



華耐控股有限公司 SINOREF HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1020



Interim Report 2010

中期報告



Contents

目錄

Corporate Information	2	公司資料	2
Chairman's Statement	4	主席報告書	4
Management Discussion and Analysis	5	管理層討論與分析	5
– Market Review		– 市場回顧	
– Business Review		– 業務回顧	
– Financial Review		– 財務回顧	
Other Information	13	其他資料	13
Independent Auditor's Report	16	獨立核數師報告	16
Consolidated Statement of Comprehensive Income	18	綜合全面收益表	18
Consolidated Statement of Financial Position	19	綜合財務狀況表	19
Consolidated Statement of Changes in Equity	20	綜合權益變動表	20
Consolidated Statement of Cash Flows	21	綜合現金流量表	21
Notes to the Consolidated Financial Statements	22	綜合財務報表附註	22

Corporate Information

公司資料

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Dr. Zhang Lanyin
Mr. Gu Aoxing

NON-EXECUTIVE DIRECTOR

Mr. Gao Zhilong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yao Enshu
Mr. Yang Fuqiang
Mr. Cheng Yun Ming Matthew

COMPANY SECRETARY

Mr. Tam Chi Ming George

AUTHORIZED REPRESENTATIVE

Dr. Zhang Lanyin
Mr. Tam Chi Ming George

AUDIT COMMITTEE

Mr. Cheng Yun Ming Matthew (*Chairman*)
Mr. Yao Enshu
Mr. Yang Fuqiang

REMUNERATION COMMITTEE

Mr. Yao Enshu (*Chairman*)
Mr. Xu Yejun
Mr. Cheng Yun Ming Matthew
Mr. Yang Fuqiang

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顧敖行先生

非執行董事

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獨立非執行董事

姚恩澍先生
楊富強先生
鄭潤明先生

公司秘書

譚志明先生

授權代表

張蘭銀博士
譚志明先生

審核委員會

鄭潤明先生 (*主席*)
姚恩澍先生
楊富強先生

薪酬委員會

姚恩澍先生 (*主席*)
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PRINCIPAL BANKER

Bank of Communications

COMPLIANCE ADVISOR

DBS Asia Capital Limited

COMPANY WEBSITE

www.sinoref.com.hk

STOCK CODE

Stock Exchange of Hong Kong: 01020

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法律顧問

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主要往來銀行

交通銀行

合規顧問

星展亞洲融資有限公司

公司網址

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股份代號

香港聯交所：01020

Chairman's Statement

主席報告

Dear Shareholders,

I am pleased to present on behalf of the Board of Directors the first interim report of Sinoref Holdings Limited after its listing. During the six months ended 30 June 2010, the Group achieved remarkable results by further enhancing its technology standard and internal management as well as expanding the business network.

Benefited from the stable growth of market demand and business scale, the Group's high-end steel flow control products recorded significant sales growth, and hence driving the overall profit to reach a new height. The Group's results were very encouraging. During the reporting period, turnover reached RMB174.7 million, rising substantially by 228.4% compared with the same period of 2009 and 6.5% higher than the estimation of RMB65.8 million in the Prospectus. Gross profit and net profit increased 262.5% and 214.3% to RMB122.9 million and RMB70.1 million respectively, and basic earnings per share rose 300.0% to RMB0.08.

Since the commencement of operation in 2007, the Group has been recognized for technology innovation, quality products and operation efficiency, which earned it a broad customer base and has become a leader in producing high-end steel flow control products in China. Existing customers are mainly members of major steel manufacturing groups in China, including Baosteel Group, Hebei Steel Group, Wuhan Steel Group and Shandong Steel Group. The strong customer base forms a great demand for the Group's high quality and customized products.

On 7 July 2010, Sinoref listed successfully on the Main Board of the Hong Kong Stock Exchange. It strengthened the Group's financial capability and enhanced its standard in corporate governance, which marked a new milestone for the Group to develop further. I am very confident that the leading position of Sinoref will be more secure. Looking ahead, apart from enlarging the local market share in China, we will also strive to develop overseas market by cooperating closely with traders and agents like Carboref in Germany and China's Sinosteel as well as promoting and selling our high-end steel flow control products in foreign markets. The Group will also continue to strengthen its competitiveness to achieve outstanding results and maximize returns for shareholders.

Going forward, we will continue to adhere to the belief of "Quality drives market growth" by developing technology while exploring new markets, and strive to be the leading producer of high-end steel flow control products in China and bring fruitful returns for shareholders.

Lastly, on behalf of the Board, I would like to express my sincere appreciation to our dedicated staff, as well as our business partners for their support and trust. Let us all pull together and scale another new height for the Group.

Xu Yejun

Chairman and Chief Executive Officer

各位股東：

本人謹代表董事會欣然提呈華耐控股有限公司上市後首份中期業績報告。截至二零一零年六月三十日止的六個月期間，集團通過進一步提升技術水準、加強內部管理及開拓業務網絡，再創佳績。

受惠於市場需求的穩步增長以及經營規模的逐步擴大，集團生產的高端鋼水控流產品錄得強勁的銷售增長，帶動整體盈利創出新高。在回顧期內，集團之營業額達到人民幣1億7,470萬元，較二零零九年同期大幅上升228.4%，較之前招股書中披露的預測的人民幣6,580萬元高出6.5%；毛利及純利分別增長262.5%及214.3%至人民幣1億2,290萬元以及人民幣7,010萬元；每股基本盈利增長300.0%至人民幣0.08元，成績實在讓人鼓舞。

集團自二零零七年投產後，在業內以技術創新、產品優質及營運效益卓越見稱，贏得了龐大的客戶基礎，迅速成為中國領先的高端鋼水控流產品製造商，現有客戶為中國主要製鋼集團成員，包括寶鋼集團、河北鋼鐵集團、武漢鋼鐵集團及山東鋼鐵集團。目前，集團的強大客戶基礎構成了對集團優質訂製產品的龐大需求。

二零一零年七月七日，華耐成功於香港聯合交易所主板上市，不僅加強了集團的資本實力，更提升了企業管治的水準，標誌著集團踏上一個新的里程，在更高的平臺上一展拳腳。本人有十足的信心，華耐在行業的領導地位將會更加穩固。展望未來，除了不斷擴大在中國本土市場的佔有率，我們將致力開拓海外市場，積極與德國Carboref及中國中鋼等經銷商及代理商緊密合作，在海外推廣和銷售華耐的高端鋼水控流產品。此外，集團將會持續增強競爭優勢，務求以出色的業績表現，回饋股東的支持。

今後，我們定將繼續秉承「今天的質量，明天的市場」的理念，技術與市場同行，鞏固與發展並進，致力成為中國高端鋼水控流產品市場的龍頭企業，為股東帶來持久而豐碩的回報。

最後，本人謹代表集團董事會感謝全體員工的辛勤工作及默默耕耘，同時，亦由衷感謝各位合作夥伴的大力支持和信賴。讓我們齊心協力，把業務推至另一高峰。

徐葉君

主席及首席執行官

Management Discussion and Analysis

管理層討論與分析

MARKET REVIEW

China has been the world's leading producer of crude steel since 1996. Steel production grew continuously from 2000 to 2009 with compound annual growth rate ("CAGR") reaching approximately 18%. Starting from 1999, China's annual production of crude steel amounted to 568 million tonnes, representing 7 to 22 times than that of other crude steel producing countries. Since 2003, continuous casting has become the major method of steel production and 90% of crude steel worldwide is manufactured by this way. The CAGR of China's steel production by continuous casting reached approximately 20.2% from 2000 to 2008, a threefold of the CAGR on global basis. As the Group's business is closely related to the steel industry of China, the rapid growth of the steel industry implies a promising development for the Group in the future.

The volatile global economy in the past few years affected the global steel industry, but comparing with other countries, China's steel consumption continued to increase and maintain a steady growth, in which the consumption of China's steel flow control products was the highest around the world. According to the Association of China Refractories Industry Report, from 2006 to 2008, the consumption of China's steel flow control products was 2 to 5 times than that of other major producing countries as continuous casting has become the major way of steel production which drove strong demand for steel flow control products.

According to statistics from China Iron and Steel Association, steel production in China in the first five months of 2010 maintained a strong growth momentum and increased by approximately 23.8% compared with the same period of last year. As there was excess capacity in the market, the growth of steel production in the second half year may slow down. The annual production is expected to reach 590 to 600 million tonnes with annual growth rate of approximately 3.9% to 5.7%. In view of this, the Chinese government has imposed greater regulation to order to close down blast furnaces under 300 cubic metres, and electric furnaces and converter furnaces under 30 tonnes. Steel and iron projects related to new capacity will not be approved and new projects can only involve capacity replacement. Although there was excess capacity in the market, based on the market structure and the objectives of the regulation, there will be little effect on high-end market, which will even achieve growth as laggard capacity will be replaced by new technology and advanced equipment, which is beneficial to the companies targeting the high-end market including the Group.

市場回顧

中國自一九九六年起一直為全球領先的粗鋼製造國，鋼產量由二零零零年至二零零九年持續增長，複合年增長率約達18%。從一九九九年以來，中國的粗鋼年產量達5億6,800萬噸，是其它粗鋼製造國年產量的7至22倍。自二零零三年，連鑄便是主流的制鋼方法，全球90%的粗鋼都是以連鑄方法生產的。中國的連鑄鋼鐵產量於二零零零年至二零零八年間的年複合增長率約達20.2%，是全球年複合增長率的3倍。本集團的業務跟中國的鋼鐵業有緊密的關係，故鋼鐵業的迅速增長反映本集團的未來發展空間非常龐大。

過去幾年，雖然環球經濟較為動盪，全球整體鋼鐵業市場受到影響，但相對其他國家，中國的鋼鐵消耗量持續增加，並保持較為平穩的升幅。當中，中國鋼水流控產品的消耗量更是全球之冠。根據中國耐火協會報告，在二零零六年至二零零八年期間，中國鋼水流控產品的消耗量是全球其它主要產品生產地的2至5倍。主要的原因是連鑄制鋼的主導和增長使鋼水流控產品的需求大增。

根據中國鋼鐵協會統計，二零一零年首五個月，中國鋼鐵產量較去年同期增加約23.8%，仍保持了很強的增長勢頭。由於產能出現過剩，下半年的鋼鐵增長總量可能會有所減弱，預計全年總產量介乎5.9至6億噸，全年總增長率約3.9至5.7%。為此，中國政府已經加大整治力度，大量強行關閉300立方米以下之高爐、30噸以下之電爐和轉爐煉鋼設備，並不允許投資增加新產能的煉鋼煉鐵項目，若有新增專案，則必須是產能置換型的。雖然鋼鐵市場存在產能過剩問題，但縱觀市場結構及政府調控目標，高端市場的影響極小，甚至仍然表現有增長，這主要是落後產能被新型的高端的技術和設備所替代，這對本集團這種瞄準高端市場的公司無疑是有利的。

BUSINESS REVIEW

The Group is a leading manufacturer of steel flow control products in China mainly engaged in the manufacture, sale and research and development of high-end steel flow control products. Steel flow control products are mainly used in the continuous casting process to protect, control and regulate the flow of molten steel and are essential products used in the continuous casting process of steel production.

The Group was established in 2005 with its headquarter based in Yixing, Jiangsu Province, the PRC. Annual capacity of its production plant reached 8,200 tonnes. Precision and quality of products were ensured with the advanced equipment from Germany and customized manufacturing facilities.

After commencement of operation in 2007, the Group soon became the second largest producer of high-end steel flow control products in China. It accounted for approximately 19% of the high-end market in 2009.

The Group's revenue grew by approximately 228.4% in the first half of 2010, mainly because of 1) business growth of existing customers, in which most of them accounted for a high market share; and 2) increase of new customers including Wuhan Steel, an important customer attained in 2010. The above factors contributed to the far higher sales growth rate than that of the same period.

Exploring overseas market

Riding on the strong foundation in China, the Group actively strengthened its sales and marketing team to explore the overseas markets including Western Europe, Korea and Taiwan. In the first half of 2010, the Group entered into a memorandum of understanding with Carboref GMBH in Germany on the sale of products of the Group in Europe. During such period, five representatives of Carboref GMBH including its Chairman visited the Group for the second time to speed up the business progress. At the same time, the Group entered into a framework agreement with Sinosteel Shanghai Company in China on the sale of products of the Group in Taiwan and Korea.

