



中國管業集團有限公司  
China Pipe Group Limited

(於百慕達註冊成立之有限公司)  
(Incorporated in Bermuda with limited liability)  
股份代號：380 Stock code: 380

Annual Report  
2010 年報

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### BOARD OF DIRECTORS

#### Executive Directors

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

#### Non-executive Directors

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

#### Independent Non-executive Directors

Mr. Wong Yee Shuen, Wilson  
Mr. Chen Wei Wen  
Ms. Yang Li

#### AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson (*Chairman*)  
Mr. U Kean Seng  
Mr. Chen Wei Wen

#### REMUNERATION COMMITTEE

Mr. Lai Guanglin (*Chairman*)  
Mr. Chen Wei Wen  
Ms. Yang Li

#### NOMINATION COMMITTEE

Mr. U Kean Seng (*Chairman*)  
Mr. Chen Wei Wen  
Ms. Yang Li

#### COMPANY SECRETARY

Mr. Tsang Wai Yip, Patrick

#### AUTHORISED REPRESENTATIVES

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

#### INDEPENDENT AUDITOR

PricewaterhouseCoopers

### 董事會

#### 執行董事

俞安生先生  
Sam Ming Choy 先生  
賴福麟先生

#### 非執行董事

Lai Guanglin 先生 (*主席*)  
余建成先生

#### 獨立非執行董事

黃以信先生  
陳偉文先生  
楊莉女士

#### 審核委員會

黃以信先生 (*主席*)  
余建成先生  
陳偉文先生

#### 薪酬委員會

Lai Guanglin 先生 (*主席*)  
陳偉文先生  
楊莉女士

#### 提名委員會

余建成先生 (*主席*)  
陳偉文先生  
楊莉女士

#### 公司秘書

曾偉業先生

#### 授權代表

俞安生先生  
曾偉業先生

#### 獨立核數師

羅兵咸永道會計師事務所

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Management (Bermuda) Ltd  
Argyle House, 41A Cedar Avenue  
Hamilton 12, Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## PRINCIPAL BANKERS

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

## REGISTERED OFFICE

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

## OTHER PLACES OF BUSINESS

### Retail shops

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

## 主要股份過戶登記處

Appleby Management (Bermuda) Ltd  
Argyle House, 41A Cedar Avenue  
Hamilton 12, Bermuda

## 香港股份過戶登記分處

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

## 主要往來銀行

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

## 註冊辦事處

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

## 總辦事處及主要營業地點

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

## 其他營業地點

### 門市

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

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

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

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

### Warehouses

Lot 3719 in DD104, Yuen Long, N.T.  
Tel: (852) 2471 9048  
Fax: (852) 2482 1298

Lot 372383 in DD104, Yuen Long, N.T.  
Tel: (852) 2471 9048  
Fax: (852) 2482 1298

## CHINA OFFICE

### Guangzhou

No. 3 Langwei Road, Xiaolong Village,  
Shiji Town, Panyu District, Guangzhou, PRC  
Tel: 86-20-6194 9418  
86-20-6194 9428  
Fax: 86-20-8455 4077

Room 1517-1518, Dongshan Square  
No. 69 Xianlie Road, Guangzhou, PRC  
Tel: 86-20-8735 2023  
Fax: 86-20-8735 2033

### WEBSITE

<http://www.chinapipeline.com>

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

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

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

### 貨倉

新界元朗錦綉花園貨倉泰園路地段104 Lot 3719  
電話：(852) 2471 9048  
傳真：(852) 2482 1298

新界元朗錦綉花園貨倉泰園路地段104 Lot 372383  
電話：(852) 2471 9048  
傳真：(852) 2482 1298

## 中國辦事處

### 廣州

中國廣州市番禺區  
石基鎮小龍明朗尾路3段  
電話：86-20-6194 9418  
86-20-6194 9428  
傳真：86-20-8455 4077

中國廣州越秀區先烈中路69號  
東山廣場1517-1518室  
電話：86-20-8735 2023  
傳真：86-20-8735 2033

### 網址

<http://www.chinapipeline.com>

I have pleasure in presenting to the shareholders the annual report of China Pipe Group Limited ("the Company") and its subsidiaries (collectively "the Group") for the year ended 31st December 2010.

### FINANCIAL RESULTS

For the year ended 31st December 2010, the Group recorded revenue from continuing operations of approximately HK\$516.4 million (2009: HK\$452.0 million), representing an increase of 14% as compared with the year ended 31st December 2009. The loss attributable to equity holders of the Company was approximately HK\$122.8 million for the year ended 31st December 2010, as compared with the loss attributable to equity holders of the Company of approximately HK\$39.7 million for the year ended 31st December 2009. The basic loss per share from continuing operations was approximately HK0.81 cents (2009: HK0.18 cents).

### FINAL DIVIDEND

The board of directors of the Company does not recommend a final dividend for the year ended 31st December 2010 (2009: Nil).

### BUSINESS REVIEW

Although the general economy has shown some signs of recovery, the year of 2010 was a challenging year for the Group. We turned around the trading of pipes and fittings operation, however, the Group still made a substantial loss as a result of the unsatisfactory performance of the seamless steel pipes business.

本人欣然向股東提呈中國管業集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一零年十二月三十一日止年度之年報。

### 財務業績

截至二零一零年十二月三十一日止年度，本集團錄得來自持續營運業務收入約為516,400,000港元(二零零九年：452,000,000港元)，較截至二零零九年十二月三十一日止年度增加14%。截至二零一零年十二月三十一日止年度，本公司股權持有人應佔虧損約為122,800,000港元，對比截至二零零九年十二月三十一日止年度本公司股權持有人應佔虧損約為39,700,000港元。來自持續營運業務之每股基本虧損約為0.81港仙(二零零九年：0.18港仙)。

### 末期股息

本公司董事會不建議派付截至二零一零年十二月三十一日止年度之末期股息(二零零九年：無)。

### 業務回顧

雖然一般經濟已逐漸呈現復甦跡象，但對本集團而言，二零一零年仍然是具挑戰性的一年。喉管及管件貿易已轉虧為盈，然而由於銷售無縫鋼管分部之表現不理想，因此本集團仍然錄得重大虧損。

During the year of 2010, the Hong Kong and Macau markets were still very competitive. The commodity prices have been very volatile, hence, created a lot of difficulties and challenges to our trading operations. To address this, we have placed more focus on cost control. More effort has also been dedicated to enhance procurement and efficiency and effectiveness of the purchasing function. Improving inventory management was one of the key management initiatives. The average age of inventories was lowered as compared to prior year. As a result, we were successful in turning our trading of pipes and fittings operations from a loss to a profit situation.

However, the performance of the segment of manufacturing and sale of seamless steel pipes in Mainland China was well below our expectation. The financial results for the year ended 31st December 2010 for the segment of manufacturing and sale of seamless steel pipes was materially affected by the imposition of anti-dumping duties on imports of steel pipes by the United States and the significant surge in commodities prices (i.e. cost of raw materials of the seamless steel pipes segment). In addition, the implementation of the strategy of selling oil pipes to energy companies was not as smooth as expected. Therefore, the segment could not have any profit contribution from the sale of oil pipes to those energy companies to reduce the above impact.

### PROSPECTS

Last year was a challenging year for the seamless steel pipes business in Mainland China. Looking forward, the market competition will continue to be very intense. This is exacerbated by the recent increase of anti-dumping duty and anti-subsidy duty on steel products exporting to the United States. Given the monetary easing policies of the United States, it is expected that commodity prices will continue its uprising trend in the foreseeable future.

於二零一零年，香港和澳門市場競爭持續激烈。商品價格市場非常波動，因此對我們銷售營運產生很多困難和挑戰。為此，我們已更集中於成本控制方面。我們一直致力加強採購功能的效率和效能。改善存貨管理亦是其中一個主要管理行動。平均貨齡較以前年度下降。因此，我們已成功地將喉管及管件貿易營運轉虧為盈。

然而，於中國生產及銷售無縫鋼管分部之表現遠低於預期。截至二零一零年十二月三十一日止年度，生產及銷售無縫鋼管分部之財務業績因美國對進口鋼管實施反傾銷稅及商品價格（即無縫鋼管分部之原材料成本）大幅飆升而受到重大影響。此外，實施出售油管予能源公司之策略未如預期般順利。因此，該分部出售油管予該等能源公司未能帶來盈利貢獻以減少上述影響。

### 前景

過去一年，對於中國的無縫鋼管業屬具挑戰性的一年。展望未來，市場上的競爭將繼續會非常劇烈。由於出口到美國的鋼鐵制品的反傾銷稅及反補貼稅近期增加，而使情況變得更差。基於美國的量化寬鬆政策，本集團預期商品價格會於可見未來繼續上漲。

Against the difficult market conditions as explained above and having regard to the unsatisfactory performance in the segment of manufacturing and sale of seamless steel pipes in Mainland China, and the considerable strain which this segment places on the Group's internal resources, the Group intends to consider the disposal of such segment in future should the opportunity arise.

The Group will continue to develop our pipe trading business in Hong Kong and Macau. We will focus our efforts on upgrading our products and services, developing new product lines, and strengthening our relationships with our customers. Through these initiatives, we aim at growing our top line sales and improving our bottom line profits of the Group.

In addition to the pipe trading business, the management will continue to seek investment opportunities that can potentially bring better returns to our shareholders.

### APPRECIATION

I would like to take this opportunity to express my gratitude to a team of dedicated and professional employees for their outstanding performance and to our shareholders for their persistent support.

