機構。管理層認為不會因該等銀行表現不良而帶來損失。

為將信貸風險降至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之貿易及其他應收款項。此外，本集團定期檢討每項個別貿易及其他應收款項之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。本集團並無顯著集中之信貸風險，有關風險已分散至多個交易對手及客戶。

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(c) *Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. Management maintains rolling forecast of the Group's liquidity reserves which comprises undrawn banking facilities and cash and cash equivalents, on the basis of expected cashflows. The disposal of investment properties in Hong Kong in January and February 2010 has enhanced the Group's ability to serve its financial obligations as they fall due and reduced the level of bank borrowings.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) *流動資金風險*

審慎的流動資金風險管理包括保持充裕現金及從承諾信貸額度取得足夠的可用資金。管理層維持作本集團滾動的流動資金儲備預測，包括基於未提取銀行融資額度及現金及現金等價物的預計現金流。隨着於二零一零年一月及二月出售位於香港的投資物業，提升本集團取得充足現金流量支付營運成本，並可支付到期財務負債及減少銀行借貸的能力。

下表按於結算日至合約到期日餘下期間將本集團的財務負債分為不同的到期組合。表格所披露的數額為合約未折現現金流。

3. Financial risk management (cont'd)

3. 財務風險管理(續)

3.1 Financial risk factors (cont'd)

3.1 財務風險因素(續)

(c) Liquidity risk (cont'd)

(c) 流動資金風險(續)

		Less than 1 year 一年以內 HK\$'000 千港元	Between 1 and 2 years 一年至兩年 HK\$'000 千港元	Between 2 and 5 years 兩年至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
At 31st December 2009	於二零零九年十二月三十一日				
Group	本集團				
Trade and other payables	貿易及其他應付款項	95,691	-	-	-
Amount due to a related company	應付一家關連公司款項	22,869	-	-	-
Amount due to a minority shareholder	應付一位少數股東款項	133	-	-	-
Loan from a shareholder	股東貸款	54,360	-	-	-
Borrowings	借貸	238,151	6,586	19,758	13,629
Interest payments on borrowings, loan from a shareholder and amount due to a related company (note)	借貸、股東貸款及應付一家關連公司款項之利息支付(附註)	18,375	2,414	4,667	959
Company	本公司				
Other payables	其他應付款項	1,200	-	-	-
Amounts due to subsidiaries	應付附屬公司款項	105,176	-	-	-
Loan from a shareholder	股東貸款	54,360	-	-	-
Interest payments on loan from a shareholder (note)	股東貸款之利息支付(附註)	10,582	-	-	-

3. Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

		Less than 1 year 一年以內 HK\$'000 千港元	Between 1 and 2 years 一年至兩年 HK\$'000 千港元	Between 2 and 5 years 兩年至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
At 31st December 2008	於二零零八年 十二月三十一日				
Group	本集團				
Trade and other payables	貿易及其他 應付款項	83,223	-	-	-
Amounts due to related companies	應付關連 公司款項	1,994	-	-	-
Loan from a shareholder	股東貸款	-	29,492	-	-
Borrowings	借貸	160,010	15,566	46,832	71,757
Interest payments on borrowings and loan from a shareholder (note)	借貸及 股東貸款 之利息支付 (附註)	5,728	9,476	10,148	6,434
Company	本公司				
Other payables	其他應付款項	2,053	-	-	-
Amounts due to subsidiaries	應付附屬 公司款項	145,872	-	-	-
Loan from a shareholder	股東貸款	-	29,492	-	-
Interest payments on loan from a shareholder (note)	股東貸款 之利息支付 (附註)	-	4,903	-	-

Note:

The interest payments on borrowings, loan from a shareholder and amount due to a related company are calculated on the respective amounts held as at 31st December 2008 and 2009 without taking into account of any future change in market interest rate. Floating-rate interest is estimated using applicable interest rates at 31st December 2008 and 2009 respectively.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

		Less than 1 year 一年以內 HK\$'000 千港元	Between 1 and 2 years 一年至兩年 HK\$'000 千港元	Between 2 and 5 years 兩年至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
At 31st December 2008	於二零零八年 十二月三十一日				
Group	本集團				
Trade and other payables	貿易及其他 應付款項	83,223	-	-	-
Amounts due to related companies	應付關連 公司款項	1,994	-	-	-
Loan from a shareholder	股東貸款	-	29,492	-	-
Borrowings	借貸	160,010	15,566	46,832	71,757
Interest payments on borrowings and loan from a shareholder (note)	借貸及 股東貸款 之利息支付 (附註)	5,728	9,476	10,148	6,434
Company	本公司				
Other payables	其他應付款項	2,053	-	-	-
Amounts due to subsidiaries	應付附屬 公司款項	145,872	-	-	-
Loan from a shareholder	股東貸款	-	29,492	-	-
Interest payments on loan from a shareholder (note)	股東貸款 之利息支付 (附註)	-	4,903	-	-

附註:

借貸、股東貸款及應付一家關連公司款項之利息支付乃根據二零零八年及二零零九年十二月三十一日持有之相關金額計算，並無計及日後任何市場利率之變動。於二零零八年及二零零九年十二月三十一日，已分別使用適用利息估計浮動利息。

3. Financial risk management (cont'd)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total equity.

The Group's strategy was to maintain a solid capital base to support the operations and development of its business in the long term. Management considers a gearing ratio as measured by total debt to total equity of not more than 100% as solid and reasonable. The table below analyses the Group's capital structure at 31st December 2008 and 2009 as follows:

Total debts	總借貸
Total equity	總權益
Gearing ratio	資產負債比率

3. 財務風險管理(續)

3.2 資本風險管理

本集團管理資本的目的為保障本集團能持續經營，以為股東提供回報並為其他利益相關人士提供利益，以及維持良好的資本架構以減低資本成本。

為維持或調整資本架構，本集團可調整向股東派付的股息、向股東退回資本、發行新股或出售資產以減少債務。

與其他同業一致，本集團以資產負債比率作為監控資本的基準。資產負債比率按總借貸除以總權益。

本集團之策略是維持穩健的資金基礎，以長期支持本集團的業務營運及發展。管理層認為按總借貸除以總權益計算之資產負債比率處於100%以下均屬穩健及合理。下表為本集團於二零零八年及二零零九年十二月三十一日資本架構之分析：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
361,454	323,816
448,143	404,624
81%	80%

3. Financial risk management (cont'd)

3.3 Fair value estimation

The carrying value less impairment provision of trade and other receivables, trade and other payables, amount due to a related company, loan from a shareholder and amount due to a minority shareholder are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are discussed below.

(a) Estimates of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

3. 財務風險管理(續)

3.3 公允價值估計

貿易及其他應收款項、貿易及其他應付款項、應付一家關連公司款項、股東貸款及應付一位少數股東款項之賬面值減減值撥備後與彼等之公允價值之相若。就披露而言，財務負債之公允價值透過按本集團同類金融工具之現行市場利率對未來合約現金流量折現估算。

4. 關鍵會計估計及判斷

本公司按過往經驗及其他因素(包括對日後事件作出之合理估計)不時評估現正採納的估計及判斷。以下為有重大風險導致本集團資產及負債之賬面值須作出重大調整之估計及假設之討論。

(a) 投資物業公允價值估算

公允值的最佳憑證為類似租約及其他合約於活躍市場上的現時價格。在缺乏該等資料的情況下，本集團會在合理公允價值估計的範圍內釐定有關金額。在作出判斷時，本集團考慮不同來源的資料，包括：

4. Critical accounting estimates and judgements (cont'd)

(a) Estimates of fair value of investment properties (cont'd)

- i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

4. 關鍵會計估計及判斷(續)

(a) 投資物業公允值估算(續)

- i) 不同性質、狀況或地點(或受不同租約或其他合約規限)的物業於活躍市場上的現時價格(該等價格已作出調整,以反映該等差異);
- ii) 較不活躍市場提供類似物業的近期價格(該等價格須予以調整,以反映自按該等價格進行交易的日期起經濟狀況的任何轉變);及
- iii) 根據未來現金流量的可靠估計而預測的折現現金流量,而該等預測乃基於任何現有租約與其他合約的條款及(如可行)外在憑證(如地點及狀況相同的類似物業當時市值租金),並採用足以反映當時市場對無法肯定的有關現金流量金額及時間進行評估的折現率計算。

如無法取得有關投資物業當時或近期價格的資料,則採用折現現金流量估值法釐定投資物業的公允值。本集團採用的假設主要以各結算日當時的市況為依據。

4. Critical accounting estimates and judgements (cont'd)

(a) Estimates of fair value of investment properties (cont'd)

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rental for similar properties in the same location and condition.

Vigers Appraisal & Consulting Limited ("Vigers") was engaged to carry out independent valuations of the Group's investment properties as at 31st December 2009. These valuations were prepared in accordance with the HKIS Valuation Standards. The market value of the property interest defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion." Management has reviewed the valuations and compared them with their own assumptions, with reference to comparable sales transaction data where such information is available, and has concluded that the valuations of the Group's investment properties are reasonable.

4. 關鍵會計估計及判斷(續)

(a) 投資物業公允值估算(續)

有關管理層進行公允值估計時的主要假設涉及租金收入、預計未來市值租金、空置期、保養規定及相關折現率。此等估值定期與實際市場回報數據及本集團進行的實際交易及市場提供的交易記錄作比較。

預計未來市值租金會根據地點及狀況相同的類似物業當時的市值租金釐定。

威格斯資產評估顧問有限公司(「威格斯」)獲聘對本集團於二零零九年十二月三十一日之投資物業進行獨立估值。估值工作乃根據香港測量師學會的物業估值準則進行，據此準則，市值定義為「自願買家與自願賣家在進行適當推銷後於估值日期達成物業交易的公平交易估計金額，而雙方是在知情、審慎情況下自願進行交易」。管理層已對該等估值進行審閱，並將其與本集團自有假設作比較，經參考可用的可比較銷售交易數據，最後認為上述估值師對本集團投資物業所作的估值為合理。

4. Critical accounting estimates and judgements (cont'd)

(b) Useful lives of property, plant and equipment

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment commencing from the date the assets are placed into productive use. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

(c) Provision for impairment of trade and other receivables

The policy for provision for impairment of trade and other receivables of the Group is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(d) Provision for inventories

The management of the Group reviews the marketability of inventory items at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sales. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes provision for obsolete items.

4. 關鍵會計估計及判斷(續)

(b) 物業、廠房及設備之可用年期

本集團之物業、廠房及設備之可用年期及剩餘價值由管理層釐定，由資產投入生產之日開始計算。估計可使用年期反映董事於該期間內之估計，即本集團計劃從物業、廠房及設備之使用中可獲取日後經濟利益。

(c) 貿易及其他應收款項之減值撥備

本集團貿易及其他應收款項之減值撥備政策以可收回性評估及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷，包括每名客戶之現時信譽及過往收款記錄。倘本集團客戶財務狀況日趨惡化，削弱其付款能力，則須計提額外準備。

(d) 存貨減值撥備

本集團管理層於各結算日檢討存貨項目之銷售前景並對確認為不再適合銷售之過時及滯銷存貨進行撥備。管理層主要根據最近期之發票價格及目前市況估計存貨之可變現淨值。本集團於各結算日對每種產品進行檢討，並對過時產品作出撥備。

4. Critical accounting estimates and judgements (cont'd)

(e) Business combinations and allocation of purchase price amongst identifiable assets

The Group accounts for business combinations in accordance with HKFRS 3 “Business Combinations”. It is required to recognise separately, at the acquisition date, the acquiree’s identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria regardless of whether they have been previously recognised in the acquiree’s financial statements. The valuation in respect of the identifiable assets (including intangible assets recognised upon an acquisition during the year) and liabilities was referenced to the inflow of future economic benefits associated to the asset and the outflow of future economic resources required to settle the obligation based on fair value assessment. Vigers was engaged to carry out an independent valuation of the land and buildings, property, plant and equipment and intangible assets, if any, of the newly acquired subsidiary as disclosed in Note 34. A considerable amount of judgement and estimate is also required in assessing the fair value of financial guarantee provided to a third party by the newly acquired subsidiary and the detail is disclosed in Note 34(ii).