業務回顧

本集團是中國領先的鋼水控流產品製造商，主要從事製造、銷售及研發高端鋼水控流產品。鋼水控流產品主要使用於連鑄過程以保護、控制及調節熔鋼流，是鋼鐵生產連鑄工序中不可缺少的核心產品。

本集團成立於二零零五年，總部位於中國江蘇省宜興市，生產廠房年產能達8,200噸，備有從德國進口的先進設施及量身訂造的設備，能確保產品的精密度和質量。

本集團自二零零七年投產後，迅速發展成為中國第二大的高端鋼水控流產品製造商，在二零零九年於「高端」產品市場擁有約19%的份額。

本集團二零一零年上半年的收入取得了約228.4%的增長，主要因為：1) 現有客戶之業務增長，其中在大部分的客戶之市場佔有率甚高；及2) 新客戶的開發所帶來的增長，二零一零年新增加的重要客戶包括武漢鋼鐵公司等，這些使得我們的銷售額增長率遠高於去年同期的增長率。

開拓海外市場

在中國市場堅實的基礎上，本集團更積極壯大銷售和市場推廣隊伍，並拓展海外市場，如西歐、韓國及台灣。於二零一零年上半年，本集團與德國Carboref GMBH就有關於歐洲銷售本集團的產品訂立諒解備忘錄，期間，Carboref GMBH董事長等一行5人再次訪問本集團，以加速業務的進展。同時，本集團也與中國中鋼集團上海有限公司就有關於台灣及韓國銷售本集團的產品訂立框架協議。

Expanding customer base

By the above approach, the number of customers during the period under review increased from 18 to 20. The Group's customers included major steel manufacturing groups in China like Baosteel Group, Hebei Steel Group, Wuhan Steel Group and Shandong Steel Group, the products of which are mostly used for the rapid growing steel sectors such as automobile, express rail, locomotive and military. Over the years, the Group's reliable customized solutions helped it maintain close relationships with customers, therefore it is trusted by many notable players in the steel industry and grows with the steel industry in China.

Enhancing technology research and development

The Group has advanced technology and it collaborated with universities (such as Inner Mongolia University of Science and Technology ("IMUST") and Shanghai University) and research institutions so that its research and development team could closely monitor the global technology trend. The Group's research and development experts worked closely with the sales team to enhance production efficiency and product design as well as following the market trend. Its stringent quality control process earned it an ISO 9001 quality management system certification by the Beijing BTIHEA Certification Co., Ltd.

The Group registered seven patent applications in 2009 and 2010. During the period under review, it obtained two new utility patent registrations including subentry nozzle for thin slab casting process in January 2010 and mono block stopper with controlled gas flow in May 2010.

Major products

The Group's major products include ladle shrouds, stoppers, tundish nozzles and subentry nozzles, which are all consumables.

Ladle shrouds

The Group's ladle shrouds can have various argon sealing customized for different requirements and can be specially designed to achieve full protection and enhance life-span.

Stoppers

The Group produces more than 30 patterns of stoppers in various specifications to suit the needs of customers for different tundish nozzles.

擴大客戶基礎

通過以上的行動，本集團於回顧期內的客戶數目由18名增至20名，當中不乏中國鋼鐵製造巨頭，包括寶鋼集團、河北鋼鐵集團、武漢鋼鐵集團及山東鋼鐵集團，其產品多數用於高增長之鋼材行業如汽車製造、高速鐵路及機車、軍工產業用鋼等。多年來，本集團憑藉可靠的訂製解決方案與客戶保持緊密的夥伴關係，故得到許多中國鋼鐵業著名客戶的垂青，與中國鋼鐵業的發展一同成長。

加強技術研發

本集團擁有國際一流的技術水平，與大學院校（如內蒙古科技大學及上海大學）及研究機構保持密切合作，使其研發團隊能夠緊貼全球最新的技術發展趨勢。本集團的研發專才也積極與銷售團隊攜手合作，不斷提高生產效率、改良產品設計、緊貼行業趨勢，嚴格的質量監控程序獲得北京博天亞認證有限公司頒授ISO 9001質量管理體系認證。

本集團於二零零九年及二零一零年擁有七項註冊專利的知識產權。在回顧期內，本集團額外新獲兩項實用新型專利，包括於二零一零年一月獲得的用作薄板坯連鑄的浸入式水口及於二零一零年五月獲得的可控制流入氣體的整體式塞棒。

主要產品

本集團的產品主要包括長水口、塞棒、中間包水口以及浸入式水口，均為易耗品。

長水口

本集團的長水口產品可根據客戶的要求採用不同的吹氫方式，也可以生產特異型設計的長水口，從而保證真正實現全程保護澆注，實現長壽命。

塞棒

本集團製造超過30種不同種類具特定規格的塞棒，以符合客戶對中間包設計的不同要求。

Tundish nozzles

The Group has developed more than 20 patterns of tundish nozzles for customers' needs and the hardness of these tundish nozzles is capable to endure pressure from the bottom to be a linkage between a stopper and a subentry nozzle or used for slab casters which have tube changers.

Subentry nozzles

The Group produces various customized subentry nozzles and has developed more than 50 patterns of subentry nozzles. It focuses on the design and function of such product to ensure the prevention of oxidation in the continuous casting process.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately 228.4% from approximately RMB53.2 million for the six months ended 30 June 2009 to approximately RMB174.7 million for the six months ended 30 June 2010. The increase was mainly attributable to the increase in the overall sales volume of our advanced steel flow control products. The sales volume of our advanced steel flow control products for the six months ended 30 June 2010 was approximately 4,177 tonnes, representing an increase of approximately 195.2% as compared to approximately 1,415 tonnes for the six months ended 30 June 2009. Such growth was a combined effect of (i) our acquisition of 4 new customers in the western and northern regions of the PRC in 2010 who purchased approximately 726 tonnes from us during the six months ended 30 June 2010 and contributed approximately RMB36.5 million or 20.9% to our total revenue in 2010 and (ii) the increase in sales to our existing customers acquired in or before June 2009 by approximately 143.9% from approximately 1,415 tonnes in first half of 2009 to approximately 3,451 tonnes in first half of 2010. As a result, our revenue contributed from our existing customers acquired in or before June 2009 has significantly increased from approximately RMB53.2 million for the six months ended 30 June 2009 to approximately RMB138.2 million for the six months ended 30 June 2010.

Cost of sales

Our costs of sales increased by about 168.9% from approximately RMB19.3 million for the six months ended 30 June 2009 to approximately RMB51.9 million for the six months ended 30 June 2010 which was in line with the increase in the sales volume of our advanced steel flow control products.

中間包水口

本集團已開發超過20類中間包水口以符合客戶之特定要求，其堅硬程度足以抵禦中間包底部的壓力，作為塞棒及浸入式水口之連接，或者用於有浸入式水口快速更換機構之板坯連鑄設備。

浸入式水口

本集團為客戶度身訂造種類繁多的浸入式水口，至今已開發達50多類。集團著重卓越產品功能的細心設計，確保安裝的浸入式水口能防止鋼水在流傳過程中發生氧化。

財務回顧

收入

本集團的收入由截至二零零九年六月三十日止六個月約人民幣5,320萬元，上升約228.4%至截至二零一零年六月三十日止六個月約人民幣1億7,470萬元，增長的主要原因是本集團高端鋼水控流產品的整體銷量增加。截至二零一零年六月三十日止六個月，本集團高端鋼水控流產品的銷售量約為4,177噸，較截至二零零九年六月三十日止六個月約1,415噸增加約195.2%。銷售量增長歸因於以下共同效應：(i)本集團於二零一零年在華西和華北地區獲得四名新客戶，該等客戶於截至二零一零年六月三十日止六個月向本集團購買約726噸產品，為本集團二零一零年的總收入貢獻約人民幣3,650萬元或20.9%及(ii)本集團銷售予二零零九年六月或之前獲取的現有客戶的銷售量增加約143.9%，由二零零九年上半年約1,415噸增至二零一零年上半年約3,451噸。因此，本集團來自二零零九年六月或之前所獲取的現有客戶的收入，由截至二零零九年六月三十日止六個月約人民幣5,320萬元，大幅上升至截至二零一零年六月三十日止六個月約人民幣1億3,820萬元。

銷售成本

本集團銷售成本由截至二零零九年六月三十日止六個月約人民幣1,930萬元，上升約168.9%至截至二零一零年六月三十日止六個月約人民幣5,190萬元，與本集團高端鋼水控流產品銷售量的增長情況相符。

Gross profit and gross profit margin

Our gross profit increased by approximately 262.5% from approximately RMB33.9 million for the six months ended 30 June 2009 to approximately RMB122.9 million for the six months ended 30 June 2010. Our gross profit margin also increased from approximately 63.7% for the six months ended 30 June 2009 to approximately 70.3% for the six months ended 30 June 2010. The increase in our gross profit and gross profit margin were mainly attributable to the economies of scale resulted from the significant increases in our overall sales volume by approximately 195.2% from approximately 1,415 tonnes for the six months ended 30 June 2009 to approximately 4,177 tonnes for the six months ended 30 June 2010.

Selling and distribution costs

Our selling and distribution costs increased by approximately 219.6% from approximately RMB4.6 million for the six months ended 30 June 2009 to approximately RMB14.7 million for the six months ended 30 June 2010. The increase was mainly attributable to (i) the increase in commission paid to our salespersons, who assisted to obtain successful sales orders, by approximately 254.5%, from approximately RMB3.3 million for the six months ended 30 June 2009 to approximately RMB11.7 million for the six months ended 30 June 2010 and (ii) the increase in transportation costs by approximately 228.6% from approximately RMB0.7 million for the six months ended 30 June 2009 to approximately RMB2.3 million for the six months ended 30 June 2010 as a result of increased delivery costs of our products in relation to the increased sales volume. As a percentage of revenue, our selling and distribution costs remained stable at approximately 8.6% and 8.4% for the six months ended 30 June 2009 and 2010 respectively.

Administrative expenses

Our administrative expenses increased by approximately 196.6% from approximately RMB2.9 million for the six months ended 30 June 2009 to approximately RMB8.6 million for the six months ended 30 June 2010. The increase was primarily due to the combined effect of (i) the increase in staff costs (other than directors' remuneration) by approximately 366.7% from approximately RMB0.9 million for the six months ended 30 June 2009 to approximately RMB4.2 million for the six months ended 30 June 2010 as the Group had recruited new staff to facilitate the listing of shares of the Company and accrued bonus for staff and management of approximately RMB2.5 million during the six months ended 30 June 2010; and (ii) the increase in travelling expenses and entertainment expenses by approximately 57.1% from approximately RMB0.7 million for the six months ended 30 June 2009 to approximately RMB1.1 million for the six months ended 30 June 2010 mainly attributable to the increased sales and marketing activities.

毛利及毛利率

本集團的毛利由截至二零零九年六月三十日止六個月約人民幣3,390萬元，上升約262.5%至截至二零一零年六月三十日止六個月約人民幣1億2,290萬元。本集團的毛利率亦由截至二零零九年六月三十日止六個月約63.7%，上升至截至二零一零年六月三十日止六個月約70.3%。毛利及毛利率上升，主要是由於本集團整體銷售量由截至二零零九年六月三十日止六個月約1,415噸增加約195.2%至截至二零一零年六月三十日止六個月約4,177噸，而達到規模經濟效益。

銷售及分銷成本

本集團的銷售及分銷成本由截至二零零九年六月三十日止六個月約人民幣460萬元，上升約219.6%至截至二零一零年六月三十日止六個月約人民幣1,470萬元。成本上升，主要是由於(i) 付予協助本集團成功取得銷售訂單的銷售人員的佣金，由截至二零零九年六月三十日止六個月約人民幣330萬元，增加約254.5%至截至二零一零年六月三十日止六個月約人民幣1,170萬元；及(ii)由於有關銷售量上升所致的產品運費增加，運輸成本由截至二零零九年六月三十日止六個月約人民幣70萬元，增加約228.6%至截至二零一零年六月三十日止六個月約人民幣230萬元。本集團銷售及分銷成本佔收入的比例保持穩定，截至二零零九年及二零一零年六月三十日止六個月分別約為8.6%及8.4%。

行政開支

本集團的行政開支由截至二零零九年六月三十日止六個月約人民幣290萬元，上升約196.6%至截至二零一零年六月三十日止六個月約人民幣860萬元。開支上升，主要歸因於以下共同效應：(i)由於本集團於截至二零一零年六月三十日止六個月曾招聘新員工協助促使本公司股份上市，並計提員工及管理層花紅約人民幣250萬元，員工成本（董事酬金除外）由截至二零零九年六月三十日止六個月約人民幣90萬元，上升約366.7%至截至二零一零年六月三十日止六個月約人民幣420萬元；及(ii)銷售及營銷活動增加，導致旅費及酬酢開支由截至二零零九年六月三十日止六個月約人民幣70萬元，增加約57.1%至截至二零一零年六月三十日止六個月約人民幣110萬元。

Profit for the period

As a result of the foregoing, the Group's profit for the period increased by approximately 214.3% to approximately RMB70.1 million for the six months ended 30 June 2010 from approximately RMB22.3 million for the six months ended 30 June 2009. As stated in the prospectus of the Company dated 25 June 2010, the Group's forecasted combined profit after taxation for the six months ended 30 June 2010 would not be less than RMB65.8 million. The Group's actual result was satisfactory with approximately 6.5% above the forecasted figure. The Group's net profit margin decreased slightly from approximately 41.8% for the six months ended 30 June 2009 to approximately 40.1% for the six months ended 30 June 2010 was mainly a result of the provision of the one-off expenses of RMB12.5 million during the six months ended 30 June 2010 in relation to the listing of shares of the Company in July 2010. The Group's earnings per share increase significantly from RMB0.02 for the six months ended 30 June 2009 to RMB0.08 for the six months ended 30 June 2010, representing a significant increase of approximately 300.0%.

Interim dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009: Nil).

