

ANNUAL REPORT 2010 年報



CHIHO-TIANDE GROUP LIMITED
齊合天地集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 976



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Corporate Information

公司資料



BOARD OF DIRECTORS

Executive Directors

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

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

Mr. Gu Liyong (*Vice President*)

Non-Executive Director

Mr. Ralph Sytze Ybema

Independent Non-Executive Directors

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Li Xikui

AUDIT COMMITTEE

Dr. Loke Yu (*Chairman*)

Ms. Zhang Jingdong

Mr. Li Xikui

REMUNERATION COMMITTEE

Mr. Fang Ankong (*Chairman*)

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Li Xikui

Mr. Stephanus Maria van Ooijen

NOMINATION COMMITTEE

Mr. Stephanus Maria van Ooijen (*Chairman*)

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Li Xikui

Mr. Fang Ankong

AUTHORISED REPRESENTATIVES

Mr. Gu Liyong

Ms. Yu Miu Cheung

QUALIFIED ACCOUNTANT AND CHIEF FINANCIAL OFFICER

Mr. Chow Wan Hoi Paul

COMPANY SECRETARY

Ms. Yu Miu Cheung

AUDITOR

Deloitte Touche Tohmatsu

董事會

執行董事

方安空先生(*主席兼行政總裁*)

Stephanus Maria van Ooijen先生(*副總裁*)

顧李勇先生(*副總裁*)

非執行董事

Ralph Sytze Ybema先生

獨立非執行董事

陸海林博士

章敬東女士

李錫奎先生

審核委員會

陸海林博士(*主席*)

章敬東女士

李錫奎先生

薪酬委員會

方安空先生(*主席*)

陸海林博士

章敬東女士

李錫奎先生

Stephanus Maria van Ooijen先生

提名委員會

Stephanus Maria van Ooijen先生(*主席*)

陸海林博士

章敬東女士

李錫奎先生

方安空先生

授權代表

顧李勇先生

余妙章女士

合資格會計師兼財務總監

周雲海先生

公司秘書

余妙章女士

核數師

德勤•關黃陳方會計師行



LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)
Richards Butler (Hong Kong)
Stephenson Harwood (Hong Kong)
Van den Boomen Advocaten B.V. (Dutch)
Zhong Lun Law Firm (PRC)

PRINCIPAL BANKERS

Agriculture Bank of China
Bank of China
DBS Bank (Hong Kong) Limited
Industrial and Commercial Bank of China
Shanghai Pudong Development Bank
Standard Chartered Bank (Hong Kong) Limited
Wing Hang Bank Limited
Zhejiang Tailong Commercial Bank

COMPLIANCE ADVISOR

CCB International Capital Limited

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
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183 Queen's Road East
Wanchai
Hong Kong

法律顧問

Conyers Dill & Pearman(開曼群島)
齊伯禮律師行(香港)
羅夏信律師事務所(香港)
Van den Boomen Advocaten B.V.(荷蘭)
中倫律師事務所(中國)

主要往來銀行

中國農業銀行
中國銀行
星展銀行(香港)有限公司
中國工商銀行
上海浦東發展銀行
渣打銀行(香港)有限公司
永亨銀行有限公司
浙江泰隆商業銀行

合規顧問

建銀國際金融有限公司

註冊辦事處

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

香港總公司及主要營業地點

香港中環
干諾道中168-200號
信德中心西座14樓1410室

中國總公司及主要營業地點

中國
浙江省
台州市路橋區峰江鎮
台州金屬再生工業園區
郵編：318054

香港證券登記處

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



**CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE**

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

WEBSITE

www.chiho-tiande.com

STOCK CODE

976

開曼群島主要股份過戶登記處

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

公司網站

www.chiho-tiande.com

股份代號

976

Chairman's Statement

主席報告



On behalf of the board of directors (the “Board”) of Chiho-Tiande Group Limited (齊合天地集團有限公司) (the “Company”), I am pleased to present the annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2010 following our successful listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 July 2010 (the “Listing”).

Following the Listing, we have worked diligently to carry out the expansion plans as set out in the Company’s prospectus, and to maximize return for our shareholders. In order to diversify the variety of scrap materials handled by the Group and also to establish a wider coverage area, the Group decided to expand its processing capability by establishing two new joint venture companies in Shanghai and Hong Kong during the last quarter of 2010. The Shanghai joint venture company focuses on steel scrap processing. As for the Hong Kong joint venture, we are looking to establish a visible processing facility capable of handling various types of scrap materials, and in line with the Hong Kong Government’s intention to develop a more regulated and environmentally friendly infrastructure for the recycling industry. We believe through the establishment of these new facilities, we will increase our market shares in the metal scrap business within the region.

With increasing global demand for limited natural mining resources, various industry reports have indicated that future supply will not be able to keep up with future demand and that scrap metal recycling is regarded as a key solution to future demand and environmental concerns. To capitalize on such market opportunities, the Group continued to place strong emphasis on capturing and securing supply of raw materials from proven sources of scrap metal through its well established overseas procurement network. We believe the current strategies will allow our Group to build on its solid foundation as a leading player in the rapidly expanding scrap metal recycling business and further establish our position as a leading scrap metal recycler in the PRC.

During January 2011, we have also announced our plans to expand into other parts of mainland China by signing two letters of intent (1) to acquire a majority shareholding in a Beijing company with special licence to handle scrap vehicles recycling business and (2) to establish a new joint venture company in Tianjin with capacity of handling various scrap processing activities. Once the investment terms have been confirmed and signed, announcements relating to these investments will be made.

本人謹代表齊合天地集團有限公司(「本公司」)董事會(「董事會」)，欣然提呈於本公司在二零一零年七月十二日於香港聯合交易所有限公司(「聯交所」)主板成功上市(「上市」)後，本公司及其附屬公司(統稱為「本集團」)截至二零一零年十二月三十一日止年度的全年業績。

於上市後，我們克勤克儉工作，以進行本公司招股章程所載的擴充計劃，並為股東帶來最大的回報。為使本集團處理的廢料種類多元化並建立更廣闊的覆蓋範圍，於二零一零年第四季，本集團決定透過於上海及香港成立兩家新合資企業，以擴充其加工產能。上海合資企業主要從事廢鋼加工。至於香港合資企業方面，我們正尋求建立可處理各類廢料的頗具規模的加工設施，以及配合香港政府的意向，即，為香港之回收行業規範運行、環境友好的基礎建設作出表率。我們相信，憑藉建設該等新設施，我們將能增加於區內廢金屬業務的市場份額。

鑒於全球對有限的天然礦物資源的需求持續上升，多份行業報告均指出，由於未來天然礦物資源將會出現供不應求的情況，故廢金屬再生被視為解決未來需求及環境問題的主要方法。為充份把握上述市場良機，本集團透過其完善的海外採購網絡，將重點投放於從認可的廢金屬來源爭取及獲得原材料供應。我們相信，現有的策略可令本集團於快速擴張的廢金屬回收業務中奠下鞏固基石，以成為業內領先的營運商，同時進一步確立我們作為中國領先廢金屬再生商的地位。

於二零一一年一月，我們亦宣佈計劃透過簽訂兩份意向書進一步拓展至中國大陸其他地區，內容關於(1)收購一家北京公司大部份股權，該公司持有特別牌照處理汽車解體回收業務及(2)於天津成立新合資企業，該合資企業可處理各類廢料加工活動。投資條款一旦獲確認及簽署後，本公司將就有關投資刊發公告。



The PRC Government has recently stated in its “12th Five-Year Plan” that the fundamental policies in resource conservation and environmental protection would include energy saving, reduction of greenhouse gas emissions density, development of recycling economy and promotion of low carbon technologies, thereby taking the path of sustainable development. In February 2011, the joint statement issued by the Ministry of Industry and Information, the Ministry of Science and Technology and the Ministry of Finance on “Regulating and promoting the development of non-ferrous metal recycling industry” aims to accelerate the restructuring, consolidating, regulating and upgrading the metal recycling industry in the PRC with the intention to achieve a sustainable growth in this business sector. Also stated in the joint statement, the PRC Government strongly encourages increase in import of non-ferrous scrap metals to compensate the shortages that the PRC is currently facing. We are confident that our current position and business strategy will allow the Group to be one of the main beneficiaries of such policies going forward.

In 2011, we remain committed to further expand our processing capability, and at the same time improving our profitability and return on equity. We are optimistic about our current positioning and business strategy against an improving world market condition, and in particular the encouraging signs of support recently stated by the PRC Government, but will be on the lookout for any potential volatility in the metal markets in the year ahead.

Fang Ankong
Chairman

Hong Kong, 11 March 2011

中國政府近期於「十二五規劃」中表明，資源節約及環境保護的基礎政策包括節能、降低溫室氣體排放密度、發展回收經濟體系及推廣低碳科技，從而邁向可持續發展的道路。於二零一一年二月，工業和信息化部、科學技術部及財政部發出聯合聲明「再生有色金屬產業發展推進計劃」，目的為加快中國金屬再生行業的重組、整合、規管及發展，以有利於有關行業取得可持續增長。聯合聲明亦指出，中國政府大力鼓勵增加有色廢金屬入口，以解決中國現時面臨的天然礦物資源短缺的問題。我們有信心相信，我們現有地位及業務策略將能令本集團成為有關政策日後的主要受惠者之一。

於二零一一年，我們繼續致力進一步擴大加工產能，同時改善盈利能力及股權回報。在全球市況不斷改善的情況下，加上中國政府近年來大力支持的姿態，我們對現有地位及業務策略抱樂觀態度，但亦會留意來年金屬市場出現的任何潛在波動情況。

方安空
主席

香港，二零一一年三月十一日

Management Discussion and Analysis

管理層討論與分析



BUSINESS REVIEW AND OUTLOOK

During the year ended 31 December 2010, we have achieved better than expected performance both in terms of revenue and profitability. Our revenue exceeded HK\$5.9 billion (2009: HK\$2.3 billion), representing an increase of 153.6% from the previous year. With regard to the profitability, we recorded a net profit of HK\$352.6 million (2009: HK\$187.6 million (without taking into account the write back of the inventory provision)). Our performance in 2010 reflected the continuous strong demand of our recycled products during the year.

On 12 July 2010, the Company's shares were successfully listed on the Stock Exchange. This marked a major milestone in the development of our Group. Net proceeds from the Listing amounted to approximately HK\$581.0 million and majority of the funds raised continued to be used for procurement of raw materials and investing in business developments in the PRC.

Backed by the continuous strong demand in the PRC and the funds raised from the Listing, the Group continued to increase its procurement volume of raw materials to cater for expansion plan going forward. During the year, we have sold over 518,600 tonnes of processed products from our three business segments. This represents an increase of 84.6% when compared with over 280,900 tonnes in the previous year.

In 2010, price volatility remained high especially between May and September. On the back of such volatile market condition and the differences in sales mix, we managed to achieve an overall gross profit margin of 9.6% (2009: 10.5% (without taking into account the write back of inventory provision)) which is in line with management expectation. We continued our usual practices of buying mixed metal scrap and selling its recycled products in accordance with our processing ability so as to mitigate the short-term impact of price volatility on our overall performance.

Basic earnings per share amounted to HK\$0.41 (2009: HK\$0.56 and HK\$0.25 (without taking into account the write back of the inventory provision)), representing a decrease of 26.8% and an increase of 64.0% (without taking into account the write back of the inventory provision) when compared with the previous year.

業務回顧及展望

截至二零一零年十二月三十一日止年度，我們的收益及盈利能力更勝預期。我們的收益超逾5,900,000,000港元（二零零九年：2,300,000,000港元），較去年上升153.6%。至於盈利能力方面，我們錄得純利352,600,000港元（二零零九年：187,600,000港元（不計及撥回存貨撥備））。我們於二零一零年的表現反映年內再生產品的需求持續強勁。

於二零一零年七月十二日，本公司股份在聯交所的成功上市，矗立了本集團發展史上的一個重要里程碑。上市所得款項淨額約為581,000,000港元，而大部份所得資金將繼續用於採購原材料及投資中國的業務發展。

隨著中國的需求持續強勁及得到上市籌集的資金支持，本集團繼續增加原材料採購量以應付未來的擴充計劃。年內，我們旗下三個業務部份售出的加工產品超過518,600噸，較去年的超過280,900噸以上增加84.6%。

於二零一零年，價格仍大幅波動，尤以五月及九月為甚。鑒於市況波動及銷售組合的差異，我們的整體毛利率達9.6%（二零零九年：10.5%（不計及撥回存貨撥備）），符合管理層的預期。我們亦貫徹一貫做法，根據自身的加工能力，買入混合廢金屬並出售其再生產品，以減低價格波動對我們整體表現的短期影響。

每股基本盈利為0.41港元（二零零九年：0.56港元（不計及撥回存貨撥備為0.25港元）），較去年下跌26.8%，（倘不計及撥回存貨撥備），則增加64.0%。



BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Our Procurement Network

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

Corporate and Business Development

We believe the year 2010 represents an important milestone in the development of our Group. On 12 July 2010, the Company's shares were successfully listed on the Main Board of the Stock Exchange. Net proceeds from the Listing amounted to approximately HK\$581.0 million and majority of the funds raised was being and will be used for procurement of raw materials and in the areas of business development. Consequently, we have further established ourselves as a key participant in the scrap metal recycling industry and have also established a solid foundation on which business developments can be built upon in a more effective and efficient manners.

In line with the management's expansion plan and as indicated in the Company's prospectus, the Company applied HK\$290.0 million out of the net proceeds to increase purchase of raw materials and at the same time applied a total of HK\$74.2 million out of net proceeds to expand the processing and production capacity in our existing Ningbo plant and to expand operating facilities through the establishment of two new joint venture companies in Shanghai and Hong Kong during the second half of 2010. Details of the joint venture companies can be found in the Company's announcements.

With the injection of additional capital to expand the processing and production capacity in our Ningbo plant, the annual capacity combining Taizhou and Ningbo for 2011 will be increased to over 600,000 tonnes. Since the two new joint venture companies were only established in the last quarter of 2010, their results have insignificant impact to the overall performance of the Group in 2010.

業務回顧及展望(續)

本集團的採購網絡

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

企業及業務發展

我們相信，二零一零年是本集團發展史上的一個重要里程碑。於二零一零年七月十二日，本公司股份在聯交所主板成功上市。上市所得款項淨額約為581,000,000港元，而大部分所得資金已用於及將用於採購原材料及於中國的業務發展。因此，我們會進一步建立我們於廢金屬再生行業作為主要參與者的地位，亦為以更具效益及效率的方式進行業務發展奠下穩固基石。

為配合管理層的擴充計劃及誠如本公司的招股章程所載，本公司已從所得款項淨額中動用290,000,000港元以增購原材料，並同時從所得款項淨額中合共動用74,200,000港元以提升現有寧波廠房的加工及生產能力，以及於二零一零年下半年透過於上海及香港設立兩間新合資企業擴充營運設施。有關合資企業的詳情載於本公司的公告內。

鑒於就提升寧波廠房的加工及生產能力而作出額外注資，於二零一一年，台州及寧波的合計年產能將增至超過600,000噸。由於兩間新合資企業於二零一零年第四季才成立，有關業績對本集團二零一零年的整體表現影響不大。



BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Social Responsibilities

On the environmental protection front, we continued to place emphasis on ensuring that all of our processing facilities are in line with local and national environmental protection standards. As announced by the Environmental Protection Department of Zhejiang Province (浙江省環境保護廳), our Taizhou facilities have obtained the highest verification result among the designated processing units for imported hardware and electrical appliance scrap, electric wire and cable scrap, as well as motor scrap in Zhejiang Province. Our production processes do not consume large volumes of electricity and water and therefore produce very small volumes of waste materials. We consider that we have adopted sufficient environmental protection measures and controls against air, water, solids and noise pollutions produced during the course of our production process.

We are committed to extend our social responsibilities when setting up facilities in major cities of the PRC to contribute to the successful development of an environmentally friendly recycling industry.

Prospects

With encouraging signs indicating that the world economy is gradually recovering, and the increasing signs of support from the PRC Government to develop the recycling industry especially the "12th Five-Year-Plan" stated recently by the PRC Government, we believe the metal recycling industry in the PRC will continue to grow and will become an important source and an integral part of the metal resource supply chain of the PRC in the foreseeable future.

We strongly believe in the importance of building a sustainable and environmentally responsible business. The metal recycling industry is in the forefront and plays a vital role in ensuring that the future production and supply of ferrous and non-ferrous metals are conducted in a sustainable and environmentally responsible manners. Metal recycling contributes significantly to the protection of the environment and to the preservation of valuable natural resources, including the use of energy, which are consumed in large quantities during primary metal production processes. On the basis of the above stated fundamental belief, we continue to increase our procurement volume in line with the rapidly increasing demand and our expansion strategy for scrap raw materials in the PRC.

業務回顧及展望(續)

社會責任

就環保方面而言，我們繼續把重點放在確保旗下所有加工設施均能符合當地及國家的環保標準。根據浙江省環境保護廳的公告，台州設施取得浙江省進口廢五金電器、廢電線電纜及廢電機指定加工單位中的最高考核分數。本集團的生產流程不會耗用大量水電，故產生的廢料極少。我們認為，其已採取足夠環境保護措施及監控，以減少生產工序產生的空氣、水、固體及噪音污染。

本集團於中國各主要城市興建設施時，均致力擴展我們的社會責任範圍，以推動環保再生行業的順利發展。

前景

鑒於有令人鼓舞的跡象顯示全球經濟正逐步復甦，加上中國政府不斷支持回收行業的發展，尤其是中國政府近期出台的「十二五規劃」，我們相信中國金屬再生行業將會繼續增長，並於可見未來成為中國金屬資源供應鏈的重要來源及部分。

我們深信建立可持續發展及對環境負責任的業務至為重要，而金屬再生行業正位處最前線，於確保未來以可持續發展及對環境負責任的方法生產及供應黑色及有色金屬方面扮演重要角色。金屬再生對環境保護及保存珍貴天然資源，包括於原生金屬生產過程中大量使用的能源方面有著重大貢獻。基於上述的重要信念，我們繼續增加採購量以配合中國對廢舊原材料急速上升的需求及本集團的擴展策略。



BUSINESS REVIEW AND OUTLOOK (CONTINUED) Prospects (continued)

With regard to business developments, we are actively seeking potential merger and acquisition opportunities and have recently identified two targets in Beijing and Tianjin (Details of both potential merger and acquisitions can be found in the recent Company's announcement). Through the Beijing and Tianjin investments, we intend to participate in the scrap vehicle recycling and more diverse recycling businesses in the regions. We believe that as an increasing number of vehicles are produced in the PRC, there will also be an increasing demand for scrap vehicles, which the Group identifies as an emerging business opportunities in the PRC.

Towards the end of 2010, our Shanghai joint venture started to supply processed ferrous scrap to neighbouring steel mills, and we believe that such business relationship would enable our Shanghai joint venture to continue increasing the capacity and hence to increase the sales volume going forward. We expect the processing capacity for our Shanghai joint venture to reach 300,000 tonnes in the coming year.

Following the formation of the Hong Kong joint venture, we plan to build an advanced recycling facility capable of handling more diverse scrap materials. In 2011, we expect to materialise continuing growth in both volume and profitability.

With the PRC Government policies stated in its "12th Five-Year Plan", we are confident that our current position and business strategy will allow the Group to be benefited in such policies going forward.

業務回顧及展望(續) 前景(續)

業務發展方面，我們積極尋找潛在合併及收購機會，並於近期在北京及天津物色兩家目標公司(有關潛在合併及收購事項的詳情載於本公司近期的公告內)。透過北京及天津的投資，我們擬在有關地區從事報廢汽車回收及多元化的回收業務。我們相信，由於中國生產的汽車數目與日俱增，刺激報廢汽車需求不斷上升，本集團視之為中國新興的商機。

於二零一零年底，上海合資企業開始向周邊鋼廠供應廢鋼成品原料，我們相信此相關的業務關係將有助上海合資企業持續提升能力，從而令日後銷售量增加。我們預期上海合資企業的加工產能於來年將達300,000噸。

隨著成立香港合資企業，我們計劃建造先進回收設施，該設施可處理更多種類的廢舊材料。於二零一一年，我們預期產量及盈利能力均可實現持續增長。

鑒於中國政府於「十二五規劃」所述的政策，我們有信心相信，現有地位及業務策略將有助本集團於日後有關政策中受惠。



BUSINESS REVIEW AND OUTLOOK (CONTINUED)
Detailed Comparison of Profit and Loss Summary

業務回顧及展望(續)
詳盡比較損益概要

		Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue	收益	5,931,589	2,339,243
Cost of sales	銷售成本	(5,361,645)	(1,784,806)
Gross profit	毛利	569,944	554,437
Gross profit (without taking into account the write back of the inventory provision)	毛利(不計及撥回存貨撥備)	569,944	245,824
Gross profit margin	毛利率	9.6%	23.7%
Gross profit margin (without taking into account the write back of the inventory provision)	毛利率(不計及撥回存貨撥備)	9.6%	10.5%
Net profit	純利	352,556	419,654
Net profit (without taking into account the write back of the inventory provision)	純利(不計及撥回存貨撥備)	352,556	187,587

Since the sharp collapse in world metal prices during the fourth quarter of 2008, the market prices of our recycled metal products have remained at a lower level in the first half of 2009 and the increase in demand of our recycled products during 2009 resulting in 2009 overall gross profit of HK\$187.6 million (without taking into account the write back of the inventory provision). With the strong recovery in world metal prices since the second half of 2009, and the strong encouragement from the PRC Government to use recycling materials, we achieved an encouraging overall gross profit of HK\$569.9 million in 2010. Hence, a net profit of HK\$352.6 million was recorded in the year.

自從全球金屬價格於二零零八年第四季急速下跌後，本集團再生金屬產品的市場價格於二零零九年上半年一直維持在較低水平，而對本集團再生產品的需求於二零零九年增加亦令整體毛利於二零零九年達187,600,000港元(不計及撥回存貨撥備)。隨著全球金屬價格於二零零九年下半年起大幅回升，以及中國政府大力鼓勵使用再生物料，我們於二零一零年錄得令人鼓舞的整體毛利增長，達569,900,000港元，並因而於年內錄得純利352,600,000港元。



BUSINESS REVIEW AND OUTLOOK (CONTINUED) Detailed Comparison of Profit and Loss Summary (continued)

We continued to increase our purchase volumes to cater for processing needs through our well established overseas procurement network since the second half of 2009. During the year, we sold over 518,600 tonnes (2009: 280,900 tonnes) of our processed products within our three business segments, representing an increase of 84.6% over 2009.

In 2010, price volatility remained high especially between May and September. On the back of such volatile market condition and the differences in sales mix, we managed to achieve an overall gross profit margin of 9.6% (2009: 10.5% (without taking into account the write back of the inventory provision)) which is generally in line with management expectation. During the year, we continued to follow our usual practices of consistently buying mixed metals scrap and selling our recycled products in accordance with our processing ability so as to mitigate the short-term impact of price volatility on our overall performance.

With the signs indicating the world economy is recovering slowly, and the increasing support from the PRC government as stated in the recent “12th Five-Year-Plan”, the Group believes the metal recycling industry in the PRC will continue to grow and will become an important source of metal resources in the future. In February 2011, a joint statement was issued by the Ministry of Industry and Information, the Ministry of Science and Technology and the Ministry of Finance on “Regulating, and promoting the development of non-ferrous metal recycling industry” aims to accelerate the restructuring, consolidating, regulating and upgrading the metal recycling industry in PRC with the intention to achieve a sustainable growth in this business sector. The joint statement also stated that the PRC Government strongly encourages increase in import of non-ferrous scrap metals to compensate the shortages that the PRC is currently facing.

The management also believes that the metal recycling industry plays a vital role in the production and the supply of ferrous and non - ferrous metals. It contributes significantly to the protection of the environment and to the preservation of valuable natural resources, including energy, which are consumed in large quantities during primary metal production processes. With this in mind and in accordance with our expansion strategy, we are aiming to procure 50,000 to 60,000 tonnes of mixed metal scrap materials a month to cater for its processing needs. Such purchase volume is expected to increase as we continue to expand. The management is committed to continue making efforts to capitalize on such direction in achieving satisfactory returns to the Shareholders.

業務回顧及展望(續) 詳盡比較損益概要(續)

自二零零九年下半年以來，我們透過其完善的海外採購網絡，繼續增加採購量以應付加工所需。年內，我們旗下三個業務部份售出的加工產品超過518,600噸(二零零九年：280,900噸)，較二零零九年上升84.6%。

於二零一零年，價格仍大幅波動，尤以五月至九月為甚。鑒於市況波動及銷售組合的差異，我們的整體毛利率達9.6%(二零零九年：10.5%(不計及撥回存貨撥備))，符合管理層的預期。年內，我們貫徹一貫做法，根據自身的加工能力，買入混合廢金屬並出售再生產品，以減低價格波動對我們整體表現的短期影響。

鑒於有跡象顯示全球經濟正緩步復甦，加上中國政府在近期出台的「十二五規劃」內不斷給予支持，本集團相信中國金屬再生行業將會繼續增長，並於未來成為金屬資源的重要來源。二零一一年二月，工業和信息化部、科學技術部及財政部發出聯合聲明「再生有色金屬產業發展推進計劃」，目的為加快中國金屬再生行業的重組、整合、規管及發展，以有利於有關行業取得可持續增長。聯合聲明亦指出，中國政府大力鼓勵增加有色廢金屬入口，以解決中國現時面臨的天然礦物資源短缺的問題。

此外，管理層亦相信，金屬再生行業於黑色及有色金屬生產及供應方面擔當重要角色，對環境保護及保存珍貴天然資源有重大貢獻，包括保存原生金屬生產過程大量使用的能源。有鑑於此，並根據本公司的擴充策略，我們的目標是每月採購50,000至60,000噸混合廢金屬原料，以應付加工所需。預期上述採購量將會隨著本集團的不斷擴充而相應增加。管理層將繼續利用上述策略，致力為股東爭取理想回報。



FINANCIAL REVIEW

Revenue

Revenue increased by HK\$3.6 billion, or 153.6%, from HK\$2.3 billion in 2009 to HK\$5.9 billion in the year. The increase was mainly contributed by an increase in sales volume as well as average selling prices for our recycled metal products and foundry products.

Cost of sales

Cost of sales increased by HK\$3.3 billion, or 156.1%, from HK\$2.1 billion in 2009 (without taking into account the write back of the inventory provision) to HK\$5.4 billion in the year. The increase is in line with the increase in revenue and primarily due to an increase in sales volume and in the average purchase prices of raw materials.

Gross profit and gross profit margin

Our gross profit for the year was HK\$569.9 million as compared to a gross profit of HK\$245.8 million (without taking into account the write back of the inventory provision) for 2009. The write back of the inventory provision in 2009 was made in line with the recovery of world metal prices when compared with the cost of our inventory. We recorded a gross profit margin (without taking into account the write back of the inventory provision) of 10.5% last year as compared to gross profit margin in the year of 9.6%.

The decrease in overall gross profit margin when compared with the gross profit margin without taking into account the write back of the inventory provision in 2009 was mainly due to price volatility remained high especially between May and September 2010 and the differences in sales mix during the year, we managed to achieve an overall gross profit margin of 9.6% (2009: 10.5% (without taking into account the write back of inventory provision)) which is generally in line with management expectation.

Distribution and selling expenses

Distribution and selling expenses increased by approximately HK\$11 million, or 611.1%, from HK\$1.8 million in 2009 to HK\$12.8 million in the year due to increase in sales volume. The distribution costs were mainly incurred for the delivery of our foundry products directly to our customers.

Administrative expenses

Administrative expenses increased by approximately HK\$39.3 million, or 112.6%, from HK\$34.9 million in 2009 to HK\$74.2 million in the year. This was mainly due to additional expenses for salaries and allowances, professional and legal fees, and share-base payment incurred during the year.