**Lai Guanglin**  
*Chairman*

Hong Kong, 28th March 2011

為應付上述困難的市場狀況及經考慮於中國內地生產及銷售無縫鋼管分部之表現不理想，以及該分部對本集團內部資源造成重大負擔，本集團欲考慮於機會出現時把該分部出售。

本集團將繼續發展香港及澳門喉管貿易業務。我們將集中提升產品及服務，開發新的產品線，並加強與客戶的關係。通過這些行動，我們以擴大銷售及改善利潤底線為目的。

除了喉管貿易業務，管理層將繼續尋求投資機會，為股東帶來更好的回報。

### 致謝

本人藉此向熱衷及專業的員工團隊的傑出表現，以及股東長期的支持表示感謝。

**Lai Guanglin**  
*主席*

香港，二零一一年三月二十八日



### FINANCIAL REVIEW

For the year ended 31st December 2010, the Group recorded revenue from continuing operations of approximately HK\$516.4 million (2009: HK\$452.0 million), representing an increase of 14% as compared with the year ended 31st December 2009. The loss attributable to equity holders of the Company was approximately HK\$122.8 million for the year ended 31st December 2010, as compared with the loss attributable to equity holders of the Company of approximately HK\$39.7 million for the year ended 31st December 2009. The basic loss per share from continuing operations was approximately HK0.81 cents (2009: HK0.18 cents).

The increase in revenue was mainly attributable to contribution from sale of seamless steel pipes by 煙臺金裕豐無縫鋼管有限公司 (“Yantai Kiyofu Seamless Steel Pipe Co., Ltd.”) (“Kiyofu”) which was acquired in November 2009.

Before taking into account the corporate and other expenses, the loss attributable to equity holders of the Company was mainly due to impairment loss on property, plant and equipment of Kiyofu amounted to approximately HK\$98.9 million, impairment loss on goodwill of Kiyofu amounted to approximately HK\$23.1 million, impairment loss on land use rights of Kiyofu amounted to approximately HK\$2.5 million and loss from discontinued operation amounted to approximately HK\$14.8 million (2009: HK\$16.3 million).

### 財務業績

截至二零一零年十二月三十一日止年度，本集團錄得來自持續營運業務收入約為516,400,000港元(二零零九年：452,000,000港元)，較截至二零零九年十二月三十一日止年度增加14%。截至二零一零年十二月三十一日止年度，本公司股權持有人應佔虧損約為122,800,000港元，對比截至二零零九年十二月三十一日止年度本公司股權持有人應佔虧損約為39,700,000港元。來自持續營運業務之每股基本虧損約為0.81港仙(二零零九年：0.18港仙)。

收入增加主要來自於二零零九年十一月收購之煙臺金裕豐無縫鋼管有限公司(「金裕豐」)的無縫鋼管銷售收入所貢獻。

在計算公司及其他費用前，本公司股權持有人應佔虧損主要由於金裕豐之物業、廠房及設備減值虧損約為98,900,000港元、金裕豐之商譽減值虧損約為23,100,000港元、金裕豐之土地使用權減值虧損約為2,500,000港元及終止營運業務之虧損約為14,800,000港元(二零零九年：16,300,000港元)所致。

## REVIEW OF OPERATIONS

### Continuing Operations

#### *Trading of pipes and fittings*

The trading of pipes and fittings reported revenue for the year (excluding inter-segment revenue) of approximately HK\$385.1 million (2009: HK\$390.9 million) and profit attributable to equity holders of the Company for the year of approximately HK\$15.6 million (2009: loss of approximately HK\$12.3 million).

During the year of 2010, the profit attributable to equity holders from the segment of trading of pipes and fittings was improved. The profit was mainly attributable to the increase in gross profit margin resulting from the better cost control. In addition, there were write-back of provision for inventories of approximately HK\$4.7 million (2009: provision for impairment of inventories of approximately HK\$13.3 million) and decrease in bad debt expenses for the year 2010 compared with the year 2009.

#### **Manufacturing and sales of seamless steel pipes**

As Kiyoyo was acquired in November 2009, its results was consolidated into the Group accounts since then. The manufacturing and sales of seamless steel pipes reported revenue of approximately HK\$131.3 million for the year 2010 and loss attributable to equity holders of the Company of approximately HK\$8.4 million excluding one-off items. The one-off items amounted to approximately HK\$81.1 million, which mainly included impairment losses on goodwill, property, plant and equipment and land use rights.

## 業務回顧

### 持續營運業務

#### *喉管及管件貿易*

喉管及管件貿易於全年錄得收入(不包括分部間收入)約385,100,000港元(二零零九年:390,900,000港元),而全年本公司股權持有人應佔溢利約為15,600,000港元(二零零九年:虧損約為12,300,000港元)。

於二零一零年,喉管及管件貿易之股權持有人應佔溢利已有所改善。溢利主要由於成本控制方面得到改善,而使毛利率上升所致。此外,存貨減值撥回約4,700,000港元(二零零九年:存貨減值撥備約13,300,000港元)及於二零一零年度之壞賬撇銷較二零零九年度減少。

#### **生產及銷售無縫鋼管**

由於金裕豐於二零零九年十一月被收購,故其業績自當時起被綜合至本集團賬目。生產及銷售無縫鋼管於二零一零年錄得收入約131,300,000港元,而本公司股權持有人應佔虧損(不包括一次性項目)約為8,400,000港元。而一次性項目約為81,100,000港元,主要包括對商譽、物業、廠房及設備及土地使用權進行的減值虧損。

The loss attributable to equity holders of the Company was mainly due to impairment loss on property, plant and equipment of Kiyoyo amounted to approximately HK\$98.9 million, impairment loss on land use rights of Kiyoyo amounted to approximately HK\$2.5 million, impairment loss on goodwill relating to seamless steel pipe segment of HK\$23.1 million and low gross profit margin as a result of higher cost of raw materials.

The financial results for the year ended 31st December 2010 for the segment of manufacturing and sale of seamless steel pipes was materially affected by the imposition of anti-dumping duties on imports of steel pipes to the United States and the European Union with duty up to approximately 98% and 39% respectively. In addition, the US Ministry of Commerce decided to impose anti-subsidy duty up to approximately 13% in early 2010. These measures have led to oversupply and intense competition in the Mainland China market as the steel pipe exporters turned to the domestic market. On the other hand, the cost of raw materials (mainly steel billets) increased significantly which has exacerbated the situation. The average cost of steel billets for 2010 has increased by approximately 21% over prior year. The gross profit margin was therefore significantly reduced and resulted in an operating loss.

Since Kiyoyo has made a loss for the year ended 31st December 2010, the profit guarantee of RMB30 million (pursuant to the supplemental sale and purchase agreements dated 7th September 2009) has not been met. For the year ended 31st December 2010, the net loss of Kiyoyo before and after one-off items (mainly included impairment losses), were approximately RMB12.8 million and RMB62.7 million respectively. In view of the loss making position of Kiyoyo, the Company and the vendors under the supplemental sale and purchase agreements agreed that the one-off items of Kiyoyo should be excluded as the basis of the calculation of the shortfall as operating loss was intended as the basis for calculating the shortfall. As such, the shortfall was equivalent to 60% of the approximately RMB42.8 million, being the sum of approximately RMB25.7 million.

本公司股權持有人應佔虧損主要由於金裕豐之物業、廠房及設備減值虧損約為98,900,000港元、土地使用權減值虧損約為2,500,000港元、有關無縫鋼管分部的商譽減值虧損約為23,100,000港元，以及原材料成本較高導致毛利率下降所致。

生產及銷售無縫鋼管分部截至二零一零年十二月三十一日止年度之財務業績，因美國及歐洲聯盟分別對進口鋼管實施反傾銷稅約98%及39%而受到重大影響。此外，美國商務部決定在二零一零年初徵收反補貼稅約13%。由於鋼管出口商轉回內地市場經營，故此舉導致於中國內地供應過多及產生劇烈競爭。另一方面，由於原材料（主要為鋼坯）的成本價暴漲，此亦使情況變得更差。二零一零年鋼坯的平均成本價較往年增加約21%。毛利率因而大幅下跌，而導致經營虧損。

由於金裕豐截至二零一零年十二月三十一日止年度錄得虧損，根據二零零九年九月七日之補充買賣協議內的人民幣30,000,000利潤保證未能達成。截至二零一零年十二月三十一日止年度，金裕豐的一次性項目（主要包含減值虧損）前及後之淨虧損分別約為人民幣12,800,000元及人民幣62,700,000元。鑑於金裕豐之虧損情況，本公司及補充買賣協議的賣方同意計算差額的基準乃不包括金裕豐之一次性項目，因預期以營運虧損作為計算差額的基準。因此差額約為人民幣25,700,000元，乃按約人民幣42,800,000元之60%計算。

### Discontinuing Operation

#### *Investment properties*

As the Group has disposed all its properties situated in Hong Kong and Shanghai during 2010, the investment properties operation was presented as discontinued operation. For 2010, the Group recorded revenue of approximately HK\$1.5 million (2009: HK\$1.8 million) and loss attributable to equity holders of approximately HK\$27.7 million (2009: HK\$5.1 million), which included the loss on properties revaluation of approximately HK\$23.1 million (2009: gain of HK\$4.1 million).

### PROSPECTS

Last year was a challenging year for the seamless steel pipes business in Mainland China. Looking forward, the market competition will continue to be very intense. This is exacerbated by the recent increase of anti-dumping duty and anti-subsidy duty on steel products exporting to the United States. Given the monetary easing policies of the United States, it is expected that commodity prices will continue its uprising trend in the foreseeable future.

Against the difficult market conditions as explained above and having regard to the unsatisfactory performance in the segment of manufacturing and sale of seamless steel pipes in Mainland China, and the considerable strain which this segment places on the Group's internal resources, the Group intends to consider the disposal of such segment in future should the opportunity arise.