4. 關鍵會計估計及判斷(續)

(e) 業務合併以及在可識別資產之間分配收購價

本集團根據香港財務報告準則第3號「業務合併」將業務合併入賬。若被收購方的可識別資產、負債及或然負債符合確認入賬的準則(不論該等資產、負債及或然負債以往曾否於被收購方的財務報表中確認)，該等資產、負債及或然負債一概須於收購當日獨立確認。有關可識別資產(包括於年內進行收購後所確認的無形資產)及負債的估值，其公允值乃參照與資產相關的未來經濟利益流入量，以及根據公允值評估而對履行責任所需的未來經濟資源流出量而釐定。威格斯已獲委聘對新收購之附屬公司進行土地及樓宇、物業、廠房及設備及無形資產(如有)的獨立評估，詳列於附註34。新收購之附屬公司提供予第三方的財務擔保，評估其公允值需要重大的判斷及估計，詳情列於附註34(ii)。

4. Critical accounting estimates and judgements (cont'd)

(f) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment according to their recoverable amounts determined by the CGUs based on value-in-use calculations. These calculations require the use of estimates which are subject to change of economic environment in future.

(g) Employee benefits – share based payments

The determination of the fair value of the share options granted requires estimates in determining the expected volatility of the share price, the dividends expected on the shares, the risk-free interest rate for the life of the option and the number of share options that are expected to become exercisable as stated in Note 8. Where the outcome of the number of options that are exercisable is different, such difference will impact the consolidated income statement in the subsequent remaining vesting period of the relevant share options.

(h) Exercise of profit guarantee

Management assesses the likelihood of the exercise of profit guarantee provided by the former owners of the newly acquired subsidiary as detailed in Note 34(i) based on the profit forecast of the newly acquired subsidiary. The preparation of profit forecast requires the use of estimate which is subject to change of economic environment in future.

4. 關鍵會計估計及判斷 (續)

(f) 商譽減值

本集團每年根據現金產生單位以使用價值法計算的而釐定的可收回金額進行測試，藉以釐定商譽有否出現任何減值。有關計算須使用受制於未來經濟環境變動的估計。

(g) 僱員福利－以股份為基礎的付款

釐定授出購股權的公允值須估計股價預期的波動幅度、估計股份派付的股息、購股權行使期的無風險利率及預計可予行使的購股權數目等因素列於附註8。倘實際可予行使的購股權數目有所偏差，該差額在有關購股權其後剩餘的歸屬期間將對綜合收益表有所影響。

(h) 利潤保證的行使

管理層基於新收購之附屬公司的利潤預測，衡量行使前股東提供之利潤保證之可能性詳情列於附註34(i)。編制利潤預測須使用受制於未來經濟環境變動的估計。

5. Segment information

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

The Group has three reportable segments, which are trading of pipes and fittings, manufacture and sale of seamless pipes and investment in properties for rental income. The segments are managed separately as each business offers different products and services. The accounting policies of the operating segments are the same as those described in the basis of preparation and accounting policies. The following summary describes the operations in each of the Group's reportable segments.

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

Seamless pipes segment is contributed by a newly acquired subsidiary of the Group, Jinyufeng, which manufactures and sells seamless pipes in mainland China.

Investment in properties for rental income includes properties held in Hong Kong and mainland China.

5. 分類資料

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

本集團有三個須予呈報的分類其中包括從事喉管和管件之貿易、生產及銷售無縫鋼管以及投資物業收取租金收入。由於各業務提供不同產品及服務，各分類的管理工作獨立進行。營運分類的會計政策與編製基準及會計政策中所述的會計政策一致。以下摘要概述本集團各須予呈報的分類的業務營運。

喉管及管件貿易包括香港、中國大陸及澳門之批發及零售業務。

無縫鋼管分類由本集團一家新收購之附屬公司金裕豐於中國大陸生產及銷售無縫鋼管所貢獻。

賺取租金收入之物業投資包括於香港及中國大陸持有之物業。

5. Segment information (cont'd)

The segment information for the year ended 31st December 2009 and 2008 is as follows:

5. 分類資料(續)

截至二零零九年及二零零八年十二月三十一日止年度之業務分類資料如下：

		For the year ended 31st December 2009 截至二零零九年十二月三十一日止年度						
		Reportable segments 須予呈報的分類						
		Trading of pipes and fittings 喉管及管件 貿易	Seamless pipes 無縫鋼管	Investment properties 投資物業	Inter- segment revenue 營運分類 間收入	Corporate and others (note) 公司及其他 (附註)	Group total 集團總額	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Revenue	收入	425,834	61,162	2,657	(35,868)	453,785	-	453,785
Operating (loss)/profit before interest	經營(虧損)/溢利 (未計利息)	(12,918)	1,535	(1,717)	-	(13,100)	(16,895)	(29,995)
Interest income	利息收入	57	60	2	-	119	-	119
Interest expense	利息支出	(2,363)	(1,082)	(3,812)	-	(7,257)	(5,847)	(13,104)
(Loss)/profit before income tax	稅前(虧損)/溢利	(15,224)	513	(5,527)	-	(20,238)	(22,742)	(42,980)
Tax credit	稅項抵免	2,072	149	1,362	-	3,583	-	3,583
(Loss)/profit for the year	年度(虧損)/溢利	(13,152)	662	(4,165)	-	(16,655)	(22,742)	(39,397)
Minority interest	少數股東權益	-	(265)	-	-	(265)	-	(265)
(Loss)/profit attributable to equity holders of the Company	本公司股權 持有人應佔 (虧損)/溢利	(13,152)	397	(4,165)	-	(16,920)	(22,742)	(39,662)
Operating (loss)/profit before interest includes:	經營(虧損)/溢利 (未計利息)包括:							
Depreciation and amortisation	折舊及攤銷	1,992	1,563	745	-	4,300	137	4,437
Provision for impairment of trade and other receivables	貿易及其他應收款 減值撥備	8,793	-	-	-	8,793	11,291	20,084
Provision for impairment of inventories	存貨減值撥備	13,290	-	-	-	13,290	-	13,290
Capital expenditure (Note 14)	資本開支(附註14)	613	3,421	3	-	4,037	61	4,098

Notes to the Financial Statements

財務報表附註

5. Segment information (cont'd)

5. 分類資料(續)

For the year ended 31st December 2008

截至二零零八年十二月三十一日止年度

		Reportable segments					Group total
		須予呈報的分類					
		Trading of pipes and fittings 喉管及管件 貿易	Investment properties 投資物業	Inter-segment revenue 營運分類 間收入	Total	Corporate and others (note) 公司及其他 (附註)	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Revenue	收入	699,970	3,046	(1,250)	701,766	-	701,766
Operating profit/(loss) before interest	經營溢利/(虧損) (未計利息)	83,061	(32,492)	-	50,569	(73,826)	(23,257)
Interest income	利息收入	160	4	-	164	26	190
Interest expense	利息支出	(8,872)	(4,693)	-	(13,565)	(236)	(13,801)
Profit/(loss) before income tax	稅前溢利/(虧損)	74,349	(37,181)	-	37,168	(74,036)	(36,868)
Tax (expense)/credit	稅項(支出)/抵免	(9,498)	3,700	-	(5,798)	70	(5,728)
Profit/(loss) attributable to the equity holders of the Company	本公司股權 持有人應佔 溢利/(虧損)	64,851	(33,481)	-	31,370	(73,966)	(42,596)
Operating profit/(loss) before interest includes:	經營溢利/(虧損) (未計利息)包括:						
Depreciation and amortisation	折舊及攤銷	2,392	977	-	3,369	134	3,503
(Reversal)/provision for impairment of trade and other receivables	貿易及其他應收款 減值(回撥)/撥備	(128)	-	-	(128)	24,004	23,876
Provision for impairment of inventories	存貨減值撥備	5,251	-	-	5,251	-	5,251
Capital expenditure (Note 14, 17)	資本開支 (附註 14, 17)	2,180	71,080	-	73,260	27	73,287

5. Segment information (cont'd)

Note:

The amounts mainly represent corporate administrative expenses of HK\$9,620,000 (2008: HK\$14,622,000), interest expenses of HK\$5,847,000 (2008: HK\$236,000) and results of other businesses including provision for impairment of other receivables of HK\$11,292,000 (2008: HK\$24,004,000) and fair value gains of financial assets at fair value through profit or loss of HK\$5,728,000 (2008: losses of HK\$29,798,000) not categorised as operating segments.

The segment assets and liabilities as at 31st December 2009 and 2008 are as follows :

5. 分類資料(續)

附註：

該金額主要代表公司行政費用為9,620,000港元(二零零八年：14,622,000港元)，利息支出為5,847,000港元(二零零八年：236,000港元)及並未列入營運分類的其他業務包括其他應收款之減值撥備為11,292,000港元(二零零八年：24,004,000港元)及按公允值透過損益列賬的財務資產之公允值收益為5,728,000港元(二零零八年：虧損29,798,000港元)的業績。

於二零零九年及二零零八年十二月三十一日之業務資產及負債如下：

As at 31st December 2009
Reportable segment assets

於二零零九年十二月三十一日
須予呈報的分類資產

Reportable segment liabilities
須予呈報的分類負債

Reportable segments					
須予呈報的分類					
Trading of pipes and fittings 喉管及管件 貿易	Seamless pipes 無縫鋼管	Investment properties 投資物業	Total	Corporate and others (note) 公司及其他 (附註)	Group total 集團總額
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
325,782	285,653	304,436	915,871	8,917	924,788
149,630	145,391	98,897	393,918	82,727	476,645

5. Segment information (cont'd)

5. 分類資料(續)

		Reportable segments 須予呈報的分類			Corporate and others (note)	Group total
		Trading of pipes and fittings 喉管及管件 貿易	Investment properties 投資物業	Total 總額		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31st December 2008	於二零零八年十二月三十一日					
Reportable segment assets	須予呈報的分類資產	477,039	319,130	796,169	24,665	820,834
Reportable segment liabilities	須予呈報的分類負債	278,835	104,962	383,797	32,413	416,210

Note: The balances represent assets and liabilities of corporate and other businesses not categorised as operating segments. As at 31st December 2009, these balances principally include financial assets at fair value through profit or loss of nil (2008: HK\$22,493,000), cash and cash equivalents of HK\$7,556,000 (2008: HK\$584,000), amount due to a related company of HK\$21,067,000 (2008: Nil) and loan from a shareholder of HK\$59,881,000 (2008: HK\$29,651,000).

附註：該金額代表公司及未列入營運分類的其他業務的資產及負債，於二零零九年十二月三十一日之結餘主要包括公允價值透過損益列賬的財務資產為零(二零零八年：22,493,000港元)，現金及現金等價物為7,556,000港元(二零零八年：584,000港元)、應付一家關連公司款項為21,067,000港元(二零零八年：無)及股東貸款為59,881,000港元(二零零八年：29,651,000港元)。

5. Segment information (cont'd)

Geographical information

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

Hong Kong	香港
Mainland China	中國大陸
Others	其他

The Group's non-current assets (excluding financial assets and deferred tax assets) by geographical location as at 31st December 2009 and 2008 are detailed below:

Hong Kong	香港
Mainland China	中國大陸
Others	其他

5. 分類資料(續)

地區分類資料

本集團按地區分類的來自外界客戶的收入：

Revenue
收入
For the year ended
31st December
截至十二月三十一日止年度

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
384,528	686,500
63,165	6,431
6,092	8,835
453,785	701,766

於二零零九年及二零零八年十二月三十一日，本集團按地區分類的非流動資產(不包括財務資產及遞延稅項資產)：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
2,835	106,396
354,161	200,830
42	63
357,038	307,289

6. Other gains/(losses), net

6. 其他收益／(虧損)淨額

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Financial assets at fair value through profit or loss – fair value gains/(losses)	按公允價值透過損益列賬的財務資產 – 公允價值收益／(虧損)	5,728	(29,798)
Fair value gains/(losses) on investment properties (Note 17)	投資物業公允價值之收益／(虧損) (附註17)	4,136	(31,582)
Net exchange (losses)/gains	匯兌(虧損)／收益淨額	(194)	2,272
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	—	536
		9,670	(58,572)

7. Expenses by nature

7. 開支性質

Operating loss is stated after charging the following:

經營虧損乃扣除下列項目後達至：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Cost of inventories sold	已出售之存貨成本	361,908	520,054
Auditor's remuneration	核數師酬金	1,325	1,095
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,329	3,503
Amortisation of land use right	土地使用權攤銷	108	—
Employee benefit expenses (including directors' emoluments (Note 8))	員工福利開支 (包括董事酬金 (附註8))	44,377	60,071
Operating lease on land and buildings	土地及樓宇經營租約	15,799	15,718
Provision for impairment of trade and other receivables, net	貿易及其他應收款項減值撥備淨額	20,084	23,876
Provision for impairment of inventories, net	存貨減值撥備淨額	13,290	5,251
Other expenses	其他開支	32,230	36,883
		493,450	666,451

7. Expenses by nature (cont'd)

7. 開支性質(續)

Representing:	代表:
Cost of sales	銷售成本
Selling and distribution costs	銷售及分銷成本
General and administrative expenses	一般及行政費用

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
381,077	534,856
12,705	18,968
99,668	112,627
493,450	666,451

8. Employee benefit expenses
(including directors' emoluments)

8. 僱員福利開支(包括董事酬金)

Wages and salaries	工資及薪金
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃
Share based payment (note)	以股份為基礎之付款(附註)

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
42,141	58,536
1,518	1,535
718	–
44,377	60,071

8. Employee benefit expenses (including directors' emoluments) (cont'd)

Note:

Details of share options are as follows:

Grantor 授出人	Date of grant 授出日期	Exercise Price 行使價 HK\$ 港元	Number of share options 購股權數目				
			1st January 2009 二零零九年 一月一日	Granted and accepted 已授出並接納	Exercised 已行使	Lapsed/ Cancelled 已失效/ 註銷	31st December 2009 二零零九年 十二月三十一日
The Company 本公司	3rd December 2009 二零零九年十二月三日	0.071	-	592,000,000	-	-	592,000,000

The share options were granted on 3rd December 2009. The share options of the Company have option period from 3rd December 2009 to 2nd December 2019 (both days inclusive). Details for the exercisable period is shown in Note 25.