財務回顧

收益

收益增加3,600,000,000港元或153.6%，由二零零九年的2,300,000,000港元增至本年度的5,900,000,000港元，主要是由於再生金屬產品及鑄造產品的銷量及平均售價均告上升所致。

銷售成本

銷售成本增加3,300,000,000港元或156.1%，由二零零九年的2,100,000,000港元(不計及撥回存貨撥備)增至本年度的5,400,000,000港元。增幅與收益的增幅一致，主要是由於銷量增加及原材料平均採購價上升所致。

毛利及毛利率

年內毛利為569,900,000港元，而二零零九年的毛利(不計及撥回存貨撥備)則為245,800,000港元。順應全球金屬價格回升(相對於存貨成本而言)，本集團於二零零九年撥回存貨撥備。去年，我們的毛利率(不計及撥回存貨撥備)為10.5%，而本年度則錄得毛利率9.6%。

與二零零九年的毛利率(不計及撥回存貨撥備)相比較，本年度的整體毛利率有所下跌，主要是由於價格仍大幅波動(尤以二零一零年五月至九月為甚)及銷售組合的差異，我們的整體毛利率達9.6%(二零零九年：10.5%(不計及撥回存貨撥備))，符合管理層的預期。

分銷及銷售開支

由於銷量增加，本集團年內的分銷及銷售開支增加約11,000,000港元或611.1%，由二零零九年的1,800,000港元增至本年度的12,800,000港元。分銷成本主要因我們將鑄造產品直接送交客戶而產生。

行政開支

行政開支增加約39,300,000港元或112.6%，由二零零九年的34,900,000港元增至本年度的74,200,000港元，額外開支主要來自年內所產生的薪金及津貼、專業及法律費用及以股份為基礎的款項。



FINANCIAL REVIEW (CONTINUED)

Other income

Other income increased by approximately HK\$5.8 million, or 101.8%, from HK\$5.7 million in 2009 to HK\$11.5 million in the year. This was mainly due to increase in interest income during the year.

Other gains and losses

Other gains decreased by approximately HK\$43.2 million from HK\$98.2 million in 2009 to HK\$55.0 million in the year mainly due to the fact that we had significantly reduced positions in the commodities derivative market during the first half of 2010. To offset such decrease, an amount of approximately HK\$43.6 million of net exchange gains were recorded during the year.

Other expenses

Other expenses increased by approximately HK\$19.1 million mainly due to one-off listing expenses incurred during the year.

Finance costs

Finance costs increased by approximately HK\$13.8 million, or 47.9%, from HK\$28.8 million in 2009 to HK\$42.6 million in the year. This was mainly due to increase in bank borrowings.

Profit for the year and net profit margin

As a result of the factors discussed above, the net profit for the year increased by HK\$165.0 million, or 88.0% from HK\$187.6 million (without taking into account the write back of the inventory provision) in 2009 to HK\$352.6 million in the year.

財務回顧(續)

其他收入

其他收入增加約5,800,000港元或101.8%，由二零零九年的5,700,000港元增至本年度的11,500,000港元，主要是由於年內利息收入增加所致。

其他收益及虧損

其他收益減少約43,200,000港元，由二零零九年的98,200,000港元減至本年度的55,000,000港元，主要是由於我們於二零一零年上半年大幅減少於商品衍生工具市場作持倉所致。年內錄得的匯兌收益淨額約為43,600,000港元，足以抵銷收益減少。

其他開支

其他開支增加約19,100,000港元，主要是由於年內產生的一次性上市開支所致。

財務成本

財務成本增加約13,800,000港元或47.9%，由二零零九年的28,800,000港元增至本年度的42,600,000港元，主要是由於銀行借貸增加所致。

年內溢利及純利率

基於上述因素，年內純利增加165,000,000港元或88.0%，由二零零九的187,600,000港元(不計及撥回存貨撥備)增加至本年度的352,600,000港元。



FINANCIAL REVIEW (CONTINUED)

Key Financial Ratios

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

Liquidity Ratios

		At 31 December 於十二月三十一日	
		2010 二零一零年	2009 二零零九年
Current ratio	流動比率	1.75	1.41
Quick ratio	速動比率	0.54	0.43
Gearing ratio (%)	負債資產比率(%)	41.8	43.2

		Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Inventory turnover days	存貨周轉日數	118	178
Debtor's turnover days	應收賬周轉日數	6	7
Creditor's turnover days	應付賬周轉日數	7	14

Liquidity and Financial Resources and Capital Structure

Included in net current assets were cash and various bank deposits totalling HK\$603.0 million (2009: HK\$316.4 million). Total bank borrowings were HK\$1.5 billion (2009: HK\$799.0 million), and these were mainly used to finance the purchases of mixed metal scrap from overseas. Such borrowings are mainly denominated in United States dollars and Renminbi.

The gearing ratio of the Group as at 31 December 2010 was 41.8% (2009: 43.2%). This was mainly due to net increase in total assets during the year.

Debtor's turnover days and creditor's turnover days were both decreased from 7 days and 14 days for the year ended 31 December 2009 to 6 days and 7 days for the year ended 31 December 2010 respectively.

財務回顧(續)

關鍵財務比率

下表載列於所示期間日期本公司的若干財務比率：

流動資金比率

		At 31 December 於十二月三十一日	
		2010 二零一零年	2009 二零零九年
Current ratio	流動比率	1.75	1.41
Quick ratio	速動比率	0.54	0.43
Gearing ratio (%)	負債資產比率(%)	41.8	43.2

		Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Inventory turnover days	存貨周轉日數	118	178
Debtor's turnover days	應收賬周轉日數	6	7
Creditor's turnover days	應付賬周轉日數	7	14

流動資金及財務資源及資本架構

包括於流動資產淨值中的為現金及多項銀行存款共603,000,000港元(二零零九年：316,400,000港元)。銀行借貸總額為1,500,000,000港元(二零零九年：799,000,000港元)，主要用於為向海外採購混合廢金屬提供資金。該等借貸主要以美元及人民幣計值。

本集團於二零一零年十二月三十一日的負債資產比率為41.8%(二零零九年：43.2%)，主要由於年內總資產淨值增加。

應收賬周轉日數及應付賬周轉日數分別由截至二零零九年十二月三十一日止年度的7日及14日減少至截至二零一零年十二月三十一日止年度的6日及7日。



FINANCIAL REVIEW (CONTINUED)

Liquidity and Financial Resources and Capital Structure (continued)

Inventory turnover days decreased from 178 days for the year ended 31 December 2009 to 118 days for the year ended 31 December 2010. We target to maintain our inventory turnover days within 90 days, and our management is working to balance our processing need and at the same time reduce the inventory turnover days further so as to meet such target.

Following the Listing on 12 July 2010, the Group's liquidity position became stronger as indicated by the above ratios and this would allow the Group to be in a better position to work in accordance with its business directions.

Capital Commitments and Contingent Liabilities

As at 31 December 2010, we had pledged certain buildings, land use rights and bank deposits with an aggregate carrying value of approximately HK\$491.5 million (2009: approximately HK\$328.6 million) to secure bank borrowings.

As at 31 December 2010, we had capital commitments in respect of acquisition of property, plant and equipment but not provided for in the consolidated financial statements amounted to HK\$10.4 million (2009: HK\$4.8 million).

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

Risk Management

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

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

財務回顧(續)

流動資金及財務資源及資本架構(續)

存貨周轉日數由截至二零零九年十二月三十一日止年度的178日減少至截至二零一零年十二月三十一日止年度的118日。我們的目標是維持存貨周轉日數於90日內，而管理層正努力平衡加工需要，同時進一步減少存貨周轉日數以達到該目標。

於二零一零年七月十二日上市後，如上述比率所示，本集團的流動資金狀況更趨穩健，此將讓本集團更有利於按照集團制定之方向向前發展。

資本承擔及或然負債

於二零一零年十二月三十一日，我們抵押賬面總值約491,500,000港元的若干樓宇、土地使用權及銀行存款(二零零九年：約328,600,000港元)，以為銀行借貸作擔保。

於二零一零年十二月三十一日，我們就有關收購物業、廠房及設備但並無於綜合財務報表計提的資本承擔為10,400,000港元(二零零九年：4,800,000港元)。

於本報告日期，就董事會所知，概無任何重大或然負債。

風險管理

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

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



FINANCIAL REVIEW (CONTINUED) Risk Management (continued)

As part of its foreign currency risk management, we continued to buy US dollars forward contracts during the year primarily to mitigate our exposure to fluctuation of the exchange rate between US dollars and Renminbi whilst taking advantage of the favourable forward contract exchange rates. We will continue to adhere to this hedging strategy so long as the forward contracts rate justifies it.

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

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

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

Related Party Transactions

Starting from 12 July 2010, all related party transactions that existed in prior to 2009 were discontinued. Pursuant to the Capitalisation Issue as indicated in the Company's prospectus, our Group had subsequent to 30 June 2010 capitalised amounts due to related parties of HK\$223.7 million. Aside from the sum of HK\$50.0 million paid out of the proceeds of the Listing to settle such amounts due to related parties, our Group has settled all remaining amounts due to related parties before or upon listing.

財務回顧(續) 風險管理(續)

根據本集團的外幣風險管理，我們於本年度繼續購入美元遠期合約，主要用於減低美元與人民幣匯率波動的風險，同時受惠於有利的遠期合約匯率。在遠期合約匯率證實為有利的情況下，我們將會繼續依循此對沖策略。

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

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

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

關連方交易

自二零一零年七月十二日起，所有於二零零九年或以前的關連方交易經已終止。根據本公司招股章程所述的資本化發行，二零一零年六月三十日後，本集團已將應付關連方款項223,700,000港元撥充資本。除以上市所得款項50,000,000港元償還該等應付關連方款項外，本集團已於上市前或上市時償還應付關連方所有餘下款項。



FINANCIAL REVIEW (CONTINUED)

Funds raised by the Company's initial public offering and use of proceeds

The Company was listed on the Stock Exchange during the year and proceeds, less listing expenses, amounted to approximately HK\$581.0 million, was raised by the public offering. During the year ended 31 December 2010, the net proceeds were utilised as follows:

財務回顧(續)

本公司首次公開發售籌集的資金及所得款項用途

本公司於年內於聯交所上市，並自公開發售籌集合共約581,000,000港元的所得款項(扣減上市開支)。於截至二零一零年十二月三十一日止年度內，所得款項淨額已用於以下用途：

		HK\$ million 百萬港元
Purchase raw material	增購原材料	290.0
Enhancement of procurement network and capabilities through joint ventures, mergers or acquisition	透過合營企業、合併或收購提升採購網絡及能力	19.9
Expansion of production capacity	提升生產能力	54.3
Repayment of shareholder's loan	償還股東貸款	50.0
General working capital	一般營運資金	51.0

The remaining amounts of approximately HK\$115.8 million will be used before the year 2012 and we are actively seeking supplier to enhance our procurement network.

餘下金額約115,800,000港元將會於二零一二年內動用，而我們正積極尋求供應商以提升採購網絡。

Employees

As at 31 December 2010, we had a workforce of 449 employees. In addition, we engaged approximately 3,730 separation and selection workers through local contractors. We have not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past and it has not experienced any significant difficulties in recruiting and retaining qualified staff. We continue to maintain good relationships with our employees.

僱員

於二零一零年十二月三十一日，我們共有449名僱員。此外，我們透過當地工頭僱用約3,730名拆解及選料工人。我們過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛，在招聘及挽留合資格僱員方面亦無遇到重大困難。我們與僱員一直維持良好的關係。



FINANCIAL REVIEW (CONTINUED)

The Remuneration Policy

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

As indicated in the Company's prospectus the Company granted Pre-IPO share options to acquire shares in the Company to 36 employees and directors of the Group. In September 2010, 3.77 million Post-IPO share options were granted under the Post-IPO Share Option Scheme.

財務回顧(續)

薪酬政策

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

如公司招股章程所示，本公司向36名僱員及本集團董事授出首次公開發售前購股權以認購本公司股份。於二零一零年九月，3,770,000份首次公開發售後購股權已根據首次公開發售後購股權計劃授出。

Directors' Report

董事會報告



The Directors are pleased to present the audited consolidated financial statements of the Group for the year ended 31 December 2010.

PRINCIPAL BUSINESSES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 40 to the consolidated financial statements.

RESULTS

The results of the Company for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income of the Group on page 48.

FINAL DIVIDENDS

The Board of Directors proposed the payment of a final dividend for the year ended 31 December 2010 of HK9 cents per ordinary share ("Final Dividend"). The proposed Final Dividend will be paid to the shareholders whose names appear on the Company's Register of Members on 8 April 2011. The proposed Final Dividend will be paid in the form of scrip dividend with shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements ("Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed Final Dividend at the 2011 Annual General Meeting; and (ii) the Stock Exchange granting listing of and permission to deal in the new shares to be allotted thereunder. Full details of the Scrip Dividend Scheme will be set out in a circular to be dispatched to the shareholders.

PROPERTY, PLANT AND EQUIPMENT

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

董事欣然提呈本集團截至二零一零年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。其附屬公司的主要業務載於綜合財務報表附註40。

業績

本公司截至二零一零年十二月三十一日止年度業績載於第48頁的本集團綜合全面收益表。

末期股息

董事會建議派發截至二零一零年十二月三十一日止年度末期股息每股普通股9港仙（「末期股息」）。建議末期股息將派發予於二零一一年四月八日名列本公司股東名冊的股東。建議末期股息將以以股代息的方式派發予股東，而股東有權選擇收取現金以代替全部或部分以股代息配額（「以股代息計劃」）。

以股代息計劃須待(i)建議末期股息於二零一一年股東週年大會獲批准；及(ii)聯交所批准據此將予配發的新股份上市及買賣後，方可作實。以股代息計劃的詳情將載於寄發予股東的通函內。

物業、廠房及設備

年內物業、廠房及設備的變動詳情載於本集團綜合財務報表附註17。



BORROWINGS

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

RESERVES

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

As at 31 December 2010, the distribution reserve of the Company amounted to approximately HK\$741,384,000.

DONATIONS

The donations made by the Group during the year amounted to approximately HK\$126,430 (2009: approximately HK\$63,000).

MAJOR CUSTOMERS AND SUPPLIERS

In 2010, the Group's largest supplier accounted for 9.4% (2009:13.8%) of the total purchases. The five largest suppliers comprised 43.2% (2009:38.3%) of total purchases.

In 2010, the Group's largest customers accounted for 8.3% (2009:3.1%) of the total revenue. The five largest customers comprised 18.5% (2009:10.0%) of total revenue.

So far as the Directors of the Company is aware, neither the Directors, their associates nor any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

借貸

借貸詳情載於本集團綜合財務報表附註28。

儲備

年內本集團儲備變動詳情載於綜合權益變動表。

於二零一零年十二月三十一日，本公司的可分派儲備約為741,384,000港元。

捐贈

本集團於年內捐贈約126,430港元(二零零九年：約63,000港元)。

主要客戶及供應商

於二零一零年，本集團的最大供應商佔總採購額9.4%(二零零九年：13.8%)。五大供應商佔總採購額43.2%(二零零九年：38.3%)。

於二零一零年，本集團的最大客戶佔總收益8.3%(二零零九年：3.1%)。五大客戶佔總收益18.5%(二零零九年：10.0%)。

就本公司董事所知，各董事、彼等的聯繫人及就董事所知擁有本公司超過5%股本的任何本公司股東概無於該等主要客戶及供應商中擁有任何權益。



DIRECTORS

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

Executive Directors

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

Non-Executive Director

Mr. Ralph Sytze Ybema

Independent Non-Executive Directors

Dr. Loke Yu
(appointed on 23 June 2010)
Ms. Zhang Jingdong
(appointed on 23 June 2010)
Mr. Li Xikui
(appointed on 23 June 2010)

In accordance with the Articles of Association of the Company, Mr. Fang Ankong, Mr. Stephanus Maria van Ooijen, Mr. Gu Liyong, Mr. Ralph Sytze Ybema, Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui shall retire from office, and being eligible offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors of the Company has entered into a service contract with the Company on 24 June 2010 for a period for three years. None of the Directors of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at 31 December 2010, none of the Directors of the Company has interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

董事

年內及截至本年報日期本公司董事包括：

執行董事

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

非執行董事

Ralph Sytze Ybema先生

獨立非執行董事

陸海林博士
(於二零一零年六月二十三日獲委任)
章敬東女士
(於二零一零年六月二十三日獲委任)
李錫奎先生
(於二零一零年六月二十三日獲委任)

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

董事服務合約

於二零一零年六月二十四日，本公司各董事與本公司訂有服務合約，為期三年。擬於應屆股東週年大會膺選連任的本公司董事概無與本公司或其任何附屬公司訂有本公司或其任何附屬公司不可於一年內不付補償(法定補償除外)而終止的服務合約。

董事於合約中的權益

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

董事於競爭業務中的權益

於二零一零年十二月三十一日，概無本公司董事於與本集團業務直接或間接競爭或可能構成競爭的業務中擁有權益。



CONNECTED TRANSACTIONS

Details of the related party transactions for the year are set out in note 35 to the consolidated financial statements which are also the discloseable connected transaction pursuant to Listing Rules. In the opinion of the Independent Non-Executive Directors, these transactions entered into by the Group were:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there was no available comparison, on terms that were fair and reasonable so far as the shareholders of the Company were concerned; and
- (iii) either (a) in accordance with the terms of the arrangements; or (b) where there were no such agreements, on terms no less favourable than those available to or from independent third parties.
- (iv) within the relevant cap amounts as agreed by the Stock Exchange.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

SHARE OPTION SCHEME

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

(a) Pre-IPO Share Option Scheme

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

The total number of shares in respect of which share options granted under the Pre-IPO Share Option Scheme as at 31 December 2010 was 12,140,000 which represented approximately 1.21% of the issued share capital of the Company as at 31 December 2010.

關連交易

有關年內進行的關連方交易詳情載於綜合財務報表附註35，根據上市規則，該等交易亦為須予披露關連交易。獨立非執行董事認為，該等由本集團訂立的交易乃：

- (i) 於本集團日常及一般業務過程中訂立；
- (ii) (a)按正常商業條款訂立；或(b)倘並無可供比較條款，則按對本公司股東而言屬公平合理的條款訂立；及
- (iii) (a)按安排的條款訂立；或(b)倘並無該等協議，則按不遜於獨立第三方所獲得或提供的條款訂立。
- (iv) 於聯交所同意的相關上限金額內。

除上文所披露者外，根據上市規則的規定，概無任何其他交易屬須予披露的關連交易。

購股權計劃

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

(a) 首次公開發售前購股權計劃

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

於二零一零年十二月三十一日，與根據首次公開發售前購股權計劃已授出的購股權有關的股份總數為12,140,000股，約相當於本公司於二零一零年十二月三十一日已發行股本之1.21%。



SHARE OPTION SCHEME (CONTINUED)
(a) Pre-IPO Share Option Scheme (continued)

As at 31 December 2010, details of the share option granted under the Pre-IPO Share Option Scheme are as follows:

購股權計劃(續)
(a) 首次公開發售前購股權計劃(續)

於二零一零年十二月三十一日，根據首次公開發售前購股權計劃所授出的購股權詳情如下：

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註 1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) (Note 2) 行使期 (日/月/年) (附註 2)	Number of underlying shares 相關股份數目	Approximate percentage of shareholding 概約持股百分比
(i) Directors 董事					
Mr. Fang Ankong 方安空先生	23/06/2010 二零一零年 六月二十三日	2.43	12/07/2011 – 12/07/2012 二零一一年七月十二日至 二零一二年七月十二日	1,050,000	0.10500%
			13/07/2012 – 12/07/2013 二零一二年七月十三日至 二零一三年七月十二日	1,050,000	0.10500%
			13/07/2013 – 12/07/2014 二零一三年七月十三日至 二零一四年七月十二日	1,400,000	0.14000%
				3,500,000	0.35000%
Mr. Gu Liyong 顧李勇先生	23/06/2010 二零一零年 六月二十三日	2.43	12/07/2011 – 12/07/2012 二零一一年七月十二日至 二零一二年七月十二日	127,500	0.01275%
			13/07/2012 – 12/07/2013 二零一二年七月十三日至 二零一三年七月十二日	127,500	0.01275%
			13/07/2013 – 12/07/2014 二零一三年七月十三日至 二零一四年七月十二日	170,000	0.01700%
				425,000	0.04250%



SHARE OPTION SCHEME (CONTINUED)
(a) Pre-IPO Share Option Scheme (continued)

購股權計劃(續)
(a) 首次公開發售前購股權計劃(續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註 1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) (Note 2) 行使期 (日/月/年) (附註 2)	Number of underlying shares 相關股份數目	Approximate percentage of shareholding 概約持股百分比
Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen先生	23/06/2010 二零一零年 六月二十三日	2.43	12/07/2011 – 12/07/2012 二零一一年七月十二日至 二零一二年七月十二日	300,000	0.03000%
			13/07/2012 – 12/07/2013 二零一二年七月十三日至 二零一三年七月十二日	300,000	0.03000%
			13/07/2013 – 12/07/2014 二零一三年七月十三日至 二零一四年七月十二日	400,000	0.04000%
				1,000,000	0.1000%
				4,925,000	0.49250%
(ii) Employees 僱員	23/06/2010 二零一零年 六月二十三日	2.43	12/07/2011 – 12/07/2012 二零一一年七月十二日至 二零一二年七月十二日	2,164,500	0.21645%
			13/07/2012 – 12/07/2013 二零一二年七月十三日至 二零一三年七月十二日	2,164,500	0.21645%
			13/07/2013 – 12/07/2014 二零一三年七月十三日至 二零一四年七月十二日	2,886,000	0.28860%
				7,215,000	0.72150%
Total 合計				12,140,000	1.21400%

SHARE OPTION SCHEME (CONTINUED)

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

Notes:

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

(b) Post-IPO Share Option Scheme

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

The total number of shares in respect of which share options may be granted under the Post-IPO Share Option Scheme is not permitted to exceed 100,000,000 shares, representing 10% of the total number of shares of the Company as at 31 December 2010.

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

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

購股權計劃(續)

(a) 首次公開發售前購股權計劃(續)

附註：

- (1) 此為本公司根據首次公開發售前購股權計劃向承授人授出購股權的日期。
- (2) 根據首次公開發售前購股權計劃獲得有條件授予購股權的各承授人，可以：
 - (i) 自上市日期獲授有關購股權後一週年之日起至第二週年當日止(包括首尾兩天在內)，隨時行使所獲購股權認購相關股份總數不超過30%；
 - (ii) 自上市日期獲授有關購股權後第二週年之日翌日起至第三週年當日止(包括首尾兩天在內)，隨時行使所獲購股權認購相關股份總數不超過30%；及
 - (iii) 自上市日期獲授有關購股權後第三週年之日翌日起至第四週年當日止(包括首尾兩天在內)，隨時行使所獲購股權認購相關股份總數不超過40%。

(b) 首次公開發售後購股權計劃

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

與根據首次公開發售後購股權計劃可授出的購股權有關的股份總數不得超過100,000,000股，相當於本公司於二零一零年十二月三十一日的股份總數的10%。

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

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



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

As at 31 December 2010, details of the share option granted under the Post-IPO Share Option Scheme are as follows:

購股權計劃(續)
(b)首次公開發售後購股權計劃(續)

於二零一零年十二月三十一日，根據首次公開發售後購股權計劃所授出的購股權詳情如下：

Grantees 承授人	Date of Grant (dd/mm/yy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yy) (Note 2) 行使期 (日/月/年) (附註2)	Number of underlying shares 相關股份數目	Approximate percentage of shareholding 概約持股 百分比
Employees 僱員	22/09/2010 二零一零年 九月二十二日	3.38	22/09/2011 – 22/09/2012 二零一一年九月二十二日至 二零一二年九月二十二日	1,131,000	0.11310%
			23/09/2012 – 22/09/2013 二零一二年九月二十三日至 二零一三年九月二十二日	1,131,000	0.11310%
			23/09/2013 – 22/09/2014 二零一三年九月二十三日至 二零一四年九月二十二日	1,508,000	0.15080%
Total 合計				3,770,000	0.37700%

Notes:

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

附註：

- (1) 此為本公司根據首次公開發售後購股權計劃向承授人授出購股權的日期。
- (2) 根據首次公開發售後購股權計劃獲得有條件授予購股權的各承授人，可以：
 - (i) 自授出日期獲授有關購股權後一週年之日起至第二週年當日止(包括首尾兩天在內)，隨時行使所獲購股權認購相關股份總數不超過30%；
 - (ii) 自授出日期獲授有關購股權後第二週年之日翌日起至第三週年當日止(包括首尾兩天在內)，隨時行使所獲購股權認購相關股份總數不超過30%；及
 - (iii) 自授出日期獲授有關購股權後第三週年之日翌日起至第四週年當日止(包括首尾兩天在內)，隨時行使所獲購股權認購相關股份總數不超過40%。

Saved as disclosed as above, no options were granted, cancelled or lapsed as at 31 December 2010. The consideration paid by each grantee for each grant of option is HK\$1.00.

除上文所披露者外，於二零一零年十二月三十一日並無購股權授出、註銷或失效。各承授人每次接納購股權時所付代價為1.00港元。



DISCLOSURE OF INTERESTS

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

As at 31 December 2010, the Directors and chief executives of the Company and their associates had the following interests in the shares and underlying shares of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, or were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO:

權益披露

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一零年十二月三十一日，本公司董事及主要行政人員及彼等的聯繫人於本公司及其相聯法團(定義見《證券及期貨條例》第XV部份)的股份及相關股份須根據《證券及期貨條例》第XV部份第7及8條(包括根據《證券及期貨條例》有關條文當作或視為權益及淡倉)或根據上市發行人董事進行證券交易的標準守則須知會本公司及聯交所；或須根據《證券及期貨條例》第352條寄存於本公司股東名冊的權益：

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Number of issued shares 已發行股份數目	Number of underlying shares (in respect of share options) (Note 1) 相關股份 (有關購股權) 數目 (附註1)	Approximate percentage of total number of shareholding 佔全部股權的 概約百分比
Mr. Fang Ankong 方安空先生	Interest in controlled corporation (Note 2) 於受控制法團之權益(附註2)	405,000,000	—	40.50%
	Beneficial owner (Note 3) 實益擁有人(附註3)	—	3,500,000	0.35%
Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen先生	Interest in controlled corporation (Note 4) 於受控制法團之權益(附註4)	405,000,000	—	40.50%
	Beneficial owner (Note 5) 實益擁有人(附註5)	—	1,000,000	0.10%
Mr. Gu Liyong 顧李勇先生	Beneficial owner (Note 6) 實益擁有人(附註6)	—	425,000	0.043%



DISCLOSURE OF INTERESTS (CONTINUED)

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation (continued)

Notes:

1. The share options were granted, under the Pre-IPO Share Option Scheme of the Company, adopted on 23 June 2010.
2. 345,000,000 shares are directly held by HWH Holdings Limited ("HWH") which is wholly owned by Mr. Fang Ankong ("Mr. Fang"). Green Elite Limited ("Green Elite") holds 60,000,000 shares in the Company and is equally owned by HWH and Delco Participation B.V. ("Delco"). Therefore, Mr. Fang is deemed to be interested in the 405,000,000 shares of the Company.
3. Mr. Fang was granted option under the Pre-IPO Share Option Scheme to subscribe for 3,500,000 shares of the Company.
4. 345,000,000 shares are directly held by Delco. Green Elite holds 60,000,000 shares in the Company and is equally owned by HWH and Delco. Delco is equally owned by SVO Company B.V. ("SVO") (which is wholly-owned by Mr. Stephanus Maria van Ooijen ("Mr. van Ooijen")) and H.P.L. Metals B.V. ("HPL") (which is wholly-owned by Stichting Beheer Aandelen HPL Metals), a foundation for the sole benefit of Mr. Herman Maurits de Leeuw. Therefore, Mr. van Ooijen is deemed to have interest of 405,000,000 shares in the Company.
5. Mr. van Ooijen was granted option under the Pre-IPO Share Option Scheme to subscribe for 1,000,000 shares of the Company.
6. Mr. Gu Liyong was granted option under the Pre-IPO Share Option Scheme to subscribe for 425,000 shares of the Company.

Saved as disclosed above, none of the Directors and chief executives of the Company or any of their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation as at 31 December 2010.