The Group will continue to develop our pipe trading business in Hong Kong and Macau. We will focus our efforts on upgrading our products and services, developing new product lines, and strengthening our relationships with our customers. Through these initiatives, we aim at growing our top line sales and improving our bottom line profits of the Group.

### 終止營運業務

#### *投資物業*

由於本集團已於二零一零年出售其所有位於香港及上海之物業，故投資物業業務呈列為終止營運業務。於二零一零年內，本集團錄得收入約為1,500,000港元(二零零九年：1,800,000港元)及股權持有人應佔虧損約為27,700,000港元(二零零九：5,100,000港元)，當中包括物業重估之虧損約為23,100,000港元(二零零九年：收益約為4,100,000港元)。

### 前景

過去一年，對於中國的無縫鋼管業屬具挑戰性的一年。展望未來，市場上的競爭將繼續會非常劇烈。由於出口到美國的鋼鐵制品的反傾銷稅及反補貼稅近期增加，而使情況變得更差。基於美國的量化寬鬆政策，本集團預期商品價格會於可見未來繼續上漲。

為應付上述困難的市場狀況及經考慮於中國內地生產及銷售無縫鋼管分部之表現不理想，以及該分部對本集團內部資源造成重大負擔，本集團欲考慮於機會出現時把該分部出售。

本集團將繼續發展香港及澳門喉管貿易業務。我們將集中提升產品及服務，開發新的產品線，並加強與客戶的關係。通過這些行動，我們以擴大銷售及改善利潤底線為目的。

In addition to the pipe trading business, the management will continue to seek investment opportunities that can potentially bring better returns to our shareholders.

### LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 31st December 2010, the cash and bank balances of the Group were approximately HK\$155.0 million (31st December 2009: HK\$94.4 million) including pledged bank deposit amounted to HK\$92.8 million (31st December 2009: HK\$38.6 million). Basically the Group's working capital requirement has been financed by its internal resources. The Group believes that funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 31st December 2010, the Group had aggregate banking facilities of term loans and trade finance of approximately HK\$233.3 million (31st December 2009: HK\$392.5 million), approximately HK\$221.0 million (31st December 2009: HK\$308.1 million) was utilised. The Group's total borrowings stood at approximately HK\$174.0 million (31st December 2009: HK\$278.1 million), the entire amount of borrowings (31st December 2009: HK\$238.2 million) will mature within one year.

Of the total HK\$174.0 million borrowings outstanding at 31st December 2010 (31st December 2009: HK\$278.1 million), HK\$174.0 million (31st December 2009: HK\$243.8 million) was subject to floating rates and no borrowing was subject to fixed rate (31st December 2009: HK\$34.3 million).

As at 31st December 2010, the Group had no unsecured shareholder loans (31st December 2009: HK\$54.4 million).

除了喉管貿易業務，管理層將繼續尋求投資機會，為股東帶來更好的回報。

### 流動資金及資本來源分析

於二零一零年十二月三十一日之現金及銀行結餘約為155,000,000港元(二零零九年十二月三十一日：94,400,000港元)包括抵押銀行存款約為92,800,000港元(二零零九年十二月三十一日：38,600,000港元)。本集團所需之營運資金來自內部資源。本集團相信由業務產生之資金及可用之銀行融資額度，足以應付本集團日後之營運資金需求。

於二零一零年十二月三十一日，本集團之貸款及貿易銀行融資共約233,300,000港元(二零零九年十二月三十一日：392,500,000港元)，當中約221,000,000港元(二零零九年十二月三十一日：308,100,000港元)已被動用。本集團的借貸總額約為174,000,000港元(二零零九年十二月三十一日：278,100,000港元)，該筆借貸全數(二零零九年十二月三十一日：238,200,000港元)將於一年內到期。

於二零一零年十二月三十一日之未償還貸款共約174,000,000港元(二零零九年十二月三十一日：278,100,000港元)，174,000,000港元(二零零九年十二月三十一日：243,800,000港元)以浮動利率計息，並無未償還貸款以固定利率計息(二零零九年十二月三十一日：34,300,000港元)。

於二零一零年十二月三十一日，本集團沒有無抵押股東貸款(二零零九年十二月三十一日：54,400,000港元)。

The gearing ratio as measured by total debt to total equity maintained at approximately 63% as at 31st December 2010 and approximately 81% as at 31st December 2009.

As at 31st December 2010, 39% (31st December 2009: 40%) of the Group's total borrowings was denominated in HK dollars, 61% (31st December 2009: 60%) was denominated in Renminbi.

The Group conducts its business transactions mainly in Hong Kong dollar, Renminbi, United States dollar, Euro and Australian dollar. In order to manage foreign exchange risk, the Group has been closely monitoring its foreign currency exposure and the Group has entered into a foreign exchange forward contract for the year under review.

### CHARGE ON ASSETS

As at 31st December 2010, certain assets of the Group held by subsidiaries with an aggregate carrying value of approximately HK\$204.1 million (31st December 2009: HK\$479.3 million) were pledged to banks for banking facilities obtained.

### CONTINGENT LIABILITIES

#### Financial guarantee contract

As at 31st December 2010, a subsidiary of the Group in Mainland China has provided a corporate guarantee (with maximum exposure of approximately HK\$21.9 million) in favor of a bank to support the banking facilities of approximately HK\$43.9 million obtained by an independent third party which is required to provide 50% pledged deposit upon drawdown (31st December 2009: HK\$29.2 million against which no pledged deposit was required). This guarantee has been provided as part of counter security arrangement entered into by the subsidiary with the independent third party, whereby the independent third party has also provided corporate guarantee in favor of the subsidiary for banking facilities up to approximately HK\$47.4 million.

於二零一零年十二月三十一日，按借貸總額相對於總權益計算的資產負債比率維持在約63%，而於二零零九年十二月三十一日約為81%。

於二零一零年十二月三十一日，本集團借貸總額內39%（二零零九年十二月三十一日：40%）以港元結算，61%（二零零九年十二月三十一日：60%）以人民幣結算。

本集團之業務交易主要以港元、人民幣、美元、歐元及澳元結算。為管理外幣風險，本集團一直密切監控外幣風險及於回顧年度，本集團已訂立外幣期貨合約。

### 資產押記

於二零一零年十二月三十一日，由本集團之附屬公司持有賬面總值約為204,100,000港元（二零零九年十二月三十一日：479,300,000港元）之若干資產已抵押予銀行以取得銀行融資。

### 或然負債

#### 財務擔保合約

於二零一零年十二月三十一日，本集團於中國內地的一家附屬公司為一位獨立第三方取得銀行融資而向銀行提供之公司擔保約為43,900,000港元，當中使用額度的50%需由該獨立第三方提供抵押存款作抵押（承受最高風險約為21,900,000港元）（二零零九年十二月三十一日：29,200,000港元，當中並無抵押存款之要求）。該項擔保由附屬公司與獨立第三方訂立，為部份反擔保的安排，同時藉以獨立第三方為附屬公司提供公司擔保，以取得銀行融資額度約為47,400,000港元。

### STAFF AND EMPLOYMENT

As at 31st December 2010, the Group employed a total of 501 (31st December 2009: 543) employees. Total employee benefit expenses for the year ended 31st December 2010 was approximately HK\$56.3 million (2009: HK\$43.0 million).

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

### 員工及薪酬政策

於二零一零年十二月三十一日，本集團共僱用501名（二零零九年十二月三十一日：543名）僱員。截至二零一零年十二月三十一日止年度，員工福利開支共約56,300,000港元（二零零九年：43,000,000港元）。

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

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

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

### EXECUTIVE DIRECTORS

**Mr. Yu Ben Ansheng**, aged 46, was appointed as Executive Director and Chief Executive Officer of the Company in May 2009. Mr. Yu has over 20 years of experience in investment management, investment banking and general management of listed companies. Mr. Yu began his career at Mackenzie Financial Corporation in Toronto, Canada as an investment analyst in 1989 and since then, he has served several major financial corporations including J.P. Morgan, Deutsche Bank and CITIC Capital. In addition to his vast investment banking and management experience, Mr. Yu has also managed listed companies such as New World Cyberbase Limited and Asia Logistics Holdings Limited in Hong Kong. During his past career, Mr. Yu has focused on direct investment and M&A activities in sectors including construction materials, infrastructure, energy, technologies, media and financial services.

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

**Mr. Sam Ming Choy**, aged 46, was appointed as Independent Non-executive Director of the Company in February 2009. Mr. Choy was then re-designated as Executive Director and Chief Operating Officer of the Company in September 2009. He has approximately 15 years of experience in managing investment enterprises. He was admitted to the Australian Government and served as Senior Commercial Representative in 1995, and has held the posts of executive director of Australian New Resource Investment Group since 2001, the executive director of American Chinese Culture Foundation (中美文化基金會) and American Chinese Culture Relics Society (中美文物協會) since 2006 respectively. Mr. Choy holds a Doctor of Business Administration degree jointly issued by Tsinghua University and Southern California University.