The estimated fair value of share options granted is based on the Binomial model. The significant inputs into the models are as follows:

Date of grant 授出日期	授出日期	3rd December 2009 二零零九年十二月三日
Exercise price 行使價	行使價	HK\$0.071
Expected volatility 預期股價波幅	預期股價波幅	54%
Expected option life 預期購股權年期	預期購股權年期	10 years 10年
Annual risk free interest rate 年度無風險利率	年度無風險利率	2.16%
Dividend yield 孳息率	孳息率	3.58%
Fair value 公允價值	公允價值	HK\$0.021 ~ HK\$0.031

The expected volatility measured at the standard deviation is based on the historical data of the weekly share price movement of the Company and benchmarked against price volatility of shares of companies comparable with the Company.

8. 僱員福利開支(包括董事酬金)(續)

附註：

購股權詳情如下：

購股權已於二零零九年十二月三日授出。本公司的購股權期限由二零零九年十二月三日至二零一九年十二月二日(包括首尾兩日)。行使期限詳情於附註25列出。

已授出購股權的估計公允價值根據二項式估值模式計算。輸入該模式的主要參數如下：

按標準差計量之預期波幅乃基於本公司每週股份價格變動的歷史數據，以及以本公司可比公司股份之股價波幅作對比。

8. Employee benefit expenses (including directors' emoluments) (cont'd)

(a) Directors' emoluments

The remuneration of each Director for the year ended 31st December 2009 and 2008 is set out below:

8. 僱員福利開支(包括董事酬金)(續)

(a) 董事酬金

各董事於截至二零零九年及二零零八年十二月三十一日止年度的酬金載列如下：

Name of Director	董事姓名	2009 二零零九年				Total 總計 HK\$'000 千港元
		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Group's contributions to retirement scheme 本集團對退休計劃之供款 HK\$'000 千港元	Share based payments 以股份為基礎的付款 HK\$'000 千港元	
Lai Guanglin (note (i))	賴國麟(附註(i))	85	-	-	-	85
Lai Fulin (note (ii))	賴福麟(附註(ii))	-	320	3	75	398
Yu Ben Ansheng (note(iii))	俞安生(附註(iii))	-	1,269	8	-	1,277
Cai Shangwu (note (i))	蔡尚武(附註(i))	85	-	-	-	85
U Kean Seng (note (i))	余建成(附註(i))	85	-	-	45	130
Zhao Yue (note (i))	趙越(附註(i))	85	-	-	45	130
Sam Ming Choy (note (iv))	Sam Ming Choy (附註(iv))	84	406	4	75	569
Wong Yee Shuen, Wilson (note (i))	黃以信(附註(i))	153	-	-	15	168
Lau Kwok Ting (note (i))	劉國定(附註(i))	128	-	-	15	143
Wu Xiuru (note (vi))	吳秀茹(附註(vi))	55	-	-	15	70
Wing Man Yi (note (vi))	榮文怡(附註(vi))	29	268	2	-	299
Lam Cheung Shing, Richard (note (vi))	林長盛(附註(vi))	29	718	2	-	749
Chan Wing Yuen, Hubert (note (vi))	陳永源(附註(vi))	29	718	2	-	749
Zhu Yongjun (note (vi))	朱勇軍(附註(vi))	29	479	2	-	510
Lui Tin Nang (note (vi))	呂天能(附註(vi))	29	-	-	-	29
Ko Ming Tung, Edward (note (vi))	高明東(附註(vi))	29	-	-	-	29
Ho Yiu Yue, Louis (note (vi))	何耀瑜(附註(vi))	29	-	-	-	29
		963	4,178	23	285	5,449

8. Employee benefit expenses (including directors' emoluments) (cont'd)

(a) Directors' emoluments (cont'd)

Name of Director	董事姓名	2008 二零零八年			Total 總計 HK\$'000 千港元
		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Group's contributions to retirement scheme 本集團對退休計劃之供款 HK\$'000 千港元	
Wing Man Yi (note (vi))	榮文怡(附註(vi))	200	1,800	12	2,012
Lam Cheung Shing, Richard (note (vi))	林長盛(附註(vi))	200	2,161	12	2,373
Chan Wing Yuen, Hubert (note (vi))	陳永源(附註(vi))	200	2,202	12	2,414
Zhu Yongjun (note (vi))	朱勇軍(附註(vi))	200	1,224	12	1,436
Lui Tin Nang (note (vi))	呂天能(附註(vi))	200	-	-	200
Ko Ming Tung, Edward (note (vi))	高明東(附註(vi))	200	-	-	200
Ho Yiu Yue, Louis (note (vi))	何耀瑜(附註(vi))	200	-	-	200
Hu Yishi (note (vii))	胡翼時(附註(vii))	100	-	-	100
Hu Jinxing (note (vii))	胡錦星(附註(vii))	100	-	-	100
Zhang Yang (note (viii))	張揚(附註(viii))	100	-	-	100
		<u>1,700</u>	<u>7,387</u>	<u>48</u>	<u>9,135</u>

8. 僱員福利開支(包括董事酬金)(續)

(a) 董事酬金(續)

Name of Director	董事姓名	2008 二零零八年			Total 總計 HK\$'000 千港元
		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Group's contributions to retirement scheme 本集團對退休計劃之供款 HK\$'000 千港元	
Wing Man Yi (note (vi))	榮文怡(附註(vi))	200	1,800	12	2,012
Lam Cheung Shing, Richard (note (vi))	林長盛(附註(vi))	200	2,161	12	2,373
Chan Wing Yuen, Hubert (note (vi))	陳永源(附註(vi))	200	2,202	12	2,414
Zhu Yongjun (note (vi))	朱勇軍(附註(vi))	200	1,224	12	1,436
Lui Tin Nang (note (vi))	呂天能(附註(vi))	200	-	-	200
Ko Ming Tung, Edward (note (vi))	高明東(附註(vi))	200	-	-	200
Ho Yiu Yue, Louis (note (vi))	何耀瑜(附註(vi))	200	-	-	200
Hu Yishi (note (vii))	胡翼時(附註(vii))	100	-	-	100
Hu Jinxing (note (vii))	胡錦星(附註(vii))	100	-	-	100
Zhang Yang (note (viii))	張揚(附註(viii))	100	-	-	100
		<u>1,700</u>	<u>7,387</u>	<u>48</u>	<u>9,135</u>

8. Employee benefit expenses (including directors' emoluments) (cont'd)

(a) Directors' emoluments (cont'd)

Notes:

- (i) Appointed on 23rd February 2009.
- (ii) Appointed on 1st October 2009.
- (iii) Appointed on 13th May 2009.
- (iv) Appointed as independent non-executive director on 23rd February 2009 and re-designated as executive director on 15th September 2009.
- (v) Appointed on 19th August 2009.
- (vi) Resigned on 23rd February 2009.
- (vii) Retired on 6th June 2008.
- (viii) Resigned on 26th September 2008.

The emoluments of the directors fell within the following bands:

Nil – HK\$1,000,000	無 – 1,000,000 港元
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元
HK\$2,000,001 – HK\$2,500,000	2,000,001 港元 – 2,500,000 港元

Emoluments paid to independent non-executive directors amounted to HK\$552,000 (2008: HK\$600,000). Emoluments paid to non-executive directors amounted to HK\$345,000 (2008: HK\$200,000).

8. 僱員福利開支(包括董事酬金)(續)

(a) 董事酬金(續)

附註：

- (i) 於二零零九年二月二十三日獲委任。
- (ii) 於二零零九年十月一日獲委任。
- (iii) 於二零零九年五月十三日獲委任。
- (iv) 於二零零九年二月二十三日委任為獨立非執行董事，並於二零零九年九月十五日調任為執行董事。
- (v) 於二零零九年八月十九日獲委任。
- (vi) 於二零零九年二月二十三日辭任。
- (vii) 於二零零八年六月六日退任。
- (viii) 於二零零八年九月二十六日辭任。

董事酬金介乎以下組別：

2009 二零零九年	2008 二零零八年
16	6
1	1
-	3
17	10

付予獨立非執行董事之酬金達552,000港元(二零零八年：600,000港元)。付予非執行董事之酬金達345,000港元(二零零八年：200,000港元)。

8. Employee benefit expenses (including directors' emoluments) (cont'd)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2008: three) director whose emolument is reflected in the analysis presented above. The emoluments paid to the remaining four (2008: two) individuals in 2009 were as follows:

Salaries and other short – term employee benefits	基本薪金及其他短期僱員福利
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃
Compensation for loss of office	離職補償
Share based payment	以股份為基礎的付款

The emoluments of the four (2008: two) individuals fell within the following bands:

HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元 – 2,000,000 港元
HK\$2,000,001 – HK\$2,500,000	2,000,001 港元 – 2,500,000 港元

8. 僱員福利開支(包括董事酬金)(續)

(b) 五位最高薪人士

於年內，本集團五位最高薪人士包括一位(二零零八年：三位)董事，其薪金已於上文呈列的分析反映。於二零零九年內，支付予其餘四位(二零零八年：兩位)人士之酬金如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
6,134	3,097
48	414
–	360
50	–
6,232	3,871

四名(二零零八年：兩名)最高薪人士之薪酬介乎下列範圍：

2009 二零零九年	2008 二零零八年
2	–
1	1
1	1
4	2

**8. Employee benefit expenses
(including directors' emoluments)
(cont'd)**

(b) Five highest paid individuals (cont'd)

During the year, no directors waived any emoluments and no emoluments had been paid by the Group to directors as an inducement to join or upon joining the Group. For the year ended 31st December 2009, no compensation had been paid to former directors of the Company for loss of office (2008: HK\$1,104,000).

8. 僱員福利開支(包括董事酬金)(續)

(b) 五位最高薪人士(續)

年內並無董事放棄任何酬金，而本集團並無向董事支付酬金作為加盟本集團或入職時之獎勵。截至二零零九年十二月三十一日止年度，並無向前董事支付作為離職補償(二零零八年：1,104,000港元)。

9. Finance costs, net

9. 財務費用淨額

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Bank interest income	銀行利息收入	(119)	(190)
Interest expense on loan from a shareholder	股東貸款利息 支出	5,362	159
Interest expense on amount due to a related party	應付一家關連公司款項 利息支出	580	-
Interest expense on bank borrowings wholly repayable within five years	須於五年內悉數償還 之銀行借貸之利息 支出	3,843	6,169
Interest expense on bank borrowings not wholly repayable within five years	無須於五年內悉數償還 之銀行借貸之利息 支出	3,319	7,473
		12,985	13,611

10. Tax credit/(expense)

10. 稅項抵免／(支出)

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Current taxation:	即期稅項：		
Hong Kong profits tax	香港所得稅	(903)	(9,149)
Overseas tax	海外稅項	(80)	(414)
Over-provision in prior years	以前年度多提	427	52
		<hr/>	<hr/>
Total current tax	即期稅項總額	(556)	(9,511)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Deferred taxation (Note 28):	遞延稅項(附註28)：		
Origination and reversal of temporary differences	暫時差額之產生及回撥	4,139	3,639
Impact of change in Hong Kong profits tax rate	香港利得稅稅率變動之影響	-	144
		<hr/>	<hr/>
Total deferred tax	遞延稅項總額	4,139	3,783
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Tax credit/(expense)	稅項抵免／(支出)	3,583	(5,728)

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the year. The rates applicable for income tax in mainland China is 25% (2008: 25%) for the year ended 31st December 2009.