權益披露(續)

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

附註：

1. 購股權乃根據本公司於二零一零年六月二十三日採納的首次公開發售前購股權計劃授出。
2. 345,000,000股股份由方安空先生(「方先生」)全資擁有之HWH Holdings Limited(「HWH」)直接持有。Green Elite Limited(「Green Elite」)持有本公司60,000,000股股份，而Green Elite由HWH及Delco Participation B.V.(「Delco」)平均擁有。因此方先生被視為擁有本公司405,000,000股股份之權益。
3. 方先生根據首次公開發售前購股權計劃獲授予購股權認購本公司3,500,000股股份。
4. 345,000,000股股份由Delco直接持有。Green Elite持有本公司60,000,000股股份，而Green Elite由HWH及Delco平均擁有。Delco由Stephanus Maria van Ooijen先生(「van Ooijen先生」)全資擁有之SVO Company B.V.(「SVO」)及Stichting Beheer Aandelen HPL Metals全資擁有之H.P.L. Metals B.V.(「HPL」)，(由Herman Maurits de Leeuw先生獨資擁有的基金)平均擁有。因此van Ooijen先生被視為擁有本公司405,000,000股股份之權益。
5. van Ooijen先生根據首次公開發售前購股權計劃獲授予購股權認購本公司1,000,000股股份。
6. 顧李勇先生根據首次公開發售前購股權計劃獲授予購股權認購本公司425,000股股份。

除上文所披露外，於二零一零年十二月三十一日，本公司董事及主要行政人員或彼等的聯繫人概無在本公司或任何相聯法團的股份、相關股份或債券中擁有權益或淡倉。



DISCLOSURE OF INTERESTS (CONTINUED) Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation

As at 31 December 2010, other than the Directors and the chief executives of the Company in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or otherwise notified to the Company and the Stock Exchange:

權益披露(續)

主要股東於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一零年十二月三十一日，除根據《證券及期貨條例》第336條須存置的登記冊中所記錄的本公司董事及主要行政人員的股份及相關股份外，以下人士於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3部分須向本公司披露或於《證券及期貨條例》第336條所存置的登記冊中記錄，或已知會本公司及聯交所之權益或淡倉：

Name 名稱	Capacity/Nature of Interest 身份／權益性質	Number of shares of the Company held 所持本公司 股份數目	Approximate percentage of shareholding 概約持股 百分比
HWH Holdings Limited (Note 1) (附註1)	Beneficial owner, interest in controlled corporation 實益擁有人，於受控制法團之權益	405,000,000 (L)	40.50%
Delco Participation B.V. (Note 2) (附註2)	Beneficial owner, interest in controlled corporation 實益擁有人，於受控制法團之權益	405,000,000 (L)	40.50%
Herman Maurits de Leeuw (Note 2) (附註2)	Interest in controlled corporation 於受控制法團之權益	405,000,000 (L)	40.50%
H.P.L. Metals B.V. (Note 2) (附註2)	Interest in controlled corporation 於受控制法團之權益	405,000,000 (L)	40.50%
Stichting Beheer Aandelen H.P.L. Metals (Note 2) (附註2)	Interest in controlled corporation 於受控制法團之權益	405,000,000 (L)	40.50%
SVO Company B.V. (Note 2) (附註2)	Interest in controlled corporation 於受控制法團之權益	405,000,000 (L)	40.50%
Green Elite Limited (Note 3) (附註3)	Beneficial owner 實益擁有人	60,000,000 (L)	6.00%

The Letter "L" denotes a long position.

[L]字母代表長倉。



DISCLOSURE OF INTERESTS (CONTINUED)

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation (continued)

Notes:

1. 345,000,000 shares are directly held by HWH Holdings Limited ("HWH") which is wholly owned by Mr. Fang Ankong ("Mr. Fang"). Green Elite holds 60,000,000 shares in the Company and is equally owned by HWH and Delco Participation B.V. ("Delco"). Therefore, Mr. Fang is deemed to have interest in the 405,000,000 shares of the Company.
2. 345,000,000 shares are directly held by Delco. Green Elite holds 60,000,000 shares in the Company and is equally owned by HWH and Delco. Delco is equally owned by SVO Company B.V. ("SVO") (which is wholly-owned by Mr. Stephanus Maria van Ooijen ("Mr. van Ooijen")) and H.P.L. Metals B.V. ("HPL") (which is wholly-owned by Stichting Beheer Aandelen HPL Metals), a foundation for the sole benefit of Mr. Herman Maurits de Leeuw. Therefore, Mr. van Ooijen is deemed to have interest of 405,000,000 shares in the Company.
3. 60,000,000 shares are directly held by Green Elite and Green Elite is equally owned by HWH and Delco.

Save as disclosed above, the Directors and chief executives of the Company are not aware that there is any party who, as at 31 December 2010, had an interest or short position in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

權益披露(續)

主要股東於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉(續)

附註：

1. 345,000,000股股份由方安空先生(「方先生」)全資擁有之HWH Holdings Limited(「HWH」)直接持有。Green Elite持有本公司60,000,000股股份，而Green Elite由HWH及Delco Participation B.V.(「Delco」)平均擁有。因此方先生被視為擁有本公司405,000,000股股份之權益。
2. 345,000,000股股份由Delco直接持有。Green Elite持有本公司60,000,000股股份，而Green Elite由HWH及Delco平均擁有。Delco由Stephanus Maria van Ooijen先生(「van Ooijen先生」)全資擁有之SVO Company B.V.(「SVO」)及Stichting Beheer Aandelen HPL Metals全資擁有之H.P.L. Metals B.V.(「HPL」)，(由Herman Maurits de Leeuw先生獨資擁有的基金)平均擁有。因此van Ooijen先生被視為擁有本公司405,000,000股股份之權益。
3. Green Elite之全部已發行股份由HWH及Delco平均擁有，而Green Elite直接持有本公司60,000,000股股份。

除上文所披露外，於二零一零年十二月三十一日，本公司董事及主要行政人員並不知悉任何人士於本公司股份及相關股份中擁有《證券及期貨條例》第336條所存置的登記冊中記錄之權益或淡倉。



COMPLIANCE WITH NON-COMPETITION UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS

The Company has entered into the deed of non-competition undertakings dated 24 June 2010 with the controlling shareholders of the Company, namely, Mr. Fang Ankong, Mr. Stephanus Maria van Ooijen, Mr. Herman Maurits de Leeuw, Green Elite Limited, HWH Holdings Limited, Delco Participation B.V., SVO Company B.V., H.P.L. Metals B.V., Stichting Beheer Aandelen H.P.L. Metals have jointly and severally undertakes, not to compete with the Group.

In March 2011, the Company has received an annual declaration from each of the controlling shareholders of the Company in respect of their respective compliance with the non-competition undertakings since the date of listing of the shares of the Company on 12 July 2010 (the "Listing Date"). The Independent Non-Executive Directors have reviewed the said undertakings and are of the view that each of the controlling shareholders of the Company and the Directors has complied with their respective non-competition undertakings during the period from the Listing Date to 31 December 2010.

MANAGEMENT CONTRACTS

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

SHARE CAPITAL

Details of the movement in the share capital of the Company are set out in note 30 to the consolidated financial statements of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

During the period commencing from the Listing Date to 31 December 2010, the company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the shares of the Company.

PRE-EMPTIVE RIGHTS

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

控股股東遵守不競爭承諾

本公司於二零一零年六月二十四日與本公司控股股東方安空先生、Stephanus Maria van Ooijen先生、Herman Maurits de Leeuw先生、Green Elite Limited、HWH Holdings Limited、Delco Participation B.V.、SVO Company B.V.、H.P.L. Metals B.V.、Stichting Beheer Aandelen H.P.L. Metals訂立不競爭承諾契據，彼等共同及個別承諾不與本集團競爭。

於二零一一年三月，本公司接獲本公司各控股股東有關彼等各自於二零一零年七月十二日本公司股份上市日期(「上市日期」)起遵守不競爭承諾的年度聲明。獨立非執行董事已審閱上述承諾，認為本公司各控股股東及董事自上市日期起至二零一零年十二月三十一日期間一直遵守彼等各自的不競爭承諾。

管理合約

年內概無訂立或存在有關本公司業務整體或任何重要部分的管理及行政合約。

股本

本公司股本變動詳情載於本集團綜合財務報表附註30。

購買、出售或贖回本公司股份

自上市日期至二零一零年十二月三十一日期間，本公司概無贖回且本公司及其任何附屬公司概無購買或出售本公司任何股份。

優先購買權

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



USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The Company was listed on the Main Board of the Stock Exchange on 12 July 2010. The net proceeds from the Company's issue of new shares (after deducting the underwriting commission and listing expenses) amounted to approximately HK\$581.0 million. For the year ended 31 December 2010, HK\$465.2 million of the net proceeds has been utilized in accordance with the proposed applications set out in the section headed "Future plans and use of proceeds" contained in the prospectus of the Listing.

CORPORATE GOVERNANCE

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and with the knowledge of the Directors, the Company has maintained a sufficient public float throughout the period from the Listing Date to 31 December 2010.

AUDITORS

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

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

For and on behalf of the Board

Chiho-Tiande Group Limited
Chairman

Hong Kong, 11 March 2011

本公司首次公開發售所得款項淨額用途

本公司於二零一零年七月十二日在聯交所主板上市。本公司發行新股所得款項淨額(經扣除包銷佣金及上市開支)約為581,000,000港元。截至二零一零年十二月三十一日止年度, 465,200,000港元的所得款項淨額已根據上市招股章程「未來計劃及所得款項用途」一節所載擬定用途使用。

企業管治

本公司採用的主要企業管治常規載於本年報企業管治報告。

足夠公眾持股量

基於本公司所獲公開資料及就董事所知, 自上市日期至二零一零年十二月三十一日止期間, 本公司一直維持足夠公眾持股量。

核數師

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

本年度的綜合財務報表由德勤•關黃陳方會計師行審核。本公司將於應屆股東週年大會提呈續聘德勤•關黃陳方會計師行為本公司核數師的決議案。

代表董事會

齊合天地集團有限公司
主席

香港, 二零一一年三月十一日

Profile of Directors and Senior Management

董事及高級行政人員履歷



EXECUTIVE DIRECTORS

Mr. Fang Ankong (方安空), aged 45, is the Executive Director, chairman and chief executive officer of the Group. Mr. Fang Ankong was appointed as Director of the Group on 15 May 2008. Mr. Fang serves as a Chairman of Remuneration Committee and member of the Nomination Committee, Pricing Committee and Monitoring Committee of the Company and he is also a Director of certain subsidiaries of the Group. Mr. Fang Ankong is also one of the founders of the Group. Mr. Fang Ankong founded the Group in 1999 and has over 16 years of experience in the business of metallurgy and metal scrap recycling. Mr. Fang Ankong is primarily responsible for setting corporate strategy and planning, and overall management of the Group. Prior to founding the Group, Mr. Fang Ankong has been engaged in the import and trading of metals scrap. From 1995, Mr. Fang Ankong was a shareholder of Tianan Resources, a company engaged in the importing of metal scrap into China and recycling of metal scrap, and also participated in the operation and management of Tianan Resources. Tianan Resources was deregistered in 2002. Mr. Fang Ankong is a member of the People's Political Consultative Conference of Luqiao District of Taizhou City (台州市路橋區政協委員).

Mr. Fang Ankong is the younger brother of Ms. Fang Aiping and elder brother of Mr. Fang Anlin, the Vice-General Manager of Finance and the Vice-General Manager of Taizhou Chiho-Tiande Metals Company Limited, a subsidiary of the Group, respectively. Mr. Fang Ankong is also the brother-in-law of Mr. Ding Guopei, the Senior Vice-President of the Group. Mr. Fang Ankong is also the younger brother of the father-in-law of Mr. Zhu Zhonghui, the manager of the sales and marketing department of the Group.

Mr. Stephanus Maria van Ooijen, aged 48, is an Executive Director, Vice President and one of the founders of the Group. He was appointed as Director of the Group on 15 May 2008. He serves as a Chairman of Nomination Committee and member of the Remuneration Committee of the Company and he is also a Director of certain subsidiaries of the Group. Mr. van Ooijen is primarily in charge of corporate strategy and planning with focus on the Group's import functions and has over 13 years of experience. Mr. van Ooijen obtained a diploma in 1985 from Hogere Agrarische Scholen van de Katholieke Nederlandse Boeren-en Tuindersbond 'S-Hertogenbosch (Higher Agricultural Schools of the Catholic Dutch Farmers and Gardeners Union of 'S-Hertogenbosch) in the Netherlands. Mr. van Ooijen is the sole shareholder and has been appointed as the director of SVO Company B.V. since 30 September 1993. He was also the director of Delco Participation B.V. from 2 November 2000 until 23 April 2008.

執行董事

方安空先生，45歲，本集團執行董事、主席兼行政總裁，於二零零八年五月十五日獲委任為本集團董事。方先生為本公司薪酬委員會主席，並兼任提名委員會、定價委員會及監督委員會成員。彼亦為本集團若干附屬公司之董事，方先生為本集團創辦人之一。方安空先生於一九九九年創辦本集團，擁有逾16年冶金及廢金屬再生業務經驗。方安空先生主要負責制訂本集團的企業策略及規劃與整體管理。彼於創辦本集團前曾從事廢金屬進口及貿易業務。方安空先生自一九九五年起為天安資源股東，亦參與天安資源的營運和管理。天安資源為從事於中國進口及回收利用廢金屬的公司，於二零零二年註銷。方安空先生為台州市路橋區政協委員。

方安空先生為本集團附屬公司台州齊合天地金屬有限公司財務副總經理方愛萍女士的胞弟，亦為本集團附屬公司台州齊合天地金屬有限公司副總經理方安林先生的兄長，以及本集團高級副總裁丁國培先生的內弟，亦為本集團銷售及市場推廣部經理朱忠輝先生的岳父的胞弟。

Stephanus Maria van Ooijen先生，48歲，本集團執行董事、副總裁及創辦人之一，於二零零八年五月十五日獲委任為本集團董事。彼為本公司提名委員會主席，並兼任本公司薪酬委員會成員。彼亦為本集團若干附屬公司之董事。van Ooijen先生主要負責本集團進口的企業策略及規劃，擁有逾13年的經驗。van Ooijen先生於一九八五年在荷蘭 Hogere Agrarische Scholen van de Katholieke Nederlandse Boeren-en Tuindersbond 'S-Hertogenbosch (Higher Agricultural Schools of the Catholic Dutch Farmers and Gardeners Union of 'S-Hertogenbosch)取得文憑。van Ooijen先生為唯一股東，並自一九九三年九月三十日起獲委任為SVO Company B.V.的董事，二零零零年十一月二日至二零零八年四月二十三日期間亦擔任Delco Participation B.V.的董事。



Mr. Gu Liyong (顧李勇), aged 48, is an Executive Director and Vice-President of the Group. He was appointed as Director of the Group on 28 August 2008 and he is also a Director of certain subsidiaries of the Group. He is primarily responsible for operational and financial activities and has over 25 years of experience in the industry. Mr. Gu graduated from Shanghai University of Technology (上海工業大學) in 1984 with a Bachelor's degree in Engineering and majoring in steel making from the Department of Metallurgy. He worked at China Resources Reclamation Corp., East China Co. (中國物資再生利用總公司華東公司), a company for recycling and trading ferrous metal (such as steel and iron) and non-ferrous metal (such as copper, aluminum, lead and tin) and plastic scrap in the East China region, for at least 10 years and started his career in the management and operation of domestic and international recycling business. He was a manager for the import and export department and an assistant to general manager in China Resources Reclamation Corp., East China Co., and was responsible for managing the procurement of metal scrap from overseas and reselling to their customers. Mr. Gu has extensive experience in the recycling of different resources, including metals and other scrap materials. Since he joined the Group in 1999, Mr. Gu has been responsible for the import and export businesses of the Group by utilising his professional knowledge in the recycling resources business.

NON-EXECUTIVE DIRECTOR

Mr. Ralph Sytze Ybema, aged 44, is a Non-Executive Director of the Group. He was appointed as Director of the Group on 28 August 2008 and he is also a Director of Hefast Holding Corporation Limited, a subsidiary of the Group. Mr. Ybema obtained a Master of Business Law degree from the University of Leiden in the Netherlands in 1990 and gained certification as corporate counsel through the Dutch bar exam equivalent for in-house counsel in 1993. Mr. Ybema joined the corporate legal department at Royal Philips Electronics N.V. of the Netherlands in 1992 and was first assigned to Hong Kong in May 1995. In 1997, Mr. Ybema joined US-headquartered Global IT outsourcing giant Computer Sciences Corporation in 1997 as European Counsel based in the UK and in 2000 returned to Asia as Counsel for CSC's Asia Group. Mr. Ybema is co-founder and immediate past President of the Hong Kong Corporate Counsel Association. He serves as an independent non-executive Director on the board of China Resources Microelectronics Ltd. (Stock code: 0597), a company listed on the Stock Exchange, and has served on the Professional Services Advisory Committee of the Hong Kong Trade Development Council.

顧李勇先生，48歲，本集團的執行董事兼副總裁。彼於二零零八年八月二十八日獲委任為本集團董事。彼亦為本集團若干附屬公司之董事。彼主要負責營運及融資業務等工作，擁有逾25年行業經驗。顧先生在一九八四年畢業於上海工業大學，取得冶金系工程學學士學位，主修煉鋼，其後在華東地區從事回收及買賣黑色金屬(如鋼鐵)及有色金屬(如銅、鋁、鉛及錫)與塑膠廢料的中國物資再生利用總公司華東公司工作最少十年，自此開展其國內及國際再生業務之管理及經營事業。顧先生曾先後於中國物資再生利用總公司華東公司出任進出口部經理及總經理助理，負責管理向海外採購廢金屬及轉售予客戶等事務。顧先生對於各種資源(包括各類金屬及其他廢料)的回收利用經驗豐富。顧先生在一九九九年加入本集團，運用其再生資源業務方面的專業知識，曾負責集團的進出口業務的運作。

非執行董事

Ralph Sytze Ybema先生，44歲，本集團非執行董事。彼於二零零八年八月二十八日獲委任為本集團董事，亦為本集團附屬公司 Hefast Holding Corporation Limited之董事。Ybema先生於一九九零年獲得荷蘭University of Leiden的商業法碩士學位，於一九九三年通過等同於國內律師考試的荷蘭司法考試，獲得企業律師資格。彼於一九九二年加入荷蘭Royal Philips Electronics N.V.的企業法律部並於一九九五年五月首次委派至香港。於一九九七年，Ybema先生加入美國的全球IT外判巨頭Computer Sciences Corporation，擔任其在英國的歐洲律師，於二零零零年返回亞洲，擔任CSC's Asia Group的律師。Ybema先生為Hong Kong Corporate Counsel Association的共同創辦人及前任主席。彼擔任聯交所上市公司華潤微電子有限公司(股份代號：0597)董事會獨立非執行董事，並曾為香港貿易發展局專業服務諮詢委員會成員。



INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Zhang Jingdong (章敬東), aged 65, is an Independent Non-Executive Director of the Group. She joined the Group on 23 June 2010. Ms. Zhang is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. She was the vice-secretary-general of Financial Trust Association of Zhejiang Province (浙江省金融信托業協會) before joining our Group and she held various positions in the Chinese banking and finance sectors including the People's Bank of China Heilongjiang Branch (中國人民銀行黑龍江省分行), Financial Intermediation Centre of Zhejiang Province (浙江省資金融通中心), and office of Hangzhou Financial Supervision of People's Bank of China Shanghai Branch (中國人民銀行上海分行杭州金融管辦公室).

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

Dr. Loke Yu alias Loke Hoi Lam (陸海林), aged 61, was appointed Independent Non-Executive Director of the Group on 23 June 2010. Dr. Loke serves as a Chairman of the Audit Committee and member of Remuneration Committee and Nomination Committee of the Company. Dr. Loke has over 35 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; and The Hong Kong Institute of Directors. He is also an Associate member of The Hong Kong Institute of Chartered Secretaries.

He is currently the company secretary of Minth Group Limited and serves as an independent non-executive director of Vodone Limited, Matrix Holdings Limited, Bio-Dynamic Group Limited, China Fire Safety Enterprise Group Limited, Winfair Investment Company Limited, SCUD Group Limited and Zhong An Real Estate Limited, companies listed on the Stock Exchange.

獨立非執行董事

章敬東女士，65歲，本集團獨立非執行董事。於二零一零年六月二十三日加入本集團。章女士亦為本公司審核委員會、薪酬委員會及提名委員會成員。章女士加入本集團前擔任浙江省金融信托業協會副總秘書，且曾從事中國銀行及財務行業，包括中國人民銀行黑龍江省分行、浙江省資金融通中心及中國人民銀行上海分行杭州金融管辦公室等多個職位。

章女士持有黑龍江省社會科學院經濟管理碩士學位。

陸海林博士，61歲，於二零一零年六月二十三日獲委任為本集團獨立非執行董事。陸博士為本公司審核委員會主席、薪酬委員會及提名委員會成員。陸博士於私人及上市公司之會計及審計工作、財務顧問及企業管理等方面擁有逾35年經驗，取得馬來西亞科技大學工商管理碩士學位和南澳大學工商管理博士學位。彼為英國英格蘭與威爾斯特許會計師學會、香港會計師公會及香港董事學會之資深會員，亦是香港特許秘書學會會員。

彼現為敏實集團有限公司之公司秘書，亦為多家於聯交所上市之公司，包括第一視頻集團有限公司、美力時集團有限公司、生物動力集團有限公司、中國消防企業集團控股有限公司、永發置業有限公司、飛毛腿集團有限公司及眾安房產有限公司之獨立非執行董事。

Profile of Directors and Senior Management (continued) 董事及高級行政人員履歷(續)

Mr. Li Xikui (李錫奎), aged 66, is an Independent Non-Executive Director of the Group. He joined the Group on 23 June 2010. Mr. Li serves as a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Li obtained a Bachelor's degree majoring in foreign trade (對外貿易專業) from Dongbei University of Finance and Economics (東北財經大學) (formally known as Liaoning Finance and Economics College (遼寧財經學院)) in August 1970 and a master diploma in finance from Research Institute for Fiscal Science of Ministry of Finance (財政部財政科學研究所) in July 1982.

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

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

SENIOR MANAGEMENT

Mr. Chow Wan Hoi Paul (周雲海), aged 55, is the Qualified Accountant and Chief Financial Officer of the Group. He joined the Group in June 2009 as chief financial officer with responsibility for overall financial matters of the Group. Mr. Chow has significant experience in accounting and finance. He is an associate of both the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants in Australia. He is also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chow was formerly a non-executive director of Asia Distribution Solutions Limited, a company that was previously trading on AIM, a market operated by the London Stock Exchange plc. (LSE: LSE) Mr. Chow currently serves as an independent non-executive director of Associated International Hotels Limited (Stock code: 0105), Tian Teck Land Limited (Stock code: 0266) and China Ground Source Energy Limited (Stock code: 8128), companies listed on the Stock Exchange.

Mr. Ding Guopei (丁國培), aged 48, is the Senior Vice-President of the Group, the General Manager and Director of Taizhou Chiho-Tiande Metals Company Limited and Taizhou Chiho-Tiande Foundry Company Limited. Mr. Ding has over 12 years of experience in the industry and joined the Group in December 1999. Prior to joining the Group, he was a trader principally engaged in the metal recycling industry. Mr. Ding obtained a diploma majoring in International Economics and Trade (國際經濟與貿易專業大專班) from the faculty of business from Ningbo University (寧波大學商學院) in 2002.

李錫奎先生，66歲，本集團獨立非執行董事。於二零一零年六月二十三日加入本集團。李先生為本公司審核委員會、薪酬委員會及提名委員會成員。李先生於一九七零年八月自東北財經大學(前稱為遼寧財經學院)獲得對外貿易專業學士學位，於一九八二年七月獲得財政部財政科學研究所財政碩士文憑。

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

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

高級行政人員

周雲海先生，55歲，本集團合資格會計師及財務總監。彼於二零零九年六月加入本集團，擔任財務總監，負責本集團整體財務事務。周先生擁有豐富的會計及財務經驗，為英格蘭和威爾斯特許會計師公會及澳洲特許會計師公會會員，亦為香港會計師公會會員。周先生曾任Asia Distribution Solutions Limited(股份曾於由倫敦證券交易所運作的創業板買賣)的非執行董事，現時分別於聯交所上市的公司凱聯國際酒店有限公司(股份代號：0105)、天德地產有限公司(股份代號：0266)及中國地能有限公司(股份代號：8128)擔任獨立非執行董事。

丁國培先生，48歲，本集團高級副總裁兼台州齊合天地金屬有限公司及台州齊合天地鑄造有限公司總經理及董事。丁先生擁有逾12年行業經驗，於一九九九年十二月加入本集團。加入本集團前，彼為主要從事再生金屬業的商人。丁先生於二零零二年取得寧波大學商學院國際經濟與貿易專業大專班文憑。



Mr. Ding has been chosen as a member of the third session Standing Committee of Lu Qiao District People's Congress (路橋區第三屆人大常委會委員) since December 2006. He has also been the chairman of the Association of Resource Comprehensive Utilisation of Taizhou City (台州市資源綜合利用協會會長) since June 2005. He was chosen as the second session outstanding builders of Taizhou City of the socialism with Chinese characteristics (第二屆台州市優秀中國特色社會主義事業建設者) and was awarded the Top Ten Contribution to the China Metal Recycling Industry Award (中國再生金屬產業十大傑出貢獻人物) in October 2007. He has also been the vice-chairman of the Zhejiang Association of Solid Waste Recycle and Disposal (浙江省固體廢物利用處置行業協會副會長) since May 2008. Mr. Ding is the brother-in-law of Mr. Fang Ankong and Mr. Fang Anlin. Mr. Ding is the husband of Ms. Fang Aiping.

Ms. Fang Aiping (方愛萍), aged 48, is the Vice-General Manager of Finance of Taizhou Chiho-Tiande Metals Company Limited, a subsidiary of the Group. She is primarily responsible for the subsidiary's overall financial planning, financial reporting and budgeting as well as implementing our Group's business strategies. Ms. Fang Aiping joined our Group since December 1999. Ms. Fang Aiping has more than 11 years of experience in financial management. Ms. Fang Aiping is the sister of Mr. Fang Ankong and Mr. Fang Anlin. She is the wife of Mr. Ding Guopei.

Mr. Fang Anlin (方安林), aged 42, is the Vice-General Manager of Taizhou Chiho-Tiande Metals Company Limited, a subsidiary of the Group. He is also a Director of certain subsidiaries of the Group. He is primarily responsible for the production of the subsidiary. Mr. Fang Anlin joined the Group in December 1999 and has over 16 years of experience in the business of mixed metal scrap. Since Mr. Fang Anlin joined the Group, Mr. Fang Anlin has been responsible for overseeing the production of recycled metal products. Mr. Fang Anlin is the brother of Mr. Fang Ankong and Ms. Fang Aiping. Mr. Fang Anlin is also the brother in-law of Mr. Ding Guopei.

Mr. Cai Haifeng (蔡海峰), aged 39, is the General Manager of Chiho-Tiande (Ningbo) Metals Recycling Company Limited, a subsidiary of our Group. Mr. Cai graduated from Zhejiang Polytechnic University (浙江工業大學) with a Bachelor's degree in Fine Chemical Engineering in 1993. Prior to joining the Group, Mr. Cai worked for Zhejiang Dong Da Ji Tuan Company (浙江東大集團公司), a company whose business involves the import and export agency business, as an assistant manager in the business development department responsible for metal scrap import business. He joined the Group in May 2000.