董事及高級管理人員之履歷簡述如下：

### 執行董事

**俞安生先生**，46歲，於二零零九年五月獲委任為本公司執行董事兼首席執行官。俞先生在投資管理、投資銀行及上市公司管理方面累積逾20年經驗。俞先生於一九八九年加入加拿大多倫多Mackenzie Financial Corporation，開始投資分析師之職業生涯。此後，彼曾服務於摩根大通、德意志銀行及中信資本等多間主要金融機構。除在投資銀行及資產管理方面累積豐富之經驗外，俞先生亦曾管理新世界數碼基地有限公司及亞洲物流控股有限公司等若干香港上市公司。於過往職業生涯中，俞先生專注於建材、基礎設施、能源、科技、傳媒及金融服務等行業之直接投資及併購活動。

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

**Sam Ming Choy先生**，46歲，於二零零九年二月獲委任為本公司之獨立非執行董事。Choy先生於二零零九年九月被調任為本公司之執行董事兼首席營運官。彼擁有約15年管理投資企業之經驗。彼於一九九五年加入澳洲政府，出任Senior Commercial Representative (高級商務代表)，並分別自二零零一年起出任Australian New Resource Investment Group之執行董事及自二零零六年起出任中美文化基金會及中美文物協會之執行董事。Choy先生持有清華大學與Southern California University聯合頒發之工商管理博士學位。



# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

**Mr. Lai Fulin**, aged 45, was appointed as Executive Director of the Company in October 2009. Mr. Lai has over 20 years of experience in the banking sector, investments management and general management of companies in China. Mr. Lai worked in the Bank of China in Shenzhen during 1986 to 2001. During 1995 to 2001, he was the deputy general manager of a subsidiary of Bank of China dealing with businesses in the securities industry. During 2002 to 2008, Mr. Lai was the general manager of Shenzhen Huao Guanli Technologies Company Limited (深圳市華奧冠力科技實業有限公司). Mr. Lai holds a certificate of graduation in Chinese Language from Shenzhen Institute of Education (深圳教育學院). Mr. Lai is the younger brother of Mr. Lai Guanglin, the controlling shareholder, the Chairman and a Non-executive Director of the Company.

### NON-EXECUTIVE DIRECTORS

**Mr. Lai Guanglin**, aged 47, was appointed as Non-executive Director and the Chairman of the Company in February 2009. Mr. Lai has extensive experience in business development and venture investment management. Mr. Lai has served as the chairman of the board of directors of Agria Corporation, a company listed on the New York Stock Exchange, which mainly engages in seed business development and investments in agricultural sector. His wholly owned investment vehicle, Brothers Capital Limited, is the largest shareholder of Agria Corporation. Mr. Lai was also an independent non-executive director of KXD Digital Entertainment Ltd., a company listed on the Singapore Stock Exchange, during 29th May 2003 to 7th May 2009. Mr. Lai was appointed as a director of PGG Wrightson Limited, New Zealand in December 2009, a company listed on the New Zealand stock exchange. Mr. Lai is also the deputy Chairman of Commerce of Chamber in Shenzhen, China.

Mr. Lai holds a bachelor's degree in accounting from Monash University, Australia. He is a certified public accountant in Australia. Mr. Lai is the brother of Mr. Lai Fulin, an Executive Director of the Company.

**賴福麟先生**，45歲，於二零零九年十月獲委任為本公司之執行董事。賴先生在中國銀行業、投資管理及企業管理方面累積逾20年經驗。賴先生於一九八六年至二零零一年期間任職於中國銀行深圳市分行。於一九九五年至二零零一年期間，彼曾出任中國銀行屬下之證券公司副總經理一職。於二零零二年至二零零八年期間，賴先生出任深圳市華奧冠力科技實業有限公司總經理一職。賴先生持有深圳教育學院中文科大專畢業證書。賴先生乃Lai Guanglin先生(為本公司之控股股東、主席及非執行董事)之胞弟。

### 非執行董事

**Lai Guanglin先生**，47歲，於二零零九年二月獲委任為本公司非執行董事兼主席。Lai先生在業務發展及創業投資管理方面有豐富經驗。Lai先生現為一間在紐約證券交易所上市主要從事種業投資及發展的公司華奧物種集團有限公司之董事會主席。Lai先生全資擁有的投資公司Brothers Capital Limited是華奧物種集團有限公司之最大股東。Lai先生亦曾於二零零三年五月二十九日至二零零九年五月七日止期間出任於新加坡證券交易所上市之公司KXD Digital Entertainment Ltd.之獨立非執行董事。Lai先生於二零零九年十二月獲委任為於新西蘭證券交易所上市之公司PGG Wrightson Limited之董事。Lai先生現任深圳市商業委員會副會長。

Lai先生持有澳洲Monash University之會計學系學士學位。彼為一名澳洲執業會計師。Lai先生乃賴福麟先生(為本公司之執行董事)之胞兄。

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

**Mr. U Kean Seng**, aged 44, was appointed as Non-executive Director of the Company in February 2009. Mr. U has more than 15 years of experience in legal practice. Mr. U specialises in the area of corporate law and corporate finance. Mr. U was admitted to the Supreme Court of Victoria, Australia in 1991, the Singapore Bar in 1993 and the Roll of Solicitors for England and Wales in 2009. Mr. U holds a bachelor's degree in economics and a bachelor's degree in laws (Honours) from Monash University, Australia. Mr. U currently holds the professional appointment as the Head of Corporate and Legal Affairs of Agria Corporation, a company listed on the New York Stock Exchange. Brothers Capital Limited, an investment vehicle wholly-owned by Mr. Lai Guanglin, is the largest shareholder of Agria Corporation. Mr. U is an independent director of GRP Limited, Miyoshi Precision Limited and Ossia International Limited, all of which are companies listed on the Singapore Stock Exchange. Mr. U served as independent director of CPH Ltd (formerly known as Circuits Plus Holdings Limited), a company listed on the Singapore Stock Exchange, from December 2003 to July 2006, NTI International Limited, a company listed on the Singapore Stock Exchange, from November 2004 to April 2007, New Wave Holdings Ltd (formerly known as New Wave Technologies Ltd), a company listed on the Singapore Stock Exchange, from December 2003 to July 2006, Automated Touchstone Machines Limited, a company formerly listed on the Singapore Stock Exchange, from July 2005 to April 2007 and as non-executive director of Radiance Group Limited (formerly known as Radiance Electronics Limited), a company listed on the Singapore Stock Exchange, from 21st November 2007 to 2nd December 2009.

**余建成先生**，44歲，於二零零九年二月獲委任為本公司之非執行董事。余先生擁有逾15年之法律執業經驗。余先生擅於處理公司法及企業融資事務。余先生於一九九一年取得澳洲維多利亞州最高法院認可資格，於一九九三年取得新加坡大律師公會認可資格，並於二零零九年取得英格蘭與威爾斯律師登記冊認可資格。余先生持有澳洲Monash University之經濟學學士學位及法學學士學位（榮譽）。余先生目前擔任之專業職務為紐約證券交易所上市公司華奧物種集團有限公司之企業及法律事務總監。Lai Guanglin先生全資擁有的投資公司Brothers Capital Limited是華奧物種集團有限公司之最大股東。余先生為GRP Limited、Miyoshi Precision Limited（三吉精工有限公司）及Ossia International Limited之獨立董事，該等公司均於新加坡證券交易所上市。余先生曾於二零零三年十二月至二零零六年七月擔任新加坡證券交易所上市公司CPH Ltd（前稱Circuits Plus Holdings Limited）之獨立董事；曾於二零零四年十一月至二零零七年四月擔任新加坡證券交易所上市公司NTI International Limited之獨立董事；曾於二零零三年十二月至二零零六年七月擔任新加坡證券交易所上市公司New Wave Holdings Ltd（前稱New Wave Technologies Ltd）之獨立董事，曾於二零零五年七月至二零零七年四月擔任前新加坡證券交易所上市公司辰通智能設備（深圳）有限公司之獨立董事，以及曾於二零零七年十一月二十一日至二零零九年十二月二日擔任新加坡證券交易所上市公司Radiance Group Limited（建光集團有限公司）（前稱Radiance Electronics Limited（建光電子有限公司））之非執行董事。

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

### INDEPENDENT NON-EXECUTIVE DIRECTORS

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

**Mr. Chen Wei Wen**, aged 42, was appointed as Independent Non-executive Director of the Company in April 2010. Mr. Chen holds a Bachelor of Business (Accounting) from Monash University, Australia. Mr. Chen worked as a general manager of Guangzhou Futian Trading Company Ltd. (廣州市富添貿易有限公司) from 1997 to 2005. Since November 2004, Mr. Chen was appointed as chief operating officer of Guangzhou Kanxin Polymer Technology Co., Ltd. (廣州市康心高分子科技有限公司) which is an affiliated company of Guangzhou Futian Trading Company Ltd. (廣州市富添貿易有限公司). Mr. Chen was also appointed as director and general manager of Fuda Enterprises Limited (富而達企業有限公司) since February 1998.

### 獨立非執行董事

**黃以信先生**，43歲，於二零零九年二月獲委任為本公司之獨立非執行董事。黃先生為香港會計師公會資深成員，以及澳洲會計師公會及澳洲銀行及金融學會成員。彼持有新南威爾士大學之商學碩士學位，專業為銀行及金融學。彼曾於羅兵咸永道會計師事務所及安永會計師事務所任職逾19年，擅於處理銀行及上市公司審核事務。黃先生為一間於新加坡證券交易所上市公司Contel Corporation Limited (康特爾集團有限公司)之獨立董事。黃先生亦曾於二零零五年十一月至二零零八年九月出任於新加坡證券交易所上市公司Memory Devices Limited (儲科電子有限公司)之獨立董事。

**陳偉文先生**，42歲，於二零一零年四月獲委任為本公司之獨立非執行董事。陳先生持澳洲Monash University的工商(會計)學士學位。由一九九七年至二零零五年，陳先生曾於廣州市富添貿易有限公司擔任總經理。自二零零四年十一月起，陳先生被委任為廣州市康心高分子科技有限公司(為廣州市富添貿易有限公司之聯屬公司)的首席營運官。自一九九八年二月起，陳先生亦被委任為富而達企業有限公司的董事及總經理。

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

**Ms. Yang Li**, aged 39, was appointed as Independent Non-executive Director of the Company on 20th January 2011. Ms. Yang holds a master degree in Law from Renmin University of China, specializing in philosophy, moral and political education. From July 1993 to May 2005, Ms. Yang taught in Chinese People's Public Security University as assistant lecturer, lecturer and associate professor. From June 2005 to November 2006, Ms. Yang acted as deputy general manager of the administration and management department of China Exhibition Investment and Development Corporation Ltd.. Since December 2006, she acted as manager, supervisor and general manager of the administration department of 高原聖果(北京)沙棘營銷有限公司. Ms. Yang has extensive experience in corporate operation, human resources and administration and management.