Capital structure, liquidity and financial resources

During the six months ended 30 June 2010, the Group's net cash from operating activities was RMB53.9 million (2009: RMB9.1 million) and the Group's net cash, representing cash and bank deposit net of bank loans, was RMB122.5 million (2009: RMB17.4 million) as at 30 June 2010.

Total equity of the Group as at 30 June 2010 was RMB223.7 million (31 December 2009: RMB153.6 million) and debt to equity ratio (total bank loans over total equity) was 5.7% (31 December 2009: 5.9%).

Finance cost of the Group for the six months ended 30 June 2010 was RMB0.2 million (2009: RMB0.1 million), accounting for approximately 0.1% of the Group's revenue (2009: 0.1%).

Pledge of assets

As at 30 June 2010, the leasehold land of the Group is pledged against a loan facility of RMB8,000,000, which has not been drawn down by the Group.

期內溢利

綜合上述各項，本集團期內溢利由截至二零零九年六月三十日止六個月約人民幣7,010萬元，增加約214.3%至截至二零一零年六月三十日止六個月約人民幣2,230萬元。誠如本公司日期為二零一零年六月二十五日的招股章程所述，本集團截至二零一零年六月三十日止六個月的預測合併除稅後溢利不會少於人民幣6,580萬元。本集團的實際業績理想，超出預測數字約6.5%。主要由於本集團於截至二零一零年六月三十日止六個月就本公司股份於二零一零年七月上市而作出人民幣1,250萬元的一次性開支撥備，因此本集團的純利率由截至二零零九年六月三十日止六個月約41.8%輕微下跌至截至二零一零年六月三十日止六個月約40.1%。本集團每股盈利由截至二零零九年六月三十日止六個月的人民幣0.02元，大幅上升至截至二零一零年六月三十日止六個月的人民幣0.08元，升幅約300.0%。

中期股息

董事會不建議派付截至二零一零年六月三十日止六個月的中期股息（二零零九年：無）。

資本架構、流動資金及財務資源

截至二零一零年六月三十日止六個月，本集團從經營業務所得現金淨額為人民幣5,390萬元（二零零九年：人民幣910萬元），而本集團於二零一零年六月三十日的現金淨額（扣除銀行貸款後的現金及銀行存款）為人民幣1億2,250萬元（二零零九年：人民幣1,740萬元）。

本集團於二零一零年六月三十日的權益總額為人民幣2億2,370萬元（二零零九年十二月三十一日：人民幣1億5,360萬元），而股本負債比率（銀行貸款總額除以權益總額）為5.7%（二零零九年十二月三十一日：5.9%）。

本集團截至二零一零年六月三十日止六個月的融資成本為人民幣20萬元（二零零九年：人民幣10萬元），佔本集團收入約0.1%（二零零九年：0.1%）。

資產抵押

於二零一零年六月三十日，本集團的租賃土地已就一筆貸款融資人民幣800萬元作抵押，而本集團尚未動用該筆貸款融資。

HUMAN RESOURCES

As at 30 June 2010, the Group had 166 staff (31 December 2009: 153). The increase in headcount was in line with the expanded business activities in the first six months of 2010 against last year. The Group continued to provide training to its staff to enhance their technical and product knowledge including industry quality standards, safety standards and sales skills.

PROSPECTS

The Group has a leading market position and is the second largest company in terms of actual annual production of high-end steel flow control products in China. It plans to further capitalize on its advantages for future development. The following is the Group's major development strategies.

Enhance capacity to satisfy future needs and further expand market share

Sale of products of the Group continued to grow since last year end and utilization rate of the Group had reached 100%. As China's steel market develops and consolidates, the management expects that market potential of high-end steel flow control products is huge, which will bring opportunities for the Group.

The Group plans to build a new facility to accommodate a new production line to cope with the increase in orders and the continual growth of the local and overseas markets. The new facility is expected to be completed in the second half of 2011 and commence operation in early 2012. The Group will have an extra capacity of 8,600 tonnes by then, bringing the annual production of steel flow control products to 16,800 tonnes.

Continue research and development to enhance and develop steel flow control products

Apart from increasing sale of existing steel flow control products, one of the Group's development strategies is to enlarge the product range of our steel flow control products. The Group will continue to collaborate with universities and other research institutions to enhance and develop more products. For continuous casting process, it will strive to improve the life-span and purity of steel.

人力資源

於二零一零年六月三十日，本集團有166名僱員（二零零九年十二月三十一日：153名）。與去年比較僱員人數的上升，與二零一零年首六個月擴展業務的情況相符。本集團將繼續向員工提供培訓，增強他們的技術及生產知識，包括行業質量標準、安全標準及銷售技巧。

未來展望

本集團擁有領先的市場地位，是中國「高端」鋼水控流產品市場實際年產量第二大的企業。本集團計劃進一步強化優勢以發展未來業務，以下是本集團未來發展的策略重點。

提升產能以滿足未來業務增長的需要及進一步提高市場滲透率

自去年年底，本集團的產品銷量持續增長，設備使用率已達到飽和。隨著中國鋼鐵市場的發展和整合，管理層預計「高端」鋼水控流產品市場的發展空間巨大，這將為本集團帶來無限商機。

本集團計劃興建新的生產廠房，而且將容納一條額外生產綫，以應付現時的訂單增長和國內外市場的持續發展。新廠房預計將於二零一一年下半年建成，並於二零一二年初正式投產。屆時，將為本集團帶來8,600噸的額外產能，使本集團的鋼水控流產品年產量達到16,800噸。

憑藉持續的研發，繼續改良及發展現有的鋼水控流產品

在增加本集團現有鋼水控流產品銷售的基礎上，本集團將把擴大鋼水控流產品種類作為未來增長策略之一。本集團將繼續與大學及其它研究機構合作，不斷改良及開發更多產品。就傳統連鑄工序而言，本集團將致力提高鋼材的耐用性及純淨度。

In respect of advanced continuous casting process, the Group will further work with its customers to develop optimised solutions to their Compact Strip Casting Process (“CSP”) and Benxi Strip Casting Process (“BSP”) in terms of both geometric design and material development. During the six months ended 30 June 2010, the Group worked with IMUST to develop BSP subentry nozzles for companies like Hebei Steel Group’s Tang Steel and Shougang Group’s Tonghua. The development work is still in progress. Thin strip casting is the latest continuous casting process. In respect of this latest casting process, the Group has entered into a cooperation agreement with Casco (USA) Inc. for the Group to become the exclusive supplier of monolithic materials, steel flow distributors and side dams for Casco (USA) Inc. in China. In order to develop new products required for thin strip casting, the Group collaborated with Shanghai University for the research and development of steel flow distributors and side dams, which are the two new products required for thin strip casting. This project is still in progress.

Explore mainland and overseas market

The Group will continue to expand its sales network riding on its established market position and other advantages. It will continue its marketing efforts and promote products in the markets currently not covered by the Group in China while exploring overseas markets such as Taiwan, Korea and Western Europe. Meanwhile, the Group will also reinforce the existing sales and marketing team to attract more potential customers in China.

The management is confident that in the near future, the new products can bring in more market development opportunities. It will continue to capitalize its advantage in the high-end steel flow control products market in China so as to lead the industry growth as well as to scale new heights for fruitful return for its investors.

在先進連鑄工序方面，本集團將與客戶進一步加強合作，開發緊湊薄板連鑄工序(CSP)及本溪薄板連鑄工序(BSP)的幾何設計和物料開發等優化方案。於截至二零一零年六月三十日止六個月，本集團已與內蒙古科技大學合作開發BSP浸入式水口，以其進入國內河北集團唐鋼公司、首鋼集團通化公司等地。有關工作現時仍在繼續進行。薄帶連鑄是最新的連鑄技術，就這最新連鑄技術而言，本集團已與Casco (USA) Inc.建立合作關係，使本集團可成為Casco (USA) Inc.於中國的不定型材料、鋼水布流器及側封板獨家供貨商。為開發薄帶連鑄工序所需的新產品，本集團與上海大學合作，共同研發鋼水布流器及側封板，這是薄帶連鑄工序所需的兩種重要新產品。該項目也正在進行中。

積極開拓中國及海外市場

本集團將在已確立的市場地位和其他競爭優勢上繼續擴展銷售網絡。本集團繼續在中國國內仍未涉足的市場上努力營銷和宣傳產品，亦開拓包括台灣、韓國及西歐等海外市場。同時，本集團亦會強化現有的銷售及市場推廣團隊，從而在中國開發更多潛在客戶。

管理層有信心在不久的將來，新產品將能帶來更多市場發展機會。本集團將在中國「高端」鋼水控流產品行業繼續保持發展優勢，帶領行業發展，致力再創佳績，為投資者帶來理想回報。

Other Information

其他資料

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

On 7 July 2010, the Group listed successfully on the Main Board of The Stock Exchange of Hong Kong Limited. The initial public offering by way of international offering and Hong Kong public offering was welcomed by investors. The aggregate net proceeds from the initial public offering after deducting share offer expenses were approximately HK\$195.6 million.

As stated in the prospectus of the Company dated 25 June 2010, the Group intends to use the proceeds for capacity enhancement, expanding product range, strengthen marketing efforts and research and development capabilities as well as for general working capital. As at the date of this report, the Group expected that there will be no change on the plan.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions (the “Code Provisions”) of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the six months under review except for the deviation from A.2.1 of the Code in respect of segregation of the roles of chairman and chief executive officer.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct (the “Code of Conduct”) regarding directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Code of Conduct during the six months ended 30 June 2010.

本集團首次公開發售之所得款用途

於二零一零年七月七日，本集團成功於香港聯合交易所有限公司主板上市。透過國際配售及香港公開發售進行的首次公開發售深受投資者歡迎。本集團從首次公開發售收取所得款項淨額（扣除股份發行開支後）合共約1億9,560萬港元。

誠如本公司日期為二零一零年六月二十五日的招股章程所述，本集團計劃將所得款項用於提升產能、拓寬產品種類、加強市場推廣及研發能力及作為一般營運資金。於本報告日期，本集團預期此計劃不會有任何變動。

遵守企業管治常規守則

除偏離守則第A.2.1條有關主席與行政總裁的角色分開的規定外，本公司於回顧的六個月期間內一直遵守上市規則附錄14所載的企業管治常規守則（「守則」）的守則條文（「守則條文」）。

根據守則條文第A.2.1條，主席與行政總裁的角色應予區分，不應由同一人擔任。徐葉君先生除處理本公司主席職務外，亦以本公司行政總裁身份負責本集團策略規劃及監督本集團各方面營運。此舉構成偏離守則條文第A.2.1條。作為本集團創辦人之一，徐葉君先生對本集團核心業務具有豐富經驗及知識，而其監督本集團營運的職責明顯對本集團有利。董事會認為此架構不會使董事會與本集團管理之間的權力及授權出現失衡。

遵守上市發行人董事進行證券交易的標準守則

本公司已採納有關董事進行證券交易的操守守則（「操守守則」），其條款的嚴格程度不下於上市規則附錄十所載上市發行人董事進行證券交易的標準守則所載的規定標準。經向全體董事作出具體查詢後，全體董事已確認彼等於截至二零一零年六月三十日止六個月內一直遵守操守守則所載的規定標準。

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, and financial reporting matters including the review of the audited interim financial statements for the six months ended 30 June 2010. The interim results of the Group for the six months ended 30 June 2010 have been audited by the auditors of the Company, Deloitte Touche Tohmatsu.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

INTERESTS AND SHORT POSITIONS OF OUR DIRECTORS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF OUR COMPANY AND OUR ASSOCIATED CORPORATIONS FOLLOWING THE GLOBAL OFFERING

Immediately following completion of the Global Offering and the Capitalisation Issue and taking no account of any Shares which may be allotted and issued pursuant to the Share Option Scheme or the exercise of the Over-allotment Option, the interests or short positions of our Directors in the Shares, underlying Shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to notify our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Name of Director(s) 董事姓名	Name of Group member/associated corporation 本集團成員公司／ 相聯法團名稱	Capacity/nature of interest 身份／權益性質	Number and class of securities 證券數目及類別 (Note 1) (附註1)	Percentage of shareholding 股權百分比
Mr. Xu Yejun 徐葉君先生	Our Company 本公司	Beneficial owner 實益擁有人	360,000,000 Shares (L) 360,000,000股股份 (L)	30.00%
Mr. Gao Zhilong 高志龍先生	Our Company 本公司	Beneficial owner 實益擁有人	171,000,000 Shares (L) 171,000,000股股份 (L)	14.25%
Dr. Zhang Lanyin 張蘭銀博士	Our Company 本公司	Beneficial owner 實益擁有人	90,000,000 Shares (L) 90,000,000股股份 (L)	7.50%
Mr. Gu Aoxing 顧敖行先生	Our Company 本公司	Beneficial owner 實益擁有人	36,000,000 Shares (L) 36,000,000股股份 (L)	3.00%

Note:

1. The letter "L" denotes our Directors' long position in our Shares.

審閱賬目

審核委員會已聯同管理層審閱本集團所採納的會計原則及慣例，並討論審計、內部監控及財務申報等事宜，包括審閱截至二零一零年六月三十日止六個月的經審核中期財務報表。本集團截至二零一零年六月三十日止六個月之中期業績已由本公司核數師德勤·關黃陳方會計師行審核。