香港利得稅以年內估計應課稅溢利按稅率16.5% (二零零八年：16.5%)計提。截至二零零九年十二月三十一日止，中國大陸所得稅按照適用稅率25% (二零零八年：25%)計算。

10. Tax credit/(expense) (cont'd)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

Loss before income tax	稅前虧損
Tax calculated at tax rate of 16.5% (2008: 16.5%)	按 16.5% (二零零八年: 16.5%) 稅率計算之稅項
Effect of different tax rates in other countries	其他國家不同稅率之影響
Remeasurement of deferred tax – change in Hong Kong profits tax rate	重新計算遞延稅項 – 香港利得稅稅率變動
Reversal upon assets classified as held-for-sale	產作出售資產的回撥
Unrecognised tax losses	未確認稅項虧損
Tax effect of income not subject to taxation	無須課稅之收入之稅項
Tax effect of expenses not deductible for taxation purposes	不可扣稅之支出之稅項
Over-provision in prior years	以前年度多提
Tax (credit)/expense	稅項(抵免)/支出

For the year ended 31st December 2009, the weighted average applicable tax rate was 24.0% (2008: 27.9%)

There is no tax impact relating to components of other comprehensive income for the year ended 31st December 2008 and 2009.

10. 稅項抵免/(支出)(續)

本集團有關稅前虧損之稅項支出與假若採用香港利得稅率而計算之理論稅額之差額如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
(42,980)	(36,868)
(7,092)	(6,083)
(3,205)	(4,185)
-	(144)
(1,545)	-
7,019	7,014
(2,179)	(114)
3,846	9,292
(427)	(52)
(3,583)	5,728

截至二零零九年十二月三十一日止年度，加權平均數之適用稅率為24.0%(二零零八年：27.9%)。

截至二零零八年及二零零九年十二月三十一日止年度，並無關於其他全面收益的項目有稅項影響。

11. Loss attributable to equity holders

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$23,218,000 (2008: HK\$36,533,000).

12. Loss per share

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

Loss attributable to equity holders for the purpose of basic loss per share	計算每股基本虧損之股東應佔虧損
---	-----------------

Number of shares	股份數目
-------------------------	-------------

Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損之普通股份之加權平均股數
--	----------------------

Share options issued in 2009 do not have any dilutive effect on the basic loss per share.

11. 股權持有人應佔虧損

於本公司財務報表內處理之本公司股權持有人應佔虧損為約23,218,000港元(二零零八年: 36,533,000港元。)

12. 每股虧損

下表列示計算每股基本及攤薄虧損乃根據年內股權持有人應佔虧損及已發行普通股之加權平均股數(需要時予以調整):

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
39,662	42,596
Thousand 千股	Thousand 千股
12,644,481	12,532,700

於二零零九年發行的購股權沒有對每股基本虧損攤薄影響。

13. Dividend

13. 股息

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Final, proposed, Nil (2008: Nil)	建議派發二零零九年末期股息：無 (二零零八年：無)	-	-
Interim, paid, Nil (2008: HK0.02 cents per share)	二零零九年派發中期股息：無 (二零零八年：每股0.02港仙)	-	2,507
		-	2,507

At a meeting held on 20th April 2010, the board of directors does not recommend a final dividend for the year ended 31st December 2009.

於二零一零年四月二十日舉行的董事會會議上，董事會不建議派發截至二零零九年十二月三十一日止年度末期股息。

14. Property, plant and equipment

14. 物業、廠房及設備

Group

本集團

		Buildings	Machinery and equipment	Leasehold improvements	Office furniture, fixtures and fittings	Office equipment	Computer equipment	Motor vehicles	Total
		樓宇	機器 及設備	租賃物業 裝修	辦公室 傢俬、裝置 及設備	文儀設備	電腦設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost	成本								
At 1st January 2009	於二零零九年一月一日	-	6,958	9,493	1,086	257	7,471	6,551	31,816
Exchange differences	匯兌差額	13	10	1	-	-	-	6	30
Additions	添置	1,646	1,930	23	63	19	12	405	4,098
Acquisition of a subsidiary (Note 34)	收購一家附屬公司(附註34)	74,164	30,827	-	211	36	177	1,482	106,897
At 31st December 2009	於二零零九年十二月三十一日	75,823	39,725	9,517	1,360	312	7,660	8,444	142,841
Accumulated depreciation	累積折舊								
At 1st January 2009	於二零零九年一月一日	-	3,741	7,199	628	165	5,746	2,546	20,025
Exchange differences	匯兌差額	-	1	-	-	-	-	1	2
Charge for the year	本年度折舊	702	1,143	650	119	35	607	1,073	4,329
At 31st December 2009	於二零零九年十二月三十一日	702	4,885	7,849	747	200	6,353	3,620	24,356
Net book value	賬面淨值								
At 31st December 2009	於二零零九年十二月三十一日	75,121	34,840	1,668	613	112	1,307	4,824	118,485

14. Property, plant and equipment (cont'd)

14. 物業、廠房及設備(續)

Group (cont'd)

本集團(續)

		Machinery and equipment	Leasehold improvements	Office furniture, fixtures and fittings	Office equipment	Computer equipment	Motor vehicles	Total
				辦公室 傢俬、裝置 及設備				
		機器 及設備	租賃物業 裝修	傢俬、裝置 及設備	文儀設備	電腦設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost	成本							
At 1st January 2008	於二零零八年一月一日	6,220	8,511	1,007	239	7,134	8,292	31,408
Exchange differences	匯兌差額	178	43	19	12	-	469	721
Additions	添置	560	939	60	6	337	305	2,207
Disposals	出售	-	-	-	-	-	(2,515)	(2,515)
At 31st December 2008	於二零零八年十二月三十一日	6,958	9,493	1,086	257	7,471	6,551	31,816
Accumulated depreciation	累積折舊							
At 1st January 2008	於二零零八年一月一日	3,253	6,296	523	119	5,161	3,651	19,003
Exchange differences	匯兌差額	6	1	-	5	-	9	21
Charge for the year	本年度折舊	482	902	105	41	585	1,388	3,503
Disposals	出售	-	-	-	-	-	(2,502)	(2,502)
At 31st December 2008	於二零零八年十二月三十一日	3,741	7,199	628	165	5,746	2,546	20,025
Net book value	賬面淨值							
At 31st December 2008	於二零零八年十二月三十一日	3,217	2,294	458	92	1,725	4,005	11,791

At 31st December 2009, buildings with carrying values of approximately HK\$73,084,000 (2008: Nil) have been pledged for borrowings (Note 27).

於二零零九年十二月三十一日，賬面值約為73,084,000港元(二零零八年：無)之樓宇已因銀行融資(附註27)而予以抵押。

15. Land use rights

The Group's interests in land use rights represent prepaid operating lease payment and their net book values are analysed as follows:

In mainland China, held on: 於中國大陸，以下列方式持有：
 Leases of between 介乎10至50年
 10 to 50 years 的租賃

At 1st January 於一月一日
 Acquisition of a 收購一家附屬公司
 subsidiary (Note 34) (附註34)
 Exchange differences 匯兌差額
 Amortisation 攤銷
 At 31st December 於十二月三十一日

At 31st December 2009, land use rights with carrying values of approximately HK\$28,837,000 (2008: Nil) have been pledged for borrowings (Note 27).

15. 土地使用權

本集團於土地使用權的權益指預付經營租賃款項及其賬面值分析如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
30,535	—

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
—	—
30,638	—
5	—
(108)	—
30,535	—

於二零零九年十二月三十一日，賬面值約為28,837,000港元(二零零八年：無)之土地使用權已因銀行融資(附註27)而予以抵押。

16. Goodwill

Goodwill is allocated to the segment of seamless pipes in mainland China engaged by Jinyufeng, a newly acquired subsidiary, as disclosed in Note 34. The Directors have evaluated the recoverable amount of goodwill and concluded that no impairment is required.

16. 商譽

商譽是關於中國大陸無縫鋼管分類，該商譽是來自金裕豐，一家新收購之附屬公司，披露見附註34。董事已評估商譽之可回收金額並認為不需作減值。

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
At 1st January	於一月一日	-	-
Acquisition of a subsidiary (Note 34)	收購一家附屬公司 (附註34)	22,266	-
Exchange differences	匯兌差額	521	-
At 31st December	於十二月三十一日	22,787	-

17. Investment properties

At 1st January	於一月一日	295,498	243,363
Exchange differences	匯兌差額	277	12,637
Additions	添置	-	71,080
Fair value gains /(losses) (Note 6)	公允值收益/(虧損)(附註6)	4,136	(31,582)
Classified as assets held-for-sale (Note 24)	分類至持作出售資產 (附註24)	(114,680)	-
At 31st December	於十二月三十一日	185,231	295,498

17. 投資物業

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
At 1st January	於一月一日	295,498	243,363
Exchange differences	匯兌差額	277	12,637
Additions	添置	-	71,080
Fair value gains /(losses) (Note 6)	公允值收益/(虧損)(附註6)	4,136	(31,582)
Classified as assets held-for-sale (Note 24)	分類至持作出售資產 (附註24)	(114,680)	-
At 31st December	於十二月三十一日	185,231	295,498

17. Investment properties (cont'd)

The following amounts have been recognised in the consolidated income statement:

Rental income	租金收入
---------------	------

For the year ended 31st December 2009, rental income was derived from properties in Hong Kong which have been classified as assets held-for-sale.

The investment properties in mainland China were revalued at 31st December 2009 by Vigers, an independent professional valuer. Valuations were based on current prices in an active market for properties.

At 31st December 2009, investment properties with carrying values of HK\$185,231,000 (2008: HK\$295,498,000) have been pledged for borrowings (Note 27).

17. 投資物業(續)

以下款項已於綜合收益表確認入賬：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
1,767	1,796

截至二零零九年十二月三十一日止年度，租金收入賺取自位於香港的物業，已分類至持作出售資產。

獨立專業估值師威格斯已於二零零九年十二月三十一日對位於中國大陸之投資物業進行重估。估值以物業於活躍市場之當前市價為基準。

於二零零九年十二月三十一日，賬面值為185,231,000港元(二零零八年：295,498,000港元)之投資物業已因銀行融資(附註27)而予以抵押。

17. Investment properties (cont'd)

The Group's interests in investment properties at their carrying values are analysed as follows:

In Hong Kong, held on:	於香港，以下列方式持有：
Leases of between 10 to 50 years	介乎 10 至 50 年的租賃
In mainland China, held on:	於中國大陸，以下列方式持有：
Leases of over 50 years	超過 50 年的租賃

The future aggregate minimum lease receivables under non-cancellable operating lease in respect of its investment properties classified as assets held-for-sale are as follows:

Not later than one year	一年或以下
Later than one year and not later than five years	一年以上但不超 過五年

17. 投資物業(續)

本集團於投資物業之權益(按賬面值計算)分析如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
-	102,500
185,231	192,998
185,231	295,498

本集團根據不可撤銷經營租約就投資物業已列為持作出售資產應收之未來最低租賃款項總額如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
83	1,480
-	540
83	2,020

18. Investments in subsidiaries

Unlisted investments, at cost 非上市投資(按成本)

Amounts due from subsidiaries

Amounts due from subsidiaries 應收附屬公司款項
Less: Provision for impairment 減：減值撥備

As at 31st December 2009 and 2008, the amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The amounts due from subsidiaries are denominated in Hong Kong dollars. The carrying values of amounts due from subsidiaries approximate their fair values.

18. 於附屬公司投資

Company 本公司

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
96,901	96,901

應收附屬公司款項

Company 本公司

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
282,464	231,481
(25,740)	(12,048)
256,724	219,433

於二零零九年及二零零八年十二月三十一日，應收附屬公司之款項為無抵押、免息且須於要求時償還。

應收附屬公司之款項以港元計值，賬面值與彼等公允值相若。

18. Investments in subsidiaries (cont'd)

Amounts due to subsidiaries

As at 31st December 2009 and 2008, the amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The carrying values of amounts due to subsidiaries approximate their fair values.

Details of principal subsidiaries, which in the Directors' opinion, materially affect the results and/or net assets of the Group as at 31st December 2009 are set out in Note 38.