### SENIOR MANAGEMENT

**Mr. Tsang Wai Yip, Patrick**, aged 42, was appointed as the Chief Financial Officer and Company Secretary of the Company in November 2009. Mr. Tsang is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants in England and Wales. Prior to joining the Company, Mr. Tsang had held various finance positions in a number of listed companies and has over 20 years of experience in auditing, accounting, corporate finance and investor relations.

**Mr. Tsang Chung Yin**, aged 65, is now the Honorary Chairman of the pipe trading subsidiary, Bun Kee (International) Limited, a company founded by his father Mr. Tsang Bun in 1949. He was a former chairman of the Company and has over 35 years of experience in managing Bun Kee. Using his extensive experience and network in the business, he is now actively involved in the strategic development of Bun Kee. He is a member of the Institute of Plumbing & Registered Plumber (U.K.).

**楊莉女士**，39歲，於二零一一年一月二十日獲委任為本公司之獨立非執行董事。楊女士持有中國人民大學法學碩士學位，專業為哲學及思想政治教育。於一九九三年七月至二零零五年五月，楊女士於中國人民公安大學任教，歷任助教、講師、副教授。於二零零五年六月至二零零六年十一月，楊女士於北京中展投資發展有限公司綜合管理部擔任副總經理。於二零零六年十二月起，楊女士於高原聖果(北京)沙棘營銷有限公司先後擔任綜合部經理兼監事及總經理。楊女士對企業營運、人力資源及行政管理工作方面均擁有豐富的經驗。

### 高級管理人員

**曾偉業先生**，42歲，於二零零九年十一月獲委任為本公司首席財務官兼公司秘書。曾先生為香港會計師公會及英國特許公認會計師公會之資深會員，亦為英格蘭及威爾士特許會計師協會會員。加入本公司前，曾先生曾於多間上市公司出任不同的財務職務，在審計、會計、企業融資及投資者關係方面擁有逾二十年的經驗。

**曾仲賢先生**，65歲，現時為主營喉管貿易的附屬公司彬記(國際)有限公司(該公司由其父親曾彬先生於1949年創立)之榮譽主席。彼曾經擔任本公司主席，並於管理彬記方面擁有逾35年的經驗。憑藉其廣泛之業務聯繫，彼現時積極參與彬記於喉管貿易的策略發展。彼為Institute of Plumbing & Registered Plumber (U.K.)之會員。

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

**Mr. Chan Churk Kai**, aged 57, joined the Group in 1978 and is the managing director of the pipe trading subsidiary, Bun Kee (International) Limited. With over 32 years of experience in the trading of pipes, fittings and other related accessories, he is responsible for the development and supervision of the sales department. Mr. Chan is an associate member of the Institute of Plumbing and Heating Engineering (U.K.), Asian Institute of Intelligent Buildings and the Hong Kong Association of Energy Engineers. He is also a member of Lions Club.

**Ms. Chan Yuk Fan**, aged 47, joined the Group in 1982 and is the sales director of the pipe trading subsidiary, Bun Kee (International) Limited. Ms. Chan is responsible for the Group's sales operations including wholesale division, Hong Kong and Macau retail shops and new product development. She is also responsible for training new staff members of the sales and marketing team of the Group. Ms. Chan has over 29 years of experience in the selling of pipes, fittings and other related accessories.

**Mr. Lai Kui Chung**, aged 53, joined the Group in 1979 and is the warehouse director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Lai is responsible for the warehouse and transportation activities of the Group. He has over 30 years of experience in supervising warehouse and transportation operations. Mr. Lai holds a Certificate in Store Supervision from a technical institute.

**Mr. Ku Chun Ming**, aged 45, joined the Group in 1993 and is the associate sales director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Ku has over 21 years of experience in sales and marketing activities. He is responsible for the sales and promotion activities including the exhibitions and seminars.

**陳焯佳先生**，57歲，於一九七八年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之董事總經理，在喉管、管件及其他相關配件之貿易方面積逾32年經驗，負責發展及監督銷售部門。陳先生為英國水喉工程學會、亞洲智能建築學會及香港能源工程師學會會員。彼亦為獅子會會員。

**陳玉芬女士**，47歲，於一九八二年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之銷售董事。陳女士負責本集團之銷售業務，包括批發部門、香港及澳門零售店及新產品業務發展。彼亦負責培訓本集團銷售及市場推廣隊伍之新員工。陳女士在銷售喉管、管件及其他相關配件方面積逾29年經驗。

**黎居忠先生**，53歲，於一九七九年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之倉務董事，負責本集團之倉儲及運輸業務。彼在管理倉庫及運輸營運方面積逾30年經驗，持有工業學院之倉庫管理證書。

**古俊明先生**，45歲，於一九九三年加入本集團，為喉管貿易附屬公司彬記(國際)有限公司之副銷售董事。古先生在銷售及市場推廣業務積逾21年經驗。彼負責銷售及市場推廣活動，包括展覽及研討會。

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

### CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31st December 2010, except for the following deviation:

#### Code Provision A.4.1

The code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term, subject to re-election.

As disclosed in the 2009 annual report and 2010 interim report of the Company, the non-executive Directors of the Company (excluding the independent non-executive Directors of the Company) were not appointed for a specific term, which constitutes a deviation from code provision A.4.1. However, all Directors of the Company are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to Company’s bye-law 99 which was amended on 15th June 2006. As such, the Board considered that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the

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

### 企業管治常規守則

截至二零一零年十二月三十一日止年度，本公司全年已遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四內所載之企業管治常規守則(「守則」)的守則條文，惟以下偏離除外：

#### 守則條文第A.4.1條

守則條文第A.4.1條規定非執行董事之委任應有指定任期，並須接受重新選舉。

誠如本公司二零零九年年報及二零一零年中期報告內所述，本公司之非執行董事(不包括獨立非執行董事)並無指定任期，此舉構成偏離守則條文第A.4.1條。然而，根據於二零零六年六月十五日修訂之本公司細則第99條，本公司之所有董事須至少每三年輪值退任一次，並於本公司之股東週年大會上膺選連任。因此，董事會認為已採取足夠措施確保本公司之企業管治常規不遜於守則條文。然而，基於良好企業管治常規之考慮，本公司各非執行董事與本公司已於年內簽訂一

provisions of the Code. Nevertheless, in view of good corporate governance practices, each non-executive Director of the Company has entered into a letter of appointment with the Company during the year for a term until 31st December 2011. As such, the Company has taken step to comply with the code provision A.4.1 of the Code.

### BOARD OF DIRECTORS

#### Composition

As at 31st December 2010, the Board had ten members, comprising three executive Directors, Mr. Yu Ben Ansheng acting as Chief Executive Officer of the Company, Mr. Sam Ming Choy acting as Chief Operating Officer of the Company and Mr. Lai Fulin; four non-executive Directors, Mr. Lai Guanglin acting as the Chairman of the Company, Mr. U Kean Seng, Mr. Zhao Yue and Dr. Samuel Zia; and three independent non-executive Directors, Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Ms. Wu Xiuru, one of whom namely, Mr. Wong Yee Shuen, Wilson has appropriate professional accounting experience and expertise.

On 20th January 2011, Mr. Zhao Yue and Dr. Samuel Zia resigned as non-executive Directors and Ms. Wu Xiuru resigned as independent non-executive Director of the Company. On the same day, Ms. Yang Li was appointed as independent non-executive Director of the Company.

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

份委任書，任期至二零一一年十二月三十一日止。因此，本公司已採取措施遵守守則內之守則條文第A.4.1條。

### 董事會

#### 組成人員

於二零一零年十二月三十一日，董事會有十名成員，包括三名執行董事為俞安生先生（為本公司首席執行官）、Sam Ming Choy先生（為本公司首席營運官）及賴福麟先生；四名非執行董事為Lai Guanglin先生（為本公司主席）、余建成先生、趙越先生及謝齊鋒博士；以及三名獨立非執行董事，黃以信先生、陳偉文先生及吳秀茹女士，其中黃以信先生擁有適當的專業會計經驗及專門知識。

於二零一一年一月二十日，趙越先生及謝齊鋒博士辭任本公司非執行董事及吳秀茹女士辭任獨立非執行董事。於同日，楊莉女士獲委任為本公司獨立非執行董事。

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

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

To the best knowledge of the Company, there is no relationship (including financial, business, family or other material relationship) among members of the Board, except that Mr. Lai Guanglin, the non-executive Director and Chairman of the Company, is the brother of Mr. Lai Fulin, an executive Director of the Company.