丁先生自二零零六年十二月獲選為路橋區第三屆人大常委會委員。彼自二零零五年六月擔任台州市資源綜合利用協會會長。彼獲評為第二屆台州市優秀中國特色社會主義事業建設者並於二零零七年十月獲評為中國再生金屬產業十大傑出貢獻人物。彼自二零零八年五月擔任浙江省固體廢物利用處置行業協會副會長。丁先生為方安空先生及方安林先生的內兄，以及方愛萍女士的丈夫。

方愛萍女士，48歲，本集團附屬公司台州齊合天地金屬有限公司財務副總經理，主要負責該附屬公司整體財務計劃、財務報告、預算及執行本集團下達的業務策略。方愛萍女士於一九九九年十二月加入本集團，擁有逾11年財務管理經驗。方愛萍女士為方安空先生及方安林先生的胞姐，以及丁國培先生的妻子。

方安林先生，42歲，本集團附屬公司—台州齊合天地金屬有限公司副總經理，亦為本集團若干附屬公司之董事。彼主要負責該附屬公司的生產工作。方安林先生於一九九九年十二月加入本集團，擁有逾16年混合廢金屬業務經驗。方安林先生自加入本集團起，一直負責監督再生金屬產品的生產。方安林先生為方安空先生及方愛萍女士的胞弟，以及丁國培先生的內弟。

蔡海峰先生，39歲，本集團附屬公司齊合天地(寧波)再生金屬有限公司總經理。蔡先生於一九九三年畢業於浙江工業大學，獲得精細化工工程學士學位。加入本集團前，蔡先生曾就職於經營進出口代理業務的浙江東大集團公司，擔任業務發展部經理助理，負責廢金屬進口業務。彼於二零零零年五月加入本集團。



Mr. Gan Jun (甘軍), aged 41, is the assistant to the Chief Executive Officer and Finance Manager of the Group, and the Chairman of board of Shanghai Chiho-tiande Recycled Resources Ltd., primarily responsible for all financial and accounting matters of the Group and the management of Shanghai Chiho-tiande. Mr. Gan joined our Group in September 2007 and he is also a Director of certain subsidiaries of the Group. He holds a diploma of Accountancy in Southwestern University of Finance and Economics (西南財經大學). Prior to joining the Group, Mr. Gan worked as the financial manager and the assistant to the general manager in Guangdong Gentle Technology Company Limited (廣東正道科技有限公司), an information technology application provider (信息技術應用服務商), for more than a year. Mr. Gan has extensive experience in the accounting and finance field, and he is also a certified public accountant and registered tax adviser in China.

Mr. Xu Jialiang (許加良), aged 47, is the manager of the procurement department of the Group primarily responsible for procuring raw material supply of the Group. Mr. Xu joined the Group in December 1999 and was responsible for the procurement of mixed metal scrap. Mr. Xu has over 10 years of experience in mixed metal scrap procurement.

Mr. Zhu Zhonghui (朱忠輝), aged 32, is the manager of the sales and marketing department of the Group and is primarily responsible for the sales management of the Group. Mr. Zhu joined the Group in December 1999 and was responsible for the selling of recycled metal products. Mr. Zhu is the son-in-law of the elder brother of Mr. Fang Ankong.

Mr. Xu Jun (徐駿), aged 33, is the Head of Investor Relations of the Group and he joined the Group in September 2010 as Vice Head of Investor Relations, and promoted to Head of Investor Relations in December 2010. Mr. Xu is graduated from Shanghai Jiaotong University (上海交通大學) with a Bachelor's degree in Dynamic & Energy Engineering in 2000. In 2003, he is graduated from New York Institute of Technology with a Master degree in Business Administration. Prior to joining the Group, Mr. Xu has worked for Alcatel Shanghai Bell Limited (上海貝爾阿爾卡特有限公司) as the Sales & Bid Director of overseas market; the Head of Investment Banking of Great China for Hongjing Bangxun Information (Shanghai) Limited (宏景邦詢資訊(上海)有限公司) and the Executive Director for Shanghai Jingshun Equity Investment Limited (上海景順股權投資有限公司).

甘軍先生，41歲，本集團行政總裁助理、財務經理兼上海齊合天地再生資源有限公司董事長，主要負責本集團所有財務及會計事宜及上海齊合的領導工作。甘先生於二零零七年九月加入本集團，亦為本集團若干附屬公司之董事。彼持有西南財經大學會計文憑，加入本集團前曾任職信息技術應用服務商廣東正道科技有限公司的財務經理及總經理助理逾一年，擁有豐富的會計及財務經驗，亦為中國的註冊會計師及註冊稅務顧問。

許加良先生，47歲，本集團採購部經理，主要負責本集團原料採購。許先生於一九九九年十二月加入本集團，負責採購混合廢金屬，擁有逾10年混合廢金屬採購經驗。

朱忠輝先生，32歲，本集團銷售及市場推廣部經理，主要負責本集團銷售管理。朱先生於一九九九年十二月加入本集團，負責銷售再生金屬產品。朱先生為方安空先生兄長的女婿。

徐駿先生，33歲，本集團投資關係總監。彼於二零一零年九月加入本集團，擔任投資關係副總監，並於二零一零年十二月升任投資關係總監。徐先生於二零零零年畢業於上海交通大學，獲得動力與能源工程學士學位，於二零零三年畢業於紐約理工學院，獲得工商管理碩士學位。加入本集團前，徐先生曾就職於上海貝爾阿爾卡特有限公司，擔任海外市場銷售投標總監；宏景邦詢資訊(上海)有限公司，擔任中國區投資銀行業務主管以及擔任上海景順股權投資有限公司之執行董事。

Corporate Governance and Other Information

企業管治及其他資料



INTRODUCTION

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

The shares of the Company commenced trading on the Stock Exchange on 12 July 2010 (the “Listing Date”). Since listing, the Company has adopted, applied and complied with the code provisions as set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) except on the deviations set out in the paragraph headed “Chairman and Chief Executive Officer” below.

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer of the Company have not been segregated as required by the provision A.2.1 of the Code.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as the guidelines for the Directors’ dealings in the securities of the Company. Upon specific enquiries of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the period from the Listing Date to 31 December 2010 (the “Relevant Period”) in relation to their securities dealings, if any.

The Model Code has extended to be applicable to senior management and relevant employees who likely possesses the non-public price-sensitive information of the Company.

緒言

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

本公司股份於二零一零年七月十二日（「上市日期」）開始在聯交所買賣。本公司自上市以來一直採用、應用及遵守聯交所證券上市規則（「上市規則」）附錄十四的企業管治常規守則（「守則」）所載守則條文，惟下文「主席及行政總裁」一段所載偏離者除外。

主席及行政總裁

本公司主席及行政總裁的職責並無根據守則條文A.2.1所要求予以區分。

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

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事買賣本公司證券的指引。經向全體董事作出具體查詢後，各董事確認，自上市日期起至二零一零年十二月三十一日止期間（「有關期間」），彼等進行的證券買賣（如有）已遵守標準守則所列明的規定準則。

標準守則已擴展至適用於高級行政人員及有可能擁有本公司未經公佈而屬股價敏感資料之有關僱員。



THE BOARD

The Board is responsible for the leadership and control of the Company and overseeing the Group's business, strategic decisions and performances and comprises seven Directors, including three Executive Directors namely Mr. Fang Ankong, Mr. Stephanus Maria van Ooijen and Mr. Gu Liyong, one Non-Executive Director namely Mr. Ralph Sytze Ybema and three Independent Non-Executive Directors namely Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui. The management is delegated with the authority and responsibility by the Board for the day-to-day operation and management of the Group under the Board's instruction. In addition, the Board has also established various board committees and has delegated various responsibilities to the board committees including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Pricing Committee and the Monitoring Committee (together, the "Board Committees"). All the Board Committees perform their distinct roles in accordance with their respective terms of reference and further details of these committees are set out hereunder. During the Relevant Period, one board meeting was held and all the Directors attended. Meanwhile, subsequent to the end of Relevant Period and up to the date of this report, two board meetings were held and all the Directors attended. The Directors' and senior management's remuneration and the Group's annual results for the year ended 31 December 2010 were approved in the board meetings of the Company.

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

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

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

董事會

董事會負責領導及監控本公司，並監管本集團的業務、策略方針及表現。董事會由七名董事組成，包括三名執行董事方安空先生、Stephanus Maria van Ooijen先生及顧李勇先生、一名非執行董事Ralph Sytze Ybema先生及三名獨立非執行董事陸海林博士、章敬東女士及李錫奎先生。董事會已向管理層授出權力及責任，根據董事會的指示進行本集團的日常營運及管理事宜。此外，董事會亦已成立多個董事委員會，並將各項職責分派予各董事委員會，包括審核委員會、薪酬委員會、提名委員會、定價委員會及監督委員會(統稱「董事委員會」)。全部董事委員會均會按其各自的職權範圍履行其特定的職務，而有關該等委員會的進一步詳情載於下文。本公司於有關期間曾舉行一次董事會會議，全體董事均已出席會議。此外，於有關期間完結後至本報告日期，本公司曾舉行兩次董事會會議，全體董事均已出席會議。董事及高級行政人員的薪酬以及本集團截至二零一零年十二月三十一日止年度的全年業績已於本公司董事會會議通過。

就本公司所深知，董事會成員之間概無財務、業務、家族或其他重大關係。

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

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



AUDIT COMMITTEE

The Company established the Audit Committee on 23 June 2010 with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee include reviewing and supervising the financial reporting process and internal control procedures of the Group and nominating and monitoring external auditors. The Audit Committee consists of three Independent Non-Executive Directors, Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui and is chaired by Dr. Loke Yu. In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee possesses the appropriate professional and accounting qualifications.

During the Relevant Period, the Audit Committee held one meeting in which all members of the committee attended, to review the results for the six months ended 30 June 2010 of the Company. Meanwhile, subsequent to the end of Relevant Period and up to the date of this report, the Group's annual results for the year ended 31 December 2010 were reviewed by the Audit Committee members before submission to the Board for approval.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 23 June 2010 with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee include making recommendations to the Board on the remuneration of the Directors and senior management and determining on behalf of the Board specific remuneration packages and conditions of employment for the Directors and senior management and evaluating and making recommendations on employee benefit arrangements. The Remuneration Committee consists of Mr. Fang Ankong and Mr. Stephanus Maria van Ooijen, Executive Directors, and Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui, Independent Non-Executive Directors and is chaired by Mr. Fang Ankong.

During the Relevant Period, the Remuneration Committee held one meeting in which all members of the committee attended, to review and make recommendation on the Directors' remuneration of the Company in 2010. Meanwhile, subsequent to the end of Relevant Period and up to the date of this report, one meeting was held and all members of the committee attended. The proposed Directors' and senior management's remuneration of the Group for the year ended 31 December 2011 were approved by the Remuneration Committee in the meeting.

審核委員會

本公司已遵照上市規則附錄十四所載守則於二零一零年六月二十三日成立審核委員會，並訂明書面職權範圍。審核委員會的主要職責包括檢討及監督本集團的財務報告程序及內部監控程序，以及提名及監察外聘核數師。審核委員會包括三名獨立非執行董事，即陸海林博士、章敬東女士及李錫奎先生。陸海林博士為審核委員會主席。為符合上市規則第3.21條規定，審核委員會主席具備適當專業及會計資格。

於有關期間，審核委員會舉行一次會議，以審閱本公司截至二零一零年六月三十日止六個月的業績。全體委員會成員均已出席會議。此外，於有關期間完結後至本報告日期，本集團截至二零一零年十二月三十一日止年度的全年業績於提交董事會批准前已由審核委員會成員審閱。

薪酬委員會

本公司已遵照上市規則附錄十四所載守則於二零一零年六月二十三日成立薪酬委員會，並訂明書面職權範圍。薪酬委員會的主要職責包括就董事及高級行政人員的薪酬向董事會提出建議，並代表董事會釐定董事及高級行政人員的具體薪酬組合及聘用條件，以及評估員工福利安排及就此提出建議。薪酬委員會包括執行董事方安空先生及Stephanus Maria van Ooijen先生以及獨立非執行董事陸海林博士、章敬東女士及李錫奎先生。方安空先生為薪酬委員會主席。

於有關期間，薪酬委員會舉行一次會議，以檢討本公司二零一零年的董事薪酬，並就此提出建議。全體委員會成員均已出席會議。此外，於有關期間完結後至本報告日期，薪酬委員會曾舉行一次會議，全體委員會成員均已出席會議。薪酬委員會於會議上通過本集團董事及高級行政人員截至二零一一年十二月三十一日止年度的薪酬預算。



NOMINATION COMMITTEE

The Company established the Nomination Committee on 23 June 2010 with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Nomination Committee comprises Mr. Stephanus Maria van Ooijen and Mr. Fang Ankong, Executive Directors, and Dr. Loke Yu, Ms. Zhang Jingdong and Mr. Li Xikui, Independent Non-Executive Directors and is chaired by Mr. Stephanus Maria van Ooijen.

As the Company was listed on the Stock Exchange on 12 July 2010, no Nomination Committee meeting was held during the Relevant Period.

PRICING COMMITTEE

The Company established the Pricing Committee on 23 June 2010 to review and determine the offer and selling prices of the Group's physical stock as well as the Group's hedging positions requirements on a daily basis; to enhance the risk management of commodity price fluctuations and to ensure an effective risk monitoring system. The Pricing Committee comprises Mr. Fang Ankong, Mr. Xu Jialiang, Mr. Zhu Zhonghui, Mr. Gan Jun, Ms. Chan Tung Tung and Mr. Chow Wan Hoi Paul.

During the Relevant Period, the Pricing Committee held five meetings in which all members of the committee attended, to review the monthly report of the previous month and make recommendation to the Directors on the Company's pricing and hedging policies.

MONITORING COMMITTEE

The Company established the Monitoring Committee on 23 June 2010 to closely monitor the use of net proceeds of the Global Offering; to ensure the funds are applied over the timeline specified and to ensure the purchase of raw materials is for production usage and not for speculative purposes. The Monitoring Committee comprises Mr. Fang Ankong, Mr. Gu Liyong, Ms. Chan Tung Tung and Mr. Chow Wan Hoi Paul.

During the Relevant Period, the Monitoring Committee held two meetings in which all members of the committee attended, to monitor the use of net proceeds of the Global Offering and report to the Directors and Audit Committees.

提名委員會

本公司已遵照上市規則附錄十四所載守則於二零一零年六月二十三日成立提名委員會，並訂明書面職權範圍。提名委員會包括執行董事Stephanus Maria van Ooijen先生及方安空先生以及獨立非執行董事陸海林博士、章敬東女士及李錫奎先生。Stephanus Maria van Ooijen先生為提名委員會主席。

由於本公司於二零一零年七月十二日在聯交所上市，故於有關期間內並無召開提名委員會會議。

定價委員會

本公司已於二零一零年六月二十三日成立定價委員會，負責審閱及釐定本集團每日之現貨買入及賣出價，以及每日對沖形勢的要求，以提高對商品價格波動的風險管理，並確保風險監察系統的效能。定價委員會包括方安空先生、許加良先生、朱忠輝先生、甘軍先生、陳彤彤女士及周雲海先生。

於有關期間，定價委員會舉行五次會議，以審閱過去一個月的每月報告，並就本公司的定價及對沖政策向董事提出建議。全體委員會成員均已出席會議。

監督委員會

本公司已於二零一零年六月二十三日成立監督委員會，負責嚴密監控全球發售所得款項淨額用途，確保該等款項於指定時間內應用，亦確保用作採購原材料以作生產之應用而非投機買賣。監督委員會包括方安空先生、顧李勇先生、陳彤彤女士及周雲海先生。

於有關期間，監督委員會舉行兩次會議，以監控全球發售所得款項淨額用途，並向董事及審核委員會作出匯報。全體委員會成員均已出席會議。



AUDITORS' REMUNERATION

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

	HK\$ 港元
Audit services 審核服務	4,000,000
Non-audit services 非審核服務	7,319,581

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the financial statements of the Company for the year ended 31 December 2010 which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that year. The Directors consider that the financial statements have been prepared in conformity with all appropriate accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The statements of the auditors of the Group about their reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditor's Report" on page 46 of this report.

INTERNAL CONTROL

The Directors of the Company are responsible for the maintenance of an effective internal control system. The Company leverages on the expertise offered by internal and external professionals to develop its internal control system which includes a well established corporate structure and an organization with clearly defined lines of responsibility and authority.

In addition to the annual internal control review performed by the Internal Control department (the "Internal Control Department") of the Company, the Company has engaged Yuehua CPA Limited to conduct an assessment on the effectiveness of the internal control of the Group for the Listing in 2010. The result of the assessment was positive.

核數師酬金

於呈報期內，就審核服務及非審核服務已付或應付予德勤•關黃陳方會計師行及華利信會計師事務所的酬金如下：

問責及審核

董事承認彼等有責任編製本公司截至二零一零年十二月三十一日止年度的財務報表所載的一切資料及陳述，並真實公平地反映本集團的狀況以及年內的業績及現金流量。董事認為財務報表已遵照所有適用會計準則及規定編製，並反映根據董事會及管理層的最佳估計、合理知情及審慎的判斷所得的數額。就董事所知，並無有關任何事件或情況的重大不明朗因素可能對本公司持續經營的能力產生重大質疑。因此，董事已按照持續經營基準編製本公司的財務報表。

本集團核數師就其對本集團財務報表的呈報責任作出的聲明載於本報告第46頁的「獨立核數師報告」一節。

內部監控

本公司董事負責維持有效的內部監控系統。本公司憑藉公司內外的專業人員的專業知識發展內部監控系統，包括良好的公司架構及職責與權力的明確分立。

除本公司內部監控部門（「內部監控部門」）進行的年度內部監控檢討外，本公司亦聘請岳華會計師事務所有限公司於二零一零年上市時評估本集團內部監控的成效。評估結果正面。



INTERNAL CONTROL (CONTINUED)

The internal control are reviewed and assessed on an on-going basis by the Executive Directors, and will be further reviewed and assessed at least once each year by the Board.

INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

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

Since the Listing, the personnel in charge have communicated with several current institutional investors. Several visits to the Company have been arranged. The personnel in charge also have communicated with several potential institutional investors from Hong Kong and overseas and several analysts. Several visits to the Company have been arranged for fund managers and analysts. Through these activities the investors have known more about the Company's development, which leads to a positive effect. The Company has also introduced its development strategy and recent business development to the investors in large investment forums.

The Company endeavors to create opportunities for investment and communication and to provide the latest development of the Company as well as information of the mixed metal scrap recycling industry to the market. As such, investors' understanding of and confidence in the Company can be enhanced.

INFORMATION DISCLOSURE

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

內部監控(續)

執行董事持續檢討及評估內部監控，董事會更會每年至少進行一次檢討與評估。

投資者關係及與股東的溝通

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

自上市以來，負責人已與多名現有機構投資者交流，並安排多次公司訪問。負責人亦與多名本港及海外潛在機構投資者及分析員交流，並為基金經理及分析員安排多次公司訪問。投資者透過該等活動加深對本公司發展的認識，因而帶來正面影響。本公司亦於大型投資論壇上向投資者介紹其發展策略及近期業務發展。

本公司致力創造投資及溝通機會，並為市場提供本公司最新發展及混合廢金屬回收行業的資訊，從而加強投資者對本公司的認識及信心。

資料披露

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Deloitte.
德勤

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

We have audited the consolidated financial statements of Chiho-Tiande Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 48 to 127, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致：齊合天地集團有限公司股東
(於開曼群島註冊成立的有限公司)

我們已審核載於第48頁至第127頁的齊合天地集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其中包括於二零一零年十二月三十一日的綜合財務狀況表及於該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要連同其他解釋資料。

董事就綜合財務報表須負的責任

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

核數師的責任

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



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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2010, and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
11 March 2011

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

我們相信，我們所獲得的審核憑證充足及適當地為我們的審核意見建立基礎。

意見

我們認為，按照香港財務報告準則編製的綜合財務報表已真實公平地反映 貴集團於二零一零年十二月三十一日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例之披露規定妥善編製。

德勤 • 關黃陳方會計師行
執業會計師
香港
二零一一年三月十一日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



		NOTES 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue	收益	7	5,931,589	2,339,243
Cost of sales	銷售成本	8	(5,361,645)	(1,784,806)
Gross profit	毛利		569,944	554,437
Other income	其他收入	9	11,548	5,711
Other gains and losses	其他收益及虧損	10	55,001	98,200
Distribution and selling expenses	分銷及銷售開支		(12,805)	(1,757)
Administrative expenses	行政開支		(74,217)	(34,917)
Other expenses	其他開支		(24,849)	(5,657)
Finance costs	財務成本	11	(42,588)	(28,823)
Profit before tax	除稅前溢利	12	482,034	587,194
Income tax expense	所得稅開支	14	(129,478)	(167,540)
Profit for the year	年內溢利		352,556	419,654
Other comprehensive income	其他全面收入			
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額		33,954	3,481
Total comprehensive income for the year	年內全面收入總額		386,510	423,135
Profit for the year attributable to:	以下各方應佔年內溢利：			
Owners of the Company	本公司擁有人		352,798	419,654
Non-controlling interests	非控股權益		(242)	–
			352,556	419,654
Total comprehensive income for the year attributable to:	以下各方應佔年內全面收入：			
Owners of the Company	本公司擁有人		386,455	423,135
Non-controlling interests	非控股權益		55	–
			386,510	423,135
			HK\$ 港元	HK\$ 港元
Earnings per share	每股盈利			
– basic	– 基本	16	0.41	0.56
– diluted	– 攤薄	16	0.41	0.56

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2010 於二零一零年十二月三十一日



		NOTES	2010	2009
		附註	二零一零年 HK\$'000 千港元	二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	203,735	135,284
Prepaid lease payments	預付租金	18	36,435	35,962
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備所付 按金		7,587	4,150
			247,757	175,396
Current assets	流動資產			
Inventories	存貨	19	2,303,425	1,167,437
Trade and other receivables	貿易及其他應收款項	21	411,647	188,826
Bills receivables	應收票據	22	14,629	1,365
Prepaid lease payments	預付租金	18	890	858
Amount due from a related party	應收關連方款項	23	–	371
Derivative financial instruments	衍生金融工具	24	–	1,072
Pledged bank deposits	已抵押銀行存款	25	351,684	241,440
Restricted bank deposits	受限制銀行存款	25	–	5,535
Bank balances and cash	銀行結餘及現金	25	251,335	69,428
			3,333,610	1,676,332
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	26	188,237	136,605
Bills payables	應付票據	27	149,150	114,126
Amount due to non-controlling interests	應付非控股權益款項	20	23,976	–
Amounts due to related parties	應付關連方款項	23	–	93,205
Derivative financial instruments	衍生金融工具	24	205	1,603
Tax payable	應付稅項		50,747	44,119
Bank borrowings	銀行借貸	28	1,496,672	799,046
			1,908,987	1,188,704
Net current assets	流動資產淨值		1,424,623	487,628
Total assets less current liabilities	資產總值減流動負債		1,672,380	663,024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

綜合財務狀況表(續)

At 31 December 2010 於二零一零年十二月三十一日



		NOTES	2010	2009
		附註	二零一零年	二零零九年
			HK\$'000	HK\$'000
			千港元	千港元
Capital and reserves	股本及儲備			
Share capital	股本	30	10,000	–
Share premium and reserves	股份溢價及儲備		1,601,801	418,098
Equity attributable to owner of the Company	本公司擁有人應佔權益		1,611,801	418,098
Non-controlling interests	非控股權益	20	34,880	–
Total equity	總權益		1,646,681	418,098
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	29	25,699	21,218
Amounts due to related parties	應付關連方款項	23	–	223,708
			25,699	244,926
			1,672,380	663,024

The consolidated financial statements on pages 48 to 127 were approved and authorised for issue by the Board of Directors on 11 March 2011 and are signed on its behalf by:

載於第48頁至127頁的綜合財務報表於二零一一年三月十一日獲董事會批准及授權公佈，並由下列董事代表簽署：

Mr. Fang Ankong
DIRECTOR

Mr. Gu Liyong
DIRECTOR

方安空先生
董事

顧李勇先生
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



		Attributable to equity holders of the Company 本公司權益持有人應佔										
		Share capital	Share premium	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Foreign currency translation reserve	Accumulated profits (losses)	Sub-total	Attributable to non-controlling interest	Total
		股本	股份溢價	購股權儲備	資本儲備	法定一般儲備	發展基金	匯兌儲備	(虧損) 溢利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
						(note ii) (附註ii)	(note ii) (附註ii)					
At 1 January 2009 (note i)	於二零零九年一月一日 (附註i)	-	-	-	6,552	14,414	14,414	39,139	(79,556)	(5,037)	-	(5,037)
Profit for the year	年內溢利	-	-	-	-	-	-	-	419,654	419,654	-	419,654
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額	-	-	-	-	-	-	3,481	-	3,481	-	3,481
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	3,481	419,654	423,135	-	423,135
Transfer of reserves	儲備轉換	-	-	-	-	17,722	17,722	-	(35,444)	-	-	-
At 31 December 2009	於二零零九年十二月三十一日	-	-	-	6,552	32,136	32,136	42,620	304,654	418,098	-	418,098
Profit for the year	年內溢利	-	-	-	-	-	-	-	352,798	352,798	(242)	352,556
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額	-	-	-	-	-	-	33,657	-	33,657	297	33,954
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	33,657	352,798	386,455	55	386,510
Transfer of reserves	儲備轉換	-	-	-	-	35,487	35,487	-	(70,974)	-	-	-
Capitalisation of shareholders' loans (note iii)	股東貸款資本化(附註iii)	-	-	-	223,708	-	-	-	-	223,708	-	223,708
Capitalisation issue (note iv)	資本化發行(附註iv)	7,500	-	-	(7,500)	-	-	-	-	-	-	-
Issue of new shares (Note 30 (note ii))	發行新股(附註30(附註ii))	2,500	605,000	-	-	-	-	-	-	607,500	-	607,500
Cost of issue of new shares	發行新股的成本	-	(26,460)	-	-	-	-	-	-	(26,460)	-	(26,460)
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	34,825	34,825
Recognition of equity-settled share-based payments	確認以股權結算及以股份為基礎之付款	-	-	2,500	-	-	-	-	-	2,500	-	2,500
At 31 December 2010	於二零一零年十二月三十一日	10,000	578,540	2,500	222,760	67,623	67,623	76,277	586,478	1,611,801	34,880	1,646,681

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
綜合權益變動表(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



notes:

- (i) The capital reserve at 1 January 2009 represents the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange.
- (ii) Statutory general reserve and enterprise expansion fund represent the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the People's Republic of China (the "PRC") as required by the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory general reserve and enterprise expansion fund has reached 50% of the PRC subsidiaries' registered capital.
- (iii) On 12 July 2010, an amount of HK\$111,854,000 due to each of Mr. Fang Ankong ("Mr. Fang") and Delco Asia Company Limited ("Delco Asia") by subsidiaries of the Company was assigned to the Company. Upon completion of the assignment, the Company capitalised the same amount as reserve.
- (iv) Pursuant to the written resolution of the shareholders of the Company on 23 June 2010, 344,999,954, 344,999,954 and 59,999,992 shares were issued and allotted to HWH Holding Limited, Delco Participation B.V. and Green Elite, respectively (being a total of 749,999,900 shares) on 12 July 2010, credited as fully paid up at par out of the reserve, such shares ranked pari passu in all respects with the then existing shares.