購買、出售或贖回本公司上市證券

期內，本公司或其任何附屬公司並無購買、出售或贖回任何本公司上市證券。

於全球發售後董事於本公司及其相聯法團的股份、相關股份或債券中的權益及淡倉

緊隨全球發售及資本化發行完成後，且不計及根據購股權計劃或因行使超額配股權而可能配發及發行的任何股份，董事於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中，擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括其根據證券及期貨條例的規定被當作或被視為擁有的權益及淡倉），或將須根據證券及期貨條例第352條的規定載入該條所指登記冊內的權益或淡倉，或將須根據上市規則所載上市公司董事進行證券交易的標準守則知會本公司及聯交所的權益或淡倉如下：

附註：

1. 英文字母「L」代表董事於本公司股份中的好倉。

INTEREST DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Global Offering and the Capitalisation Issue (but without taking into account of any Shares which may be taken up under the Global Offering and any Shares which may be allotted and issued upon the exercise of the Over-allotment Option), other than a Director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed “Interests and short positions of our Directors in the Shares, underlying Shares or debentures of our Company and our associated corporations following the Global Offering” above, the following persons will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be expected, directly or indirectly, to be interested in 10% or more of the Shares:

Name of Shareholder 股東名稱	Capacity/nature of interest 身份／權益性質	Number and class of securities 證券數目及類別 (Note 1) (附註1)	Percentage of shareholding 股權百分比
Ms. Gu Shuping (Note 2) 顧淑萍女士 (附註2)	Interest of spouse 配偶權益	360,000,000 Shares (L) 360,000,000股股份 (L)	30.00%
Ms. Chai Xiaoyuan (Note 3) 柴笑媛女士 (附註3)	Interest of spouse 配偶權益	171,000,000 Shares (L) 171,000,000股股份 (L)	14.25%
Mr. Chai Xishu 柴希樹先生	Beneficial owner 實益擁有人	108,000,000 Shares (L) 108,000,000股股份 (L)	9.00%
Ms. Wang Suying (Note 4) 王素英女士 (附註4)	Interest of spouse 配偶權益	108,000,000 Shares (L) 108,000,000股股份 (L)	9.00%
Ms. Zhao Yijun (Note 5) 趙毅君女士 (附註5)	Interest of spouse 配偶權益	90,000,000 Shares (L) 90,000,000股股份 (L)	7.50%

Notes:

- The letter “L” denotes the corporation’s long position in our Shares.
- Ms. Gu Shuping is the wife of Mr. Xu.
- Ms. Chai Xiaoyuan is the wife of Mr. Gao Zhilong.
- Ms. Wang Suying is the wife of Mr. Chai Xishu.
- Ms. Zhao Yijun is the wife of Dr. Zhang.

根據證券及期貨條例須予披露的權益及主要股東

據董事所知，於緊隨全球發售及資本化發行（惟不計及根據全球發售而獲接納的任何股份及任何因行使超額配股權而可能配發及發行的股份）後，除本公司董事及主要行政人員（其權益於上文分段「於全球發售後董事於本公司及其相聯法團的股份、相關股份或債券中的權益及淡倉」），以下人士擁有須根據證券及期貨條例第XV部第2及3分部的規定向本公司披露的股份或相關股份權益或淡倉，或預期將直接或間接於10%或以上股份擁有權益：

附註：

- 英文字母「L」代表公司於本公司股份中的好倉。
- 顧淑萍女士是徐先生的妻子。
- 柴笑媛女士是高志龍先生的妻子。
- 王素英女士是柴希樹先生的妻子。
- 趙毅君女士是張博士的妻子。

Independent Auditor's Report

獨立核數師報告

Deloitte.
德勤

TO THE MEMBERS OF SINOREF HOLDINGS LIMITED

華耐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Sinoref Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 18 to 56, which comprise the consolidated statement of financial position as at 30 June 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2010, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED 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 the true and fair presentation of the consolidated 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.

AUDITOR'S RESPONSIBILITY

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

致華耐控股有限公司列位股東

(於開曼群島註冊成立之有限公司)

吾等已審核列載於第18至56頁華耐控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）之綜合財務報表，此綜合財務報表包括於二零一零年六月三十日之綜合財務狀況表及截至二零一零年六月三十日止六個月之綜合全面收益表、綜合權益變動表和綜合現金流量表，以及重大會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔之責任

本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綜合財務報表相關之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況而作出合理之會計估計。

核數師之責任

吾等之責任是根據吾等的審核對該等綜合財務報表作出意見，並僅根據吾等獲委聘的協定條款向本公司全體股東報告，除此之外本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。吾等已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2010 and of the Group's profit and cash flows for the six months ended 30 June 2010 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.

Without qualifying our opinion, we draw attention to the fact that the corresponding figures set out in the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes for the six months ended 30 June 2009 have not been audited.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 August 2010

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。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綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對該公司之內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策是否合適及所作出之會計估計是否合理，以及評價綜合財務報表之整體列報方式。

吾等相信，吾等所獲得之審核憑證是充足和適當為吾等之審核意見提供基礎。

意見

吾等認為，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本集團於二零一零年六月三十日之事務狀況及本集團截至二零一零年六月三十日止六個月之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

吾等在無保留意見下，謹請注意截至二零零九年六月三十日止六個月之綜合全面收益表、綜合權益變動表、綜合現金流量表以及相關附註所載之相應數字並未經審核。

德勤•關黃陳方會計師行
執業會計師
香港
二零一零年八月二十五日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

	Notes 附註	Six months ended 30 June 截至六月三十日止六個月		
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
Revenue	6	174,740	53,206	收入
Cost of sales		(51,885)	(19,280)	銷售成本
Gross profit		122,855	33,926	毛利
Interest income		152	20	利息收入
Selling and distribution costs		(14,658)	(4,572)	銷售及分銷成本
Administrative expenses		(8,594)	(2,858)	行政開支
Other expenses	8	(12,500)	–	其他開支
Finance costs	9	(223)	(68)	融資成本
Profit before taxation		87,032	26,448	除稅前溢利
Taxation	10	(16,948)	(4,187)	稅項
Profit for the period and total comprehensive income for the period	11	70,084	22,261	期內溢利及 期內全面收入總額
Earnings per share				每股盈利
Basic (RMB)	14	0.08	0.02	基本(人民幣)

Consolidated Statement of Financial Position

綜合財務狀況表

At 30 June 2010 於二零一零年六月三十日

		At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元	
	Notes 附註			
Non-current assets				非流動資產
Property, plant and equipment	15	43,458	45,344	物業、廠房及設備
Prepaid land lease payments	16	10,449	10,566	預付土地租賃款項
		53,907	55,910	
Current assets				流動資產
Inventories	17	10,824	8,604	存貨
Trade receivables	18	90,371	46,490	貿易應收款項
Bills receivable	19	22,292	12,625	應收票據
Other receivables and prepayments	20	4,950	141	其他應收款項及預付款項
Prepaid land lease payments	16	235	235	預付土地租賃款項
Bank balances and cash	21	122,462	65,500	銀行結餘及現金
		251,134	133,595	
Current liabilities				流動負債
Trade payables	22	8,182	1,602	貿易應付款項
Other payables and accruals	23	43,907	16,028	其他應付款項及應計費用
Tax liabilities		8,377	4,995	稅項負債
Discounted bills with recourse	19	12,702	9,012	附追索權貼現票據
		73,168	31,637	
Net current assets		177,966	101,958	流動資產淨值
Total assets less current liabilities		231,873	157,868	資產總值減流動負債
Non-current liability				非流動負債
Deferred taxation	26	8,212	4,291	遞延稅項
		223,661	153,577	
Capital and reserves				資本及儲備
Share capital	24	174	47,041	股本
Reserves		223,487	106,536	儲備
Total equity		223,661	153,577	權益總額

Consolidated Statement of Changes in Equity

綜合權益變動表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

	Share capital 股本 RMB'000 人民幣千元	Special reserve 資本儲備 RMB'000 人民幣千元 (Note a) (附註a)	Statutory reserves 法定儲備 RMB'000 人民幣千元 (Note b) (附註b)	Retained profits 保留溢利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	
At 1 January 2009	47,041	–	3,865	32,595	83,501	於二零零九年一月一日
Profit for the year representing total comprehensive income for the year	–	–	–	70,076	70,076	年內溢利 (指年內全面收入總額)
Transfer to statutory reserves	–	–	6,844	(6,844)	–	轉撥至法定儲備
At 31 December 2009	47,041	–	10,709	95,827	153,577	於二零零九年十二月三十一日
Profit for the period representing total comprehensive income for the period	–	–	–	70,084	70,084	期內溢利 (指期內全面收入總額)
Special reserve arising from exchange of shares upon group reorganisation	(46,867)	46,867	–	–	–	集團重組時交換股份所產生之特別儲備
Transfer to statutory reserves	–	–	8,713	(8,713)	–	轉撥至法定儲備
At 30 June 2010	174	46,867	19,422	157,198	223,661	於二零一零年六月三十日
Unaudited						未經審核
At 1 January 2009	47,041	–	3,865	32,595	83,501	於二零零九年一月一日
Profit for the period representing total comprehensive income for the period	–	–	–	22,261	22,261	期內溢利 (指期內全面收入總額)
Transfer to statutory reserves	–	–	1,959	(1,959)	–	轉撥至法定儲備
At 30 June 2009	47,041	–	5,824	52,897	105,762	於二零零九年六月三十日

Notes:

- (a) Special reserve represents the difference between the nominal value of shares of the Company issued as consideration in exchange for shares of the subsidiaries and the aggregate of the paid-in capital of the subsidiaries of the Company arising upon corporate reorganisation (the "Corporate Reorganisation") (details are set out in note 1) to rationalise the Group's structure prior to listing of the Company's shares on The Stock Exchange of Hong Kong Limited.
- (b) In accordance with the relevant laws and regulations of the People's Republic of China ("PRC"), the PRC subsidiary is required to provide for PRC statutory reserves, including enterprise expansion fund and general reserve fund, by way of appropriations from its statutory net profit (based on the PRC statutory financial statements of the PRC subsidiary) but before dividend distributions.

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

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

附註：

- (a) 特別儲備指於本公司股份在香港聯合交易所有限公司上市前為了整頓本集團架構而進行公司重組(「公司重組」)(詳情載於附註1)之時，作為交換附屬公司股份的代價而發行之本公司股份的面值，與本公司附屬公司繳入資本的總額之間的差額。
- (b) 根據中華人民共和國(「中國」)有關法例及法規，一家中國附屬公司須從其法定溢利淨額(根據該中國附屬公司之中國法定財務報表)於分派股息前按比例提撥資金至中國法定儲備，包括企業擴展基金及一般儲備基金。

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

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

Consolidated Statement of Cash Flows

綜合現金流量表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

	Six months ended 30 June		
	2010	2009	
	二零一零年	二零零九年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	(Unaudited)
			(未經審核)
OPERATING ACTIVITIES			經營活動
Profit before taxation	87,032	26,448	除稅前溢利
Adjustments for:			就以下各項作出調整：
Interest income	(152)	(20)	利息收入
Interest expense	223	68	利息開支
Depreciation of property, plant and equipment	2,348	2,328	物業、廠房及設備折舊
Release of prepaid land lease payments	117	117	解除預付土地租賃款項
Operating cash flows before movements in working capital	89,568	28,941	營運資本變動前之經營現金流量
Increase in inventories	(2,220)	(1,152)	存貨增加
Increase in trade receivables	(43,881)	(25,687)	貿易應收款項增加
(Increase) decrease in bills receivable	(9,667)	239	應收票據(增加)減少
Increase in other receivables and prepayments	(4,809)	(267)	其他應收款項及預付款項增加
Increase in trade payables	6,580	1,771	貿易應付款項增加
Increase in other payables and accruals	27,971	6,018	其他應付款項及應計費用增加
Net cash generated from operations	63,542	9,863	經營活動產生之現金淨額
PRC income tax paid	(9,645)	(790)	已付中國所得稅
NET CASH FROM OPERATING ACTIVITIES	53,897	9,073	經營活動所得現金淨額
INVESTING ACTIVITIES			投資活動
Interest received	152	20	已收取利息
Purchase of property, plant and equipment	(554)	(1,253)	購買物業、廠房及設備
NET CASH USED IN INVESTING ACTIVITIES	(402)	(1,233)	投資活動所用現金淨額
FINANCING ACTIVITIES			融資活動
Interest paid	(223)	(68)	已付利息
Repayment of bank borrowings	–	(9,000)	償還銀行借貸
Additions (repayment) of discounted bills with recourse	3,690	(1,369)	增加(償還)附追索權貼現票據
NET CASH FROM (USED IN) FINANCING ACTIVITIES	3,467	(10,437)	融資活動所得(所用)現金淨額
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	56,962	(2,597)	現金及現金等值物增加(減少)淨額
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	65,500	20,005	期初現金及現金等值物
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	122,462	17,408	期終現金及現金等值物，以銀行結餘及現金列示

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

1. GROUP RESTRUCTURING AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 February 2010 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited with effect from 7 July 2010. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” to the interim report.