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

Each of the non-executive Directors (including the independent non-executive Directors) has entered into a letter of appointment with the Company. All the non-executive Directors were appointed for a specific term and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

### **Chairman and Chief Executive Officer**

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

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

就本公司所知，除Lai Guanglin先生(本公司之非執行董事兼主席)乃賴福麟先生(本公司之執行董事)之胞兄外，董事會各成員間並無關係(包括財務、業務、家屬或其他重要關係)。

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

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

### **主席和首席執行官**

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



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

### Board Committees

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

### Board Meetings

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

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

### 董事會轄下的委員會

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

### 董事會會議

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

The Board held eight meetings during the year ended 31st December 2010. Due notice and board papers were given to all Directors prior to the Board meetings in accordance with the Code. The attendance records of the Board meetings held in 2010 are set out below:

截至二零一零年十二月三十一日止年內，董事會舉行了八次會議。本公司於舉行董事會會議前，已根據守則之規定向所有董事寄發正式通知及董事會文件。於二零一零年舉行的董事會會議出席記錄列載如下：

	<b>Attended/Eligible to attend</b>
	<b>出席次數／合資格出席次數</b>
<b>Executive Directors</b>	
Mr. Yu Ben Ansheng	7/8
Mr. Lai Fulin	7/8
Mr. Sam Ming Choy	8/8
Mr. Cai Shangwu <sup>(Note 2)</sup>	2/2
<b>Non-executive Directors</b>	
Mr. Lai Guanglin	8/8
Mr. U Kean Seng	8/8
Mr. Zhao Yue	5/8
Dr. Samuel Zia <sup>(Note 4)</sup>	5/5
<b>Independent Non-executive Directors</b>	
Mr. Wong Yee Shuen, Wilson	7/8
Mr. Lau Kwok Ting <sup>(Note 3)</sup>	1/2
Ms. Wu Xiuru	4/8
Mr. Chen Wei Wen <sup>(Note 1)</sup>	7/7

Notes:

1. Appointed on 21st April 2010.
2. Resigned on 1st May 2010.
3. Retired on 26th May 2010.
4. Appointed on 21st July 2010.

### 執行董事

俞安生先生	7/8
賴福麟先生	7/8
Sam Ming Choy 先生	8/8
蔡尚武先生 <sup>(附註2)</sup>	2/2

### 非執行董事

Lai Guanglin 先生	8/8
余建成先生	8/8
趙越先生	5/8
謝齊鋒博士 <sup>(附註4)</sup>	5/5

### 獨立非執行董事

黃以信先生	7/8
劉國定先生 <sup>(附註3)</sup>	1/2
吳秀茹女士	4/8
陳偉文先生 <sup>(附註1)</sup>	7/7

附註：

1. 於二零一零年四月二十一日委任。
2. 於二零一零年五月一日辭任。
3. 於二零一零年五月二十六日退任。
4. 於二零一零年七月二十一日委任。

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rule (the "Model Code"). Having made specific enquiry with the Directors, all Directors confirmed that they have fully complied with the required standard as set out in the Model Code during the year ended 31st December 2010.

### AUDIT COMMITTEE

The Company has established an Audit Committee which, as at the date of this report, consists of two independent non-executive Directors and one non-executive Director, namely Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. U Kean Seng. The Audit Committee is chaired by Mr. Wong Yee Shuen, Wilson who has the appropriate professional qualifications, accounting and financial management expertise.

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

### 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載有關上市發行人董事進行證券交易的標準守則(「標準守則」)。經本公司作出特別查詢後，所有董事已確認，彼等於截至二零一零年十二月三十一日止年內均全面遵守標準守則所載列之所須準則。

### 審核委員會

本公司已成立審核委員會及於本報告日期，由兩位獨立非執行董事及一位非執行董事組成，即黃以信先生、陳偉文先生及余建成先生。黃以信先生擔任審核委員會主席，彼具備合適的專業資格、會計或財務管理相關的專業知識。

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

During the year, the Audit Committee reviewed with the management and the Company's internal and/or external auditor, where applicable, their respective audit findings, the accounting principles and practices adopted by the Group, legal and regulatory compliance, internal control, risk management and financial reporting matters (including the annual financial statements for the year ended 31st December 2009 and interim financial statements for the period ended 30th June 2010 before recommending them to the Board for approval). In particular, the Audit Committee monitored the integrity of financial statements of the Company and the annual report and accounts and interim report and accounts of the Company, discussed such annual report and audited accounts and interim report and accounts with management and the Company's auditors, and reviewed significant financial reporting judgments contained therein.

The Audit Committee also reviewed and recommended to the Board for approval of the 2010 audit fees and re-appointment of the auditor of the Company.

於年內，審核委員會與管理層、本公司內部及／外部聘核數師(如適用)檢討各自的審核發現、本集團採納的會計原則及實務、法例及規管的遵守、內部監控、風險管理及財務報告事項(包括提呈予董事會批核前截至二零零九年十二月三十一日止年度的全年財務報表及二零一零年六月三十日止期間的中期財務報表)。審核委員會尤其監察本公司的財務報表、年報及賬目，以及中期報告及賬目的完整性，與管理層及本公司核數師討論該等年報及經審核賬目，以及中期報告及賬目，並審閱當中就財務報告所作的重大判斷。

審核委員會並審閱及建議董事會通過二零一零年核數費及重聘本公司核數師。

The Audit Committee held three meetings during the year ended 31st December 2010. The attendance records of the Audit Committee meetings held in 2010 are set out below:

截至二零一零年十二月三十一日止年內，審核委員會舉行了三次會議。於二零一零年舉行的審核委員會會議出席記錄列載如下：

Name of members	成員姓名	Attended/Eligible to attend 出席次數／合資格出席次數
Mr. Wong Yee Shuen, Wilson (Chairman)	黃以信先生(主席)	3/3
Mr. U Kean Seng (Note 1)	余建成先生(附註1)	1/1
Mr. Chen Wei Wen (Note 2)	陳偉文先生(附註2)	1/1
Mr. Lau Kwok Ting (Note 2)	劉國定先生(附註2)	2/2
Ms. Wu Xiuru (Note 3)	吳秀茹女士(附註3)	2/2
Notes:	附註：	
1. Mr. U was appointed as a member of Audit Committee with effect from 21st April 2010.	1. 余先生獲委任為審核委員會成員，由二零一零年四月二十一日起生效。	
2. Mr. Chen was appointed as a member of Audit Committee in place of Mr. Lau with effect from 21st April 2010.	2. 陳先生獲委任為審核委員會成員以代替劉先生，由二零一零年四月二十一日起生效。	
3. Ms. Wu resigned as a member of Audit Committee with effect from 21st April 2010.	3. 吳女士辭任審核委員會成員，由二零一零年四月二十一日起生效。	

## REMUNERATION COMMITTEE

The Company has established a Remuneration Committee. As at the date of this report, the Remuneration Committee comprises three members including one non-executive Director and two independent non-executive Directors, namely Mr. Lai Guanglin, Mr. Chen Wei Wen and Ms. Yang Li. It is chaired by Mr. Lai Guanglin. A written terms of reference of the Remuneration Committee has been adopted with the reference to the Code.

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

## 薪酬委員會

本公司已成立薪酬委員會。於本報告日期，薪酬委員會由三位成員組成，包括一位非執行董事及兩位獨立非執行董事，即Lai Guanglin先生、陳偉文先生及楊莉女士。主席由Lai Guanglin先生擔任。薪酬委員會已參考守則採納書面職權範圍。

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

The Remuneration Committee held four meetings during the year ended 31st December 2010. During the meetings, the remuneration policy, remuneration packages and bonus arrangements of the Directors and senior management have been discussed and approved.

The attendance records of the Remuneration Committee meetings held in 2010 are set out below:

截至二零一零年十二月三十一日止年內，薪酬委員會舉行了四次會議。於會議上，薪酬委員會就薪酬政策、董事及高級管理人員之薪酬及花紅作出討論及批准。

於二零一零年舉行的薪酬委員會會議出席記錄列載如下：

### Attended/Eligible to attend 出席次數／合資格出席次數

#### Name of members

Mr. Lai Guanglin (*Chairman*) *(Note 1)*  
Mr. Wong Yee Shuen, Wilson  
Mr. Chen Wei Wen *(Note 2)*  
Mr. U Kean Seng *(Note 1)*  
Mr. Lau Kwok Ting *(Note 2)*  
Mr. Wu Xiuru *(Note 3)*

#### 成員姓名

Lai Guanglin 先生 ( <i>主席</i> ) <i>(附註 1)</i>	2/2
黃以信先生	4/4
陳偉文先生 <i>(附註 2)</i>	2/2
余建成先生 <i>(附註 1)</i>	2/2
劉國定先生 <i>(附註 2)</i>	2/2
吳秀茹女士 <i>(附註 3)</i>	2/2

#### Notes:

- Mr. Lai was appointed as a member and the chairman of Remuneration Committee in place of Mr. U with effect from 21st April 2010.
- Mr. Chen was appointed as a member of Remuneration Committee in place of Mr. Lau with effect from 21st April 2010.
- Ms. Wu resigned as a member of Remuneration Committee with effect from 21st April 2010.

#### 附註：

- Lai 先生獲委任為薪酬委員會成員及主席以代替余先生，由二零一零年四月二十一日起生效。
- 陳先生獲委任為薪酬委員會成員以代替劉先生，由二零一零年四月二十一日起生效。
- 吳女士辭任薪酬委員會成員，由二零一零年四月二十一日起生效。

The Remuneration Committee also held a meeting on 20th January 2011. At the meeting, the Remuneration Committee considered and approved the total discretionary bonus for the Company's Directors and senior management for the year ended 31st December 2010 and reviewed and discussed the remuneration policy for 2010 and the remuneration packages of Directors and senior management for 2010.