附註：

- (i) 二零零九年一月一日的資本儲備指本公司於二零零八年集團重組時所收購附屬公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額。
- (ii) 本公司中華人民共和國(「中國」)附屬公司的組織章程細則規定，須根據中國相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國附屬公司註冊資本的50%，則可終止撥備。
- (iii) 於二零一零年七月十二日，本公司附屬公司分別結欠方安空先生(「方先生」)及Delco Asia Company Limited(「Delco Asia」)的111,854,000港元已轉撥至本公司。於完成轉撥後，本公司將相同金額資本化為儲備。
- (iv) 根據本公司股東於二零一零年六月二十三日通過的書面決議案，於二零一零年七月十二日，自該儲備分別向HWH Holding Limited、Delco Participation B.V. 及 Green Elite 發行及配發344,999,954股、344,999,954股及59,999,992股按面值入賬列為繳足的股份(合共749,999,900股股份)，該等股份在各方面與當時現有股份享有同等權利。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



	NOTE 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	482,034	587,194
Adjustments for:	對下列各項之調整：		
Net foreign exchange (gains) losses	匯兌(收益)虧損淨額	(28,498)	585
Finance costs	財務成本	42,588	28,823
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,103	7,642
Share-based payment expense	以股份為基礎付款之開支	2,500	-
Amortisation of prepaid lease payments	預付租金攤銷	867	859
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	58	16
Interest income	利息收入	(6,583)	(2,415)
Reversal of impairment loss recognised on trade and other receivables	貿易及其他應收款項確認的減值虧損撥回	(560)	-
Reversal of allowance for inventories	存貨撥備撥回	-	(308,613)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	504,509	314,091
Increase in inventories	存貨增加	(1,074,907)	(288,665)
Increase in trade and other receivables	貿易及其他應收款項增加	(212,754)	(28,570)
(Increase) decrease in bills receivables	應收票據(增加)減少	(13,212)	1,636
Increase in derivative financial instruments	衍生金融工具增加	(346)	(17,198)
Increase in trade and other payables	貿易及其他應付款項增加	40,996	41,993
Increase in bills payables	應付票據增加	30,700	22,477
Increase in amount due to non-controlling interest	應付非控股權益款項增加	23,976	-
Cash (used in) from operations	經營(所用)所得現金	(701,038)	45,764
Tax paid	已付稅項	(120,923)	(23,305)
Interest paid	已付利息	(38,134)	(27,211)
Tax refunded	退稅	-	44,971
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額	(860,095)	40,219
INVESTING ACTIVITIES	投資活動		
Increase in pledged bank deposits	已抵押銀行存款增加	(101,097)	(225,138)
Purchase of and deposit paid for property, plant and equipment	購置物業、廠房及設備以及已付定金	(77,853)	(12,049)
Advance to related parties	向關連方墊款	-	(58)
Interest received	已收利息	5,407	2,415
Decrease in restricted bank deposits	受限制銀行存款減少	5,745	14,969
Acquisition of a subsidiary	收購一間附屬公司	3,982	-
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備所得款項	437	135
Repayment from related parties	關連方還款	371	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(163,008)	(219,726)

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CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

綜合現金流量表(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



	NOTE 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
New bank and other borrowings raised	新增銀行及其他借貸	4,117,631	1,926,440
Issue of share capital	發行股本	607,500	–
Increase in fundings from non-controlling interests	非控股權益資金投入增加	34,825	–
Repayment of bank and other borrowings	償還銀行及其他借貸	(3,425,196)	(1,625,354)
Repayment to related parties	向關連方還款	(105,920)	(96,352)
Expense on issue of new shares	發行新股的開支	(26,460)	–
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	1,202,380	204,734
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目淨值增加	179,277	25,227
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等值項目	69,428	44,174
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	2,630	27
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終現金及現金等值項目		
represented by bank balances and cash	(指銀行結餘及現金)	251,335	69,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



1. GENERAL

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

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 40.

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

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

The following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") have been applied by the Group in the current year. The impact of the application of the new and revised Standards and Interpretations is discussed below.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 5	Presentation of Financial Statements – classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

1. 一般資料

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

本公司為投資控股公司。其附屬公司的主要業務載於附註40。

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團已應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂準則及詮釋。下文討論應用新訂及經修訂準則及詮釋之影響。

香港財務報告準則(修訂本)	作為對二零零八年香港財務報告準則之改善之一部份對香港財務報告準則第5號作出修訂
香港財務報告準則(修訂本)	對二零零九年香港財務報告準則之改善
香港會計準則第27號(二零零八年經修訂)	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2號(修訂本)	集團以現金結算及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
香港–詮釋第5號	財務報表之呈報–借入人對載有按要求償還條款之定期貸款之分類



2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group applies HKFRS 3 (Revised) *Business Combinations* prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) *Consolidated and Separate Financial Statements* in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As the transaction during the current year in which HKFRS 3 (Revised) is applicable is not significant and there is no change in ownership interest in subsidiaries in which HKAS 27 (Revised) is applicable, the directors of the Company consider that the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no material impact on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

Hong Kong Interpretation 5 "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause" ("HK Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

2. 應用香港財務報告準則(續)

本集團就收購日期為二零一零年一月一日或之後的業務合併提早應用香港財務報告準則第3號(經修訂)業務合併。本集團亦於二零一零年一月一日或之後提早應用香港會計準則第27號(經修訂)綜合及獨立財務報表中有關取得控制權後一間附屬公司的擁有權權益變動及喪失一間附屬公司的控制權的擁有權權益變動的會計處理方式的規定。

由於香港財務報告準則第3號(經修訂)適用的本年間的交易並不重大及概無發生香港會計準則第27號(經修訂)適用的附屬公司擁有權權益變動，本公司董事認為，應用香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)及對其他香港財務報告準則的相應修訂不會對本集團於目前或過往會計期間的綜合財務報表造成重大影響。

本集團於未來期間的業績可能受到香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)及其他香港財務報告準則的相應修訂適用的未來交易所影響。

香港詮釋第5號「財務報表之呈報—借款人對載有按要求償還條款之定期貸款之分類」(「香港詮釋第5號」)闡明借款人應將包含賦予放款人無條件權利可隨時要求償還貸款之條款(「按要求償還條款」)之定期貸款分類為流動負債。本集團已於本年度首次應用香港詮釋第5號。香港詮釋第5號須追溯應用。

為符合香港詮釋第5號所載之規定，本集團已變更有關具有按要求償還條款之定期貸款分類之會計政策。過往有關定期貸款之分類乃根據載於貸款協議之議定預定還款日期釐定。根據香港詮釋第5號，具有按要求償還條款之定期貸款乃分類為流動負債。



2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

As at 31 December 2010, bills payables with a repayment on demand clause are included in current liabilities. Bills payables with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the liquidity and interest risk tables. Details of which are set out in the Note 6b. The directors of the Company consider that the application of HK Int 5 had no impact on the consolidated financial statements of the Group for the current or prior accounting periods.

The application of the other new and revised HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKAS 1 and HKAS 28 ¹
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS7 Disclosures for First-time Adopters ²
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ³
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ³
HKFRS 9	Financial Instruments ⁴
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁵
HKAS 24 (as revised in 2009)	Related Party Disclosures ⁶
HKAS 32 (Amendments)	Classification of Rights Issues ⁷
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

2. 應用香港財務報告準則(續)

於二零一零年十二月三十一日，具有按要求償還條款之應付票據計入流動負債。具有按要求償還條款之應付票據計入流動資金及利率風險表格的「按要求或一個月內」時間範圍內。有關詳情載於附註6b。本公司董事認為應用香港詮釋第5號不會對本集團於目前或過往會計期間的綜合財務報表造成影響。

應用其他新訂及經修訂香港財務報告準則不會對本集團於目前或過往會計期間的綜合財務報表造成影響。

本集團並未提早應用以下已頒佈但尚未生效的新訂及經修訂準則及詮釋：

香港財務報告準則 (修訂本)	對二零一零年香港財務報告準則、香港會計準則第1號及香港會計準則第28號之改善對香港財務報告準則第3號之修訂除外(二零零八年經修訂) ¹
香港財務報告準則第1號 (修訂本)	首次採納就香港財務報告準則第7號披露的比較資料之有限度豁免 ²
香港財務報告準則第1號 (修訂本)	嚴重高通脹及剔除首次採用者的固定日期 ³
香港財務報告準則第7號 (修訂本)	披露—轉讓金融資產 ³
香港財務報告準則第9號	金融工具 ⁴
香港會計準則第12號 (修訂本)	遞延稅項：收回相關資產 ⁵
香港會計準則第24號 (二零零九年經修訂)	關連方披露 ⁶
香港會計準則第32號 (修訂本)	供股分類 ⁷
香港(國際財務報告詮釋委員會)—詮釋第14號 (修訂本)	預付最低資金需求 ⁶
香港(國際財務報告詮釋委員會)—詮釋第19號	以權益工具清償金融負債 ²



2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

- 1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
- 2 Effective for annual periods beginning on or after 1 July 2010.
- 3 Effective for annual periods beginning on or after 1 July 2011.
- 4 Effective for annual periods beginning on or after 1 January 2013.
- 5 Effective for annual periods beginning on or after 1 January 2012.
- 6 Effective for annual periods beginning on or after 1 January 2011.
- 7 Effective for annual periods beginning on or after 1 February 2010.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

2. 應用香港財務報告準則(續)

- 1 於二零一零年七月一日及二零一一年一月一日或之後開始的年度期間生效，如適用
- 2 於二零一零年七月一日或之後開始的年度期間生效
- 3 於二零一一年七月一日或之後開始的年度期間生效
- 4 於二零一三年一月一日或之後開始的年度期間生效
- 5 於二零一二年一月一日或之後開始的年度期間生效
- 6 於二零一一年一月一日或之後開始的年度期間生效
- 7 於二零一零年二月一日或之後開始的年度期間生效

香港財務報告準則第9號金融工具(於二零零九年十一月頒佈)引進對金融資產分類及計量之新規定。香港財務報告準則第9號金融工具(二零一零年十一月經修訂)新增有關金融負債及終止確認之規定。

- 根據香港財務報告準則第9號，所有符合香港會計準則第39號金融工具：確認及計量範疇之已確認金融資產其後按攤銷成本或公平值計量。尤其是根據業務模式以收取合約現金流量為目的所持有的以及僅為支付本金額及未償還本金額之利息而產生合約現金流量的債務投資一般於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資於其後會計期間結束時按其公平值計量。
- 就金融負債而言，主要變動與指定為按公平值計入損益的金融負債有關。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益的金融負債而言，因金融負債信貸風險有變而導致其公平值變動的款額乃於其他全面收益呈列，除非於其他全面收益呈報該負債信貸風險變動的影響會產生或增加損益的會計錯配，則作別論。因金融負債信貸風險而導致其公平值變動其後不會重新分類至損益。目前，根據香港會計準則第39號，指定為按公平值計入損益的金融負債的全部公平值變動款額均於損益中呈列。



2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2013 and that the application of the new Standard may have impact on amounts reported in respect of the Group's financial assets and financial liabilities.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

The principal accounting policies set out below.

Basis of consolidation

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

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

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

2. 應用香港財務報告準則(續)

香港財務報告準則第9號將於二零一三年一月一日或之後開始的年度期間生效，並可提早採用。

董事預計，香港財務報告準則第9號將於本集團截至二零一三年十二月三十一日止財政年度之綜合財務報表獲採用，應用新訂準則或會對有關本集團之金融資產及金融負債所呈報之數額造成影響。

本公司董事預期採用其他新訂及經修訂準則、修訂或詮釋不會對本集團的業績及財務狀況造成任何重大影響。

3. 重大會計政策

綜合財務報表按下列與香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表已作出聯交所證券上市規則及香港公司條例規定的適用披露。

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

重大會計政策載列如下。

綜合基準

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

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

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



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Basis of consolidation (continued)

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

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

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Business combinations that took place on or after 1 January 2010

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transaction of the Group are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

3. 重大會計政策(續) 綜合基準(續)

集團內公司間的一切交易、結餘及收支均於綜合賬目時對銷。

於附屬公司之非控股權益乃獨立於本集團於附屬公司之權益分開呈列。

將全面收益總額分配至非控股權益

附屬公司之全面收益及開支總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。於二零一零年一月一日之前，非控股權益所適用之虧損超過該附屬公司權益中之非控股權益之部分由本集團之權益分配，惟倘非控股權益須承擔具約束性責任及有能力作出額外投資以彌補虧損則除外。

於二零一零年一月一日或其後的業務合併

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

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

- 遞延稅項資產或負債及與僱員福利安排有關的負債或資產分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方的以股份付款之交易或本集團重置被收購方以股份付款之交易有關的負債或股本工具於收購日期根據香港財務報告準則第2號*以股份付款*計量；及



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations that took place on or after 1 January 2010 (continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Revenue recognition

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

Revenue from sale of goods is recognised when all the following conditions are satisfied:

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

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

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

3. 重大會計政策(續)

於二零一零年一月一日或其後的業務合併(續)

- 根據香港財務報告準則第5號持作出售的非流動資產及已終止經營業務劃分為持作出售的資產(或出售組合)根據該準則計量。

收益確認

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

貨品銷售收益於下列條件全部達成時確認：

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

尤其是，貨品銷售收益於貨品付運及轉交法定所有權時確認。

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



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Property, plant and equipment

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

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

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

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

Prepaid lease payments

Payments for obtaining land use rights are accounted for as prepaid lease payments and are stated at cost and amortised on a straight-line basis over the lease terms. Prepaid lease payments which are to be amortised in the next twelve months or less are classified as current assets.

Inventories

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

3. 重大會計政策(續)

物業、廠房及設備

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

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

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

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

預付租金

獲得土地使用權之付款列為預付租金,按成本列賬並按其租期以直線法攤銷。於未來十二個月或較短期間攤銷的預付租金分類為流動資產。

存貨

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



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) 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 into one of the two categories, including loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments, other than those financial assets classified as at FVTPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of reporting period subsequent to initial recognition, loans and receivables (including trade and other receivables, bills receivables, amount due from a related party, pledged bank deposits, restricted bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any impairment.

3. 重大會計政策(續)

金融工具

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

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

金融資產

本集團的金融資產分為貸款及應收款項與按公平值計入損益的金融資產兩類。有關分類須視乎金融資產的性質及用途，並於初始確認時釐定。常規買賣的所有金融資產根據買賣日期確認及終止確認。常規買賣指須於規例或市場慣例形成的時間框架內交付資產而進行的金融資產買賣。

實際利率法

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

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

貸款及應收款項

貸款及應收款項指於活躍市場並無報價的定額或可釐定付款的非衍生金融資產。於首次確認後的各呈報期結算日，貸款及應收款項(包括貿易及其他應收款項、應收票據、應收關連方款項、已抵押銀行存款、受限制銀行存款及銀行結餘及現金)減任何減值後以實際利率法計算並按攤銷成本列賬。



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss

The Group's financial assets classified as financial assets at fair value through profit or loss are derivatives that are not designated and effective as hedging instruments.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the other gains and losses line item in the consolidated statement of comprehensive income.

Impairment of financial assets

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

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

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

Financial assets such as trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the respective credit period, observable changes in national or local economic conditions that correlate with default on receivables.

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

3. 重大會計政策(續) 金融工具(續)

金融資產(續)

按公平值計入損益的金融資產

本集團金融資產中分類為按公平值計入損益的金融資產乃並非指定為而實際為對沖工具的衍生工具。

按公平值計入損益的金融資產乃按公平值列賬，重新計量產生的任何收益或虧損則於損益中確認。於損益中確認的收益或虧損淨額包括金融資產賺取的任何股息或利息，並計入綜合全面收益表的其他收益及虧損項目內。

金融資產減值

於各呈報期結算日均會評估是否有跡象顯示貸款及應收款項減值。倘有客觀證據顯示於首次確認金融資產後發生的一項或多項事件對投資的估計未來現金流量有影響，則金融資產已減值。

就貸款及應收款項而言，減值之客觀證據可包括：

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

就金融資產(如貿易應收款項)而言，不會單獨作出減值之資產其後會一併評估減值。應收款項組合減值之客觀證據可包括本集團過往收款紀錄、組合拖欠付款超逾各自信貸期的次數增加，及與拖欠應收款項有關的國家或地方經濟狀況出現客觀變動。

就按攤銷成本列賬的金融資產而言，已確認之減值虧損金額為資產賬面值與按原實際利率折現之估計日後現金流量現值之差額。



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

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

Financial liabilities and equity instrument

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

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

Financial liabilities

The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss

The Group's financial liabilities classified as financial liabilities at fair value through profit or loss are derivatives that are not designated and effective as hedging instruments.

At the end of each reporting period subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

3. 重大會計政策(續) 金融工具(續)

金融資產(續)

金融資產減值(續)

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收款項除外，其賬面值會透過撥備賬作出扣減。當貿易應收款項視為不可收回時，則於撥備賬內撇銷。其後撥回過往所撇銷的款項將計入撥備賬。撥備賬內賬面值變動會於損益確認。

如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益撥回，惟該資產於減值撥回當日之賬面值不得超過在並無確認減值下應有的已攤銷成本。

金融負債及股權工具

集團實體發行之債務及股權工具乃根據合約安排之主旨與金融負債及股權工具之定義分類為金融負債或股權。

股權工具

股權工具乃證明本集團於扣減其所有負債後之資產中擁有剩餘權益之任何合約。本集團發行之股權工具按已收所得款項(扣除直接發行成本)確認。

金融負債

本集團的金融負債一般分為按公平值計入損益的金融負債與其他金融負債。

按公平值計入損益的金融負債

本集團金融負債中分類為按公平值計入損益的金融負債乃並非指定為而實際為對沖工具的衍生工具。

於首次確認後的各呈報期結算日，按公平值計入損益的金融負債按公平值計量，公平值變動直接於產生變動期間的損益確認。



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Financial liabilities and equity instrument (continued)

Other financial liabilities

Other financial liabilities (including trade and other payables, bills payables, amount due to non-controlling interests, amounts due to related parties and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

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 to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

Derivative financial instruments

Derivatives not designated and effective as hedging instruments are initially recognised at fair value at the date when a derivative contract is entered into and are subsequently remeasured to their fair values at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

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

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

3. 重大會計政策(續) 金融工具(續)

金融負債及股權工具(續)

其他金融負債

其他金融負債(包括貿易及其他應付款項、應付票據、應付非控股權益款項、應付關連方款項及銀行借貸)隨後以攤銷成本使用實際利率法計量。

實際利息法

實際利息法為計算金融負債於有關期間之攤銷成本以及分配利息支出之方法。實際利率指將金融負債於預計可用年期或(如適用)較短期間內的估計未來現金付款準確折算至首次確認之賬面淨值的利率。

利息開支按實際利率基準確認，惟按公平值計入損益的金融負債則作別論。

衍生金融工具

並非指定為而實際為對沖工具的衍生工具於訂立衍生工具合約當日首次按公平值確認，其後於各呈報期結算日按公平值重新計量。所引致之損益將即時於損益確認。

終止確認

僅當資產現金流量的合約權利到期時，或將其金融資產或該資產擁有權的絕大部分風險及回報轉移至另一實體時，本集團方會終止確認金融資產。倘本集團並未轉移亦未保留擁有權的絕大部分風險及回報，並繼續控制已轉移資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團仍保留已轉移金融資產擁有權的絕大部分風險及回報，本集團將繼續確認該金融資產並確認已收所得款項的有抵押借貸。

全面終止確認金融資產時，資產賬面值與已收及應收代價之差額以及於其他全面收益確認及於股權中累積之累計損益將於損益確認。



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 重大會計政策(續) 金融工具(續)

終止確認(續)

除全面終止確認外(即本集團保留購回部分已轉讓資產的選擇權或保留不會導致保留擁有權絕大部分風險及回報的餘下權益,及本集團保留控制權),於終止確認金融資產時,本集團會將金融資產的過往賬面值,根據於其確認為繼續參與的部分及不再確認的部分於轉讓日期的相對公平值在兩者間作出分配,而不再確認部分獲分配之賬面值與該部分不再確認之已收代價及已於其他全面收益確認之獲分配的任何累計損益之和的差額,乃於損益確認。已於其他全面收益確認的累計損益,將按繼續確認部分及不再確認部分的相對公平值間作出分配。

當且僅當本集團的責任解除、取消或屆滿時,本集團方會終止確認金融負債。終止確認的金融負債之賬面值與已付及應付代價之差額於損益確認。

政府補貼

在合理保證本集團將遵守政府補貼的附帶條件以及將會得到補貼後,政府補貼方會予以確認。

政府補貼乃於本集團確認補貼擬補償的有關成本為開支的期間有系統地於損益確認。尤其是,以要求本集團購買、建造或收購非流動資產為主要條件的政府補貼均於綜合財務狀況表確認為遞延收入並於相關資產可使用年內轉撥至損益。作為已產生開支或虧損的補償或作為給予本集團即時財務資助而無日後相關成本的應收政府補貼於可收取期間於損益確認。



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefits of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

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

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

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

3. 重大會計政策(續) 租賃

凡租賃條款將擁有權的絕大部分風險及回報轉移至承租人的租賃，均列作融資租賃。所有其他租賃則列作經營租賃。

本集團作為出租人

經營租賃的租金收入於有關租賃的租期內按直線法於損益確認。

本集團作為承租人

經營租賃的租金乃於有關租賃的租期內按直線法確認為開支。獎勵的利益總額乃於租期內按直線法確認為租金開支減少。

租賃土地及樓宇

若租賃包括土地及樓宇部分，本集團須評估各部分擁有權所附帶的絕大部分風險及回報是否已轉移至本集團並據此將各部分分別劃分為融資租賃或經營租賃。尤其是，最低租金(包括任何一筆過開辦前付款)在租期開始時按於租賃土地及樓宇部分的租賃權益相對公平值的比例分配至土地及樓宇部分。

倘租金能作出可靠分配，則列作經營租賃的土地租賃權益於綜合財務狀況表列作「預付租金」並於租期內以直線法攤銷。倘租金無法在土地與樓宇部分之間作出可靠分配，則整份租賃一般會作為融資租賃處理並列作物業、廠房及設備，除非有關部分明顯均為經營租賃，則在此情況下，整份租賃將列作經營租賃。

退休福利成本

向國家所管理的退休福利計劃及強制性公積金計劃所作的供款於僱員提供服務而可享有該等供款時作為開支扣除。



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.

Share-based payment transactions

Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

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

3. 重大會計政策(續)

借貸成本

收購、興建或生產合資格資產(即須一段長時間方能達至其擬定用途或予以銷售的資產)所產生的直接應佔借貸成本計入該等資產的成本,直至該等資產大致上已達至擬定用途或可供銷售。

當指定借貸尚未支付合資格資產開支而用作臨時投資所賺取的投資收入會從撥充成本的借貸成本扣除。

所有借貸成本均於產生期間於損益確認。

以股份為基礎付款之交易

本公司以股本結算及以股份為基礎付款之安排授予本集團僱員之購股權

就須待達成指定歸屬條件的購股權的授出而言,參照授出當日已授出購股權之公平值而釐定已收取服務之公平值,於歸屬期間按直線法支銷,而股本(購股權儲備)則相應增加。

於呈報期結算日,本集團對預期最終將歸屬之購股權數目估計作出修訂。修訂原有估計之影響(如有)於損益確認,而購股權儲備亦作相應調整。

於行使購股權時,先前已在購股權儲備中確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於到期日尚未獲行使,則先前已在購股權儲備中確認之金額將轉撥至保留盈利。



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 year. 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 years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments 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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

3. 重大會計政策(續) 稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

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

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

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

於各呈報期結算日均會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利可收回全部或部分資產為止。

遞延稅項負債按償還負債或變現資產期間的預期適用稅率(根據各呈報期結算日已實施或實際已實施之稅率(及稅法))計算。



3. SIGNIFICANT ACCOUNTING POLICIES (continued) Taxation (continued)

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

Foreign currencies

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

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

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

3. 重大會計政策(續) 稅項(續)

遞延稅項負債之計算反映按照本集團所預期方式於各呈報期結算日收回或清償其資產及負債賬面值之稅務後果。遞延稅項在損益確認，但若涉及在其他全面收益或直接在股權中確認的項目，則遞延稅項分別在其他全面收益確認或直接於股權中確認。

外幣

編製個別集團實體的財務報表時，以非該實體功能貨幣(外幣)進行的交易按交易當日的匯率列賬。於各呈報期結算日，以外幣計值的貨幣項目均按結算日當日的匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則毋須重新換算。

因結算及換算貨幣項目而產生的匯兌差額均於產生期間在損益確認。

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



4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Provision for inventories

Management of the Group reviews the inventories listing on a category-by-category basis at the end of reporting period, and assesses whether the cost of the finished products will exceed their net realisable value. Management estimates the net realisable value for such inventories based primarily on the latest resale value and quoted prices on applicable commodity exchanges. If the market price of inventories are to decline, additional provision may be required. All the Group's inventories were stated at cost in the consolidated statement of financial position at the end of reporting period.

5. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of debt, which includes bank borrowings and equity attributable to owners of the Company, comprising capital and various reserves.

The directors of the Company review the capital structure periodically. The directors of the Company also balance the overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. No changes were made in the objectives, policies or processes during the year ended 31 December 2010.

4. 估計不確定因素的主要來源

以下為有關日後的主要假設及於呈報期結算日很可能會引致下個財政期間資產及負債賬面值大幅調整的其他估計不確定因素的主要來源。

存貨撥備

本集團管理層於呈報期結算日按類別檢討存貨，並估計製成品的成本會否超逾可變現淨值。管理層主要按最新轉售價值及相關商品交易所報價估計有關存貨的可變現淨值。倘存貨市價下跌，則或須作出額外撥備。本集團於呈報期結算日的所有存貨均按成本於綜合財務狀況表列賬。

5. 資本風險管理

本集團管理資本旨在保障本集團屬下實體可持續經營，並透過維持債務與股權的最佳平衡而為股東提供最大回報。本集團的整體策略與過往年度相同。

本集團的資本架構包括債務(包括銀行借貸)及本公司擁有人應佔權益(包括資本及多項儲備)。

本公司董事定期審閱資本架構。本公司董事亦透過支付股息、發行新股及發行新債券或贖回現有債券平衡本集團整體資本架構。截至二零一零年十二月三十一日止年度，有關目標、政策或程序並無變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**6. FINANCIAL INSTRUMENTS****6a. Categories of financial instruments**

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial assets	金融資產		
Derivative financial instruments	衍生金融工具	-	1,072
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	741,635	387,925
Financial liabilities	金融負債		
Derivative financial instruments	衍生金融工具	205	1,603
Amortised cost	攤銷成本	1,819,588	1,345,702

6b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bills receivables, amounts due from (to) related parties, derivative financial instruments, pledged bank deposits, bank balances and cash, trade and other payables, bills payables, amount due to non-controlling interests and bank borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk*(i) Currency risk*

The Group has foreign currency sales, purchases, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, bills payables, bank borrowings and derivative financial liability, which expose the Group to market risk arising from changes in foreign exchange rates. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors its foreign currency risk exposure and enters into foreign currency forward contracts should the need arise.

6. 金融工具**6a. 金融工具的種類****6b. 金融風險管理目標及政策**

本集團的主要金融工具包括貿易及其他應收款項、應收票據、應收(應付)關連方款項、衍生金融工具、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、應付票據、應付非控股權益款項及銀行借貸。該等金融工具詳情於相關附註披露。有關該等金融工具的風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。為減輕該等風險而制訂的政策載於下文。管理層管理及監控該等風險以確保及時有效地採取適當措施。

市場風險*(i) 貨幣風險*

本集團因有外幣買賣、貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、應付票據、銀行借貸及衍生金融負債而面對外匯匯率變動帶來的市場風險。本集團現時並無外幣對沖政策。然而，管理層仍密切監控外幣風險，並會於需要時訂立外幣遠期合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**6. FINANCIAL INSTRUMENTS (continued)****6b. Financial risk management objectives and policies (continued)****Market risk (continued)***(i) Currency risk (continued)*

The carrying amounts of the Group's monetary assets, monetary liabilities and derivative financial liability denominated in United States Dollars ("USD") and Euro ("EUR") at the end of the reporting period are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Monetary assets	貨幣資產		
USD	美元	48,401	68,294
EUR	歐元	43,087	435
Monetary liabilities	貨幣負債		
USD	美元	980,743	945,557
EUR	歐元	36,716	1,241
Derivative financial liability	衍生金融負債		
USD	美元	205	1,603

Sensitivity analysis

The Group is mainly exposed to the foreign currencies of USD and EUR when such currencies are different from the functional currency of the relevant group entities.