18. 於附屬公司投資(續)

應付附屬公司款項

於二零零九年及二零零八年十二月三十一日，應付附屬公司款項為無抵押、免息且須於要求時償還。

應付附屬公司款項之賬面值與彼等公允值相若。

董事認為對本集團之業績及／或於二零零九年十二月三十一日之淨資產構成重大影響之主要附屬公司之詳情載於附註38。

19. Financial instruments by category

19. 按種類劃分的金融工具

Group

本集團

		Loans and receivables	Financial assets at fair value through profit or loss	Total
		貸款及 應收款	按公允價值透過損 益列賬之財務資產	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Assets as per consolidated balance sheet	綜合資產負債表 所示資產			
31st December 2009	於二零零九年十二月三十一日			
Trade and other receivables	貿易及其他應收款項	158,893	-	158,893
Pledged bank deposits (Note 22)	抵押銀行存款(附註22)	38,576	-	38,576
Cash and cash equivalents (Note 23)	現金及現金等價物(附註23)	55,784	-	55,784
Total	總額	253,253	-	253,253
31st December 2008	於二零零八年十二月三十一日			
Trade and other receivables	貿易及其他應收款項	187,840	-	187,840
Financial assets at fair value through profit or loss	按公允價值透過損益列賬 的財務資產	-	22,493	22,493
Pledged bank deposit (Note 22)	抵押銀行存款(附註22)	20,000	-	20,000
Cash and cash equivalents (Note 23)	現金及現金等價物(附註23)	19,476	-	19,476
Total	總額	227,316	22,493	249,809

19. Financial instruments by category
(cont'd)

19. 按種類劃分的金融工具(續)

Group (cont'd)

本集團(續)

		Other financial liabilities 其他財務負債	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Liabilities as per consolidated balance sheet	綜合資產負債表 所示負債		
Trade and other payables (Note 29)	貿易及其他應付款項 (附註29)	95,691	83,223
Loan from a shareholder (Note 33)	股東貸款 (附註33)	59,881	29,651
Amount due to a related company (Note 33)	應付一家關連公司款項 (附註33)	23,449	1,994
Amount due to a minority shareholder	應付一位少數股東 款項	133	—
Borrowings (Note 27)	借貸(附註27)	278,124	294,165
Total	總額	457,278	409,033

19. Financial instruments by category (cont'd)

19. 按種類劃分的金融工具(續)

Company

本公司

		Loans and receivables	Financial assets at fair value through profit or loss	Total
		貸款及應收款	按公允價值透過損益列賬之財務資產	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Assets as per balance sheet	資產負債表所示資產			
31st December 2009	於二零零九年十二月三十一日			
Deposits and other receivables	按金及其他應款項	236	-	236
Amounts due from subsidiaries (Note 18)	應收附屬公司款項 (附註18)	256,724	-	256,724
Cash and cash equivalents (Note 23)	現金及現金等價物 (附註23)	877	-	877
Total	總額	257,837	-	257,837
31st December 2008	於二零零八年十二月三十一日			
Deposits and other receivables	按金及其他應款項	158	-	158
Financial assets at fair value through profit or loss	按公允價值透過損益列賬的財務資產	-	22,493	22,493
Amounts due from subsidiaries (Note 18)	應收附屬公司款項 (附註18)	219,433	-	219,433
Cash and cash equivalents (Note 23)	現金及現金等價物 (附註23)	474	-	474
Total	總額	220,065	22,493	242,558

19. Financial instruments by category
(cont'd)

19. 按種類劃分的金融工具(續)

Company (cont'd)

本公司(續)

		Other financial liabilities 其他財務負債	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Liabilities as per balance sheet	資產負債表所示負債		
Other payables (Note 29)	其他應付款項(附註29)	1,200	2,053
Amounts due to subsidiaries (Note 18)	應付附屬公司款(附註18)	105,176	145,872
Loan from a shareholder (Note 33)	股東貸款(附註33)	59,881	29,651
Total	總額	166,257	177,576

20. Inventories

Raw materials	原材料
Work in progress	在製品
Consumables	易耗品
Finished goods	商品

At 31st December 2009, the provision for impairment of inventories amounted to HK\$30,092,000 (2008: HK\$16,802,000).

The cost of inventories recognised as expenses and included in cost of sales amounted to HK\$361,908,000 (2008: HK\$520,054,000).

At 31st December 2009, inventories held by a PRC subsidiary with carrying values of approximately HK\$38,926,000 (2008: Nil) have been pledged for borrowings (Note 27).

20. 存貨

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
17,956	—
6,010	—
1,603	—
154,879	260,337
180,448	260,337

於二零零九年十二月三十一日，存貨減值撥備達30,092,000港元(二零零八年：16,802,000港元)。

確認為支出並列入銷售成本項下之存貨成本達361,908,000港元(二零零八年：520,054,000港元)。

於二零零九年十二月三十一日，於中國附屬公司持有賬面值約為38,926,000港元(二零零八年：無)之存貨已因銀行融資(附註27)而予以抵押。

21. Trade and other receivables

21. 貿易及其他應收款項

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Trade receivables	貿易貨款	135,773	145,844	-	-
Less: provision for impairment	減：減值撥備	(2,612)	(967)	-	-
Trade receivables – net	應收貨款－淨額	133,161	144,877	-	-
Prepayments	預付款	7,608	2,506	167	50
Other receivables and assets, net	其他應收款項 及資產淨額	23,206	40,306	236	158
Rental deposits and other assets	租約按金及其他資產	2,526	2,657	-	-
		166,501	190,346	403	208
Less: non-current portion	減：非流動部份	(3,061)	(972)	-	-
		163,440	189,374	403	208

The carrying amounts of trade receivables, other receivables, other assets and rental deposits approximate their fair values.

貿易應收款項、其他應收款項、其他資產及租約按金之賬面金額與彼等公允價值相若。

21. Trade and other receivables (cont'd)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Hong Kong dollars	港元
RMB	人民幣
USD	美元
Macau Pataca	澳門幣

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

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

21. 貿易及其他應收款項(續)

本集團貿易及其他應收款項之賬面金額以下列貨幣計值：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
96,220	164,571
61,722	25,310
8,354	–
205	465
166,501	190,346

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

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
90,986	101,131
25,447	20,209
4,734	7,075
2,290	6,127
487	2,205
11,829	9,097
135,773	145,844

21. Trade and other receivables (cont'd)

Trade receivables that are current or past due less than four months are not considered impaired. As of 31st December 2009, trade receivables of HK\$42,175,000 (2008: HK\$43,746,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

1 to 30 days	1 天至 30 天
31 to 60 days	31 天至 60 天
61 to 90 days	61 天至 90 天
91 to 120 days	91 天至 120 天
Over 120 days	超過 120 天

As at 31st December 2009, trade receivables of HK\$2,612,000 (2008: HK\$967,000) were impaired and provided for. The individually impaired receivables mainly relate to customers, which are in unexpected difficult economic situations. These receivables are past due more than 120 days.

21. 貿易及其他應收款項(續)

即期或逾期四個月以下之貿易應收款項不會考慮作減值。於二零零九年十二月三十一日，貿易應收款項42,175,000港元(二零零八年：43,746,000港元)已逾期但未作減值。該等款項與一批並無逾期還款記錄之獨立客戶有關。該等貿易應收款項之賬齡分析如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
25,447	20,209
4,734	7,075
2,290	6,127
487	2,205
9,217	8,130
42,175	43,746

於二零零九年十二月三十一日，貿易應收款項2,612,000港元(二零零八年：967,000港元)已作減值撥備。個別已減值應收款項主要與未能預期陷入經濟困難之客戶有關。該等應收款項逾期超過120天。

21. Trade and other receivables (cont'd)

Movements on the provision for impairment of trade receivables are as follows:

At 1st January	於一月一日
Provision for impairment	減值撥備
Receivables written off during the year as uncollectible	年內應收款項未能收回而撇銷
Unused amounts reversed	未動用撥回款項
At 31st December	於十二月三十一日

The creation and release of provision for impaired receivables have been included in general and administrative expenses in the consolidated income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

As at 31st December 2009, other receivables of HK\$42,377,000 (2008: HK\$24,004,000) were impaired and provided for. The amount of additional charge was HK\$18,289,000 for the year ended 31st December 2009 (2008: HK\$24,004,000) and has been included in general and administrative expenses in the consolidated income statement. The individually impaired other receivables mainly related to counterparties, which are in unexpected difficult economic situations.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

21. 貿易及其他應收款項(續)

貿易應收款之減值撥備變動如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
967	2,432
2,369	314
(226)	(1,337)
(498)	(442)
2,612	967

就已減值應收款項新增及解除之撥備已計入綜合收益表內之一般及行政支出。於撥備賬中扣除的金額一般於預期不會收回額外現金時撇銷。

於二零零九年十二月三十一日，其他應收款項42,377,000港元(二零零八年：24,004,000港元)已作減值撥備。截至二零零九年十二月三十一日，額外撥備金額為18,289,000港元(二零零八年：24,004,000港元)，並已計入綜合收益表內之一般及行政開支項下。個別減值之其他應收款項主要涉及交易對手陷入未能預期的經濟困境。

貿易及其他應收款項內其他類別並無任何已減值資產。

於報告日期之最大信貸風險為上述各類應收款項之公允值。本集團並無持有任何抵押品作抵押。

22. Pledged bank deposit

As at 31st December 2009, bank deposit of HK\$30,000,000 (2008: HK\$20,000,000) denominated in Hong Kong dollars and bank deposit of approximately HK\$8,576,000 (2008: Nil) denominated in Renminbi was pledged as collateral for the Group's banking facilities (Note 27).

The effective interest rate on pledged bank deposit was 0.24% (2008: 0.4%) per annum and these deposits are matured within 4 to 102 days (2008: 62 days).

23. Cash and cash equivalents

22. 已抵押銀行存款

於二零零九年十二月三十一日，30,000,000 港元（二零零八年：20,000,000 港元）以港元計值及約 8,576,000 港元（二零零八年：無）以人民幣計值之銀行存款已予以抵押，作為本集團銀行信貸額度之抵押品（附註 27）。

已抵押銀行存款之實際利率為年息 0.24%（二零零八年：0.4%），該等存款之到期日介乎 4 天至 102 天（二零零八年：62 天）。

23. 現金及現金等價物

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Cash at bank and in hand	銀行及手頭現金	55,784	19,476	877	474
Maximum exposure to credit risk	須承受的最高信貸風險	55,563	18,816	876	474

23. Cash and cash equivalents (cont'd)

Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

Cash and cash equivalents	現金及現金等價物
Bank overdrafts (Note 27)	銀行透支(附註27)

23. 現金及現金等價物(續)

就現金流量報表而言，現金、現金等值及銀行透支包括以下各項：

Group 本集團		Company 本公司	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
55,784	19,476	877	474
-	(2,160)	-	-
55,784	17,316	877	474

The carrying amounts of the Group and the Company's cash and cash equivalents are denominated in the following currencies:

本集團及本公司之現金及現金等值之賬面金額按以下貨幣計值：

Group 本集團		Company 本公司			
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元		
Hong Kong dollars	港元	40,526	13,448	877	474
RMB	人民幣	13,128	3,265	-	-
USD	美元	518	234	-	-
Australian dollars	澳元	394	776	-	-
Euro	歐元	1	30	-	-
Other currencies	其他貨幣	1,217	1,723	-	-
55,784	19,476	877	474		

The conversion of these Renminbi denominated balances into foreign currencies and the remittance of these funds out of the mainland China is subject to the exchange control restrictions imposed by the PRC government.

將該等以人民幣計值之結餘兌換為外幣及將該等資金匯出中國，須受中國政府實施之外匯管制措施規限。

24. Assets held-for-sale

Investment properties held in Hong Kong have been presented as assets held-for-sale as disposal actions had been initiated prior to year end. The disposals were completed in January and February 2010.

At 31st December 2009, assets held-for-sale with carrying values of approximately HK\$114,680,000 located in Hong Kong have been pledged for banking facilities (Note 27).

24. 持作出售資產

於香港持有之投資物業已作持作出售資產處理，因出售行動已於年底前展開。該等出售於二零一零年一月及二月份完成。

於二零零九年十二月三十一日，於香港的持作出售資產投資物業賬面值為約114,680,000港元已因銀行融資(附註27)而予以抵押。

25. Share capital

25. 股本

At 1st January and 31st December 2008	於二零零八年一月一日及十二月三十一日
Issue of new shares for acquisition of a subsidiary (note)	收購一家附屬公司發行新股(附註)
At 31st December 2009	於二零零九年十二月三十一日

Number of shares	
股份數目	
thousands	HK\$'000
千股	千港元

12,532,700	25,065
800,000	1,600
13,332,700	26,665

The authorised share capital of the Company is HK\$500,000,000, comprising 250,000 million shares (2008: 250,000 million shares) with a par value of HK\$0.002 per share (2008: HK\$0.002 per share). All issued shares are fully paid.