薪酬委員會亦於二零一一年一月二十日舉行了一次會議。於會議上，薪酬委員會考慮及批准向本公司董事及高級管理人員派發截至二零一零年十二月三十一日止年度之酌情花紅及檢討及討論二零一零年之薪酬政策及董事及高級管理人員於二零一零年之薪酬。

### NOMINATION COMMITTEE

A Nomination Committee has been established by the Company. As at the date of this report, the Nomination Committee comprises three members including one non-executive Director and two independent non-executive Directors, namely Mr. U Kean Seng, Mr. Chen Wei Wen and Ms. Yang Li. It is chaired by Mr. U Kean Seng.

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

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

### 提名委員會

本公司已成立提名委員會。於本報告日期，提名委員會由三位成員組成，包括一位非執行董事及兩位獨立非執行董事，即余建成先生、陳偉文先生及楊莉女士。主席由余建成先生擔任。

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

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

The Nomination Committee held two meetings during the year ended 31st December 2010. The attendance records of the Nomination Committee meetings held in 2010 are set out below:

截至二零一零年十二月三十一日止年內，提名委員會舉行了兩次會議。於二零一零年舉行的提名委員會會議出席記錄列載如下：

Name of members	成員姓名	Attended/Eligible to attend 出席次數／合資格出席次數
Mr. U Kean Seng ( <i>Chairman</i> ) <sup>(Note 1)</sup>	余建成先生 ( <i>主席</i> ) <sup>(附註 1)</sup>	1/1
Mr. Wong Yee Shuen, Wilson	黃以信先生	2/2
Mr. Chen Wei Wen <sup>(Note 2)</sup>	陳偉文先生 <sup>(附註 2)</sup>	1/1
Mr. Lai Guanglin <sup>(Note 1)</sup>	Lai Guanglin 先生 <sup>(附註 1)</sup>	1/1
Mr. Lau Kwok Ting <sup>(Note 2)</sup>	劉國定先生 <sup>(附註 2)</sup>	1/1
Ms. Wu Xiuru <sup>(Note 3)</sup>	吳秀茹女士 <sup>(附註 3)</sup>	1/1

Notes:

1. Mr. U was appointed as a member and the Chairman of Nomination Committee in place of Mr. Lai with effect from 21st April 2010.
2. Mr. Chen was appointed as a member of Nomination Committee in place of Mr. Lau with effect from 21st April 2010.
3. Ms. Wu resigned as a member of Nomination Committee with effect from 21st April 2010.

附註：

1. 余先生獲委任為提名委員會成員及主席以代替Lai先生，由二零一零年四月二十一日起生效。
2. 陳先生獲委任為提名委員會成員以代替劉先生，由二零一零年四月二十一日起生效。
3. 吳女士辭任提名委員會成員，由二零一零年四月二十一日起生效。

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

提名委員會對本公司董事會之組成及其他相關事宜作出了討論及檢討。此外，提名委員會於回顧年內向董事會建議批准委任其他董事。提名委員會並於每年進行檢討獨立非執行董事的獨立性。



### INTERNAL CONTROL

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

The Board engaged a professional consulting firm to perform internal audit function to assess the effectiveness of the financial, operational and compliance controls and risk management functions of the Company and the Group's major subsidiaries on a rotation basis.

At the meeting of the Audit Committee held on 23rd March 2011, the professional consulting firm had reported their review work for the year ended 31st December 2010 performed in accordance with the detailed risk-based audit plan which was approved by the Audit Committee. The Board, through the Audit Committee, has conducted a review on the effectiveness of the Group's internal control systems for the year ended 31st December 2010. The Audit Committee members, together with the senior management, have also reviewed, considered and discussed all findings relating to the internal control systems and recommendations for improvement.

The Audit Committee also reviewed and was satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.

### 內部監控

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

董事會已委聘第三方中介機構輪流對本公司及本集團之主要附屬公司進行內部監控審核，就財務監控、運作監控、合規監控及風險管理功能等方面之效率進行評估。

就審核委員會於二零一一年三月二十三日舉行之審核委員會會議，該中介機構就根據一份以風險為基礎所編制的詳盡審核計劃（經審核委員會批准）所進行截至二零一零年十二月三十一日止年度的檢閱工作向審核委員會匯報。董事會已透過審核委員會檢討截至二零一零年十二月三十一日止年度的集團內部監控制度成效。審核委員會成員以及高級管理層並已檢閱、考慮及對有關於內部監控系統之調查結果及提供改善之建議作出討論。

審核委員會亦檢討了集團處理會計及財務匯報功能的資源、員工資歷和經驗，以及有關員工的培訓及預算開支，並滿意上述各項安排。

### AUDITOR'S REMUNERATION

The fees charged by the auditor generally depends on the scope and volume of the auditor's work. For the year ended 31st December 2010, the remunerations to the auditor of the Company were approximately HK\$1,288,000 for audit services and HK\$92,700 for non-audit services comprising tax services.

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING

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

The responsibilities of the auditor of the Company with respect to the financial statements of the Group is set out in the Independent Auditor's Report on pages 49 to 51.

### GOING CONCERN

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

### 核數師薪酬

核數師收取的費用一般視乎其工作量及範圍而定。截至二零一零年十二月三十一日止年度，本公司的核數師薪酬包含約1,288,000港元的審核服務費及92,700港元的非審核服務(包括稅項服務費用)。

### 董事及核數師之財務申報責任

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

本公司核數師就有關本集團財務報表之責任列載於第49至51頁的獨立核數師報告。

### 持續經營

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

### COMMUNICATIONS WITH SHAREHOLDERS

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

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

### 與股東之溝通

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

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

The Directors submit their report together with the audited financial statements for the year ended 31st December 2010.

### PRINCIPAL ACTIVITIES

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

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

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2010 are set out in the consolidated income statement on page 52.

The Directors do not recommend the payment of a final dividend for the year ended 31st December 2010.

### FIVE YEAR FINANCIAL SUMMARY

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

### RESERVES

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

### DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31st December 2010 are set out in Note 26 to the financial statements.

董事謹此提呈其截至二零一零年十二月三十一日止年度之報告連同經審核財務報表。

### 主要業務

本公司之主要業務為投資控股，而其附屬公司之主要業務則載於財務報表附註38。

按營運分類之本集團表現之分析載於財務報表附註5。

### 業績及分派

本集團截至二零一零年十二月三十一日止年度之業績載於第52頁之綜合收益表。

董事不建議派付截至二零一零年十二月三十一日止年度之末期股息。

### 五年財務概要

本集團過去五個財政年度業績及資產和負債之概要載於第168頁。

### 儲備

本集團及本公司年內之儲備變動情況詳情載於財務報表附註26。

### 可供分派儲備

於二零一零年十二月三十一日本公司之可供分派儲備之詳情載於財務報表附註26。

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

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

### BORROWINGS

Particulars of borrowings of the Group as at 31st December 2010 are set out in Note 27 to the financial statements.

### PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

### SHARE OPTION SCHEME

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

**(a) Purpose of the Scheme**

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

### 物業、廠房及設備

本集團之物業、廠房及設備之變動詳情載於財務報表附註14。

### 股本

本公司之股本變動詳情載於財務報表附註25。

### 借貸

本集團於二零一零年十二月三十一日之借貸詳情載於財務報表附註27。

### 購回、出售或贖回股份

本公司於年內概無贖回其任何股份。本公司及其任何附屬公司於年內概無買賣任何本公司股份。

### 購股權計劃

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

**(a) 計劃的目的**

計劃旨在為本公司提供一個靈活方法，藉以獎勵及／或回報予參與者。

**(b) Participants of the Scheme**

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

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

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

The total number of shares available for issue under the Scheme are 637,670,000 Shares, representing approximately 4.78% of the total number of shares of the Company in issue as at the date of this report.

**(b) 計劃之參與者**

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

**(c) 根據計劃可供發行之股份數目**

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

根據計劃可供發行的股份數目共637,670,000股，佔本公司於本報告日期的已發行股本約4.78%。

**(d) Maximum entitlement of each participant**

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

**(e) Minimum period for options to be held**

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

**(f) Period and payment on acceptance of options**

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

**(g) Basis determining the subscription price**

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

**(h) Life of the Scheme**

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

**(d) 根據計劃每位參與者之最高股份限額**

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

**(e) 持有購股權之最短期限**

除非任何有關要約之條款另有指明外，否則購股權毋須持有最短期限亦可行使。

**(f) 接納購股權之期間及付款**

根據計劃，承授人須在接納購股權後於授出購股權日期起計二十八日內向本公司支付10港元。

**(g) 釐定認購價之基準**

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

**(h) 計劃之有效期**

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

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

於年度內，根據計劃授出、行使、失效、註銷及尚未行使的購股權之詳情如下：

Name of Directors	董事姓名	Date of grant 授出日期	Exercise Price 行使價 HK\$ 港元	Held as at 1st January 2010 於二零一零年 一月一日持有	Movement during the year 年內變動				Held as at 31st December 2010 於二零一零年 十二月三十一日 持有
					Granted and accepted 已授出並接納 (note 3) (附註3)	Exercised 已行使	Lapsed 已失效	Cancelled 已註銷	
Lai Fulin <sup>(note 4)</sup>	賴福麟 <sup>(附註4)</sup>	3/12/2009	0.071	50,000,000	-	-	-	-	50,000,000
Sam Ming Choy <sup>(note 4)</sup>	Sam Ming Choy <sup>(附註4)</sup>	3/12/2009	0.071	50,000,000	-	-	-	-	50,000,000
U Kean Seng <sup>(note 4)</sup>	余建成 <sup>(附註4)</sup>	3/12/2009	0.071	30,000,000	-	-	-	-	30,000,000
Zhao Yue <sup>(note 4)</sup>	趙越 <sup>(附註4)</sup>	3/12/2009	0.071	30,000,000	-	-	-	-	30,000,000
Wong Yee Shuen, Wilson <sup>(note 4)</sup>	黃以信 <sup>(附註4)</sup>	3/12/2009	0.071	10,000,000	-	-	-	-	10,000,000
Lau Kwok Ting <sup>(notes 1 &amp; 4)</sup>	劉國定 <sup>(附註1及4)</sup>	3/12/2009	0.071	10,000,000	-	-	10,000,000	-	-
Chen Wei Wen <sup>(notes 2 &amp; 3)</sup>	陳偉文 <sup>(附註2及3)</sup>	5/5/2010	0.083	-	10,000,000	-	-	-	10,000,000
Wu Xiuru <sup>(note 4)</sup>	吳秀茹 <sup>(附註4)</sup>	3/12/2009	0.071	10,000,000	-	-	-	-	10,000,000
Employees <sup>(notes 4 &amp; 6)</sup>	僱員 <sup>(附註4及6)</sup>	3/12/2009	0.071	402,000,000	-	-	26,400,000	-	375,600,000
Employee <sup>(note 5)</sup>	僱員 <sup>(附註5)</sup>	5/5/2010	0.083	-	6,000,000	-	-	-	6,000,000
				<u>592,000,000</u>	<u>16,000,000</u>	<u>-</u>	<u>36,400,000</u>	<u>-</u>	<u>571,600,000</u>