Pursuant to corporate reorganisation (the “Corporate Reorganisation”) to rationalise the Group’s structure in preparation for the listing of the Company’s shares on The Stock Exchange of Hong Kong Limited, the Company became the holding company of the Group by issuing shares of the Company to the shareholders of Sinoref International Limited, the then holding company of Sinoref (BVI) Limited and 華耐國際（宜興）高級陶瓷有限公司 (“Sinoref Yixing”) in exchange for entire equity interest in Sinoref (BVI) Limited from Sinoref International Limited on 7 June 2010. Details of the Corporate Reorganisation were set out in the section headed “Group reorganisation” in the Appendix VI to the prospectus of the Company dated 25 June 2010.

The Corporate Reorganisation completed on 7 June 2010 was regarded as a reorganisation of companies under common control. Accordingly, the Group resulting from the Corporate Reorganisation including the Company and its subsidiaries is regarded as a continuing entity. The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows are prepared using merger accounting as if the group structure immediately after the Corporate Reorganisation had been in existence throughout the six months period ended 30 June 2009 and 2010, or since the respective dates of incorporation/establishment of the relevant entity, where this is a shorter period. The consolidated statement of financial position as at 31 December 2009 presents the assets and liabilities of the companies comprising the Group which had been incorporated/established as at 31 December 2009 as if the group structure immediately after the Corporate Reorganisation had been in existence on 31 December 2009.

1. 集團重組及綜合財務報表之呈列基準

本公司於二零一零年二月四日在開曼群島根據開曼群島公司法第22章（一九六一年法例第3章，經綜合及修訂）註冊成立為獲豁免有限公司。本公司股份自二零一零年七月七日起在香港聯合交易所有限公司上市。本公司自二零一零年二月十一日起由 Sinoref Holdings Ltd. 易名為 Sinoref Holdings Limited 華耐科技控股有限公司，並於二零一零年五月十一日再易名為 Sinoref Holdings Limited 華耐控股有限公司。本公司之註冊辦事處及主要營業地點之地址在中期報告「公司資料」一節披露。

根據為籌備本公司股份在香港聯合交易所有限公司上市而整頓本集團架構所進行之公司重組（「公司重組」），本公司於二零一零年六月七日向華耐國際有限公司（當時為 Sinoref (BVI) Limited 及華耐國際（宜興）高級陶瓷有限公司之控股公司）之股東發行本公司股份，以向華耐國際有限公司換取 Sinoref (BVI) Limited 全部股本權益，本公司因而成為本集團之控股公司。公司重組詳情載於本公司日期為二零一零年六月二十五日之招股章程附錄六「集團重組」一節。

已於二零一零年六月七日完成之公司重組被視為受共同控制公司之重組。因此，公司重組所產生之本集團（包括本公司及其附屬公司）被視為一家持續經營實體。綜合全面收益表、綜合權益變動表及綜合現金流量表乃使用合併會計法編製，猶如緊隨公司重組後之集團架構於截至二零零九年及二零一零年六月三十日止六個月期間一直存在，或自有關實體各自的註冊成立／成立日期起（以較短者為準）已一直存在。於二零零九年十二月三十一日之綜合財務狀況表指於二零零九年十二月三十一日已註冊成立／成立之本集團屬下各公司之資產及負債，猶如緊隨公司重組後之集團架構於二零零九年十二月三十一日經已存在。

1. GROUP RESTRUCTURING AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 29.

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

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

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Accounting Standards (“HKAS(s)”), Hong Kong Financial Reporting Standards (“HKFRS(s)”), amendments and interpretations (“HK(IFRIC) Int”) (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRS 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised 2008)	Business Combinations
HK(IFRIC)–Int 17	Distributions of Non-cash Assets to Owners

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

1. 集團重組及綜合財務報表之呈列基準 (續)

本公司為一家投資控股公司。其附屬公司之主要業務載於附註29。

綜合財務報表以人民幣呈列，而人民幣為本公司之功能貨幣。

2. 應用新訂及經修訂香港財務報告準則

於本中期期間，本集團首次應用以下由香港會計師公會頒佈之新訂及經修訂香港會計準則（「香港會計準則」）、香港財務報告準則（「香港財務報告準則」）、修訂本及詮釋（香港（國際財務報告詮釋委員會）—詮釋）（下文統稱為「新訂及經修訂香港財務報告準則」）。

香港財務報告準則 (修訂本)	香港財務報告準則第5號之 修訂，作為二零零八年香港 財務報告準則之一部份改進
香港財務報告準則 (修訂本)	二零零九年香港財務報告準則 之改進
香港會計準則第27號 (經修訂)	綜合及獨立財務報表
香港會計準則第39號 (修訂本)	合資格對沖項目
香港財務報告準則第1號 (修訂本)	首次採納者之額外豁免
香港財務報告準則第2號 (修訂本)	集團現金結算以股份為基礎 付款之交易
香港財務報告準則第3號 (二零零八年經修訂)	業務合併
香港（國際財務報告詮釋 委員會）— 詮釋第17號	向擁有人分派非現金資產

應用該等新訂及經修訂香港財務報告準則對本集團本期或以往會計期間之業績或財務狀況並無重大影響。

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

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ⁴
HKAS 32 (Amendment)	Classification of Rights Issues ²
HKFRS 1 (Amendment)	Limited Exemptions from Comparative HKFRS 7 Disclosures for First-time Adopters ³
HKFRS 9	Financial Instruments ⁵
HK(IFRIC)–Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁴
HK(IFRIC)–Int 19	Extinguishing Financial Liabilities with Equity Instruments ³

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 February 2010

³ Effective for annual periods beginning on or after 1 July 2010

⁴ Effective for annual periods beginning on or after 1 January 2011

⁵ Effective for annual periods beginning on or after 1 January 2013

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

2. 應用新訂及經修訂香港財務報告準則 (續)

本集團並無提早採納以下已頒佈但尚未生效之新訂及經修訂準則、修訂本或詮釋。

香港財務報告準則 (修訂本)	二零一零年香港財務報告準則之改進 ¹
香港會計準則第24號 (經修訂)	關連人士披露 ⁴
香港會計準則第32號 (修訂本)	供股分類 ²
香港財務報告準則第1號 (修訂本)	首次採納者就相若之香港財務報告準則第7號披露之有限豁免 ³
香港財務報告準則第9號	金融工具 ⁵
香港 (國際財務報告詮釋委員會) – 詮釋第14號 (修訂本)	最低資金要求之預付款項 ⁴
香港 (國際財務報告詮釋委員會) – 詮釋第19號	以股本工具抵銷金融負債 ³

¹ 於二零一零年七月一日及二零一一年一月一日 (按適用情況) 或以後開始之年度期間生效

² 於二零一零年二月一日或以後開始之年度期間生效

³ 於二零一零年七月一日或以後開始之年度期間生效

⁴ 於二零一一年一月一日或以後開始之年度期間生效

⁵ 於二零一三年一月一日或以後開始之年度期間生效

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

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

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

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

Merger accounting

The consolidated financial statements incorporate the financial statements items of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

3. 主要會計政策

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

綜合基準

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

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

所有集團間交易、結餘、收入及開支於綜合時對銷。

合併會計

綜合財務報表納入共同控制合併所涉及的合併實體之財務報表項目，猶如該等實體自合併實體首次受到控制方控制之日期起經已被合併。

合併實體之資產淨值以控制方的現有賬面值合併。在控制方權益維持不變之期間，共同控制業務合併時產生的商譽或收購方所佔被收購方可識別資產、負債及或然負債公平值超逾成本之差額並不確認。

綜合全面收益表包括各合併實體自最早呈列日期或自合併實體開始受共同控制日期起之業績（不論何日為共同控制合併之日期，均以較短期間為準）。

綜合財務報表內之比較數字經已呈列，猶如合併實體於上一申報期末或自開始受共同控制日期起（以較短期間為準）經已合併。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

Revenue from sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Prepaid land lease payments

The prepaid lease payments represent payment for land use rights, which are initially recognised at cost and released to statement of comprehensive income over the lease term on a straight-line basis.

3. 主要會計政策 (續)

收入確認

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

銷售貨品之收入乃在貨品交付客戶及貨品擁有權已轉移時予以確認。

金融資產之利息收入乃按時間基準參考未償還之本金及適用實際息率累計，實際息率指將金融資產之估計未來所收現金於初始確認時在估計可使用期內折現至資產賬面淨值之息率。

物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及累計減值虧損（如有）列賬。

各項物業、廠房及設備之折舊以撇銷成本，經考慮其估計可使用年期及估計剩餘價值後，於其估計可使用年期按直線法計算。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時解除確認。解除確認資產產生之任何收益或虧損（按出售所得款項淨額與該項目賬面值之差額計算）計入於該項目解除確認期內之損益表。

預付土地租賃款項

預付租賃款項指支付土地使用權，最初按成本確認，並以直線法按租賃年期轉撥至全面收益表。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted-average method.

3. 主要會計政策 (續)

借貸成本

直接與收購、建設或生產合資格資產(即必須等待一段長時間始能作擬定用途或出售之資產)有關之借貸成本,撥入該等資產之成本,直至該等資產最後可用於其擬定用途或出售為止。

特定借貸於撥作合資格資產之支出前用作短暫投資所賺取之投資收入,會從合資格撥作資本之借貸成本中扣除。

所有其他借貸成本於產生時在期內損益表確認。

有形資產減值

於申報期末,本集團審閱其有形資產之賬面值,以釐定該等資產是否有減值虧損之跡象。倘出現任何該等跡象,將作出資產之可收回金額估計,以釐定減值虧損(如有)程度。倘一項資產之可收回金額估計少於其賬面值,該資產之賬面值將減少至其可收回金額。減值虧損即時獲確認為開支。

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

存貨

存貨乃按成本及可實現淨值兩者中之較低值列值。成本乃按加權平均法計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

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

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

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

外幣

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

於結算及換算貨幣項目時所產生之匯兌差額，於其產生期間在損益賬內確認。

金融工具

當集團實體成為工具合約條款的一方時，會在綜合財務狀況表上確認金融資產及金融負債。金融資產及金融負債首次按公平值計量。收購或發行金融資產及金融負債的直接應佔交易成本，於首次確認時加入金融資產或金融負債的公平值或從中扣減（如適用）。購入按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於溢利或虧損反映。

金融資產

本集團之金融資產乃分類為貸款及應收款項。所有金融資產之日常買賣以交易日期基準確認及取消確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

實際利率法

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

利息收入乃按債務工具實際利率基準確認。

貸款及應收款項

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

金融資產減值

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For loans and receivables, objective evidence of impairment could include:

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

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

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就貸款及應收款項而言，客觀減值跡象可包括：

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

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

就按經攤銷成本列賬之金融資產而言，當有客觀證據顯示該項資產出現減值時，即會在損益確認減值虧損，減值虧損之金額按該項資產之賬面值與估計未來現金流量按原實際利率折算之現值之差額計量。倘若在往後期間，減值虧損金額減少且此減少可客觀聯繫到一項發生在減值虧損確認後之事件上，則之前確認之減值虧損將透過損益撥回，但減值撥回日之資產賬面值不應超過假若減值不曾被確認下的已攤銷成本。

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Financial liabilities

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

Equity instruments

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本

集團實體發行之金融負債及股本工具乃按所訂立合約安排之性質與金融負債及股本工具之定義分類。

股本工具為有證據顯示本集團於資產中扣減所有負債後有剩餘資產權益之任何合約。

實際利率法

實際利率法乃計算金融負債之經攤銷成本以及分攤有關期間之利息開支之方法。實際利率乃按金融負債之預計年期或適用之較短期間內準確折算估計未來現金支付之利率。

利息開支按實際利率法確認。

金融負債

金融負債包括貿易應付款項、其他應付款項及附追索權貼現票據，其後以實際利率法按攤銷成本計量。

股本工具

本公司發行之股本工具以已收取所得款項扣除直接發行成本記錄。

終止確認

當從資產得到現金流量之權利屆滿或金融資產被轉讓及本集團已轉讓該項金融資產擁有權之絕大部份風險及回報時，金融資產會被終止確認。於終止確認金融資產時，該項資產賬面值與已收及應收代價總和之間之差額於損益內確認。

當有關合約所訂明責任獲解除、註銷或屆滿時，金融負債會被終止確認。獲終止確認之金融負債之賬面值與已付及應付代價間之差額於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

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

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

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

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

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項。

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Retirement benefits costs

The employees of the Group's subsidiary which operates in the PRC are required to participate in a central pension scheme operated by the local municipal government. The PRC subsidiary is required to contribute certain percentage or their payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group also operates a Mandatory Provident Fund Scheme in Hong Kong. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, which are described in note 3, the management has made various estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates are based on past experience, expectations of the future and other information that are considered to be relevant. Actual results may differ from these estimates.