本公司之法定股本為500,000,000港元，由每股面值0.002港元(二零零八年：每股面值0.002港元)共250,000,000,000股(二零零八年：250,000,000,000股)組成。所有已發行股份皆已繳足。

Note: On 11th November 2009, the Company issued 800,000,000 new shares for acquisition of Jinyufeng. The fair value of shares issued is based on the closing price of HK\$0.061 per share at the date of acquisition. Details of the acquisition are set out in Note 34.

附註：於二零零九年十一月十一日，本公司發行800,000,000股新股作為收購金裕豐。發行股份之公允值按收購日之收市價，即每股0.061港元。收購詳情列載於附註34。

25. Share capital (cont'd)

Share Option Scheme

The Company has adopted a share option scheme ("Scheme") under which the directors of the Company are authorised at their absolute discretion, to invite any eligible participants as defined in the Scheme, to take up options to subscribe for shares in the Company. The subscription price will be determined by the Board, but shall be at least the highest of (a) the closing price of shares as stated in the Stock Exchange's daily quotation sheet on the date on which the relevant options are deemed to be granted and accepted in accordance with the terms of the Scheme ("the Commencement Date"), which must be a day on which the Stock Exchange is open for the business of dealing in securities ("Trading Day"); (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five Trading Days immediately preceding the Commencement Date; and (c) the nominal value of the shares. A consideration of HK\$10 is payable on acceptance of the grant of option. The maximum number of shares in respect of which options may be granted under the Scheme may not exceed 10% of the issued share capital of the Company as at the date of adoption of the Scheme. The Scheme became effective for a period of ten years commencing 24th June 2004.

On 3rd December 2009, 592,000,000 share options were offered and accepted by Directors and employees, with an exercise price of HK\$0.071 and an option period of 10 years commencing from 3rd December 2009 and expiring on 2nd December 2019 (both days inclusive), to be exercised in the following manner.

25. 股本(續)

購股權計劃

本公司已採納一項購股權計劃(「購股權計劃」)，據此，授權本公司董事全權酌情邀請任何合資格參與者(定義見購股權計劃)接納可認購本公司股份之購股權。認購價將由董事會釐定，惟不得低於(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為聯交所經營證券買賣業務之日期(「交易日」))在聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。接納授出之每份購股權時，承授人須支付10港元之代價。根據購股權計劃授出之購股權涉及之股份最高數目，不得超過採納購股權計劃當日本公司已發行股本之10%。購股權計劃由二零零四年六月二十四日起計十年內有效。

於二零零九年十二月三日，本集團向董事及僱員要約並已獲接納592,000,000份購股權，該等購股權之行使價為0.071港元及購股權之行使期限為十年，由二零零九年十二月三日開始至二零一九年十二月二日到期(含首尾兩天)，按下列方式予行使：

25. Share capital (cont'd)

Maximum percentage of the options exercisable 可行使之購股權最高百分比

20% of the total number of options granted to any grantee
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee
向任何承授人授出之購股權總數之20%

Vesting of options granted to certain employees
are subject to achievement of profit target.

25. 股本(續)

Period for exercise of the relevant percentage of the options 行使相關購股權百分比之期限

Upon the expiry of 6 months from 3rd December, 2009 and
up to 2nd December, 2019

由二零零九年十二月三日起計六個月屆滿起，至二零一九年十二月二日止

Upon the expiry of 18 months from 3rd December, 2009 and
up to 2nd December, 2019

由二零零九年十二月三日起計十八個月屆滿起，至二零一九年十二月二日止

Upon the expiry of 30 months from 3rd December, 2009 and
up to 2nd December, 2019

由二零零九年十二月三日起計三十個月屆滿起，至二零一九年十二月二日止

Upon the expiry of 42 months from 3rd December, 2009 and
up to 2nd December, 2019

由二零零九年十二月三日起計四十二個月屆滿起，至二零一九年十二月二日止

Upon the expiry of 54 months from 3rd December, 2009 and
up to 2nd December, 2019

由二零零九年十二月三日起計五十四個月屆滿起，至二零一九年十二月二日止

授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。

25. Share capital (cont'd)

Movements in the number of share options outstanding during the year are as follows:

25. 股本(續)

年內，尚未行使購股權數目之變動如下：

		2009 二零零九年	
		Average exercise price in HK\$ per share 每股股份之 平均行使價(港元)	Number of options 購股權數目
At 1st January	於一月一日		—
Granted	已授出	0.071	592,000,000
At 31st December	於十二月三十一日		<u>592,000,000</u>

26. Reserves

Group

26. 儲備

本集團

		Capital reserve Share premium	Merger reserve (note (ii))	Share based Exchange reserve payment reserve 以股份為 基礎的付款	Retained earnings	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2008	於二零零八年一月一日	79,418	34,115	3,700	4,199	—
Loss for the year	年度虧損	—	—	—	—	(42,596)
Currency translation differences	貨幣換算差額	—	—	12,144	—	12,144
Dividend	股息	—	—	—	—	(12,533)
At 31st December 2008	於二零零八年十二月三十一日	<u>79,418</u>	<u>34,115</u>	<u>3,700</u>	<u>16,343</u>	<u>245,983</u>
Loss for the year	年度虧損	—	—	—	—	(39,662)
Currency translation differences	貨幣換算差額	—	—	570	—	570
Issue of new shares for acquisition of a subsidiary (Note 34)	收購附屬公司發行新股 (附註34)	47,200	—	—	—	—
Share based payment	以股份為基礎的付款	—	—	—	718	718
At 31st December 2009	於二零零九年十二月三十一日	<u>126,618</u>	<u>34,115</u>	<u>3,700</u>	<u>16,913</u>	<u>718</u>
		<u>206,321</u>	<u>388,385</u>			

26. Reserves (cont'd)

Company

26. 儲備(續)

本公司

		Share premium	Contributed surplus (note (iii)) 繳入盈餘 (附註(iii))	Share based payment reserve (以股份為基礎的付款) HK\$'000 千港元	Retained earnings/ (Accumulated deficit) 保留盈利/ (累計虧損) HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st January 2008	於二零零八年一月一日	79,418	86,759	-	20,172	186,349
Loss for the year	年度溢利	-	-	-	(36,533)	(36,533)
Dividend	股息	-	-	-	(12,533)	(12,533)
At 31st December 2008	於二零零八年十二月三十一日	79,418	86,759	-	(28,894)	137,283
Issue of new shares for acquisition of a subsidiary (Note 34)	收購附屬公司發行新股 (附註34)	47,200	-	-	-	47,200
Loss for the year	年度虧損	-	-	-	(23,218)	(23,218)
Share based payment	以股份為基礎的付款	-	-	718	-	718
At 31st December 2009	於二零零九年十二月三十一日	126,618	86,759	718	(52,112)	161,983

26. Reserves (cont'd)

Notes:

- (i) The capital reserve of the Group arose from acquisition of the remaining interests in a subsidiary in 1999. The balance represents the excess of the fair value attributable to the net assets and liabilities acquired over the consideration paid.
- (ii) The merger reserve of the Group arising from the group reorganisation is determined by the difference between the nominal value of shares of the subsidiaries acquired pursuant to the group reorganisation and the nominal value of the Company's shares deemed to have been issued.
- (iii) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of World Trade Bun Kee (BVI) Ltd. and the value of net assets of the underlying subsidiaries acquired by the Company in 2000. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, subject to a solvency test. At the Group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.
- (iv) At 31st December 2009, reserves of the Company available for distribution, including the contributed surplus, amounted to HK\$34,647,000 (2008: HK\$57,865,000).

26. 儲備(續)

附註：

- (i) 本集團之資本儲備起源於一九九九年收購一間附屬公司之餘下權益。有關結餘指所購入淨資產及負債之公允值超出已支付代價之差額。
- (ii) 本集團因集團重組而產生之合併儲備，乃按根據集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值兩者間之差額釐定。
- (iii) 本公司之繳入盈餘乃指本公司為換取World Trade Bun Kee (BVI) Ltd.全部已發行普通股而發行之股份面值與本公司所收購有關附屬公司於二零零零年之資產淨值兩者間之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘在符合有關無力償還債務之測試之情況下，可供分派予股東。在本集團之賬目上，繳入盈餘重新分類為有關附屬公司之儲備組成部分。
- (iv) 於二零零九年十二月三十一日，本公司可供分派儲備(包括繳入盈餘)達34,647,000港元(二零零八年：57,865,000港元)。

27. Borrowings

27. 借貸

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Non-current	非流動		
Long term bank borrowings (note (i))	長期銀行借貸 (附註(i))	39,973	134,155
Current	流動		
Current portion of long term bank borrowings (note (i))	長期銀行借貸之即期部分 (附註(i))	6,586	34,996
Short term bank borrowings (note (ii))	短期銀行借貸 (附註(ii))	143,381	30,973
Trust receipt loans (note (ii))	信託收據貸款 (附註(ii))	88,184	91,881
Bank overdrafts (Note 23, note (ii))	銀行透支 (附註23、附註(ii))	-	2,160
		238,151	160,010
		278,124	294,165
Representing:	其中:		
Unsecured	無抵押	6,367	72,864
Secured (note (vii))	有抵押 (附註(vii))	271,757	221,301
		278,124	294,165

27. Borrowings (cont'd)

Notes:

- (i) The long term bank borrowings are secured and are at floating rates. The carrying amounts and fair values of the long term bank borrowings are as follows:

Long term bank borrowings	長期銀行借貸
Carrying amounts	賬面金額
Fair values	公允值

The fair values of current borrowings equal their carrying amounts as the impact of discounting is not significant. The fair values of long term borrowings are estimated based on discounted cash flow approach using the prevailing market rates of interest available to the Group of 5.94% (2008: 2.05%) for financial instruments with substantially the same terms and characteristics for the year ended 31st December 2009, depending on the type and currency of borrowings.

- (ii) The carrying amounts of the short term bank borrowings, trust receipt loans and bank overdrafts approximate their fair values. As at 31st December 2009, short term bank borrowings of HK\$143,381,000 (2008: HK\$16,116,000) and trust receipt loans of HK\$81,817,000 (2008: HK\$36,034,000) are secured.

27. 借貸(續)

附註:

- (i) 長期銀行借貸均為有抵押並按浮動利率計息。長期銀行借貸之賬面金額及公允值如下:

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
46,559	169,151
47,734	180,254

由於貼現之影響並不重大，故流動借貸之公允值與彼等賬面金額相同。長期借貸之公允值視乎借貸之類別及貨幣，利用本集團適用之現行市場利率5.94% (二零零八年：2.05%) 就截至二零零九年十二月三十一日止年度條款及特點大致相同之金融工具按現金流量折現法估計。

- (ii) 短期銀行借貸、信託收據貸款及銀行透支之賬面金額與彼等公允值相若。於二零零九年十二月三十一日，143,381,000港元之短期期銀行貸款(二零零八年：16,116,000港元)及81,817,000港元之信託收據貸款(二零零八年：36,034,000港元)為有抵押。

27. Borrowings (cont'd)

Notes: (cont'd)

- (iii) The bank borrowings are denominated in the following currencies:

Bank borrowings:	銀行借貸：
Hong Kong dollars	港元
RMB	人民幣

- (iv) The effective interest rates (per annum) at the balance sheet date are as follows:

Long term bank borrowings	長期借貸
Short term bank borrowings	短期借貸
Trust receipt loans	信託收據貸款
Bank overdrafts	銀行透支

- (v) All short term bank borrowings, trust receipt loans and bank overdrafts will mature within one year. The maturity of long term bank borrowings are as follows:

Within one year	一年內
Between one and two years	一年至兩年
Between two and five years	兩年至五年
Wholly repayable within five years	須於五年內悉數償還
Wholly repayable after five years	五年以上悉數償還

27. 借貸(續)

附註：(續)

- (iii) 銀行借貸以下列貨幣列值：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
111,610	241,633
166,514	52,532
278,124	294,165

- (iv) 於結算日，銀行借貸之有效利率如下：

2009 二零零九年 %	2008 二零零八年 %
6.53	2.86
5.71	2.41
3.07	3.70
-	6.26

- (v) 所有短期銀行借貸、信託收據貸款及銀行透支均會於一年內到期。長期銀行借貸之到期日如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
6,586	34,996
6,586	15,566
19,758	46,832
32,930	97,394
13,629	71,757
46,559	169,151

27. Borrowings (cont'd)

Notes: (cont'd)

- (vi) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

Six months or less	六個月或以下
--------------------	--------

- (vii) The banking facilities were secured by corporate guarantees and certain assets held by subsidiaries. The carrying values of the assets include property, plant and equipment of HK\$73,084,000 (2008: Nil) (Note 14), land use rights of HK\$28,837,000 (2008: Nil) (Note 15), investment properties of HK\$185,231,000 (2008: HK\$295,498,000) (Note 17), assets held-for-sale of HK\$114,680,000 (2008: Nil) (Note 24), inventories of HK\$38,926,000 (2008: Nil) (Note 20) and bank deposit of HK\$38,576,000 (2008: HK\$20,000,000) (Note 22).