6. 金融工具(續)**6b. 金融風險管理目標及政策(續)****市場風險(續)***(i) 貨幣風險(續)*

於各呈報期結算日，本集團以美元(「美元」)及歐元(「歐元」)計值的貨幣資產、貨幣負債及衍生金融負債的賬面值如下：

敏感度分析

本集團主要因美元及歐元並非相關集團實體的功能貨幣而面對該等貨幣的風險。



6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

A 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel because it represents management's assessment of the possible change in USD and EUR against RMB rate. On the basis of the above assets and liabilities denominated in USD and EUR at the end of the reporting period, and assuming all other variables remain unchanged, a 5% weakening of the USD and strengthening of EUR against RMB would give rise to fluctuations in post-tax profit for the year in the following magnitude, and vice versa:

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析(續)

公司內部向高級行政人員呈報外幣風險時使用5%的敏感度比率，乃因該比率代表管理層所評估美元及歐元兌人民幣匯率可能出現的波動比率。基於上述於呈報期結算日以美元及歐元計值的資產及負債，假設其他變數不變，則美元兌人民幣貶值及歐元兌人民幣升值各5%所致年內產生除稅後溢利波動的幅度如下，反之亦然：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Increase (decrease) in profit:	溢利增加(減少)：		
Monetary assets and liabilities	貨幣資產及負債		
USD weakening against RMB	美元兌人民幣貶值	36,398	33,679
EUR strengthening against RMB	歐元兌人民幣升值	266	(34)
Derivative financial liability	衍生金融負債		
USD weakening against RMB	美元兌人民幣貶值	9	60

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

Other than USD and EUR, the Group does not have any other major exposure to foreign currency risk.

管理層認為，由於年終風險無法反映年內風險，故該敏感度分析並不代表固有外匯風險。

除美元及歐元外，本集團並無面對其他主要外幣風險。



6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits, variable-rate bank borrowings, bills payables and amounts due to related parties.

The Group's fair value interest rate risk relates primarily to its fixed-rate pledged bank deposits and bank borrowings. It is the Group's policy to maintain a majority of borrowings at fixed rate of interest so as to reduce the cash flow interest rate risk.

The Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instrument. However, management monitors the Group's related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

Sensitivity analysis

The carrying amounts of the Group's monetary liabilities which carried variable interest rates at the end of the reporting period were as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Liabilities	負債	-	314,820

The sensitivity analysis below determined based on the exposure to risk of interest rate changes for variable-rate bank borrowings, bills payables and amounts due to related parties at the end of the reporting period and management considered that such exposure for variable-rate bank deposits was minimal as the amount involved was not significant.

A 100 basis points increase or decrease was used when reporting interest risk internally to key management personnel because it represented management's assessment of the possible change in interest rate.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團因銀行存款、浮息銀行借貸、應付票據及應付關連方款項的當前市場利率波動而面對現金流量利率風險。

本集團的公平值利率風險主要與定息已抵押銀行存款及銀行借貸有關。本集團的政策為將大部分借貸維持為定息借貸，減低現金流量利率風險。

本集團並無訂立任何利率對沖合約或其他利率相關衍生金融工具。然而，管理層會密切監管本集團相關利率風險並於必要時考慮對沖重大利率風險。

敏感度分析

於呈報期結算日，按浮息利率計息的本集團貨幣負債賬面值如下：

下列敏感度分析乃基於呈報期結算日浮息銀行借貸、應付票據及應付關連方款項的利率變動風險而定，由於所涉數額不大，故管理層認為浮息銀行存款的利率變動風險並不大。

以100個基點的升跌為標準向內部主要管理人員呈報利率風險，是由於此為管理層對利率可能變動的評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**6. FINANCIAL INSTRUMENTS (continued)****6b. Financial risk management objectives and policies (continued)****Market risk (continued)***(ii) Interest rate risk (continued)*

Sensitivity analysis (continued)

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year would be decreased/increased by the following magnitude:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Decrease/increase in profit	溢利減少/增加	-	2,492

(iii) Other price risk

The Group was exposed to price risk through its investment in aluminium future contracts.

Sensitivity analysis

The sensitivity analyse below determined based on the exposure to price risk of aluminium at the end of reporting period. If the quote price of the aluminium had been 5% higher/lower, the Group's post-tax profit for the year would be increased/decreased by the following magnitude:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Increase/decrease in profit	溢利增加/減少	-	1,077

In management's opinion, the sensitivity analysis is not necessarily representative of the inherent other price risk as the year end exposure does not reflect the exposure during the year.

6. 金融工具(續)**6b. 金融風險管理目標及政策(續)****市場風險(續)***(ii) 利率風險(續)*

敏感度分析(續)

倘利率增加/減少100個基點而所有其他變數不變，則本集團年內除稅後溢利減少/增加的幅度如下：

(iii) 其他價格風險

本集團因投資鋁期貨合約而面對價格風險。

敏感度分析

下列敏感度分析乃基於各呈報期結算日鋁價波動風險而定。倘鋁的報價上升/下降5%，則本集團年內除稅後溢利增加/減少的幅度如下：

管理層認為，由於年終風險無法反映年內風險，故該敏感度分析不代表固有的其他價格風險。



6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Credit risk

As at 31 December 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 is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputations.

There was no significant concentration of credit risk as the Group's financial assets spread over a number of counterparties and customers.

Liquidity risk

The objective of the Group is to maintain a balance between continuity of funding and the flexibility through the use of bank borrowings.

The following table details the Group's remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

In addition, the following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was drawn up based on the undiscounted gross (inflows) and outflows on those derivatives that required gross settlement. The liquidity analysis for the Group's derivative financial instruments were prepared based on the contractual maturities as the management considered that the contractual maturities were essential for an understanding of the timing of the cash flows of derivatives.

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

信貸風險

於二零一零年十二月三十一日，本集團因交易方無法履行責任而面臨蒙受財務虧損的最大信貸風險額度為綜合財務狀況表所呈列相關已確認金融資產之賬面值。

為減低信貸風險，本集團管理層逐一審查貿易債務於呈報期結算日之可收回款項，確保對不可收回款項作出充足減值虧損撥備。因此，本公司董事認為本集團之信貸風險顯著降低。

由於交易方為信譽良好之銀行，故流動資金之信貸風險有限。

由於本集團財務資產分散於眾多交易方及客戶，故並無重大集中信貸風險。

流動資金風險

本集團的目標為保持持續供資、靈活運用銀行借貸之間的平衡。

下表詳列本集團非衍生金融負債的剩餘合約年期。列表顯示本集團可能須付款的最早日期的非衍生金融負債未貼現現金流量。倘利息流量為浮息，未貼現金額則按呈報期結算日利率曲線計算。

此外，下表詳列本集團衍生金融工具的流動資金分析，顯示以總額結算的衍生工具未貼現總額(流入量)及流出量。由於管理層認為合約年期對理解衍生工具現金流量的時間至關重要，故本集團衍生金融工具的流動資金分析乃基於合約年期而編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表格

		Weighted average interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Total undiscounted cash flows	Total carrying value at the end of the reporting period
		加權平均利率	按要求或一個月以內	一至三個月	三個月至一年	未貼現現金流量總額	結算日之賬面總值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	千港元	千港元	千港元	千港元	千港元
At 31 December 2010	二零一零年十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade and other payables	貿易及其他應付款項	-	153,169	20,597	-	173,766	173,766
Bills payables	應付票據						
- non-interest bearing	- 不計息	-	-	47,228	-	47,228	47,228
- fixed rate	- 定息	2.09	101,922	-	-	101,922	101,922
Bank borrowings	銀行借貸						
- fixed rate	- 定息	3.35	111,729	635,415	767,181	1,514,325	1,496,672
			366,820	703,240	767,181	1,837,241	1,819,588
Derivatives gross settlement	衍生工具結算總額						
Foreign currency forward contracts	外幣遠期合約						
- inflow	- 流入	-	-	-	84,084	84,084	84,084
- outflow	- 流出	-	-	-	(84,289)	(84,289)	(84,289)
			-	-	(205)	(205)	(205)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表格(續)

	Weighted average interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Total carrying value at the end of the reporting period
	加權平均利率	按要求或一個月以內	一至三個月	三個月至一年	一年以上	未貼現現金流量總額	結算日之賬面總值
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	%	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2009							
Non-derivative financial liabilities							
Trade and other payables		78,835	27,105	9,677	-	115,617	115,617
Bills payables							
- variable rate	2.44	8,556	58	14,637	-	23,251	23,118
- non-interest bearing	-	22,752	45,504	22,752	-	91,008	91,008
Amounts due to related parties							
- variable rate interest bearing	1.25	26,651	230	1,056	111,854	139,791	138,376
- non-interest bearing	-	66,683	-	-	111,854	178,537	178,537
Bank borrowings							
- fixed rate	3.58	180,268	123,287	324,365	-	627,920	622,602
- variable rate	1.69	16,014	418	161,586	-	178,018	176,444
		399,759	196,602	534,073	223,708	1,354,142	1,345,702
Derivatives - gross settlement							
Foreign currency forward contracts							
- inflow	-	-	(4,725)	(152,091)	-	(156,816)	(156,816)
- outflow	-	-	4,750	153,669	-	158,419	158,419
		-	25	1,578	-	1,603	1,603



6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Bills payables with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. As at 31 December 2010, the aggregate undiscounted principal amounts of these bills payables amounted to HK\$101,922,000. Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bills payables will be repaid within one year after the reporting date in accordance with the scheduled repayment dates set out in the facility letter. At that time, the aggregate principal and interest cash outflows will amount to HK\$103,178,000.

6c. Fair value

The fair value of financial assets and financial liabilities of the Group were determined as follows:

- the fair value of derivative financial instruments traded on active markets were determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities were 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 of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Fair value measurements recognised in the statement of financial position

The following table provided an analysis of financial instruments that were measured subsequent to initial recognition at fair value, grouped into Levels 1 to 2 based on the degree to which the fair value is observable.

- Level 1 fair value measurements were those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements were those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

6. 金融工具(續)

6b. 金融風險管理目標及政策(續)

須按要求償還之應付票據計入上述到期日分析之「按要求或一個月以內」時間範圍內。於二零一零年十二月三十一日，該等應付票據之未貼現金總額達101,922,000港元。經計及本集團之財務狀況後，董事不認為銀行可能將行使其要求即時還款之酌情權。董事相信，該等應付票據將於報告日期後一年內根據貸款協議所載預定還款日期償還。屆時，本金總額及利息現金流出量將合共為103,178,000港元。

6c. 公平值

本集團金融資產及金融負債之公平值按下列方式釐定：

- 於活躍流動市場交易的衍生金融工具公平值參考市場報價釐定；及
- 其他金融資產及金融負債之公平值乃使用現時市場可觀察交易之價格或利率根據貼現現金流量分析以公認定價模式釐定。

本公司董事認為，於綜合財務報表按攤銷成本列賬的金融資產及金融負債之賬面值與其公平值相若。

於財務狀況表確認的公平值計量

下表載列首次確認後按公平值計量的金融工具之分析，按公平值的可觀察程度分為一至二級。

- 一級公平值計量指按同類資產或負債於活躍市場的報價(未經調整)計量。
- 二級公平值計量指按資產或負債的直接(即價格)或間接(即按價格計算者)可觀察參數(一級計量所用報價除外)計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**6. FINANCIAL INSTRUMENTS (continued)****6c. Fair value (continued)**

Fair value measurements recognised in the statement of financial position (continued)

As at 31 December 2010

		Level 1 一級 HK\$'000 千港元	Level 2 二級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial liabilities at FVTPL	按公平值計入損益的金融負債			
Derivative financial liability	衍生金融負債	-	205	205

As at 31 December 2009

		Level 1 一級 HK\$'000 千港元	Level 2 二級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL	按公平值計入損益的金融資產			
Derivative financial asset	衍生金融資產	1,072	-	1,072
Financial liabilities at FVTPL	按公平值計入損益的金融負債			
Derivative financial liability	衍生金融負債	-	1,603	1,603

There were no transfers between level 1 and level 2 during the year ended 31 December 2010, nor during the year ended 31 December 2009.

6. 金融工具(續)**6c. 公平值(續)**

於財務狀況表確認的公平值計量(續)

於二零一零年十二月三十一日

		Level 1 一級 HK\$'000 千港元	Level 2 二級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial liabilities at FVTPL	按公平值計入損益的金融負債			
Derivative financial liability	衍生金融負債	-	205	205

於二零零九年十二月三十一日

		Level 1 一級 HK\$'000 千港元	Level 2 二級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL	按公平值計入損益的金融資產			
Derivative financial asset	衍生金融資產	1,072	-	1,072
Financial liabilities at FVTPL	按公平值計入損益的金融負債			
Derivative financial liability	衍生金融負債	-	1,603	1,603

截至二零一零年十二月三十一日止年度或截至二零零九年十二月三十一日止年度，一級與二級之間並無轉移。



7. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents the amount received and receivable for the sales of metal scrap, net of sales related taxes, during the year.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to segments and to assess their performance. The executive directors of the Company are identified as the CODM and they regularly review the internal report on gross profit derived from different business activities and different products to assess performance and allocate resources of the Group.

The Group is mainly engaged in the principal business of metal recycling, involving the recycling of mixed metal scrap into copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap. The Group is also engaged in the foundry business which involves the production and sale of aluminium-alloy ingots and copper rod and wire, and wholesales business which involves trading of other metal scrap without processing. The operating segments are classified into three categories of business activities:

- (i) metal recycling business;
- (ii) foundry business; and
- (iii) wholesales business.

7. 收益及分部資料

本集團收益指年內銷售廢金屬之已收及應收款項，扣除銷售相關稅項。

業務分部的劃分基準與首席營運決策者(「營運總裁」)定期審閱有關本集團業務結構以分配調資及評估分部表現的內部報告的基準一致。本公司執行董事擔任營運總裁角色，定期審閱關於各種業務活動及各類產品所得毛利的內部報告，評估本集團業績並分配資源。

本集團主要從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬，亦從事涉及生產及銷售鋁錠、銅桿及銅線等鑄造業務與涉及買賣其他毋須加工廢金屬等批發業務。本集團業務分部劃分為三類業務活動：

- (i) 金屬再生業務；
- (ii) 鑄造業務；及
- (iii) 批發業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



7. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and segment results

An analysis of the Group's reportable segment revenues and segment results by reportable segment is as below.

For the year ended 31 December 2010

7. 收益及分部資料(續)

分部收益及分部業績

以下為本集團按可呈報分部劃分的可呈報分部收益及分部業績分析。

截至二零一零年十二月三十一日止年度

		Metal recycling business 金屬再生業務				Foundry business 鑄造業務		Wholesales 批發業務		Total
		Copper scrap	Steel scrap	Aluminium scrap	Iron scrap	Other metal scrap	Aluminium-rod and alloy ingots	Copper rod and wire	metal scrap without processing	
		廢銅	廢鋼	廢鋁	廢鐵	其他廢金屬	鉛錠	銅桿及銅線	未加工廢金屬	對銷
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	收益									
External sales	外部銷售	3,576,085	1,025,843	46,085	235,334	37,168	311,592	523,714	175,768	-
Inter-segment sales	分部間銷售	11,901	35,313	263,860	-	332	35,303	-	1,413,551	(1,760,260)
Total segment revenue	分部收益總額	3,587,986	1,061,156	309,945	235,334	37,500	346,895	523,714	1,589,319	(1,760,260)
Segment profit	分部溢利	278,246	91,898	25,963	22,091	2,296	17,401	75,600	56,328	121
Other income	其他收入									
Other gains and losses	其他收益及虧損									
Distribution and selling expenses	分銷及銷售開支									
Administrative expenses	行政開支									
Other expenses	其他開支									
Finance costs	財務成本									
Profit before tax	除稅前溢利									
Income tax expense	所得稅開支									
Profit for the year	年內溢利									

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



7. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and segment results (continued)

For the year ended 31 December 2009

7. 收益及分部資料(續)

分部收益及分部業績(續)

截至二零零九年十二月三十一日止年度

		Metal recycling business				Foundry business			Wholesales business		Total
		金屬再生業務				鑄造業務			批發業務		
		Copper scrap	Steel scrap	Aluminium scrap	Iron scrap	Other metal scrap	Aluminium-alloy ingots	Copper rod and wire	Other		
									Copper metal scrap	metal scrap without processing	
廢銅	廢鋼	廢鋁	廢鐵	其他廢金屬	鋁錠	銅桿及銅線	其他廢金屬	未加工	對銷		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
REVENUE	收益										
External sales	外部銷售	1,164,966	490,246	52,280	114,271	32,671	189,988	180,649	114,172	-	2,339,243
Inter-segment sales	分部間銷售	15,009	1,481	122,091	-	2,495	25,776	-	1,072,181	(1,239,033)	-
Total segment revenue	分部收益總額	1,179,975	491,727	174,371	114,271	35,166	215,764	180,649	1,186,353	(1,239,033)	2,339,243
Segment profit	分部溢利	314,858	58,833	32,941	47,366	28,427	16,048	38,041	88,883	(70,960)	554,437
Other income	其他收入										5,711
Other gains and losses	其他收益及虧損										98,200
Distribution and selling expenses	分銷及銷售開支										(1,757)
Administrative expenses	行政開支										(34,917)
Other expenses	其他開支										(5,657)
Finance costs	財務成本										(28,823)
Profit before tax	除稅前溢利										587,194
Income tax expense	所得稅開支										(167,540)
Profit for the year	年內溢利										419,654



7. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and segment results (continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit resulted in each segment without allocation of other income, other gains and losses, distribution and selling expenses, administrative expenses, other expenses, finance costs and income tax expense. This is the measure reporting to the executive directors of the Company for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market price.

Segment assets and segment liabilities

Information on segment assets and segment liabilities of the Group are not reviewed by the CODM for the purpose of resource allocation and performance assessment nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities are presented.

Geographical information

Over 90% of external revenues of the Group during the years ended 31 December 2010 and 2009 are attributable to customers established in the PRC, the place of domicile of the Group's major operating entities. Majority of the Group's non-current assets are located in the PRC.

Information about major customers

No individual customer contributed to more than 10% of the Group's revenue for the years ended 31 December 2010 and 2009.

7. 收益及分部資料(續)

分部收益及分部業績(續)

可呈報分部之會計政策與附註3所述之本集團會計政策相同。分部溢利指各分部產生的溢利，未分配其他收入、其他收益及虧損、分銷及銷售開支、行政開支、其他開支、財務成本及所得稅開支，此乃向本公司執行董事報告以便分配資源及評估業績的計量。

分部間銷售以現行市價扣除。

分部資產及分部負債

由於本集團的分部資產及分部負債資料並未由營運總裁審閱以分配資源及評核表現或以其他方式定期呈交營運總裁，故並無呈列分部資產及分部負債的分析。

地區資料

截至二零一零年及二零零九年十二月三十一日止年度，本集團營業紀錄期間逾90%的外界收入來自在中國(本集團主要經營實體的註冊國)成立的客戶，而大部分非流動資產位於中國。

主要客戶的資料

截至二零一零年及二零零九年十二月三十一日止年度，概無個別客戶貢獻超過本集團收入10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



8. COST OF SALES

Included in cost of sales are the following reversal of allowance for inventories:

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Reversal of allowance for inventories 撥回存貨撇減	–	308,613

Management assesses whether the cost of inventories exceed their net realisable value at the end of each reporting period. Management estimates the net realisable value for inventories with reference to the ask price of metal scrap in the relevant markets and the quoted prices of metal on applicable commodity exchanges at the end of reporting period. As at 31 December 2010, because the market prices of the commodities were higher than the respective purchase price of inventories held, no allowance was required. During the year ended 31 December 2009, the Group recorded a reversal of allowance for inventories which was provided in 2008 because the market prices of the commodities at 31 December 2008 were lower than the purchase prices of certain inventories held as at date.

All the Group's inventories were stated at cost in the consolidated statements of financial position at 31 December 2010 and 2009.

9. OTHER INCOME

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest income 利息收入	6,583	2,415
Rental income for a temporary lease 暫時土地租金收入	3,218	2,121
Government subsidies (note) 政府補助(附註)	1,572	1,137
Others 其他	175	38
	11,548	5,711

note: The Group received unconditional government grants from a local municipal government as an encouragement for the development and advancement of business.

8. 銷售成本

銷售成本包括以下撥回存貨撇減：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Reversal of allowance for inventories 撥回存貨撇減	–	308,613

管理層於呈報期結算日評估存貨成本是否超過存貨可變現淨值。管理層參考於呈報結算日相關市場的廢金屬買價及相關商品交易所的金屬報價估計存貨可變現淨值。於二零一零年十二月三十一日，由於商品市價較所持存貨的各自採購價為高，因此毋須作出撥備。截至二零零九年十二月三十一日止年度，本集團錄得存貨撥回，於二零零八年作出撥備乃由於二零零八年十二月三十一日的商品市場價格較該日所持若干存貨的採購價為低。

於二零一零年及二零零九年十二月三十一日，本集團所有存貨均以成本於綜合財務狀況表列賬。

9. 其他收入

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest income 利息收入	6,583	2,415
Rental income for a temporary lease 暫時土地租金收入	3,218	2,121
Government subsidies (note) 政府補助(附註)	1,572	1,137
Others 其他	175	38
	11,548	5,711

附註：地方市政府為鼓勵本集團業務發展與進步而給予本集團的無條件政府補助。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**10. OTHER GAINS AND LOSSES****10. 其他收益及虧損**

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Gain from changes in fair value of derivative financial instruments (note)	10,919	99,047
Net foreign exchange gains (losses)	43,580	(585)
Reversal of (impairment loss) recognised on trade and other receivables	560	(247)
Loss on disposal of property, plant and equipment	(58)	(15)
	55,001	98,200

note: The amounts arose from copper and aluminium future contracts and foreign currency forward contracts.

附註：該等金額乃按銅鋁期貨合約及外幣遠期合約計算。

11. FINANCE COSTS**11. 財務成本**

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest on:		
– bank borrowings wholly repayable within five years	36,632	22,902
– amounts due to related parties	1,596	4,801
– bills payables	4,360	1,120
	42,588	28,823

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**12. PROFIT BEFORE TAX****12. 除稅前溢利**

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before tax has been arrived at after charging:	除稅前溢利，已扣除：		
Directors' emoluments (Note 13)	董事酬金(附註13)	2,963	836
Other staff costs	其他員工成本	117,943	59,862
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款，不包括董事之退休福利計劃供款	1,873	699
Share-based payments, excluding those of directors	以股份付款，不包括董事以股份付款	1,689	-
Total staff costs	員工成本總額	124,468	61,397
Cost of inventories recognised as an expense	確認為開支的存貨成本	5,361,645	1,784,806
Listing expenses, included in other expenses	上市開支，計入其他開支	24,624	5,657
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,103	7,642
Amortisation of prepaid lease payments	預付租金攤銷	867	857
Auditor's remuneration	核數師酬金	4,000	826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS**
Directors

Details of the emoluments paid by the Group to the directors of the Company for the year are as follows:

13. 董事及僱員酬金
董事

本集團於年內支付本公司董事的酬金詳情如下：

		Fees	Salaries and allowances	Retirement benefit scheme contributions	Share-based payment	Total
		袍金	薪金及津貼	退休福利計劃供款	以股份支付	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2010:	截至二零一零年十二月三十一日止年度：					
Executive directors:	執行董事：					
Mr. Fang Ankong	方安空先生	-	741	5	576	1,322
Mr. Stephanus Maria van Ooijen ("Mr. van Ooijen")	Stephanus Maria van Ooijen先生 (「van Ooijen先生」)	-	540	-	165	705
Mr. Gu Liyong	顧李勇先生	-	565	1	70	636
Non-executive directors:	非執行董事：					
Mr. Ralph Sytze Ybema	Ralph Sytze Ybema先生	75	-	-	-	75
Mr. Li Xikui (note)	李錫奎先生(附註)	75	-	-	-	75
Dr. Loke Yu (note)	陸海林博士(附註)	75	-	-	-	75
Ms. Zhang Jingdong (note)	章敬東女士(附註)	75	-	-	-	75
		300	1,846	6	811	2,963

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)**

Directors (continued)

13. 董事及僱員酬金(續)

董事(續)

		Fees	Salaries and allowances	Retirement benefit scheme contributions	Total
		袍金	薪金及津貼	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度				
Executive directors:	執行董事：				
Mr. Fang Ankong	方安空先生	–	480	10	490
Mr. van Ooijen	van Ooijen先生	–	–	–	–
Mr. Gu Liyong	顧李勇先生	–	338	8	346
Non-executive director:	非執行董事：				
Mr. Ralph Sytze Ybema	Ralph Sytze Ybema先生	–	–	–	–
		–	818	18	836

note: They are independent non-executive directors appointed on 23 June 2010.

附註：該等董事為獨立非執行董事及於二零一零年六月二十三日獲委任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)****Employees**

Of the five highest paid individuals of the Group, one (2009: two) was a director, whose emoluments are included in the disclosures above. The emoluments of the remaining four (2009: three) individuals were as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	3,793	984
Retirement benefit scheme contributions	退休福利計劃供款	34	32
		3,827	1,016

The emoluments for two of the five highest paid individuals were below HK\$1,000,000, the remaining paid individuals were within HK\$1,000,001 to HK\$1,500,000.

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during the year.

13. 董事及僱員酬金(續)**僱員**

於本集團五名最高薪酬人士當中，其中一名(二零零九年：兩名)為董事，其酬金已載於上文的披露。餘下四名(二零零九年：三名)人士的酬金如下：

五名最高薪酬人士中有兩名人士的酬金低於1,000,000港元，餘下人士的酬金介乎1,000,001港元至1,500,000港元。

年內，本集團並無向任何董事或五名最高薪酬人士支付酬金，作為吸引彼等加入本集團或於加入本集團時的獎勵或離職補償。年內概無董事放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**14. INCOME TAX EXPENSE****14. 所得稅開支**

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong	香港	5,722	-
PRC Enterprises Income Tax	中國企業所得稅	118,495	64,540
Other jurisdiction	其他司法權區	186	-
		124,403	64,540
Underprovision in prior years:	於過往年度撥備不足：		
PRC Enterprises Income Tax	中國企業所得稅	594	237
Deferred tax (Note 29)	遞延稅項(附註29)	4,481	102,763
		129,478	167,540

PRC

The Group's PRC subsidiaries were subject to PRC Enterprises Income Tax at the rate of 25% for the year ended 31 December 2010 (2009: 25%).

Hong Kong

All the Hong Kong subsidiaries are subject to Hong Kong Profits Tax at the rate of 16.5% on their respective estimated assessable profits.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

中國

截至二零一零年十二月三十一日止年度，本集團的中國附屬公司須按25%的稅率(二零零九年：25%)繳納中國企業所得稅。

香港

所有香港附屬公司均須就各自估計應課稅溢利按16.5%的稅率繳納香港利得稅。

於其他司法權區產生的稅項乃按相關司法權區的現行稅率計算。



14. INCOME TAX EXPENSE (continued)

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

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before tax	除稅前溢利	482,034	587,194
Tax at applicable tax rates (note)	按適用稅率計算之稅項(附註)	120,097	144,524
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	6,117	2,510
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(1,993)	(949)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	182	-
Deferred tax provided on dividends withholding tax on PRC subsidiaries	中國附屬公司股息預扣稅之遞延稅項	4,481	21,218
Underprovision in prior years	過往年度撥備不足	594	237
Income tax expense for the year	年內所得稅開支	129,478	167,540

note: As the Group operates in different tax jurisdictions, separate reconciliations using the domestic tax rate in each individual tax jurisdiction have been aggregated and presented.

15. DIVIDENDS

A final dividend of HK9 cents per share in respect of the year ended 31 December 2010 (2009: Nil) has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

14. 所得稅開支(續)

年內所得稅開支可與綜合全面收益表內除稅前溢利對賬如下：

附註：由於本集團於不同稅務司法權區經營，按各稅務司法權區地方稅率計算的獨立對賬已合併呈列。

15. 股息

董事建議派發截至二零一零年十二月三十一日止年度之末期股息每股9港仙(二零零九年：無)，惟須於應屆股東週年大會上獲股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**16. EARNINGS PER SHARE**

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

16. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Earnings:	盈利：		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利的本公司擁有人應佔年內溢利	352,798	419,654
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利的普通股加權平均數目	868,493,151	750,000,000
Effect of diluted potential ordinary shares as a result of the share options granted under the Pre-IPO Scheme (defined in note 34)	根據首次公開發售前計劃(定義見附註34)所授出購股權產生的潛在普通股攤薄影響	1,029,999	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利的普通股加權平均數目	869,523,150	750,000,000

The weighted average number of ordinary shares used in the calculation of basic earnings per share for the year ended 31 December 2009 has been adjusted for the 749,999,900 shares issued pursuant to the capitalisation issue in July 2010, which was assumed to occur at 1 January 2009.