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

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產及負債乃按償還負債或變現資產之期內所預期之適用稅率，根據申報期末已實施或實際實施之稅率（及稅法）計算。遞延稅項負債及資產之計量反映按照本集團預期於申報期末可收回或結算其資產及負債之賬面值方式計算而得出之稅務結果。遞延稅項乃於損益賬中確認，除非該稅項與該等項目有關時乃於其他全面收益或直接於股本中確認，在此情況下，遞延稅項亦分別於其他全面收益或直接於股本中確認。

退休福利成本

本集團在中國營運的附屬公司之僱員須參與由地方市政府管理之中央退休金計劃。中國附屬公司須將僱員薪金或薪酬成本的若干百分比向中央退休金計劃作出供款。供款金額於根據中央退休金計劃須支付時自損益賬扣除。

本集團亦在香港運作強制性公積金計劃。本集團將相關薪酬成本的5%向計劃作出供款，而僱員亦作出等額供款。

4. 估計涉及不確定性之主要來源

於採用附註3所述的本集團會計政策時，管理層須對尚無法從其他渠道確認的資產及負債賬面值作出多項估計及假設。該等估計乃基於過往經驗、未來預計及其他視作相關的資料作出。實際結果或會有別於該等估計。

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

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

Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of property, plant and equipment is less than the original estimate useful lives due to changes in commercial and technological environment, such difference will impact the depreciation charge for the remaining period.

Estimated allowances for inventories

The management estimates the net realisable value of inventories based primarily on the latest market prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and makes allowance on obsolete and slow moving items to write off or write down inventories to their net realisable values. Where the expectation on the net realisable value is lower than the carrying amount, an impairment may arise. At 30 June 2010, the carrying amount of inventories is RMB10,824,000 (31 December 2009: RMB8,604,000).

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. At 30 June 2010, the carrying amount of trade receivables is RMB90,371,000 (31 December 2009: RMB46,490,000).

4. 估計涉及不確定性之主要來源 (續)

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

物業、廠房及設備的可使用年期

於採用有關物業、廠房及設備折舊的會計政策時，管理層乃根據物業、廠房及設備用途之行業經驗並參考有關行業規範來估計各種物業、廠房及設備之可使用年期。倘物業、廠房及設備的實際可使用年期，由於商業及技術環境改變以致少於原本估計之可使用年期，有關差額將影響餘下期間之折舊開支。

估計存貨撥備

管理層主要根據最近市價及目前市況估計存貨的可變現淨值。本集團會於各申報期末進行存貨盤點，並就陳舊及滯銷產品作出撥備以撇銷或撇減存貨至其可變現淨值。倘對變現淨值之預期低於其賬面值，則可能出現減值。於二零一零年六月三十日，存貨之賬面值為人民幣10,824,000元（二零零九年十二月三十一日：人民幣8,604,000元）。

貿易應收款項的估計減值

倘出現減值虧損的客觀證據，則本集團會考慮對未來現金流量之估計。減值虧損數額乃按資產賬面值與估計未來現金流量（不包括尚未發生之未來信貸虧損）按金融資產之原實際利率（即初始確認時用於計算之實際利率）貼現的現值間之差異計算。倘實際的未來現金流量低於預期者，則可能會出現重大減值虧損。於二零一零年六月三十日，貿易應收款項之賬面值為人民幣90,371,000元（二零零九年十二月三十一日：人民幣46,490,000元）。

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK DISCLOSURES

Categories of financial instruments

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元
Financial assets		金融資產
Loans and receivables (including cash and cash equivalents)	235,125	124,629 貸款及應收款項 (包括現金及現金等值物)
Financial liabilities		金融負債
Amortised cost	21,250	11,047 攤銷成本

5. 金融工具及資本風險披露

金融工具之類別

Financial risk management objectives and policies

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

Details of these financial instruments are disclosed in respective notes. The risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain purchase transactions of the Group are denominated in foreign currencies, which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The financial assets and financial liabilities that are denominated in foreign currencies are insignificant at the end of each reporting period, therefore, no sensitivity analysis of foreign currencies against RMB is disclosed.

金融風險管理目的及政策

本集團主要金融工具包括貿易應收款項、其他應收款項、應收票據、銀行結餘、貿易應付款項、其他應付款項及附追索權貼現票據。

此等金融工具之詳情於各自之附註披露。此等金融工具所附帶之風險及如何減輕此等風險之政策載列如下。管理層確保適時及有效地採取適用措施管理及監控此等風險。

市場風險

貨幣風險

本集團若干購買交易以外幣計值，令本集團面對外幣風險。本集團並無外幣對沖政策。然而，管理層監控外匯風險，並於有需要時考慮對沖重大外匯風險。

以外幣計值之金融資產及金融負債於各申報期末並不重大，因此並無披露外幣兌人民幣之敏感度分析。

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK DISCLOSURES (Continued)

Market risk (Continued)

Interest rate risk

The Group was exposed to fair value interest rate risk at the end of each reporting period in relation to the fixed-rate discounted bills with recourse. The Group's exposure to cash flow interest rate risk in relation to bank balances is considered as insignificant. The Group does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Credit risk

At 30 June 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

Bank balances are placed in various authorised institutions and the directors of the Company consider the credit risk of such authorised institutions is low.

At 30 June 2010, the Group has concentration of credit risk as 15% (31 December 2009: 10%) and 44% (31 December 2009: 47%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimise the concentration risk, the management of the Group has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each of individual trade debt regularly to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity risk

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

5. 金融工具及資本風險披露 (續)

市場風險 (續)

利率風險

本集團於各申報期末就定息有抵押銀行借貸及附追索權貼現票據面對公平值利率風險。本集團就銀行結餘面對之現金流利率風險並不重大。本集團並無利率對沖政策。管理層監控利率風險，並於有需要時考慮對沖重大利率風險。

信貸風險

於二零一零年六月三十日，倘對手方未能履行責任，本集團面對構成財務虧損之最高信貸風險，相等於綜合財務狀況表所列各項已確認金融資產之賬面值。本集團採納之政策為僅與信譽良好之對手方進行交易，以盡量降低因違約而招致之財務損失風險。

銀行結餘乃存放於不同認可機構，而本公司董事認為有關信貸風險微小。

於二零一零年六月三十日，由於貿易應收款項總額之15%（二零零九年十二月三十一日：10%）及44%（二零零九年十二月三十一日：47%）分別來自本集團之最大客戶及五大客戶，因此本集團有集中信貸風險。為將集中風險減至最低，本集團之管理層已委派員工負責釐定信貸限額、信貸審批及其他監控程序，以確保可採取跟進行動收回逾期債務。此外，本集團定期審閱各個別應收款項之可收回金額，以確保就不可收回金額作出充足減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

流動資金風險

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

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK DISCLOSURES (Continued)

Liquidity risk (Continued)

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

	Weighted average effective interest rate 加權平均 實際利率 %	Less than 3 months 少於 3個月 RMB'000 人民幣千元	3 months to 1 year 3個月 至1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現 現金流總額 RMB'000 人民幣千元	Total RMB'000 總計 人民幣千元	
As at 30 June 2010						於二零一零年六月三十日
Trade payables	–	8,182	–	8,182	8,182	貿易應付款項
Other payables	–	366	–	366	366	其他應付款項
Discounted bills with recourse	3.91	10,212	2,490	12,702	12,702	附追索權貼現票據
		18,760	2,490	21,250	21,250	
As at 31 December 2009						於二零零九年十二月三十一日
Trade payables	–	1,602	–	1,602	1,602	貿易應付款項
Other payables	–	433	–	433	433	其他應付款項
Discounted bills with recourse	2.81	6,451	2,561	9,012	9,012	附追索權貼現票據
		8,486	2,561	11,047	11,047	

Fair values

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

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

5. 金融工具及資本風險披露 (續)

流動資金風險 (續)

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

公平值

金融資產及金融負債之公平值以現時可觀察市場交易的價格或費率作為輸入數據根據貼現現金流分析以一般公認之定價模式釐定。

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

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK DISCLOSURES (Continued)

Capital risk management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes discounted bills with recourse as disclosed in note 19 and equity attributable to owners of the Company, comprising share capital, reserves and retained profits.

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

6. REVENUE

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

7. OPERATING SEGMENTS

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

For management purpose, the Group operates in one business unit based on their products, and has one reportable operating segment: manufacture and sale of advanced steel flow control products. The board of directors monitors the revenue of its business unit as a whole based on the monthly sales and delivery reports for the purpose of making decisions about resource allocation and performance assessment.

5. 金融工具及資本風險披露 (續)

資本風險管理

本集團之資本管理旨在確保本集團內實體均可持續經營，同時透過優化債務及權益，盡量為股東帶來最大回報。

本集團的資本架構包括債務（其中包括於附註19披露之附追索權貼現票據）及本公司擁有人應佔權益（即股本、儲備及保留溢利）。

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

6. 收入

收入指就一般日常業務中之銷售貨品已收及應收的淨額，再減去退貨及折扣。

7. 經營分部

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

就管理而言，本集團根據其產品經營一個業務單位，並擁有一個可呈報營運分部：製造及銷售高端鋼水控流產品。董事會根據其用於資源分配及業務評估決策之每月銷售及交付報告監控其業務單位之收入。

7. OPERATING SEGMENTS (Continued)**Information about products**

The revenue of the major products is analysed as follows:

	Six months ended 30 June		
	截至六月三十日止六個月		
	2010	2009	
	二零一零年	二零零九年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
		(Unaudited)	
		(未經審核)	
Manufacture and sale of advanced steel flow control products:			製造及銷售高端鋼水控流產品：
Subentry Nozzle	84,683	22,954	浸入式水口
Stopper	47,121	15,216	塞棒
Tundish Nozzle	33,832	11,680	中間包水口
Ladle Shroud	9,104	3,356	長水口
	174,740	53,206	

Information about geographical areas

As all the Group's revenue is derived from customers based in the PRC and all the Group's identifiable assets and liabilities are located in the PRC, no geographical segment information is presented.

Information about major customers

Revenue from customers for six months ended 30 June 2010 and 2009 contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 June		
	截至六月三十日止六個月		
	2010	2009	
	二零一零年	二零零九年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
		(Unaudited)	
		(未經審核)	
Customer A	18,090	不適用 N/A*	客戶A
Customer B	不適用 N/A*	7,478	客戶B
Customer C	不適用 N/A*	6,160	客戶C
Customer D	不適用 N/A*	5,628	客戶D

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Four types of products were sold to the customers A and B while only Stopper, Tundish Nozzle and Subentry Nozzle were sold to the customers C and D.

7. 經營分部 (續)**產品資料**

主要產品收入分析如下：

Six months ended 30 June		
截至六月三十日止六個月		
2010	2009	
二零一零年	二零零九年	
RMB'000	RMB'000	
人民幣千元	人民幣千元	
	(Unaudited)	
	(未經審核)	
Manufacture and sale of advanced steel flow control products:		製造及銷售高端鋼水控流產品：
Subentry Nozzle	22,954	浸入式水口
Stopper	15,216	塞棒
Tundish Nozzle	11,680	中間包水口
Ladle Shroud	3,356	長水口
	53,206	

地區資料

由於本集團所有收入均來自於中國立地的客戶，且所有本集團可資識別資產及負債均位於中國，故無呈列地區分部資料。

主要客戶資料

截至二零一零年及二零零九年六月三十日止六個月佔本集團總收入10%以上之來自客戶之收入如下：

Six months ended 30 June		
截至六月三十日止六個月		
2010	2009	
二零一零年	二零零九年	
RMB'000	RMB'000	
人民幣千元	人民幣千元	
	(Unaudited)	
	(未經審核)	
Customer A	不適用 N/A*	客戶A
Customer B	7,478	客戶B
Customer C	6,160	客戶C
Customer D	5,628	客戶D

* 有關收入佔本集團總收入不超過10%。

本集團向客戶A及B銷售四類產品，而僅銷售塞棒、中間包水口及浸入式水口予客戶C及D。

8. OTHER EXPENSES

The amounts represent professional fees and other expenses related to the listing of shares of the Company. Pursuant to HKAS 32 Financial Instruments: Presentation, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are directly attributable to the issuing of new shares. The remaining costs are recognised as expenses when incurred.

9. FINANCE COSTS

The amounts represent the interests on bank borrowing and discounted bills with recourse wholly repayable within five years. The bank borrowing was fully repaid in January 2009.

10. TAXATION

Current taxation:
PRC Enterprise Income Tax
Deferred taxation (note 26):
Current year

8. 其他開支

該金額指有關本公司股份上市之專業費用及其他開支。根據香港會計準則第32號金融工具：呈列，股本交易之交易成本以發行新股份直接應佔的成本為限，當作權益之扣減入賬。餘下成本於產生時確認為開支。

9. 融資成本

有關金額指須於五年內悉數償還之銀行借貸及附追索權貼現票據之利息。銀行借貸已於二零零九年一月全數償還。

10. 稅項

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Unaudited)
	(未經審核)

			即期稅項：
	13,027	3,306	中國企業所得稅
	3,921	881	遞延稅項（附註26）：
	16,948	4,187	本年度

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

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

10. TAXATION (Continued)

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

In accordance with the relevant income tax laws applicable to the PRC subsidiary of the Company, it was entitled to the exemption from the PRC Enterprise Income Tax for the first two years commencing from the first profit-making year of operations, after offsetting all unexpired tax losses from previous years, and thereafter to a 50% relief from the PRC Enterprise Income Tax for the following three years. 2007 was the first profit-making year for the PRC subsidiary of the Company. As a result, the PRC subsidiary of the Company was subject to the PRC Enterprise Income Tax rate of 12.5% for both periods presented.

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 shall be subject to PRC Enterprise Income Tax which is withheld by the PRC entity. During the six months ended 30 June 2010, deferred tax expense of RMB3,921,000 (2009: RMB881,000) charged on the undistributed earnings of the PRC subsidiary of the Company has been recognised in the consolidated statement of comprehensive income.