- (viii) As at 31st December 2009, the Group's short term bank borrowing amounted to approximately RMB29.9 million (equivalent to approximately HK\$34.2 million) whereby the Group has not fulfilled a non-financial covenant requirement under a short term trade facility. Subsequent to the year end, the Group has obtained a waiver from the bank.

27. 借貸(續)

附註：(續)

- (vi) 於結算日，本集團借貸面臨的利率變動及下期定息日風險如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
189,839	202,284

- (vii) 銀行融資由公司擔保及附屬公司持有之若干資產。該等資產之賬面值包括73,084,000港元之物業、廠房及設備(二零零八年：無)(附註14)、28,837,000港元之土地使用權(二零零八年：無)(附註15)、185,231,000港元之投資物業(二零零八年：295,498,000港元)(附註17)、114,680,000港元之持作出售資產(二零零八年：無)(附註24)、38,926,000港元之存貨(二零零八年：無)(附註20)及銀行存款38,576,000港元(二零零八年：20,000,000港元)(附註22)作抵押。

- (viii) 於二零零九年十二月三十一日，本集團約人民幣29,900,000(等值約34,200,000港元)之短期銀行借貸，本集團未符合於一項短期貿易融資額度的非財務之貸款契約要求。於年底後，本集團取得銀行的豁免。

28. Deferred taxation

28. 遞延稅項

Deferred tax assets to be recovered after more than 12 months	將於十二個月後彌補之遞延稅項資產
Deferred tax liabilities to be settled after more than 12 months	將於十二個月後償還之遞延稅項負債

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
11,761	—
(18,736)	(1,997)
(6,975)	(1,997)

Deferred tax is calculated in full on temporary differences under the liability method using tax rates of the relevant subsidiaries applicable to the period when the asset is expected to be realised or the liability to be settled, based on tax rates that have been substantively enacted by the balance sheet date.

遞延稅項採用負債法就有關附屬公司預期資產變現或負債結算之期間所適用之稅率(於結算日已頒佈或實質頒佈)作全數撥備。

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅負債互相抵銷。

28. Deferred taxation (cont'd)

The net movement on the deferred tax account is as follows:

At 1st January	於一月一日
Acquisition of a subsidiary (Note 34)	收購一家附屬公司 (附註34)
Credited to income statement	在收益賬計入
Exchange differences	匯兌差額
At 31st December	於十二月三十一日

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

At 1st January 2008 and 2009	於二零零八年及二零零九年一月一日
Acquisition of a subsidiary (Note 34)	收購一家附屬公司(附註34)
Credited to income statement	在收益賬計入
Exchange differences	匯兌差額
At 31st December 2009	於二零零九年十二月三十一日

28. 遞延稅項(續)

遞延稅項賬目之變動淨額如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
(1,997)	(5,780)
(9,116)	—
4,139	3,783
(1)	—
(6,975)	(1,997)

遞延稅項資產及負債於年內之變動(未計及於相同徵稅區內抵銷之結餘)如下：

遞延稅項資產

Tax losses 稅務虧損 HK\$'000 千港元

—
9,467
2,364
2
11,833

28. Deferred taxation (cont'd)

Deferred tax liabilities

At 1st January 2008	於二零零八年一月一日	
(Charged)/credited to	在收益賬(扣除)/計入	
income statement		
At 31st December 2008	於二零零八年十二月三十一日	
Credited to income statement	在收益賬計入	
Acquisition of a subsidiary (Note 34)	收購一家附屬公司(附註34)	
Exchange differences	匯兌差額	
At 31st December 2009	於二零零九年十二月三十一日	

28. 遞延稅項(續)

遞延稅項負債

	Tax depreciation	Revaluation on assets	Total
	加速折舊	重估資產	合計
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
	(390)	(5,390)	(5,780)
	(62)	3,845	3,783
	(452)	(1,545)	(1,997)
	382	1,393	1,775
	-	(18,583)	(18,583)
	-	(3)	(3)
	(70)	(18,738)	(18,808)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$15,461,000 (2008: HK\$8,442,000) in respect of accumulated tax losses amounting to HK\$73,683,000 (2008: HK\$42,108,000) as at 31st December 2009, that can be carried forward against future taxable income. As at 31st December 2009, the accumulated tax losses amounting to HK\$38,863,000 (2008: HK\$17,583,000) will be expired in five years. There is no expiry period for the other tax losses.

遞延所得稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作出確認。本集團並未就二零零九年十二月三十一日可結轉以抵銷未來應課稅收入之累計稅項虧損15,461,000港元(二零零八年: 8,442,000港元)確認遞延所得稅項資產73,683,000港元(二零零八年: 42,108,000港元)。於二零零九年十二月三十一日, 該等累計稅項虧損達38,863,000港元(二零零八年: 17,583,000港元), 將於五年內到期。其他稅項虧損並無屆滿期間。

29. Trade and other payables

Trade payables
Accrued expenses and other payables

貿易應付款
預提費用及
其他應付款

29. 貿易及其他應付款

		Group 本集團	Company 本公司	
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	56,485	46,880	-	-
	39,206	36,343	1,200	2,053
	95,691	83,223	1,200	2,053

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

本集團貿易應付款的賬齡分析如下：

Within 30 days
31 to 60 days
61 to 90 days
Over 90 days

30天以內
31天至60天
61天至90天
超過90天

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
18,619	24,845
3,854	3,134
5,588	3,257
28,424	15,644
56,485	46,880

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

本集團之貿易及其他應付款項之賬面金額按以下貨幣計值：

Hong Kong dollars
USD
RMB
Euro
Other currencies

港元
美元
人民幣
歐元
其他貨幣

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
26,755	41,568
16,593	29,428
47,870	6,794
4,158	3,964
315	1,469
95,691	83,223

30. Operating lease commitments

30. 經營租約承擔

		Group 本集團	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Land and buildings	土地及樓宇		
Not later than one year	不超過一年	15,456	13,291
Later than one year and not later than five years	超過一年但不超過五年	25,640	5,802
Later than five years	超過五年	967	-
		42,063	19,093

31. Contingent liability

Save as the financial guarantee provided to a third party disclosed in Note 34, the Group has no other contingent liability as at 31st December 2009.

31. 或然負債

誠如附註34內所披露提供予第三者的財務擔保，於二零零九年十二月三十一日，本集團無其他或然負債。

Notes to the Financial Statements

財務報表附註

32. Notes to the consolidated cash flow statement

32. 綜合現金流量表附註

(a) Reconciliation of loss before income tax to net cash generated from operations

(a) 稅前虧損與經營業務之現金流入淨額對賬

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Loss before income tax	稅前虧損	(42,980)	(36,868)
Adjustments for:	就下列作出調整：		
Depreciation	折舊	4,329	3,503
Amortisation	攤銷	108	-
Gain on disposal of property, plant and equipment (note)	出售物業、廠房及設備之收益(附註)	-	(536)
Fair value (gains)/losses on investment properties	投資物業之公允值(收益)/虧損	(4,136)	31,582
Fair value (gains)/losses on financial assets at fair value through profit or loss	財務資產之公允值(收益)/虧損	(5,728)	29,798
Interest income	利息收入	(119)	(190)
Interest expenses	利息支出	13,104	13,801
Provision for impairment of trade receivables, net	貿易應收款減值撥備淨額	20,084	23,876
Provision for impairment of inventories, net	存貨減值撥備淨額	13,290	5,251
Share based payment	以股份為基礎的付款	718	-
Changes in working capital:	營運資金變動：		
Decrease in inventories	存貨減少	134,690	6,396
Decrease in trade and other receivables	貿易及其他應收款減少	53,512	10,587
Decrease/(increase) in financial assets at fair value through profit or loss	按公允價值透過損益列賬的財務資產減少/(增加)	28,221	(29,353)
Decrease in amounts due from related companies	應收關連公司款項減少	-	8,586
Decrease in trade and other payables	貿易及其他應付款減少	(91,940)	(5,211)
Decrease in amount due to a minority shareholder	應付一位少數股東款項減少	(10,092)	-
(Decrease)/increase amounts due to related companies	應付關連公司款項(減少)/增加	(1,994)	1,994
Net cash generated from operations	經營業務所得現金淨額	111,067	63,216

32. Notes to the consolidated cash flow statement (cont'd)

(a) Reconciliation of loss before income tax to net cash generated from operations (cont'd)

Note: Proceeds from disposal of property, plant and equipment comprises:

Net book amount	賬面淨值
Gain on disposal	出售收益
Proceeds from disposal	出售所得款項

32. 綜合現金流量表附註(續)

(a) 稅前虧損與經營業務之現金流入淨額對賬(續)

附註：出售物業、廠房及設備之所得款項包括：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
-	13
-	536
-	549

Notes to the Financial Statements

財務報表附註

32. Notes to the consolidated cash flow statement (cont'd)

32. 綜合現金流量表附註(續)

(b) Acquisition of a subsidiary

(b) 收購一家附屬公司

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Net assets acquired	已購入淨資產		
Property, plant and equipment (Note 14)	物業、廠房及設備(附註14)	106,897	-
Land use rights (Note 15)	土地使用權(附註15)	30,638	-
Inventories	存貨	68,074	-
Trade and other receivables	貿易及其他應收貨款	49,781	-
Pledged bank deposit	抵押銀行存款	17,148	-
Cash and cash equivalents	現金及現金等價物	1,572	-
Amount due to a shareholder	應付股東款項	(10,225)	-
Trade and other payables	貿易及其他應付貨款	(104,121)	-
Borrowings	借貸	(68,592)	-
Deferred tax assets (Note 28)	遞延稅項資產(附註28)	9,467	-
Deferred tax liabilities (Note 28)	遞延稅項負債(附註28)	(18,583)	-
Net assets	資產淨值	82,056	-
Minority interest	少數股東權益	(32,822)	-
		49,234	-
Goodwill	商譽	22,266	-
		71,500	-
Satisfied by:	支付方式:		
Cash paid	已付現金	22,700	-
Consideration shares	代價股份	48,800	-
		71,500	-
Analysis of net cash outflow in respect of acquisition of a subsidiary:	有關收購一家附屬公司之現金流出淨額分析:		
Cash paid	已付現金	22,700	-
Cash and cash equivalents acquired	已購入現金及現金等價物	(1,572)	-
Net cash outflow in respect of acquisition of a subsidiary	有關收購一家附屬公司之現金流出淨額	21,128	-

33. Related party transactions

(a) Balances with related parties

Amount due to a related company (note (i))	應付一家關連公司款項 (附註(i))
Loan from a shareholder (note (ii))	股東貸款(附註(ii))

Notes:

- (i) The related company is beneficially owned and controlled by certain key management of the Group. The balances were unsecured, bearing interest at 5.31% per annum (2008: interest-free) and repayable on demand.
- (ii) The loan is from Mr. Lai Guanglin, also a director of the Company. As at 31st December 2009, the balance is unsecured, balance of approximately HK\$49,360,000 bears interest at HK Dollar prime rate plus 4.75% per annum and the remaining balance of HK\$5,000,000 bears interest at 1% per month and repayable within one year (2008: bears interest at 1% per month and not repayable within the next twelve months).
- (iii) Interest expenses paid to related parties for the year ended 31st December 2009 and 2008 are disclosed in Note 9.