計算截至二零零九年十二月三十一日止年度每股基本盈利的普通股加權平均數目已就於二零一零年七月根據資本化發行而發行749,999,900股股份作出調整。資本化發行假設已於二零零九年一月一日進行。

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options granted under the Scheme (defined in Note 34) because the exercise price of those options was higher than the average market price of the shares for the year ended 31 December 2010.

計算每股攤薄盈利時假設根據該計劃(定義見附註34)所授出的本公司尚未行使的購股權不獲行使，因為該等購股權的行使價高於截至二零一零年十二月三十一日止年度股份的平均市價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Land and buildings 土地及 樓宇 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Office furniture and equipment 辦公傢俱 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST								
At 1 January 2009	於二零零九年 一月一日	77,353	28,777	4,828	2,371	-	47,532	160,861
Exchange realignment	匯兌調整	60	40	3	2	-	(2)	103
Additions	添置	-	1,787	478	101	-	8,361	10,727
Transfers	轉讓	18,400	21,192	-	-	-	(39,592)	-
Disposals	出售	-	(77)	(93)	-	-	-	(170)
At 31 December 2009	於二零零九年十二月 三十一日	95,813	51,719	5,216	2,474	-	16,299	171,521
Exchange realignment	匯兌調整	3,435	3,044	306	94	50	283	7,212
Additions	添置	27,939	26,567	5,420	2,775	1,363	10,509	74,573
Acquired on acquisition of a subsidiary (Note 37)	收購一間附屬公司 (附註37)	-	-	166	687	-	-	853
Transfers	轉讓	5,859	15,564	-	-	1,353	(22,776)	-
Disposals	出售	-	(120)	(62)	(448)	-	-	(630)
At 31 December 2010	於二零一零年 十二月三十一日	133,046	96,774	11,046	5,582	2,766	4,315	253,529
DEPRECIATION								
At 1 January 2009	於二零零九年 一月一日	16,760	8,584	1,349	1,899	-	-	28,592
Exchange realignment	匯兌調整	13	8	2	-	-	-	23
Provided for the year	年內撥備	3,675	2,926	934	107	-	-	7,642
Disposals	出售	-	(11)	(9)	-	-	-	(20)
At 31 December 2009	於二零零九年 十二月三十一日	20,448	11,507	2,276	2,006	-	-	36,237
Exchange realignment	匯兌調整	782	604	119	78	6	-	1,589
Provided for the year	年內撥備	3,945	6,273	1,360	281	244	-	12,103
Disposals	出售	-	(2)	(29)	(104)	-	-	(135)
At 31 December 2010	於二零一零年 十二月三十一日	25,175	18,382	3,726	2,261	250	-	49,794
CARRYING VALUE								
At 31 December 2010	賬面值 於二零一零年 十二月三十一日	107,871	78,392	7,320	3,321	2,516	4,315	203,735
At 31 December 2009	於二零零九年 十二月三十一日	75,365	40,212	2,940	468	-	16,299	135,284

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綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



17. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying amount of land and building which is situated in Hong Kong and held under medium-term lease is HK\$34,539,000 (2009: HK\$7,069,000) at the end of the reporting period.

The property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives, after taking into account their residual value, as follows:

Land and buildings	20 years or the relevant lease term, whichever is shorter
Plant and machinery	9% – 18%
Office furniture and equipment	9% – 18%
Motor vehicles	9% – 18%
Leasehold improvement	18% or the relevant lease term, whichever is shorter

As at 31 December 2010, certain buildings with carrying amount of HK\$102,489,000 (2009: HK\$50,384,000) were pledged as security for bank borrowings granted to the Group.

18. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold lands situated in the PRC held under medium term leases and are analysed for reporting purposes as follows:

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

As at 31 December 2010, prepaid lease payments with carrying amount of HK\$37,325,000 (2009: HK\$36,820,000) were pledged as security for bank borrowings granted to the Group.

17. 物業、廠房及設備(續)

於呈報期結算日，位於香港以中期租約持有之土地及樓宇之賬面值為34,539,000港元(二零零九年：7,069,000港元)。

物業、廠房及設備(在建工程除外)經計及其剩餘價值後，按估計可用年期折舊如下：

土地及樓宇	20年或有關租期(以較短者為準)
廠房及機器	9%至18%
辦公傢俱及設備	9%至18%
汽車	9%至18%
租賃物業裝修	18%或有關租期(以較短者為準)

於二零一零年十二月三十一日，賬面值為102,489,000港元(二零零九年：50,384,000港元)的若干樓宇抵押作為授予本集團銀行借貸的擔保。

18. 預付租金

本集團的預付租金涉及位於中國以中期租約持有之租賃土地，為呈報而分析如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Current asset	890	858
Non-current asset	36,435	35,962
	37,325	36,820

於二零一零年十二月三十一日，賬面值為37,325,000港元(二零零九年：36,820,000港元)的預付租金抵押作為授予本集團銀行借貸的擔保。

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綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**19. INVENTORIES****19. 存貨**

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Raw materials	原材料	1,628,688	892,824
Finished goods	製成品	674,737	274,613
		2,303,425	1,167,437

20. NON-CONTROLLING INTERESTS/AMOUNT DUE TO NON-CONTROLLING INTERESTS**20. 非控股權益／應付非控股權益款項**

		Share of net assets of subsidiaries 所佔附屬公司 淨資產 HK\$ 港元
At 1 January and 31 December 2009	於二零零九年一月一日及十二月三十一日	-
Capital contribution	注資	34,825
Share of loss for the year	年內所佔虧損	(242)
Share of foreign currency translation reserve	所佔外幣匯兌儲備	297
		34,880
At 31 December 2010	於二零一零年十二月三十一日	34,880

The balance due to non-controlling interests of HK\$23,976,000 arose from purchases from 上海路永金屬物資有限公司(“上海路永”) during the year. The balance was aged within 30 days.

年終應付非控股權益之結餘23,976,000港元乃產生向上海路永金屬物資有限公司(「上海路永」)購買廢金屬。餘額的賬齡為30日。



21. TRADE AND OTHER RECEIVABLES

The Group generally allows its trade customers a credit period of 30 to 90 days. A longer credit period may be granted to trade customers with good credit quality upon the approval of management. An aged analysis of the Group's trade receivables at the end of the reporting period, net of allowance for doubtful debts and based on the invoice date, are as follows:

21. 貿易及其他應收款項

本集團一般給予貿易客戶30至90日的信貸期。在獲得管理層批准後，本集團可向信貸紀錄良好的貿易客戶授出更長的信貸期。於呈報期結算日，本集團貿易應收款項扣除呆賬撥備後的賬齡分析按發票日期呈列如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade receivables:	貿易應收款項：		
0-30 days	0至30日	110,310	45,805
31-60 days	31至60日	4,270	13,248
61-90 days	61至90日	10	1,161
91-180 days	91至180日	484	5,104
Over 180 days	超過180日	596	564
		115,670	65,882
Other receivables:	其他應收款項：		
Deposits and prepayments	按金及預付款項	73,054	51,852
Deposits paid for purchase of raw materials	購買原料之已付按金	124,415	51,774
Rental receivable	應收租金	2,204	2,123
VAT recoverable	可退回增值稅	90,190	15,413
Others	其他	6,114	1,782
		295,977	122,944
		411,647	188,826

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits to customers are reviewed regularly. With reference to the track records of these customers, the directors of the Company consider all trade receivables at the end of the reporting period are of good credit quality.

於接納新客戶前，本集團評估潛在客戶的信貸質素，並按客戶釐定信貸限額，給予客戶的信貸限額乃定期審核。經參考該等客戶的過往記錄，本公司董事認為，於呈報期結算日，所有貿易應收款項的信貸質素良好。

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綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



21. TRADE AND OTHER RECEIVABLES (continued)

Included in the trade receivable balance are the following past due debts for which no impairment loss has been provided:

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

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
31-60 days	31至60日	3,982	1,463
61-90 days	61至90日	-	142
91-180 days	91至180日	484	660
Over 180 days	超過180日	596	53
		5,062	2,318

The Group does not hold any collateral against the above amounts. However, management believes that these amounts are still recoverable because there has not been an adverse change in the relevant entities' credit quality.

Movement in the allowance for doubtful debts

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	554	553
(Reversal of) impairment losses recognised on trade and other receivables	貿易及其他應收款項確認的減值虧損(撥回)	(560)	247
Amounts written off as uncollectible	撇銷為不可收回的款項	-	(247)
Foreign exchange difference	匯兌差額	6	1
Balance at end of the year	年終結餘	-	554

21. 貿易及其他應收款項(續)

貿易應收結餘包括下列並無減值虧損撥備的逾期債務：

已過期但未減值的貿易應收款項賬齡分析

本集團並無持有上述款項之任何抵押。然而，管理層認為鑑於有關實體的信貸質素並無轉壞，故該等款項仍可收回。

呆賬撥備的變動

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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21. TRADE AND OTHER RECEIVABLES (continued)
Movement in the allowance for doubtful debts (continued)

Trade and other receivables that were denominated in currencies other than the functional currency of the relevant group entities are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	-	31,598
EUR	歐元	-	77

21. 貿易及其他應收款項(續)
呆賬撥備的變動(續)

以有關集團公司功能貨幣以外的貨幣計值的貿易及其他應收款項如下：

22. BILLS RECEIVABLES

An aged analysis of the Group's bills receivables at the end of the reporting period, based on their invoice dates, are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0-30 days	0至30日	3,034	1,365
31-60 days	31至60日	6,848	-
61-90 days	61至90日	1,889	-
91-180 days	91至180日	2,858	-
		14,629	1,365

22. 應收票據

於呈報期結算日，本集團的應收票據賬齡分析按發票日期呈報如下：

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綜合財務報表附註(續)

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23. AMOUNTS DUE FROM (TO) RELATED PARTIES

23. 應收(應付)關連方款項

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Amount due from a related party Non-trade nature (note iv)	應收關連方款項 非貿易性質(附註iv)		
New Asset Holdings Limited ("New Asset") (note i)	New Asset Holdings Limited (「New Asset」)(附註i)	–	371
Amounts due to related parties Non-trade nature (note v)	應付關連方款項 非貿易性質(附註v)		
Delco Asia (note ii)	Delco Asia(附註ii)		
– interest bearing at 3 months London Interbank Offered Rate+1% per annum	– 按三個月倫敦銀行同業拆息加1%的年利率計算的利息	–	(138,376)
– non-interest bearing	– 不計息	–	(29,156)
Mr. Fang, his close family members and entities controlled by him (note iii)	方先生、其近親家族成員及其所控制的公司(附註iii)		
– non-interest bearing	– 不計息	–	(149,381)
		–	(316,913)
Analysed as:	分析如下：		
Current liabilities	流動負債		(93,205)
Non-current liabilities	非流動負債	–	(223,708)
		–	(316,913)

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綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**23. AMOUNTS DUE FROM (TO) RELATED PARTIES (continued)**

The amounts due to related parties that are denominated in currency other than the functional currency of the relevant group entities are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	-	138,455

notes:

- (i) New Asset has a non-controlling beneficial interest in the Company.
- (ii) Mr. van Ooijen, a director of the Company, was a director and a shareholder of Delco Asia during the year.
- (iii) Mr. Fang is a director and a controlling beneficial shareholder of the Company.
- (iv) The balances at the end of the reporting period were the maximum amount outstanding during the year. The balances represent expenses paid by the Company on behalf of related parties. All non-trade balances were repayable on demand.
- (v) These represent advances to finance the Group's operations. All the balances were either repaid or capitalised during the year.

23. 應收(應付)關連方款項(續)

以有關集團公司功能貨幣以外的貨幣計值的應付關連方款項如下：

附註：

- (i) New Asset擁有本公司的非控股實益權益。
- (ii) 於年內，本公司董事van Ooijen先生為Delco Asia的董事及股東。
- (iii) 方先生為本公司的董事兼控股實益股東。
- (iv) 於呈報期結算日的結餘為年內最高結欠金額。結餘指本公司代表關連方支付的開支。所有非貿易結餘亦須按要求償還。
- (v) 該等金額指為本集團營運提供資金的墊款。所有結餘已於年內償還或資本化。

24. DERIVATIVE FINANCIAL INSTRUMENTS

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Derivative financial asset	衍生金融資產		
Aluminium future contracts (note i)	鋁期貨合約(附註i)	-	1,072
Derivative financial liability	衍生金融負債		
Foreign currency forward contracts (note ii)	外幣遠期合約(附註ii)	205	1,603

24. 衍生金融工具



24. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

notes:

(i) Aluminium future contracts (net settlement)

The Group entered into Aluminium future contracts in order to manage its inventory level and its exposure to the price risk of Aluminium. These contracts were actively traded in an active market and were measured at fair values based on unadjusted quoted price at the end of the reporting period, with gain or loss recognised directly in the profit or loss.

Major terms of the outstanding aluminium future contracts at the end of the reporting period are set out below:

31 December 2009

Contract price 合約價格	Standard trading unit 標準買賣單位	Unit bought 已購買單位	Maturity 到期日
Aluminium future contracts: Buy at prices, ranged from RMB16,098 to RMB16,396 per tonne 鋁期貨合約： 按介乎每噸人民幣16,098元至 人民幣16,396元的價格購買	5 tonnes 5噸	300	From 15 January 2010 to 15 March 2010 自二零一零年 一月十五日至 二零一零年 三月十五日

(ii) Foreign currency forward contracts (gross settlement)

The Group entered into foreign currency forward contracts in order to minimise its exposure to the foreign currency risk. These contracts were measured at fair value using quoted forward exchange rates at the end of the reporting period, with gain or loss recognised directly in profit or loss.

Major terms of the foreign currency forward contracts are as follows:

31 December 2010

Notional amount 名義金額	Forward contract rates 遠期合約成交率	Maturity 到期日
6 contracts to buy USD10,892,748 in total 六份購入共10,892,748美元的合約	USD1: RMB6.4710 to RMB6.6580 1美元：人民幣6.4710元至人民幣6.6580元	From 19 April 2011 to 6 December 2011 自二零一一年四月十九日至 二零一一年十二月六日

31 December 2009

Notional amount 名義金額	Forward contract rates 遠期合約成交率	Maturity 到期日
13 contracts to buy USD20,537,000 in total 十三份購入共20,537,000美元的合約	USD1: RMB6.7423 to RMB6.8505 1美元：人民幣6.7423元至人民幣6.8505元	From 12 April 2010 to 18 November 2010 自二零一零年四月十二日至 二零一零年十一月十八日

24. 衍生金融工具(續)

附註：

(i) 鋁期貨合約(淨結算)

本集團已訂立鋁期貨合約，以管理鋁存貨水平及應對鋁價風險。於呈報期結算日，該等合約於活躍市場上成交活躍且基於未經調整報價以公平值計量，相關損益直接於損益賬中確認。

於各呈報期結算日，未到期鋁期貨合約的主要條款如下：

二零零九年十二月三十一日

(ii) 遠期外匯合約(總結算)

本集團訂立遠期外匯合約以減低外匯風險。該等合約以呈報期結算日的遠期報價匯率按公平值計量，相關損益直接於損益賬中確認。

遠期外匯合約主要條款如下：

二零一零年十二月三十一日

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**24. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

Derivative financial instruments that were denominated in currency other than the functional currency of the relevant group entities are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	205	1,603

24. 衍生金融工具(續)

以相關集團實體的功能貨幣以外的貨幣計算的衍生金融工具如下：

25. PLEDGED BANK DEPOSITS/RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH**Pledged bank deposits**

These represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to HK\$351,684,000 (2009: HK\$241,440,000) have been pledged to secure short-term bank borrowings and are therefore classified as current assets. The pledged bank deposits carry fixed interest rates as follows:

		2010 二零一零年	2009 二零零九年
Interest rate per annum	年利率	1.71% to 2.50% 1.71%至2.50%	1.98% to 2.25% 1.98%至2.25%

Restricted bank deposits

The balance in 2009 represented deposits placed with the financial institutions to secure the margin accounts of the Group for trading copper and aluminium futures in the relevant financial institutions. The restricted bank deposits were non-interest bearing.

25. 已抵押銀行存款／受限制銀行存款／銀行結餘及現金**已抵押銀行存款**

該等存款指向銀行抵押以為向本集團授出的銀行信貸作出擔保的存款。351,684,000港元(二零零九年：241,440,000港元)的存款已抵押作短期銀行借款的擔保，因此被分類為流動資產。已抵押銀行存款按以下定息計算：

受限制銀行存款

於二零零九年的結餘指本集團為取得金融機構有關買賣銅鋁期貨的保證賬戶而存於相關金融機構的存款。受限制銀行存款為不計息。

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綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**25. PLEDGED BANK DEPOSITS/RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH (continued)****Bank balances and cash**

These represent cash and short-term bank deposits with an original maturity of three months or less. The bank balances carry interest rates as follows:

25. 已抵押銀行存款／受限制銀行存款／銀行結餘及現金(續)**銀行結餘及現金**

該等款項包括現金及原到期日為三個月或以下的短期銀行存款。銀行結餘利率如下：

		2010 & 2009 二零一零年及 二零零九年
Interest rate per annum	年利率	0.36% to 1.15% 0.36%至1.15%

Pledged bank deposits, restricted bank deposits and bank balances and cash held in the PRC with an aggregate amount of HK\$399,643,000 (31 December 2009: HK\$279,184,000) were denominated in RMB and were subject to foreign exchange control.

在中國持有的已抵押銀行存款、受限制銀行存款與銀行結餘及現金總額為399,643,000港元(二零零九年十二月三十一日：279,184,000港元)，全部以人民幣計值並受外匯管制。

Pledged bank deposits, restricted bank deposits and bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

以有關集團公司功能貨幣以外貨幣計值的已抵押銀行存款、受限制銀行存款與銀行結餘及現金如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	48,401	36,696
EUR	歐元	43,087	358

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綜合財務報表附註(續)

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26. TRADE AND OTHER PAYABLES

The average credit period for trade purchases is 30 to 60 days.

The following is an aged analysis of the Group's trade payables, presented based on the invoice date at the end of the reporting period:

26.貿易及其他應付款項

貿易購買的平均信貸期為30至60日。

以下為本集團貿易應付款項於呈報期結算日的賬齡分析按發票日期呈列如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade payables:	貿易應付款項：		
0-30 days	0至30日	101,086	64,630
31-60 days	31至60日	325	18,519
61-90 days	61至90日	-	8,780
91-180 days	91至180日	1,933	8,020
Over 180 days	超過180日	81	1,679
		103,425	101,628
Other payables:	其他應付款項：		
Other payables and accruals	其他應付款項及應計費用	71,589	23,512
Interest payable	應付利息	5,335	918
Receipts in advance from customers	預收客戶款項	7,888	10,547
		84,812	34,977
		188,237	136,605

Trade and other payables that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

以有關集團公司功能貨幣以外貨幣計值的貿易及其他應付款項如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	30,813	90,613
EUR	歐元	36,716	1,241

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綜合財務報表附註(續)

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**27. BILLS PAYABLES**

An aged analysis of the Group's bills payables at the end of the reporting period is as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0-30 days	0至30日	40,985	8,510
31-60 days	31至60日	23,614	-
61-90 days	61至90日	84,551	22,752
91-180 days	91至180日	-	82,864
		149,150	114,126

Bills payables that are denominated in currency other than the functional currency of the relevant group entities are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	-	23,118

27. 應付票據

本集團應付票據於各呈報期結算日的賬齡分析如下：

以有關集團公司功能貨幣以外貨幣計值的應付票據如下：

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綜合財務報表附註(續)

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28. BANK BORROWINGS

28. 銀行借貸

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Fixed-rate borrowings:	定息借貸：		
Secured bank loans	有抵押銀行貸款	584,265	497,012
Unsecured bank loans	無抵押銀行貸款	912,407	125,590
Variable-rate borrowings:	浮息借貸：		
Secured bank loans	有抵押銀行貸款	-	160,639
Unsecured bank overdrafts	無抵押銀行透支	-	15,805
		1,496,672	799,046

The effective interest rates of the borrowings are as follows:

借貸的實際利率如下：

		2010 二零一零年	2009 二零零九年
Effective interest rate per annum:	實際年利率：		
Fixed-rate borrowings	定息借貸	1.50% to 6.74% 1.50%至6.74%	1.29% to 5.31% 1.29%至5.31%
Variable-rate borrowings	浮息借貸	N/A 不適用	1.62% to 1.82% 1.62%至1.82%

The Group's borrowings that are denominated in currency other than the functional currency of the relevant group entities are as follows:

以有關集團公司功能貨幣以外貨幣計值的本集團借貸如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	949,930	693,371

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綜合財務報表附註(續)

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**29. DEFERRED TAX**

The deferred tax (assets) liabilities recognised by the Group and movements thereon during the year are as follows:

29. 遞延稅項

本集團確認的遞延稅項(資產)負債及其於年內的變動如下：

		Inventories provision 存貨撥備 HK\$'000 千港元	Change in fair value of derivative financial instruments 衍生金融工具 公平值變動 HK\$'000 千港元	Distributable profits of subsidiaries 附屬公司的 可分配溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	(76,545)	(5,000)	-	(81,545)
Charge to profit or loss for the year	年內計入損益	76,545	5,000	21,218	102,763
At 31 December 2009	於二零零九年十二月三十一日	-	-	21,218	21,218
Charge to profit or loss for the year	年內計入損益	-	-	4,481	4,481
At 31 December 2010	於二零一零年十二月三十一日	-	-	25,699	25,699

Under the Enterprise Income Tax Law of the PRC, with effect from 1 January 2008 onwards, withholding income tax at 5% is imposed on dividends declared out of profits earned by PRC entities for investors incorporated in Hong Kong. Upon the listing of the Company's shares on the Stock Exchange ("Listing"), the directors of the Company recommend a policy to declare 25% of the distributable group's profit as dividends to the Company's shareholders. Accordingly, withholding income tax is provided to the extent of 25% of profits earned by the group's PRC subsidiaries starting from the year ended 31 December 2010. The aggregate amount of temporary differences associated with distributable earnings of PRC subsidiaries for which deferred tax liabilities have been recognised in the consolidated financial statements was HK\$513,980,000 (2009: HK\$424,360,000).

根據中國企業所得稅法，自二零零八年一月一日起，於香港註冊成立的投資者須就中國實體所賺取溢利而宣派的股息繳納5%的預扣所得稅。待本公司股份於聯交所上市(「上市」)後，本公司董事建議採納一項政策，即向本公司股東宣派可分配集團溢利的25%作為股息。因此，自截至二零一零年十二月三十一日止年度起，本公司須就預扣所得稅計提撥備，惟以本集團中國附屬公司所賺取溢利的25%為限。於綜合財務報表確認遞延稅項負債的與中國附屬公司可分派盈利相關的暫時性差額總額為513,980,000港元(二零零九年：424,360,000港元)。

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綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



30. SHARE CAPITAL

30. 股本

		Number of shares 股份數目	Amounts 金額 HK\$ 港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each at 1 January 2009 and 31 December 2009	於二零零九年一月一日及 二零零九年十二月三十一日 每股面值0.01港元的普通股	5,000,000	50,000
Increase on 23 June 2010 (note i)	於二零一零年六月二十三日增加 (附註i)	4,995,000,000	49,950,000
At 31 December 2010	於二零一零年十二月三十一日	5,000,000,000	50,000,000
Issued and fully paid:	已發行並繳足：		
Ordinary shares of HK\$0.01 each at 1 January 2009 and 31 December 2009	於二零零九年一月一日及 二零零九年十二月三十一日 每股面值0.01港元的普通股	100	1
Capitalisation issue (note i)	資本化發行(附註i)	749,999,900	7,499,999
Issue of new shares (note ii)	發行新股(附註ii)	250,000,000	2,500,000
At 31 December 2010	於二零一零年十二月三十一日	1,000,000,000	10,000,000
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Shown in the consolidated financial statements	於綜合財務報表所示	10,000	-



30. SHARE CAPITAL (continued)

notes:

- (i) Pursuant to the written resolutions of the sole shareholder of the Company on 23 June 2010, the authorised share capital of the Company was increased to HK\$50,000,000. The directors of the Company were also authorised to capitalise a sum of HK\$7,499,999 standing to the credit of the Company's reserve account by applying such sum in paying up in full at par 749,999,900 shares for allotment and issue to shareholders. On 12 July 2010, the directors allotted and issued such shares as aforesaid and gave effect to the capitalisation issue.
- (ii) On 12 July 2010, the Company issued 250,000,000 shares pursuant to the Company's initial public offering at a price of HK\$2.43 per share upon Listing.

The new shares allotted and issued ranked pari passu in all respects with the other shares then in issue.

31. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks to secure the general banking facilities granted to the Group:

30. 股本(續)

附註：

- (i) 根據本公司唯一股東於二零一零年六月二十三日通過的書面決議案，本公司的法定股本增加至50,000,000港元。本公司董事亦獲授權將本公司儲備賬中為數7,499,999港元的進賬撥充資本，方法為將上述款項用於按面值繳足749,999,900股股份，以配發及發行予股東。於二零一零年七月十二日，董事已配發及發行上述股份，並已進行資本化發行。
- (ii) 於二零一零年七月十二日，本公司於上市後根據本公司首次公開發售按每股2.43港元的價格發行250,000,000股股份。

已配發及發行的新股與當時已發行的其他股份在所有方面均享有同等權益。

31. 資產抵押

於呈報期結算日，本集團已向銀行抵押以下資產，以擔保授予本集團之一般銀行信貸：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Buildings (Note 17)	樓宇(附註17)	102,489	50,384
Prepaid lease payments (Note 18)	預付租金(附註18)	37,325	36,820
Bank deposits (Note 25)	銀行存款(附註25)	351,684	241,440
		491,498	328,644

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32. CAPITAL COMMITMENTS

32. 資本承擔

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	10,446	4,776

33. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

33. 退休福利計劃

本集團根據強制性公積金計劃(「強積金計劃」)條例為香港所有合資格僱員設立強制性公積金。強積金計劃之資產透過一名獨立受託人控制之基金與本集團所持資產分開持有。根據強積金計劃的規定，僱主及其僱員分別須按規定訂明的比率向計劃供款。本集團對強積金計劃之唯一責任為根據該計劃作出所需供款。並無已沒收供款可用作扣減日後應付供款。

於中國受僱之僱員須參與中國政府所運作之國家管理退休福利計劃。中國附屬公司須按僱員基本薪酬的若干百分比向該退休福利計劃供款，為該等福利提供資金。本集團對退休福利計劃之唯一責任為根據計劃作出所需供款。



34. SHARE-BASED PAYMENT TRANSACTIONS

(a) Pre-IPO Share Option Scheme

Pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a pre-IPO share option scheme (the "Pre-IPO Scheme") was adopted by the Company. Pursuant to the Pre-IPO Scheme, the Company could grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group ("Participants") to subscribe for shares in the Company. The purpose of the Pre-IPO Scheme was to recognise the contribution that Participants made or might have made to the growth of the Group. It aimed to give Participants an opportunity to acquire a personal stake in the Company and helped motivate Participants to optimise their performance and efficiency, and also to help attract or retain Participants whose contributions are important to the long-term growth and profitability of the Group.

The maximum number of shares in respect of which options may be granted is 12,140,000 shares, representing 1.214% of shares of the issued share capital of the Company immediately upon Listing, but excluding any shares which may fall to be issued upon the exercise of the options granted or to be granted under the Pre-IPO Scheme, the other schemes and shares that may fall to be issued upon the exercise of the over-allotment option in connection with the Listing.