10. 稅項 (續)

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

根據適用於本公司中國附屬公司的有關所得稅法，本公司中國附屬公司獲批准在抵銷所有過往年度之未屆滿稅項虧損後自首個獲利經營年度起首兩年豁免中國企業所得稅，並於其後三年獲減免50%中國企業所得稅。二零零七年為本公司中國附屬公司的首個獲利年度。因此，本公司中國附屬公司於兩個呈列期間均須按12.5%的中國企業所得稅稅率繳稅。

根據由財政部及國家稅務總局聯合發出的通知(財稅2008第1號文件)，於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體預扣。截至二零一零年六月三十日止六個月，於本公司中國附屬公司之未分派盈利中列支之遞延稅項費用為人民幣3,921,000元(二零零九年：人民幣881,000元)，經已在綜合全面收益表中確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

10. TAXATION (Continued)

The taxation for the period can be reconciled to the profit before taxation per the statement of comprehensive income as follows:

10. 稅項 (續)

期內稅項與全面收益表之除稅前溢利對賬如下：

	Six months ended 30 June		
	截至六月三十日止六個月		
	2010	2009	
	二零一零年	二零零九年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	(Unaudited) (未經審核)
Profit before taxation	87,032	26,448	除稅前溢利
Tax at the PRC Enterprise Income Tax rate of 25%	21,758	6,612	按中國企業所得稅 稅率25%計算之稅項
Tax effect of expenses not deductible for tax purpose	4,295	–	不可扣稅開支之 稅項影響
Tax effect attributable to tax exemptions and concessions granted to the PRC subsidiary	(13,026)	(3,306)	向中國附屬公司授出之 稅項豁免及寬減造成之 稅項影響
Deferred tax on undistributed earnings of the PRC subsidiary	3,921	881	中國附屬公司未分派盈利之 遞延稅項
Taxation for the period	16,948	4,187	期內稅項

11. PROFIT FOR THE PERIOD

11. 期內溢利

	Six months ended 30 June		
	截至六月三十日止六個月		
	2010	2009	
	二零一零年	二零零九年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	(Unaudited) (未經審核)
Profit for the period has been arrived at after charging:			期內溢利經扣除下列項目 後達致：
Auditor's remuneration	552	10	核數師酬金
Cost of inventories recognised as an expense	51,684	19,228	確認為開支之存貨成本
Depreciation of property, plant and equipment	2,348	2,328	物業、廠房及設備折舊
Release of prepaid lease payments	117	117	預付土地租賃款項解除
Staff costs (including directors' emoluments)			員工成本 (包括董事酬金)
– Salaries and other benefits	18,409	5,947	– 薪金及其他福利
– Retirement benefits scheme contributions	221	162	– 退休福利計劃供款
	18,630	6,109	

12. DIRECTORS EMOLUMENTS

The emoluments paid or payable to each of the directors were as follows:

12. 董事酬金

已付或應付予各董事之酬金如下：

	Fees	Salaries and allowances	Retirement benefit scheme contributions	Total	
	袍金 RMB'000 人民幣千元	薪金及津貼 RMB'000 人民幣千元	退休福利計劃供款 RMB'000 人民幣千元	合計 RMB'000 人民幣千元	
For the six months ended 30 June 2010:					截至二零一零年六月三十日止六個月：
Executive directors:					執行董事：
Xu Yejun	42	109	1	152	徐葉君
Zhang Lanyin	42	250	-	292	張蘭銀
Gu Aoxing	17	31	1	49	顧敖行
Non-executive director:					非執行董事：
Gao Zhilong	-	-	-	-	高志龍
Independent non-executive directors:					獨立非執行董事：
Yao Enshu	-	-	-	-	姚恩澍
Yang Fuqiang	-	-	-	-	楊富強
Cheng Yun Ming	-	-	-	-	鄭潤明
	101	390	2	493	
For the six months ended 30 June 2009 (unaudited):					截至二零零九年六月三十日止六個月 (未經審核)：
Executive directors:					執行董事：
Xu Yejun	-	89	1	90	徐葉君
Zhang Lanyin	-	250	-	250	張蘭銀
Gu Aoxing	-	31	1	32	顧敖行
Non-executive director:					非執行董事：
Gao Zhilong	-	-	-	-	高志龍
Independent non-executive directors:					獨立非執行董事：
Yao Enshu	-	-	-	-	姚恩澍
Yang Fuqiang	-	-	-	-	楊富強
Cheng Yun Ming	-	-	-	-	鄭潤明
	-	370	2	372	

None of the directors waived any emoluments for both periods.

於兩個期間，概無董事放棄收取任何酬金。

13. EMPLOYEES' EMOLUMENTS

During the six months ended 30 June 2010, the five highest paid individuals included 3 (2009: 2) directors, details of whose emoluments were set out above. The emoluments of the remaining 2 (2009: 3) individuals were as follows:

	Six months ended 30 June		
	2010	2009	
	二零一零年	二零零九年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	(Unaudited)
			(未經審核)
Salaries and allowances	389	275	薪金及津貼
Retirement benefits scheme contributions	7	16	退休福利計劃供款
	396	291	

The emolument of each of the above employees is below RMB870,000 (equivalent to HK\$1,000,000).

截至二零一零年六月三十日止六個月，五名最高薪人士包括3名（二零零九年：2名）董事，其酬金詳情已於上文載列。餘下2名（二零零九年：3名）人士之酬金如下：

上述每名僱員之酬金均低於人民幣870,000元（相等於1,000,000港元）。

14. EARNINGS PER SHARE

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

	Six months ended 30 June		
	2010	2009	
	二零一零年	二零零九年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	(Unaudited)
			(未經審核)
Earnings			盈利
Profit for the period attributable to owners of the Company	70,084	22,261	本公司擁有人 應佔期內溢利

14. 每股盈利

本公司擁有人應佔每股基本盈利乃根據以下數據計算：

14. EARNINGS PER SHARE (Continued)

14. 每股盈利 (續)

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
Number of shares	Number of shares
股份數目	股份數目
'000	'000
千股	千股
	(Unaudited)
	(未經審核)

Number of shares		股份數目
Weighted average number of ordinary shares	900,000	900,000 普通股加權平均數

The number of shares for the purpose of basic earnings per share has been determined on the basis that the ordinary shares of the Company issued upon the Corporate Reorganisation have been in issue on 1 January 2009 and 898,000,000 ordinary shares issued pursuant to the capitalisation issue completed on 7 July 2010 as disclosed in note 30 have been adjusted retrospectively.

No diluted earnings per share has been presented for both periods as the Company has no potential ordinary shares outstanding during both periods.

用作計算每股基本盈利之股份數目乃假設就公司重組發行之本公司普通股於二零零九年一月一日經已發行，以及根據附註30所披露於二零一零年七月七日完成之資本化發行所發行之898,000,000股普通股而計算，並已追溯調整。

由於本公司於兩個期間均無潛在已發行之普通股，故並無就兩個期間呈列每股攤薄盈利。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

	Buildings 樓宇 RMB'000 人民幣千元	Furniture and fixtures and office equipment 傢俱及 裝置及 辦公室設備 RMB'000 人民幣千元	Plant, machinery and equipment 廠房、 機器及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
COST						成本
At 1 January 2009	19,265	899	36,307	1,296	57,767	於二零零九年一月一日
Additions	274	71	358	178	881	添置
At 31 December 2009	19,539	970	36,665	1,474	58,648	於二零零九年十二月三十一日
Additions	220	30	–	212	462	添置
At 30 June 2010	19,759	1,000	36,665	1,686	59,110	於二零一零年六月三十日
DEPRECIATION						折舊
At 1 January 2009	1,682	288	6,419	324	8,713	於二零零九年一月一日
Provided for the year	908	168	3,279	236	4,591	年內撥備
At 31 December 2009	2,590	456	9,698	560	13,304	於二零零九年十二月三十一日
Provided for the period	471	88	1,650	139	2,348	期內撥備
At 30 June 2010	3,061	544	11,348	699	15,652	於二零一零年六月三十日
CARRYING VALUES						賬面值
At 30 June 2010	16,698	456	25,317	987	43,458	於二零一零年六月三十日
At 31 December 2009	16,949	514	26,967	914	45,344	於二零零九年十二月三十一日

The above items of property, plant and equipment are depreciated using the straight-line method and after taking into account of their estimated residual value, at the following rates per annum:

Buildings	4.5% – 18%
Furniture and fixtures and office equipment	18%
Plant, machinery and equipment	9%
Motor vehicles	18%

上述物業、廠房及設備使用直線法及經考慮其估計剩餘價值後以下列年率計算折舊：

樓宇	4.5% – 18%
傢俱及裝置及辦公室設備	18%
廠房、機器及設備	9%
汽車	18%

16. PREPAID LAND LEASE PAYMENTS

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

16. 預付土地租賃款項

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

	At 30 June 2010	At 31 December 2009	
	於二零一零年 六月三十日	於二零零九年 十二月三十一日	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
Prepaid land lease payments of the Group are analysed for reporting purposes as:			就報告而言，本集團預付土地租賃款項分析如下：
Non-current asset	10,449	10,566	非流動資產
Current asset	235	235	流動資產
	10,684	10,801	

At 30 June 2010, the Group has pledged its leasehold land with a carrying value of RMB10,684,000 (31 December 2009: RMB10,801,000) to secure general banking facility granted by a bank to the Group. At 30 June 2010 and 31 December 2009, the Group has not utilised the banking facility of RMB8,000,000 which will be expired in December 2010.

於二零一零年六月三十日，本集團已質押其賬面值為人民幣10,684,000元（二零零九年十二月三十一日：人民幣10,801,000元）之租賃土地，以擔保本集團獲一間銀行授予之一般銀行融資。於二零一零年六月三十日及二零零九年十二月三十一日，本集團並無動用銀行融資人民幣8,000,000元，而將於二零一零年十二月三十一日屆滿。

17. INVENTORIES

17. 存貨

	At 30 June 2010	At 31 December 2009	
	於二零一零年 六月三十日	於二零零九年 十二月三十一日	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
Raw materials	5,096	3,447	原材料
Work-in-progress	3,114	2,345	在製品
Finished goods	2,614	2,812	製成品
	10,824	8,604	

18. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 90 days, while other customers are due immediately when goods are delivered. An aged analysis of the Group's trade receivables (by goods delivery date) at the end of the reporting period is as follows:

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元	
0 – 30 days	30,328	16,500	0至30日
31 – 60 days	30,147	21,895	31至60日
61 – 90 days	29,389	7,995	61至90日
91 – 120 days	507	100	91至120日
	90,371	46,490	

At 30 June 2010, included in the Group's trade receivable balances are debtors with aggregate carrying amount of RMB78,724,000 (31 December 2009: RMB38,358,000), which are past due as at the end of the reporting period for which the Group has not provided for impairment loss.

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

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元	
0 – 30 days	26,360	13,676	0至30日
31 – 60 days	25,047	17,536	31至60日
61 – 90 days	26,810	7,046	61至90日
91 – 120 days	507	100	91至120日
	78,724	38,358	

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

18. 貿易應收款項

本集團向若干客戶授出之信貸期為90日以內，而其他客戶須於收到貨品時即時付款。於申報期末，本集團之貿易應收款項（根據貨品交付日期）之賬齡分析如下：

於二零一零年六月三十日，本集團之貿易應收款項結餘包括賬面總值為人民幣78,724,000元（二零零九年十二月三十一日：人民幣38,358,000元）之應收債項，其於申報期末已逾期惟本集團並未作出減值虧損撥備。

已逾期惟未減值之貿易應收款項之賬齡如下：

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

18. TRADE RECEIVABLES (Continued)

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

All the trade receivables are denominated in RMB.

19. BILLS RECEIVABLE/DISCOUNTED BILLS WITH RECOURSE

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

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元
Within 90 days	14,530	9,864
91 – 120 days	3,314	2,261
121 – 180 days	4,448	500
	22,292	12,625

At 30 June 2010, the carrying value of bills receivable include bills discounted with recourse amounted to RMB12,702,000 (31 December 2009: RMB9,012,000) and endorsed bills for which the maturity dates have not yet been due amounted to RMB5,841,000 (31 December 2009: Nil) continue to be recognised as assets in the consolidated financial statements as the Group still exposes to credit risk on these receivables at the end of the reporting period. Accordingly, the cash received from discounted bills and the endorsed bills for which the maturity dates have not yet been due are recognised as current liabilities in the consolidated statement of financial position.

All the bills receivable and discounted bills with recourse are denominated in RMB.

At 30 June 2010, the discounted bills with recourse carried interest at an average rate of 3.91% (31 December 2009: 2.81%) per annum.

The maturity dates of all bills discounted with recourse are less than six months at 30 June 2010 and 31 December 2009.