33. 關連人士交易

(a) 關連人士結餘

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
23,449	1,994
59,881	29,651

附註：

- (i) 該等關連公司由本集團若干主要管理層人員實益擁有及控制。有關結餘為無抵押、按年年利率5.31%計息(二零零八年:免息)及須於要求時償還。
- (ii) 該等貸款來自本公司董事Lai Guanglin先生。於二零零九年十二月三十一日,該等結餘為無抵押、當中約49,360,000港元按年息港元最優惠利率加4.75%計息及餘下5,000,000港元按月息1%計息,及於未來1年內償還(二零零八年:月息1%計息及無須於未來12個月內償還)。
- (iii) 截至二零零九年及二零零八年十二月三十一日止年度,付給關連公司之利息支出於附註9披露。

33. Related party transactions (cont'd)

(b) Key management compensation

Salaries and other short term employee benefits	薪金及其他短期僱員福利
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃
Share based payment	以股份為基礎之付款

33. 關連人士交易(續)

(b) 主要管理人員報酬

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
14,179	20,911
144	1,367
523	–
14,846	22,278

34. Business combination

On 11th November 2009, the Group completed the acquisition of the 60% equity interest in Jinyufeng at consideration of cash of RMB18 million (equivalent to HK\$20.4 million) and issue of new shares of 800,000,000 shares of the Company. Jinyufeng is engaged in manufacturing and sale of seamess pipes in mainland China.

The acquired business contributed revenues of HK\$61,162,000 and profit attributable to equity holders of the Company of HK\$397,000 to the Group for the post acquisition period. If the acquisition had occurred on 1st January 2009, revenue and loss contributed to the Group for the year would have been HK\$243,486,000 and HK\$9,951,000 respectively.

34. 業務合併

於二零零九年十一月十一日，本集團以人民幣18,000,000(等值20,430,000港元)之現金及發行本公司800,000,000股新股份作為代價，收購金裕豐之60%權益。金裕豐於中國大陸從事生產及銷售無縫鋼管。

於收購期後，該業務為本集團貢獻收入61,162,000港元及本公司股權持有人應佔溢利397,000港元。倘若收購於二零零九年一月一日發生，年內所貢獻之收入及虧損分別為243,486,000港元及9,951,000港元。

34. Business combination (cont'd)

34. 業務合併(續)

Set forth below is a preliminary calculation of goodwill:

以下列示商譽之初步計算方法：

		HK\$'000 千港元
Purchase consideration (note (i)):	購買代價(附註(i))：	
– Cash paid to the vendor	– 已付現金予賣方	20,430
– Direct cost relating to the acquisition	– 有關收購事項之直接成本	2,270
– Fair value of shares issued	– 已發行股份之公允價值	48,800
		71,500
Total purchase consideration	購買代價總額	71,500
Less: fair value of share of net identifiable assets acquired, determined provisionally (shown as below)	減：應佔購入可識別資產淨值的公允價值，按暫定價值釐訂(如下文所示)	(49,234)
		22,266
Goodwill	商譽	

Note:

附註：

(i) The final purchase consideration amount is contingent on a RMB30 million (equivalent to approximately HK\$34.1 million) profit guarantee provided by the former equity holders of Jinyufeng. The former equity holders of Jinyufeng have guaranteed the Group that the net profit of Jinyufeng shall not be less than RMB30 million for the year ending 31st December 2010 (the "Profit Guarantee"), and would compensate the Group for the shortfall, if any, in proportion to their equity shareholdings. Based on estimation made by management, it is considered that the exercise of the Profit Guarantee is remote. No adjustment in respect of the Profit Guarantee was therefore made to the purchase consideration and goodwill as at 31st December 2009. However, the amount of shortfall (if any) would be recognised and the goodwill would be adjusted when it can be ascertained at the time the financials of Jinyufeng for the year ending 31st December 2010 are available.

(i) 收購代價之最終金額，附帶於由金裕豐前股東提供之人民幣30,000,000(等值約34,100,000港元)之利潤保證。前股東承諾金裕豐於截至二零一零年十二月三十一日止年度之淨利潤不少於人民幣30,000,000(「利潤保證」)，以及按股權比例補償差額予本集團(如有)。基於管理層估計，認為行使利潤保證較微。故於二零零九年十二月三十一日，未有因利潤保證而對最終收購代價及商譽作調整。但當確認從前股東收到補償(如有)，以及隨着金裕豐於截至二零一零年十二月三十一日止的年度業績時才會調整商譽。

34. Business combination (cont'd)

The assets and liabilities as of the completion date arising from the acquisition are as follows:

		Acquirees' carrying amount 被收購公司 的賬面價值 HK\$'000 千港元	Acquirees' fair value 被收購公司 的公允價值 HK\$'000 千港元
Net tangible assets acquired: 收購有形資產淨值：			
Property, plant and equipment	物業、廠房及設備	53,022	106,897
Land use rights	土地使用權	10,180	30,638
Inventories	存貨	68,074	68,074
Trade and other receivables	貿易及其他應收款項	49,781	49,781
Pledged bank deposit	抵押銀行存款	17,148	17,148
Cash and cash equivalents	現金及現金等價物	1,572	1,572
Amount due to a shareholder	應付股東款項	(10,225)	(10,225)
Trade and other payables	貿易及其他應付款項	(104,121)	(104,121)
Borrowings	借貸	(68,592)	(68,592)
Deferred tax assets	遞延稅項資產	9,467	9,467
Deferred tax liabilities	遞延稅項負債	-	(18,583)
Net assets (Note (ii))	資產淨值(附註(ii))	<u>26,306</u>	82,056
Minority interest	少數股東權益		<u>(32,822)</u>
Net assets acquired	購入資產淨值		<u>49,234</u>

Note:

- (ii) Included in net assets acquired, there was a guarantee provided by Jinyufeng to an independent third party (the "third party") for RMB25.5 million (equivalent to approximately HK\$29.2 million) banking facility obtained by the third party (the "financial guarantee"). The fair value of the financial guarantee could only be determined provisionally pending completion of the assessment of the third party's credit worthiness and valuation process and such amount would be adjusted within 12 months of the date of acquisition against goodwill upon final determination of the fair value of the financial guarantee.

34. 業務合併(續)

於完成日期收購所產生之資產及負債如下：

		Acquirees' carrying amount 被收購公司 的賬面價值 HK\$'000 千港元	Acquirees' fair value 被收購公司 的公允價值 HK\$'000 千港元
Net tangible assets acquired: 收購有形資產淨值：			
Property, plant and equipment	物業、廠房及設備	53,022	106,897
Land use rights	土地使用權	10,180	30,638
Inventories	存貨	68,074	68,074
Trade and other receivables	貿易及其他應收款項	49,781	49,781
Pledged bank deposit	抵押銀行存款	17,148	17,148
Cash and cash equivalents	現金及現金等價物	1,572	1,572
Amount due to a shareholder	應付股東款項	(10,225)	(10,225)
Trade and other payables	貿易及其他應付款項	(104,121)	(104,121)
Borrowings	借貸	(68,592)	(68,592)
Deferred tax assets	遞延稅項資產	9,467	9,467
Deferred tax liabilities	遞延稅項負債	-	(18,583)
Net assets (Note (ii))	資產淨值(附註(ii))	<u>26,306</u>	82,056
Minority interest	少數股東權益		<u>(32,822)</u>
Net assets acquired	購入資產淨值		<u>49,234</u>

附註：

- (ii) 收購之淨資產當中，包含金裕豐為一位獨立第三方(「第三方」)取得銀行融資而提供人民幣25,500,000(等值約29,200,000港元)之財務擔保(「財務擔保」)。財務擔保的公允價值只能臨時確認，第三方的信譽和評估的程序仍在進行，待財務擔保的公允價值最後確定後，該金額將於收購日期十二個月內與商譽對沖。

35. Events after the balance sheet date

Save as the disposal of investment properties as disclosed in Note 24, there was no significant subsequent event that took place subsequent to 31st December 2009.

36. Ultimate holding company

The directors of the Company consider Singapore Zhongxin, a company incorporated in the British Virgin Islands, as being the ultimate holding company. Singapore Zhongxin is wholly and beneficially owned by Mr. Lai Guanglin, a director of the Company.

37. Approval of financial statements

The financial statements were approved by the board of directors on 20th April 2010.

35. 結算日後事項

誠如附註24所述之出售投資物業，於二零零九年十二月三十一日後，並無重大日後事項發生。

36. 最終控股公司

本公司董事認為，在英屬維爾京群島註冊成立之Singapore Zhongxin為最終控股公司。Lai Guanglin先生全資及實益擁有Singapore Zhongxin，為本公司之董事。

37. 審批財務報表

董事會於二零一零年四月二十日審批財務報表。

38. Particulars of the principal subsidiaries

38. 主要附屬公司資料

Name 名稱	Principal Activities 主要業務	Particulars of issued share capital/ registered capital 已發行及繳足 股本/註冊資本	Attributable to the Group 本集團應佔	Percentage 百分比	
				Held by the Company 本公司持有	Held by subsidiaries 屬公司持有
<i>Incorporated and operating in Hong Kong</i> 在香港成立及經營					
Bun Kee (International) Limited 彬記(國際)有限公司	Trading of construction materials, mainly pipes and fittings in Hong Kong 於香港買賣建築材料，主要為喉管 及管件	100 ordinary shares of HK\$1 each 3,000,000 non-voting deferred shares of HK\$1 each 100 股每股面值 1 港元之普通股 3,000,000 股每股面值 1 港元之 無投票權遞延股份	100	-	100
Hamerwind Logistic Company Limited 時風物流有限公司	Provision of warehousing and logistic services in Hong Kong 於香港提供倉貯及物流服務	800 ordinary shares of HK\$100 each 800 股每股面值 100 港元之普通股	100	-	100
Hing's Godown & Transportation Company Limited 興發貨倉有限公司	Provision of warehousing services in Hong Kong 於香港提供倉貯服務	1,000 ordinary shares of HK\$100 each 1,000 股每股面值 100 港元之普通股	100	-	100
Patterson Engineering Company Limited 德誠行工程有限公司	Property investment in Hong Kong 於香港投資物業	1,000 ordinary shares of HK\$100 each 1,000 股每股面值 100 港元之普通股	100	-	100
<i>Established in the British Virgin Islands and operating in Hong Kong</i> 在英屬處女群島成立 及在香港經營					
Glory Star Trading Limited 耀星貿易有限公司	Property investment in Hong Kong 於香港投資物業	1,000 ordinary shares of US\$1 each 1,000 股每股面值 1 美元之普通股	100	100	-

38. Particulars of the principal subsidiaries (cont'd)

38. 主要附屬公司資料(續)

Name 名稱	Principal Activities 主要業務	Particulars of issued share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage 百分比		
			Attributable to the Group 本集團應佔	Held by the Company 本公司持有	Held by subsidiaries 屬公司持有
<i>Established and operating in PRC</i> <i>在中國成立及經營</i>					
煙臺金裕豐無縫鋼管有限公司	Manufacturing and sale of seamless pipes in the PRC 於中國生產及銷售無縫鋼管	RMB50,000,000 人民幣 50,000,000	60	-	60
Bun Kee Building Material (Shanghai) Co., Ltd. 彬記建材(上海)有限公司	Trading of construction materials, mainly pipes and fittings in the PRC 於中國買賣建築材料, 主要為喉管及管件	US\$200,000 200,000 美元	100	-	100
Bun Kee Building Material (Guangzhou) Co., Ltd. 彬記建材(廣州)有限公司	Assembling materials in the PRC 於中國裝配建築材料	HK\$9,000,000 9,000,000 港元	100	-	100
上海兆雍物業管理有限公司	Property investment in the PRC 於中國物業投資	US\$5,000,000 5,000,000 美元	100	-	100
<i>Established and operating in Macao</i> <i>在澳門成立及經營</i>					
Bun Kee Building Material and Equipment (Macao) Co., Ltd. 彬記建材及設備(澳門)有限公司	Trading of construction materials, mainly pipes and fittings in Macao 於澳門買賣建築材料, 主要為喉管及管件	MOP50,000 50,000 澳門幣	100	-	100

Five Year Financial Summary

五年財務概要

		2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Results	業績					
Revenue	收入	522,921	617,556	633,668	701,766	453,785
Profit/(loss) before income tax	稅前溢利／(虧損)	51,113	71,616	84,583	(36,868)	(42,980)
Income tax (expense)/credit	稅項(支出)／抵免	(8,589)	(12,314)	(17,479)	(5,728)	3,583
Profit/(loss) for the year	年度溢利／(虧損)	42,524	59,302	67,104	(42,596)	(39,397)
Attributable to:	應佔：					
Equity holders of the Company	股權持有人	42,524	59,302	67,104	(42,596)	(39,662)
Minority interest	少數股東權益	-	-	-	-	265
		42,524	59,302	67,104	(42,596)	(39,397)
Assets and liabilities	資產及負債					
Total assets	總資產	425,261	523,353	817,492	820,834	924,788
Total liabilities	總負債	(132,606)	(183,489)	(369,883)	(416,210)	(476,645)
Total equity	總權益	292,655	339,864	447,609	404,624	448,143



中國管業集團有限公司
CHINA PIPE GROUP LIMITED