Share options granted under the Pre-IPO Scheme are exercisable at the initial offer price to the public (i.e. HK\$2.43 per share). Each of the holders of the share options under the Pre-IPO Scheme shall be entitled to exercise his/her options in the following manner:

Service period that share options can be exercised after the date of Listing	Maximum accumulated percentage of share options exercisable
Attaining 1 year	30%
Attaining 2 years	60%
Attaining 3 years	100%

34. 以股份為基礎付款之交易

(a) 首次公開發售前購股權計劃

根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納首次公開發售前購股權計劃（「首次公開發售前計劃」）。根據首次公開發售前計劃，本公司可向本集團董事（包括執行董事、非執行董事及獨立非執行董事）及僱員、本集團任何成員公司的任何諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人或服務供應商（「參與者」）授出購股權，以認購本公司股份。首次公開發售前計劃旨在嘉許參與者對本集團發展作出或可能已作出的貢獻，向參與者提供機會購買本公司私人股票，激勵彼等提升業績表現及效率，並吸納或留任對本集團長遠發展及盈利至關重要的參與者。

可能授出的購股權所涉最高股份數目為12,140,000股股份，相當於緊隨上市後本公司已發行股本中股份的1.214%，惟不包括因行使根據首次公開發售前計劃及其他計劃授出或將予授出的購股權而可能將予發行的任何股份，以及因行使與上市有關的超額配股權而可能將予發行的股份。

根據首次公開發售前計劃授出的購股權按給予公眾人士的初步發售價（即每股股份2.43港元）行使。首次公開發售前計劃下各購股權持有人均有權以下列方式行使其購股權：

於上市日期後 可行使購股權的 服務期間	可行使購股權的 累計百分比上限
持有一年	30%
持有兩年	60%
持有三年	100%

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34. SHARE-BASED PAYMENT TRANSACTIONS
(continued)

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

During the year, 12,140,000 options were granted to eligible Participants under the Pre-IPO Scheme and the total number of shares that can be issued upon the exercise of all options is 12,140,000 shares, representing approximately 1.214% of the issued share capital of the Company as at 31 December 2010. The estimated fair value of the options at the date of grant is HK\$7,837,000. Details of the share options granted under the Pre-IPO Scheme and their subsequent movements are as follows:

34. 以股份為基礎付款之交易(續)

(a) 首次公開發售前購股權計劃(續)

年內，根據首次公開發售前計劃向合資格參與者授出12,140,000份購股權，而因行使所有購股權而可發行的股份總數為12,140,000股股份，相當於本公司於二零一零年十二月三十一日已發行股本約1.214%。購股權於授出日期的估計公平值為7,837,000港元。根據首次公開發售前計劃授出的購股權及其後變動詳情如下：

Category of Eligible Participants	Date of grant (note)	Exercise price per share	Exercisable period	Vesting date	Options granted during the year and outstanding as at 31.12.2010 於年內授出且於二零一零年十二月三十一日尚未行使的購股權
合資格參與者類別	授出日期(附註)	每股行使價	行使期	歸屬日期	
Directors 董事	12 July 2010 二零一零年七月十二日	HK\$2.43 2.43港元	12 July 2011 – 12 July 2012	12 July 2011	1,477,500
			二零一一年七月十二日至二零一二年七月十二日	二零一一年七月十二日	
			13 July 2012 – 12 July 2013	13 July 2012	1,477,500
			二零一二年七月十三日至二零一三年七月十二日	二零一二年七月十三日	
			13 July 2013 – 12 July 2014	13 July 2013	1,970,000
			二零一三年七月十三日至二零一四年七月十二日	二零一三年七月十三日	
					4,925,000
Employees under continuous employment contract 連續僱傭合約下的僱員	12 July 2010 二零一零年七月十二日	HK\$2.43 2.43港元	12 July 2011 – 12 July 2012	12 July 2011	2,164,500
			二零一一年七月十二日至二零一二年七月十二日	二零一一年七月十二日	
			13 July 2012 – 12 July 2013	13 July 2012	2,164,500
			二零一二年七月十三日至二零一三年七月十二日	二零一二年七月十三日	
			13 July 2013 – 12 July 2014	13 July 2013	2,886,000
			二零一三年七月十三日至二零一四年七月十二日	二零一三年七月十三日	
					7,215,000
					12,140,000
Exercisable at the end of the year 年終可行使					-
Weighted average exercise price 加權平均行使價					2.43

note: It was the date when Participants accepted the offer of options under the Pre-IPO Scheme.

附註：此為參與者接納根據公開發售前購股權計劃授出之購股權的日期。



34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

The fair value of the options was calculated using the Binomial model. The inputs into the model were as follows:

		Lot 1 第一批	Lot 2 第二批	Lot 3 第三批
Market price	市價	HK\$2.39	HK\$2.39	HK\$2.39
Exercise price	行使價	HK\$2.43	HK\$2.43	HK\$2.43
Expected volatility	預期波幅	49.798%	54.803%	51.954%
Expected option period	預期購股權期限	1.492 years年	2.495 years年	3.495 years年
Risk-free rate	無風險利率	0.514%	0.776%	1.109%
Expected dividend yield	預期股息收益率	3.557%	3.557%	3.557%

Expected volatility was determined with reference to the historical volatility of certain comparable listed companies.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised an expense of HK\$2,000,000 for the year in relation to share options granted by the Company under the Pre-IPO Scheme.

(b) Post-IPO Share Option Scheme

In addition, pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a post-IPO share option scheme (the "Scheme") was also adopted.

Pursuant to the Scheme, the Company may grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group ("Eligible Scheme Participants"). The Scheme is a share incentive scheme and is established to reward Eligible Scheme Participants who have contributed to the Group and to encourage Eligible Scheme Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole. The Scheme is valid and effective for a period of ten years from 23 June 2010.

34. 以股份為基礎付款之交易(續)

(a) 首次公開發售前購股權計劃(續)

購股權公平值乃按二項式模式計算，該模式所輸入數據如下：

	Lot 1 第一批	Lot 2 第二批	Lot 3 第三批
Market price	HK\$2.39	HK\$2.39	HK\$2.39
Exercise price	HK\$2.43	HK\$2.43	HK\$2.43
Expected volatility	49.798%	54.803%	51.954%
Expected option period	1.492 years年	2.495 years年	3.495 years年
Risk-free rate	0.514%	0.776%	1.109%
Expected dividend yield	3.557%	3.557%	3.557%

預期波幅乃經參考若干可資比較上市公司的過往波幅釐定。

計算購股權公平值所用變量及假設乃按董事的最佳估計而定。購股權價值因若干主觀假設的不同變量而有所不同。

年內，本集團就有關本公司根據首次公開發售前計劃授出購股權確認開支2,000,000港元。

(b) 首次公開發售後購股權計劃

此外，根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納首次公開發售後購股權計劃(「該計劃」)。

根據該計劃，本公司可向董事會全權酌情認為已為或將為本集團作出貢獻的本集團董事(包括執行董事、非執行董事及獨立非執行董事)及僱員、本集團任何成員公司的任何諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人或服務供應商(「合資格計劃參與者」)授出購股權。該計劃是一項股份獎勵計劃，為獎勵合資格計劃參與者對本集團作出的貢獻以及鼓勵合資格計劃參與者為本公司及股東的整體利益而提升本公司及股份的價值而設立。該計劃自二零一零年六月二十三日起計十年內有效。



34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme shall not in aggregate exceed 10% of shares of the Company as of the date of the approval by the shareholders in general meeting, without approval from the Company's shareholders. The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time. The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Scheme Participant in any twelve-month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant.

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates is required to be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Where granting of options to a substantial shareholder or any independent non-executive director or their respective associates which will result in the number of shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant exceed of 0.1% of the total number of shares in issue and have an aggregate value in excess of HK\$5 million, based on the official closing price of the shares at the date of each grant, such proposed grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting.

Options granted have to be taken up within a period of 28 days from the date of offer upon payment of HK\$1.

34. 以股份為基礎付款之交易(續)

(b) 首次公開發售後購股權計劃(續)

因行使根據該計劃將予授出的所有購股權而可能發行的最高股份數目合共不得超過股東於股東大會批准日期的本公司股份的10% (無須本公司股東批准)。因行使根據該計劃及本公司任何其他購股權計劃所授出但尚未行使的所有購股權而可能發行的股份於任何時候不得超過不時已發行股份的30%。於任何十二個月期間直至授出日期，因行使根據該計劃及本公司任何其他購股權計劃向每名合資格計劃參與者授出的購股權(包括已行使及尚未行使的購股權)而發行及將予發行的最高股份數目不得超過於授出日期已發行股份的1%。

向本公司董事、主要行政人員或主要股東(定義見上市規則)或彼等各自的任何聯繫人授出任何購股權，須經獨立非執行董事(不包括任何身為購股權承授人的獨立非執行董事)批准。當向主要股東或任何獨立非執行董事或彼等各自的任何聯繫人授出購股權，將導致於十二個月期間直至授出日期(包括該日)因行使向該等人士授出及將予授出的購股權(包括已行使、已註銷及尚未行使的購股權)而發行及將予發行的股份數目超過已發行股份總數的0.1%，且根據各授出日期股份的官方收市價計算，總值超過5,000,000港元，則須待本公司發出通函並經股東於股東大會上批准後，方可建議授出上述購股權。

所授購股權須於提呈日期起計28日內接納，接納時須支付1港元。



34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

The exercise price is determined by the board of directors and but in any event shall not be less than the highest of:

- (i) the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange on the offer date, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the offer date; and
- (iii) the nominal value of the shares.

Options granted are exercisable for a period to be notified by the board of directors to each grantee and such period shall expire not later than 4 years from the date of grant of options.

During the year, 3,770,000 options were granted to Eligible Scheme Participants under the Scheme and the total number of shares that can be issued upon the exercise of all options is 3,770,000 shares, representing approximately 0.38% of the issued share capital of the Company as at 31 December 2010. The estimated fair value of the options at the date of grant is HK\$3,763,000.

Share options granted under the Scheme during the year are exercisable at the price of HK\$3.38 per share. Each of the holders of the share options under the Scheme shall be entitled to exercise his/her options in the following manner:

Service period that share options can be exercised after 22 September 2010	Maximum accumulated percentage of share options exercisable
Attaining 1 year	30%
Attaining 2 years	60%
Attaining 3 years	100%

34. 以股份為基礎付款之交易(續)

(b) 首次公開發售後購股權計劃(續)

行使價由董事會釐定，惟無論如何不會低於下列各項之最高者：

- (i) 於提呈日期(該日須為聯交所辦理證券交易業務的日子)聯交所的每日報表所列股份在聯交所的官方收市價；
- (ii) 緊接提呈日期前五個營業日聯交所的每日報表所列股份在聯交所的平均官方收市價；及
- (iii) 股份的面值。

所授購股權可於董事會知會各承授人的期間行使，而該期間不得於授出購股權日期起計四年後屆滿。

年內，根據該計劃向合資格計劃參與者授出3,770,000份購股權，而因行使所有購股權而可發行的股份總數為3,770,000股股份，相當於本公司於二零一零年十二月三十一日已發行股本約0.38%。購股權於授出日期的估計公平值為3,763,000港元。

年內，根據該計劃授出的購股權按每股3.38港元的價格行使。該計劃下各購股權持有人均有權以下列方式行使其購股權：

於二零一零年九月二十二日後可行使購股權的服務期間	可行使購股權的累計百分比上限
持有一年	30%
持有兩年	60%
持有三年	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

Details of the share options granted under the Scheme, all of which remained outstanding as at 31 December 2010, are as follows:

Category of Eligible Scheme Participants	Date of grant (note)	Exercise price per share	Exercisable period	Vesting date	Options granted during the year and outstanding as at 31.12.2010 於年內授出且於二零一零年十二月三十一日尚未行使的購股權
合資格計劃參與者類別	授出日期 (附註)	每股行使價	行使期	歸屬日期	
Employees under continuous employment contract 連續僱傭合約下的僱員	22 September 2010 二零一零年九月二十二日	HK\$3.38 3.38港元	22 September 2011 – 22 September 2012 二零一一年九月二十二日至二零一二年九月二十二日	22 September 2011 二零一一年九月二十二日	1,131,000
			23 September 2012 – 22 September 2013 二零一二年九月二十三日至二零一三年九月二十二日	23 September 2012 二零一二年九月二十三日	1,131,000
			23 September 2013 – 22 September 2014 二零一三年九月二十三日至二零一四年九月二十二日	23 September 2013 二零一三年九月二十三日	1,508,000
					3,770,000
Exercisable at the end of the year 年終可行使					-
Weighted average exercise price 加權平均行使價					3.38

note: It was the date when Eligible Scheme Participants accepted the offer of options under the Scheme.

附註：此為合資格計劃參與者接納根據該計劃授出之購股權的日期。

The fair value of the options was calculated using the Binomial model. The inputs into the model were as follows:

購股權公平值按二項式模式計算，該模式所輸入數據如下：

		Lot 1 第1組	Lot 2 第2組	Lot 3 第3組
Market price	市價	HK\$3.38港元	HK\$3.38港元	HK\$3.38港元
Exercise price	行使價	HK\$3.38港元	HK\$3.38港元	HK\$3.38港元
Expected volatility	預計波幅	47.816%	55.886%	53.523%
Expected option period	預計購股權期間	1.5 years年	2.503 years年	3.503 years年
Risk-free rate	無風險利率	0.43%	0.625%	0.847%
Expected dividend yield	預期股息收益率	2.515%	2.515%	2.515%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**34. SHARE-BASED PAYMENT TRANSACTIONS (continued)****(b) Post-IPO Share Option Scheme (continued)**

Expected volatility was determined with reference to the historical volatility of certain comparable listed companies.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised an expense of HK\$500,000 for the year in relation to share options granted by the Company under the Scheme.

35. RELATED PARTY DISCLOSURES**(l) Transactions**

During the year, the Group had the following transactions with related parties:

34. 以股份為基礎付款之交易(續)**(b) 首次公開發售後購股權計劃(續)**

預計波幅參照若干可資比較上市公司的過往波幅釐定。

計算購股權公平值所用變量及假設按董事的最佳估計而定。購股權價值因若干主觀假設的不同變數而有所不同。

本集團於年內就本公司根據首次公開發售後購股權計劃授出購股權確認開支500,000港元。

35. 關連方披露**(l) 交易**

於年內，本集團與關連方有以下交易：

Name of related party 關連方名稱	Nature of transaction 交易性質	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Delco Asia	Interest expense 利息開支	951	2,797
Mr. Fang and/or his close family members and entities controlled by him 方先生及／或其近親家族成員及其控制的公司	Interest expense 利息開支	645	2,004
Delco Europe B.V. ("Delco Europe") (note i) (附註i)	Purchasing support service fee expense 採購支援服務費用開支	—	5,467
上海路永	Purchase of property, plant and equipment 購買物業、廠房及設備	3,286	—
	Purchase of scrap metals 購買廢金屬	20,401	—
	Sales of scrap metals 銷售廢金屬	16,212	—
H.P.L. Metals B.V. ("HPL") and SVO Company B.V. ("SVO")	Acquisition of Delco Europe (note ii) 收購Delco Europe (附註ii)	1	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



35. RELATED PARTY DISCLOSURES (continued)

(I) Transactions (continued)

notes:

- (i) Delco Europe became a subsidiary of the Company on 1 January 2010. Further details are set out in Note 37.
- (ii) On 1 January 2010, the Group acquired 100% equity interest in Delco Europe from HPL and SVO, the holding companies of a shareholder of the Company, for a consideration of EUR100 in cash which was equivalent to its net asset value at that date.

(II) Balances

Details of balances with related parties are set out in Note 20 and Note 23.

(III) Compensation of key management personnel

The directors of the Company and the five highest paid employees are identified as key management members of the Group, details of their compensation during the year are set out in Note 13.

(IV) Other disclosure

35. 關連方披露(續)

(I) 交易(續)

附註：

- (i) Delco Europe於二零一零年一月一日成為本公司的附屬公司，詳情載於附註37。
- (ii) 於二零一零年一月一日，本集團向本公司一名股東的控股公司HPL及SVO收購Delco Europe全部股權，代價為100歐元現金(相當於Delco Europe於該日的資產淨值)。

(II) 結餘

與關連方之結餘詳情載於附註20及附註23。

(III) 主要管理人員酬金

本公司董事及五名最高薪僱員視為本集團主要管理人員，彼等於年內的酬金詳情載於附註13。

(IV) 其他披露

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Personal guarantees provided to the Group by Mr. Fang and his close family members regarding banking facilities	方先生及其近親家族成員就銀行信貸向本集團提供的個人擔保	—	449,921
Amount of the above facilities utilised by the Group	本集團所用上述信貸額	—	259,285

The above guarantees were released during the year ended 31 December 2010.

上述擔保於截至二零一零年十二月三十一日止年度解除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**36. OPERATING LEASES**

The Group as lessee

36. 經營租賃

本集團作為承租人

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	年內根據經營租賃支付的最低租金：		
Plant and machinery	廠房及機器	5,914	45

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於各呈報期結算日，本集團根據不可撤銷經營租賃將於下列時間到期的未來最低租金承擔如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	13,849	227
In the second to fifth years inclusive	二至五年(包括首尾兩年)	49,622	1,364
Over five years	五年以上	48,786	-
		112,257	1,591

Operating lease payments represent rentals payable by the Group for certain of its plant and machinery. Leases are negotiated for an average term of seven years with fixed rentals.

經營租金指本集團應就若干廠房及機器支付的租金，租約經協商定為平均七年，租金固定。



36. OPERATING LEASES (continued)

The Group as lessor (continued)

Rental income of subleasing a leasehold land in the PRC on a temporary basis during the year ended 31 December 2010 was HK\$3,218,000 (2009: HK\$2,121,000). The sublease was negotiated for one year.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

Within one year

一年內

36. 經營租賃(續)

本集團作為承租人(續)

截至二零一零年十二月三十一日止年度，本集團於中國暫時分租租賃土地的租金收入為3,218,000港元(二零零九年：2,121,000港元)，分租協定為一年。

於呈報期結算日，本集團與租戶約定以下未來最低租金：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
1,073	1,062

37. ACQUISITION OF A SUBSIDIARY

On 1 January 2010 (the "Acquisition Date"), the Group acquired 100% equity interest in Delco Europe from HPL and SVO for a consideration of EUR100 (equivalent to approximately HK\$1,000) in cash, which was Delco Europe's net asset value at the Acquisition Date. HPL and SVO are the holding companies of Delco Participation B.V., a shareholder of the Company. Since the Group obtained control over Delco Europe on the Acquisition Date, the Group accounted for the acquisition on that date using the purchase method of accounting.

37. 收購一間附屬公司

於二零一零年一月一日(「收購日期」)，本集團以代價100歐元(相等於約1,000港元)(相當於Delco Europe於收購日期的資產淨值)向HPL及SVO收購Delco Europe全部股權。HPL及SVO為本公司股東Delco Participation B.V.的控股公司。由於本集團於收購日期取得Delco Europe的控制權，本集團以購買會計法將該日的收購入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**37. ACQUISITION OF A SUBSIDIARY (continued)**

The net assets acquired in the transaction are as follows:

37. 收購一間附屬公司(續)

於交易中收購的淨資產如下：

		Acquiree's carrying amount before combination and fair value 於合併前被收購方 的賬面值及公平值 HK\$'000 千港元
Net assets acquired:	已收購淨資產：	
Property, plant and equipment	物業、廠房及設備	853
Other receivables	其他應收款項	1,177
Bank balances and cash	銀行結餘及現金	3,982
Other payables	其他應付款項	(1,006)
Amounts due to related parties	應付關連方款項	(707)
Bank borrowings	銀行借貸	(3,416)
Tax payable	應付稅項	(882)
		1
Total consideration recognised as other payable	確認為其他應付款項的總代價	1
Net cash inflow arising on acquisition	收購產生的淨現金流入	
Cash consideration paid	已付現金代價	-
Bank balances and cash acquired	已收購銀行結餘及現金	3,982
		3,982

Delco Europe contributed approximately HK\$503,000 to the Group's profit for the year between the date of acquisition and the end of the reporting period.

自收購日期至呈報期結算日，Delco Europe 為本集團的年度溢利貢獻約503,000港元。



38. EVENTS AFTER THE REPORTING PERIOD

On 25 January 2011, the Group signed a letter of intent to invest RMB25.5 million in 北京中物博汽車解體有限公司 which is to operate scrap vehicle recycling business in the Beijing area. The Group will have 51% equity interest in the company. Details of the arrangement are set out in the announcements of the Company dated on 27 January 2011.

In addition the Group also signed a letter of intent with two independent third parties to jointly establish a subsidiary in Tianjian for the development of metal and other recycling business in the Tianjian zone. The Group will have 51% of equity interest in the new subsidiary. Details of the arrangement are set out in the announcements of the Company dated on 27 January 2011.

39. MAJOR NON-CASH TRANSACTIONS

During the year, the Group capitalised the shareholder's loan amounted to HK\$223,708,000 into capital reserve. Details of which are set in the note (iii) in the consolidated statement of change in equity.

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

38. 報告期後事項

於二零一一年一月二十五日，本集團已簽訂投資意向書，擬向北京中物博汽車解體有限公司(於北京經營汽車解體回收業務)增資人民幣25,500,000元。本集團將擁有該公司51%的股權。有關安排之詳情載於本公司日期為二零一一年一月二十七日之公佈。

此外，本集團亦與兩位獨立第三方簽訂投資意向書，擬在天津合資設立一家附屬公司，以就於天津發展廢舊金屬及廢舊物資的回收業務。本集團將擁有該新附屬公司51%的股權。有關安排之詳情載於本公司日期為二零一一年一月二十七日之公佈。

39. 主要現金收入

年內，本集團已將223,708,000港元股東貸款資本化為資本儲備。有關詳情載於綜合權益變動表附註(iii)。

40. 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/ 成立地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest held by the Group 本集團所持應佔股本權益		Principal activities 主要業務
			2010 二零一零年	2009 二零零九年	
Chiho-Tiande International Limited ("CT International") (note (i)) 齊合天地國際有限公司 (「齊合國際」)(附註(i))	British Virgin Islands 2 April 2008 英屬處女群島 二零零八年四月二日	US\$2 2美元	100%	100%	Investment holding 投資控股
Chiho-Tiande Investments Limited 齊合天地投資有限公司	Hong Kong 16 July 2008 香港 二零零八年七月十六日	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股
Delco Europe (note (ii))	The Netherlands 18 January 1985 荷蘭 一九八五年一月十八日	EUR18,151 18,151歐元	100%	N/A 不適用	Purchasing agent of the Group 本集團的採購代理

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綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度


40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued) 40. 本公司附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest held by the Group 本集團所持應佔股本權益		Principal activities 主要業務
			2010 二零一零年	2009 二零零九年	
Chiho-Tiande (HK) Limited 齊合天地(香港)有限公司	Hong Kong 12 May 2004 香港 二零零四年五月十二日	HK\$1 1港元	100%	100%	Purchasing agent of the Group and wholesales of metal scrap without processing 本集團的採購代理及未加工 廢金屬批發
Hefast Holding Corporation Limited	Hong Kong 20 December 2002 香港 二零零二年十二月二十日	HK\$100,000 100,000港元	100%	100%	Investment holding 投資控股
Chiho-Tiande (Hong Kong) Copper Industry Company Limited ("CT HK (Copper)") 齊合天地(香港)銅業有限公司 (「齊合香港銅業」)	Hong Kong 15 June 2009 香港 二零零九年六月十五日	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股
Chiho-Tiande (HK) Metals Recycling Co., Limited (note (iii)) 齊合天地(香港)再生金屬有限公司 (附註(iii))	Hong Kong 20 September 2010 香港 二零一零年九月二十日	HK\$35,000,000 35,000,000港元	55%	N/A 不適用	Trading of metal scrap 買賣廢金屬
Chiho-Tiande (Ningbo) Metals Recycling Company Limited (note (iv)) 齊合天地(寧波)再生金屬有限公司 (附註(iv))	The PRC 28 September 2008 中國 二零零八年九月二十八日	US\$10,000,000 10,000,000美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Taizhou Chiho-Tiande Foundry Company Limited (note (iv)) 台州齊合天地鑄造有限公司 (附註(iv))	The PRC 8 December 2003 中國 二零零三年十二月八日	US\$7,500,000 7,500,000美元	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、生產及 銷售金屬產品
Taizhou Chiho-Tiande Metals Company Limited (note (iv)) 台州齊合天地金屬有限公司 (附註(iv))	The PRC 24 December 1999 中國 一九九九年十二月二十四日	US\$22,682,000 22,682,000美元	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、生產及 銷售金屬產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度



40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued) **40. 本公司附屬公司詳情(續)**

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest held by the Group 本集團所持應佔股本權益		Principal activities 主要業務
			2010 二零一零年	2009 二零零九年	
Chiho-Tiande (Shanghai) Metals Recycling Company Limited (note (v)) 上海齊合天地再生資源有限公司 (附註(v))	The PRC 30 September 2010 中國 二零一零年九月三十日	RMB33,500,000 人民幣33,500,000元	51%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Chiho-Tiande (Ningbo) Copper Industry Company Limited ("CT Copper (Ningbo)") (notes (iv) and (vi)) 齊合天地(寧波)銅業有限公司 (「齊合銅業(寧波)」) (附註(iv)及(vi))	The PRC 5 August 2009 中國 二零零九年八月五日	Nil 零	N/A 不適用	100%	Trading of metal scrap 買賣廢金屬

notes:

- (i) The Company holds CT International directly and all other subsidiaries indirectly.
- (ii) On 1 January 2010, the Group acquired 100% equity interest in Delco Europe from HPL and SVO, the holding companies of a shareholder of the Company, for a consideration of EUR100 in cash which was equivalent to its net asset value at that date.
- (iii) On 20 September 2010, the Group established Chiho-Tiande (HK) Metals Recycling Co. Ltd. with ISA Company Ltd. 55% of the equity interest is held by the Group.
- (iv) These entities are wholly-foreign owned enterprise established in the PRC.
- (v) On 30 September 2010, the Group established Chiho-Tiande (Shanghai) Metals Recycling Company Limited with 上海路永. 51% of the equity interest is held by the Group.
- (vi) CT Copper (Ningbo) was established on 5 August 2009 in the PRC as a wholly owned subsidiary of CT HK (Copper). CT Copper (Ningbo) was deregistered on 9 June 2010.

附註：

- (i) 本公司直接持有齊合國際及間接持有所有其他附屬公司。
- (ii) 於二零一零年一月一日，本集團以100歐元(相當於其於該日的資產淨值)代價向本公司控股公司HPL及SVO收購Delco Europe的全部股權。
- (iii) 於二零一零年九月二十日，本集團與ISA Company Ltd成立齊合天地(香港)再生金屬有限公司。本集團持有其55%的股權。
- (iv) 該等實體為於中國成立的外商獨資企業。
- (v) 於二零一零年九月三十日，本集團與上海路永成立上海齊合天地再生資源有限公司。本集團持有其51%的股權。
- (vi) 齊合銅業(寧波)於二零零九年八月五日於中國成立為齊合香港銅業的全資附屬公司。齊合銅業(寧波)於二零一零年六月九日取消註冊。

5-YEAR FINANCIAL SUMMARY

五年財務摘要



		Year ended 31 December 截至十二月三十一日止年度					
		2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	
RESULTS	業績						
Revenue	收益	1,272,930	1,798,332	2,505,168	2,339,243	5,931,589	
Profit (loss) before tax	除稅前溢利(虧損)	44,596	105,921	(271,298)	587,194	482,034	
Income tax (expense) charge	所得稅(開支)抵免	(9,223)	(22,958)	71,166	(167,540)	(129,478)	
Profit (loss) for the year	年內溢利(虧損)	35,373	82,963	(200,132)	419,654	352,556	

		At 31 December 於十二月三十一日					
		2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	
ASSETS AND LIABILITIES	資產及負債						
Total assets	資產總值	545,333	779,434	1,110,846	1,851,728	3,581,367	
Total liabilities	負債總值	(462,399)	(595,997)	(1,115,883)	(1,433,630)	(1,934,686)	
Net assets (liabilities)	淨資產(負債)	82,934	183,437	(5,037)	418,098	1,646,681	

This report is published in both English and Chinese languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

本報告以中英文兩種語言印製，在兩種文體的說明上存在歧義時，以英文為準。