18. 貿易應收款項 (續)

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

所有貿易應收款項以人民幣計值。

19. 應收票據 / 附追索權貼現票據

於申報期末，應收票據賬齡分析如下：

於二零一零年六月三十日，應收票據賬面值包括附追索權貼現票據人民幣12,702,000元（二零零九年十二月三十一日：人民幣9,012,000元）及到期日尚未逾期的背書票據人民幣5,841,000元（二零零九年十二月三十一日：無），繼續於綜合財務報表中獲確認為資產，乃由於本集團於報告期間末仍就此等應收款項面對信貸風險。因此，自貼現票據及到期日尚未逾期的背書票據收取之現金於綜合財務狀況表獲確認為流動負債。

所有應收票據及附追索權貼現票據均以人民幣計值。

於二零一零年六月三十日，附追索權貼現票據按平均年利率3.91%（二零零九年十二月三十一日：2.81%）計息。

於二零一零年六月三十日及二零零九年十二月三十一日，所有附追索權貼現票據之到期日均少於六個月。

20. OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元	
Other receivables	–	14	其他應收款項
Prepayment of professional fees for global offering	4,781	–	就全球發售預付專業費用
Other prepayments	169	127	其他預付款項
	4,950	141	

20. 其他應收款項及預付款項

21. BANK BALANCES AND CASH

At 30 June 2010, bank balances carried interest at an average interest rate of 0.36% (31 December 2009: 0.36%) per annum.

21. 銀行結餘及現金

於二零一零年六月三十日，銀行結餘之平均年利率為0.36%（二零零九年十二月三十一日：0.36%）。

22. TRADE PAYABLES

The credit period granted by the suppliers to the Group is within 30 days. An aged analysis of the Group's trade payables (by goods receipt day) at the end of the reporting period is as follows:

22. 貿易應付款項

供應商向本集團授出之信貸期為30日內。於申報期末，本集團之貿易應付款項（根據收取貨品日期）之賬齡分析如下：

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元	
0 – 30 days	4,761	1,426	0至30日
31 – 60 days	2,968	40	31至60日
61 – 90 days	224	59	61至90日
Over 90 days	229	77	90日以上
	8,182	1,602	

At 30 June 2010, included in the trade payables was RMB5,841,000 (31 December 2009: Nil) that was paid by endorsed bills for which the maturity dates have not yet been due.

於二零一零年六月三十日，貿易應付款項包括以到期日尚未逾期的背書票據所支付之金額人民幣5,841,000元（二零零九年十二月三十一日：無）。

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

於申報期末，貿易應付款項之賬面值以人民幣計值。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

23. OTHER PAYABLES AND ACCRUALS

23. 其他應付款項及應計費用

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元	
Other payables	366	341	其他應付款項
Payables for acquisition of property, plant and equipment	–	92	收購物業、廠房及設備之 應付款項
Accrued sales commission	10,300	6,450	應計銷售佣金
Accrued professional fees	19,281	2,000	應計專業費用
Accrued staff costs	4,835	1,201	應計員工成本
Other accruals	1,582	–	其他應計費用
Other tax payables	7,543	5,944	其他應付稅項
	43,907	16,028	

24. SHARE CAPITAL

24. 股本

	Number of shares at HK\$0.10 per share 每股面值 0.10港元之 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	
Authorised:			法定：
At 4 February 2010 (date of incorporation)	1,000	100	於二零一零年二月四日 (註冊成立日期)
Increase in authorised share capital	2,999,000	299,900	法定股本增加
At 30 June 2010	3,000,000	300,000	於二零一零年六月三十日
Issued:			已發行：
Allotted and issued nil-paid on 4 February 2010	1,000	100	於二零一零年二月四日已配發 及發行之未繳股份
Issue of shares upon completion of the Corporate Reorganisation on 7 June 2010	1,000	100	於二零一零年六月七日 完成公司重組時發行股份
At 30 June 2010	2,000	200	於二零一零年六月三十日
Shown in the consolidated financial statements			綜合財務報表所示
At 30 June 2010	RMB'000 equivalent 人民幣千元 等值	174	於二零一零年六月三十日

24. SHARE CAPITAL (Continued)

The following changes in the share capital of the Company took place during the period from 4 February 2010 (date of incorporation) to 30 June 2010.

- (a) The Company was incorporated on 4 February 2010 with an authorised share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each, of which 1,000,000 ordinary shares with a par value of HK\$0.10 each were allotted and issued nil paid by the Company to its then sole shareholder on the same date.
- (b) On 7 June 2010, the authorised share capital of the Company was increased from HK\$100,000 to HK\$300,000,000 by the creation of the additional 2,999,000,000 new shares of HK\$0.10 each. These new shares rank pari passu in all respects with the existing shares.
- (c) Pursuant to a share purchase agreement dated 7 June 2010 and entered into by, among other parties, Sinoref International Limited (the then holding company of the Company) as vendor and the Company as purchaser for the acquisition of the entire issued share capital of Sinoref (BVI) Limited, being two shares of US\$1.00 each, in consideration of and in exchange for which the Company (i) credited as fully paid at par the 1,000,000 nil-paid shares then held by the shareholders of Sinoref International Limited; and (ii) allotted and issued, at the direction of Sinoref International Limited, 1,000,000 shares credited as fully paid to the shareholders of Sinoref International Limited in proportion to their respective shareholdings in Sinoref International Limited.

The share capital at 31 December 2009 as shown in the consolidated statement of financial position represented the registered capital of Sinoref Yixing, the PRC subsidiary of the Company.

24. 股本 (續)

於二零一零年二月四日(註冊成立日期)至二零一零年六月三十日期間,本公司股本出現以下變動。

- (a) 本公司於二零一零年二月四日註冊成立,法定股本為100,000港元,分為1,000,000股每股面值0.10港元之股份,其中1,000,000股每股面值0.10港元之普通股於同日由本公司以未繳股本方式向當時唯一股東配發及發行。
- (b) 於二零一零年六月七日,本公司增設2,999,000,000股每股面值0.10港元之新股份,將法定股本由100,000港元增至300,000,000港元。該等新股份在各方面與現有股份享有同等地位。
- (c) 根據華耐國際有限公司(本公司當時之控股公司)(作為賣方)與本公司(作為買方)於二零一零年六月七日訂立之購股協議,本公司收購Sinoref (BVI) Limited全部已發行股本(即兩股每股面值1.00美元之股份),而作為代價及交換條件,本公司(i)將當時由華耐國際有限公司股東所持有之1,000,000股未繳股份按面值入賬列為繳足;及(ii)遵照華耐國際有限公司之指示,按華耐國際有限公司股東各自於華耐國際有限公司之股權比例,向該等股東配發及發行1,000,000股入賬列為繳足之股份。

綜合財務狀況表所示於二零零九年十二月三十一日之股本,是指本公司之中國附屬公司華耐宜興之註冊資本。

25. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution in writing passed by all the shareholders of the Company on 7 June 2010 for the primary purpose of providing incentives to directors, eligible employees and any selected participants, and will expire for a period of 10 years commencing on the date which the Scheme is adopted. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 30% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days of the date of the offer grant, upon payment of HK\$1 per grant. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the directors of the Company but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a share.

No option has been granted or agreed to be granted under the Scheme since its adoption.

25. 購股權計劃

本公司根據一項書面決議案採納購股權計劃（「該計劃」），主要目的是向董事、合資格僱員及任何經甄選參與者提供獎勵，而該計劃將於採納日期起計十年後屆滿。根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司的董事）授出購股權，以認購本公司股份。此外，本公司可不時向外界第三方授出購股權，就本公司所獲提供貨品或服務進行結算。

在未經本公司股東事先批准情況下，可根據該計劃授出的購股權所涉及之股份總數，不得超過本公司於任何時間已發行股份之30%。在未經本公司股東事先批准情況下，任何個別人士於任何一年內獲授及可獲授之購股權所涉及之已發行及將予發行股份數目，不得超過本公司於任何時間已發行股份之10%。如向主要股東或獨立非執行董事授出超過本公司股本0.1%或價值高於5百萬港元之購股權，須先前本公司股東批准。

獲授購股權人士須於授出日期起計21日內就每批獲授購股權支付1港元，以接納購股權。購股權可於接納購股權日期起直至本公司董事所釐定的日期止任何時間行使，而在任何情況下該期間不會超過10年。行使價由本公司董事釐定，而不會低於以下最高者：(i)本公司股份於授出日期之收市價；(ii)本公司股份於緊接授出日期前五個交易日之平均收市價；及(iii)股份面值。

自採納該計劃以來，並無根據該計劃授出或同意授出購股權。

26. DEFERRED TAXATION

26. 遞延稅項

	Undistributed earnings of the PRC subsidiary 中國附屬公司 之未分派盈利 RMB'000 人民幣千元	
At 1 January 2009	1,211	於二零零九年一月一日
Charge for the year	3,080	年內撥備
At 31 December 2009	4,291	於二零零九年十二月三十一日
Charge for the period	3,921	期內撥備
At 30 June 2010	8,212	於二零一零年六月三十日

27. RETIREMENT BENEFITS SCHEMES

27. 退休福利計劃

The employees of the Company's subsidiary established in the PRC are members of state-managed retirement benefits scheme operated by the PRC government. The subsidiary is required to contribute a specific percentage of its payroll costs to the retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

本公司於中國成立之附屬公司之僱員均為中國政府運作之國家管理退休福利計劃成員。附屬公司須按薪金成本之指定百分比向該退休福利計劃供款。本集團對於該等退休福利計劃之唯一責任是作出指定之供款。

The Group also operates a Mandatory Provident Fund Scheme in Hong Kong. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

本集團亦在香港運作強制性公積金計劃。本集團將相關薪金成本的5%向計劃作出供款，而僱員亦作出等額供款。

During the six months ended 30 June 2010, the Group made contributions to the retirement benefit schemes of RMB221,000 (2009: RMB162,000).

截至二零一零年六月三十日止六個月，本公司向退休福利計劃作出之供款額為人民幣221,000元（二零零九年：人民幣162,000元）。

28. RELATED PARTY TRANSACTIONS**Compensation of key management personnel**

The remuneration of members of key management including directors of the Company for both periods was as follows:

	Six months ended 30 June	
	2010	2009
	二零一零年	二零零九年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
		(Unaudited)
		(未經審核)
Short-term benefits	1,594	613 短期福利
Retirement benefit scheme contributions	22	20 退休福利計劃供款
	1,616	633

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

28. 關連方交易**主要管理人員薪酬**

本公司主要管理層成員（包括董事）於兩個期間之薪酬如下：

董事及主要行政人員之酬金乃董事會參考個人表現及市場趨勢而釐定。

29. PARTICULARS OF SUBSIDIARIES OF THE COMPANY**29. 本公司附屬公司詳情**

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊／成立地點及日期	Equity interest attributable to the Company 本公司應佔股本權益	Issued and fully paid share capital/ registered capital 已發行及繳足股本／註冊資本	Principal activities 主要業務
Sinoref (BVI) Limited	The British Virgin Islands 12 January 2010 英屬處女群島 二零一零年一月十二日	100%	US\$2 2美元	Investment holding 投資控股
Sinoref (Hong Kong) Limited 華耐科技（香港）有限公司	Hong Kong 17 February 2010 香港 二零一零年二月十七日	100%	HK\$1 1港元	Investment holding 投資控股
Sinoref Yixing [#] 華耐宜興 [#]	The PRC 20 July 2005 中國 二零零五年七月二十日	100%	RMB 47,040,600 人民幣 47,040,600元	Manufacture and sale of advanced steel flow control products 製造及銷售高端鋼水控流產品

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

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

[#] Wholly foreign owned enterprise registered in the PRC.

[#] 於中國註冊之外商獨資企業。

30. EVENTS AFTER THE END OF THE INTERIM PERIOD

The following significant events took place subsequent to 30 June 2010:

- (a) Pursuant to the written resolutions passed by all shareholders of the Company dated 7 June 2010, the directors of the Company were authorised to capitalise an amount of HK\$89,800,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 898,000,000 ordinary shares of HK\$0.10 each of the Company for allotment and issue to the shareholders of the Company on the register of members of the Company on 7 June 2010 on a pro rata basis, conditional on the share premium account being credited as a result of the issue of shares by the Company pursuant to the global offering.
- (b) On 7 July 2010, 300,000,000 ordinary shares of HK\$0.10 each of the Company were issued at a price of HK\$0.76 by way of global offering. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange. The proceeds of HK\$30,000,000 (equivalent to RMB26,087,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of HK\$198,000,000 (equivalent to RMB172,174,000), before issuing expenses, were credited to share premium account.

30. 中期完結後事項

於二零一零年六月三十日之後發生以下重大事項：

- (a) 根據本公司全體股東於二零一零年六月七日通過之書面決議案，本公司董事獲授權將本公司股份溢價賬中的進賬89,800,000港元撥充資本，動用該金額按面值繳足898,000,000股本公司每股面值0.10港元之普通股，以按比例向二零一零年六月七日名列本公司股東名冊之本公司股東配發及發行，惟須待本公司根據全球發售發行股份而使股份溢價賬獲得進賬後方可作實。
- (b) 於二零一零年七月七日，本公司透過全球發售按0.76港元之價格發行300,000,000股本公司每股面值0.10港元之股份。於同日，本公司股份在聯交所主板上市。相等於本公司股份面值之所得款項30,000,000港元（相等於人民幣26,087,000元）已記入本公司股本。未扣除發行開支之餘下所得款項198,000,000港元（相等於人民幣172,174,000元）已記入股份溢價賬。