Notes:

- Retired as independent non-executive director on 26th May 2010.
- Appointed as independent non-executive director on 21st April 2010.
- Pursuant to the Scheme, a total of 16,000,000 options were granted on 5th May 2010 and accepted by the grantees. The closing price of the shares immediately before the date on which the share options were granted was HK\$0.079.
- The options granted to these grantees are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable  
可行使之購股權最高百分比

20%  
40%  
60%  
80%  
100%

附註：

- 於二零一零年五月二十六日退任為獨立非執行董事。
- 於二零一零年四月二十一日委任為獨立非執行董事。
- 根據計劃，合共 16,000,000 股購股權於二零一零年五月五日授出，並得到承授人接納。股份於緊接購股權授出當日前收市價為 0.079 港元。
- 授予該等承授人的購股權將分階段歸屬，並按下列方式行使：

Exercise Period  
行使期

3/6/2010 – 2/12/2019  
3/6/2011 – 2/12/2019  
3/6/2012 – 2/12/2019  
3/6/2013 – 2/12/2019  
3/6/2014 – 2/12/2019



5. The options granted to these grantees are vested in stages and be exercised in the following manner:

Maximum percentage of options exercisable  
可行使之購股權最高百分比

20%  
40%  
60%  
80%  
100%

6. Vesting of options granted to certain employees is subject to achievement of profit target.

Details of the fair value of options granted under the Scheme during the year ended 31st December 2010 and the accounting policy adopted for the options are set out in Note 8 and Note 2 to the financial statements respectively.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

### DIRECTORS

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

#### EXECUTIVE DIRECTORS

Mr. Yu Ben Ansheng (*Chief Executive Officer*)  
Mr. Sam Ming Choy (*Chief Operating Officer*)  
Mr. Lai Fulin  
Mr. Cai Shangwu <sup>(note 1)</sup>

5. 授予該等承授人的購股權將分階段歸屬，並按以下方式行使：

Exercise Period  
行使期

5/11/2010 – 4/5/2020  
5/11/2011 – 4/5/2020  
5/11/2012 – 4/5/2020  
5/11/2013 – 4/5/2020  
5/11/2014 – 4/5/2020

6. 授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。

有關截至二零一零年十二月三十一日止年度根據計劃授出購股權的公允值及有關購股權的會計政策的詳情分別載於財務報表附註8及附註2。

### 董事收購股份或債券的權利

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

### 董事

年內及直至本報告刊發日期之本公司董事為：

#### 執行董事

俞安生先生 (*首席執行官*)  
Sam Ming Choy 先生 (*首席營運官*)  
賴福麟先生  
蔡尚武先生 <sup>(附註1)</sup>

### NON-EXECUTIVE DIRECTORS

Mr. Lai Guanglin (*Chairman*)

Mr. U Kean Seng

Mr. Zhao Yue <sup>(note 2)</sup>

Dr. Samuel Zia <sup>(note 3)</sup>

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yee Shuen, Wilson

Mr. Lau Kwok Ting <sup>(note 4)</sup>

Ms. Wu Xiuru <sup>(note 2)</sup>

Mr. Chen Wei Wen <sup>(note 5)</sup>

Ms. Yang Li <sup>(note 6)</sup>

#### Notes:

1. Resigned on 1st May 2010.
2. Resigned on 20th January 2011.
3. Appointed on 21st July 2010 and resigned on 20th January 2011.
4. Retired on 26th May 2010.
5. Appointed on 21st April 2010.
6. Appointed on 20th January 2011.

In accordance with bye-law 99 of the Bye-laws of the Company, Mr. Lai Guanglin, Mr. U Kean Seng and Mr. Sam Ming Choy will retire from office by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with bye-law 102(B) of the Bye-laws of the Company, Ms. Yang Li will hold office until the forthcoming annual general meeting and, being eligible, will offer herself for re-election.

### 非執行董事

Lai Guanglin 先生 (*主席*)

余建成先生

趙越先生 <sup>(附註2)</sup>

謝齊鋒博士 <sup>(附註3)</sup>

### 獨立非執行董事

黃以信先生

劉國定先生 <sup>(附註4)</sup>

吳秀茹女士 <sup>(附註2)</sup>

陳偉文先生 <sup>(附註5)</sup>

楊莉女士 <sup>(附註6)</sup>

#### 附註:

1. 於二零一零年五月一日辭任。
2. 於二零一一年一月二十日辭任。
3. 於二零一零年七月二十一日委任及於二零一一年一月二十日辭任。
4. 於二零一零年五月二十六日退任。
5. 於二零一零年四月二十一日委任。
6. 於二零一一年一月二十日委任。

根據公司細則第99條，Lai Guanglin 先生、余建成先生及Sam Ming Choy先生將輪值退任，惟有資格並願意於應屆股東週年大會上膺選連任。

根據公司細則第102(B)條，楊莉女士之任期至應屆股東週年大會止，惟有資格並將願意膺選連任。

### CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

### DIRECTORS' SERVICE CONTRACT

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

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

Significant related party transactions entered by the Group during the year ended 31st December 2010 are disclosed in Note 33 to the financial statements.

### 獨立非執行董事之獨立確認

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

### 董事及高級管理人員履歷

董事及高級管理人員之履歷載於本年報的董事及高級管理人員履歷內。

### 董事服務合約

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

### 董事於重大合約中之權益

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

本集團於截至二零一零年十二月三十一日止年內訂立之重大有關連人士之交易於財務報表附註33披露。

### **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

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

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

As at 31st December 2010, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were set out below:

### **董事於競爭性業務之權益**

董事及彼等各自之聯繫人概無擁有與本集團構成或可能構成競爭之任何業務權益。

### **董事於股份、相關股份或債券之權益及淡倉**

於二零一零年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或須根據上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所之權益或淡倉如下：

# Report of the Directors

## 董事會報告

### Long positions in the shares and underlying shares of the Company

於本公司股份及相關股份之好倉

Name of Directors 董事姓名	Capacity 身份	Number of shares of the Company 本公司之股份數目				Number of underlying shares held pursuant to share options 根據購股權持有之相關股份數目 (note 3) (附註3)	Total 總計	Approximate percentage of shares in issue 佔已發行股份概約百分比
		Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 法團權益	Other Interests 其他權益			
Lai Guanglin	Interest of controlled corporation 受控制法團權益	-	-	7,705,521,207 (note 1 附註1)	-	-	7,705,521,207	57.79%
Yu Ben Ansheng 俞安生	Beneficial owner/Interest of controlled corporation 實益擁有人/受控制法團權益	30,000,000	-	1,460,000,000 (note 2 附註2)	-	-	1,490,000,000	11.18%
Lai Fulin 賴福麟	Beneficial owner 實益擁有人	-	-	-	-	50,000,000	50,000,000	0.38%
Sam Ming Choy	Beneficial owner 實益擁有人	-	-	-	-	50,000,000	50,000,000	0.38%
U Kean Seng 余建成	Beneficial owner 實益擁有人	-	-	-	-	30,000,000	30,000,000	0.23%
Zhao Yue 趙越	Beneficial owner 實益擁有人	-	-	-	-	30,000,000	30,000,000	0.23%
Wong Yee Shuen, Wilson 黃以信	Beneficial owner 實益擁有人	-	-	-	-	10,000,000	10,000,000	0.08%
Chen Wei Wen 陳偉文	Beneficial owner 實益擁有人	-	-	-	-	10,000,000	10,000,000	0.08%
Wu Xiuru 吳秀茹	Beneficial owner 實益擁有人	-	-	-	-	10,000,000	10,000,000	0.08%

Notes:

附註:

- These shares are held by Singapore Zhongxin Investment Company Limited ("Singapore Zhongxin"), which is wholly and beneficially owned by Mr. Lai Guanglin, a non-executive Director and Chairman of the Company. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.
- These shares are held by King Jade Holdings Limited ("King Jade"), which is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.
- The interests in the underlying shares represented share options granted pursuant to the share option scheme adopted by the Company on 24th June 2004. Details of share options are set out in the above section headed "Share Option Scheme".

- 該等股份由Singapore Zhongxin Investment Company Limited (「Singapore Zhongxin」)持有，該公司由Lai Guanglin先生(本公司之非執行董事兼主席)全資實益擁有。因此，根據證券及期貨條例，Lai先生被視為於該等股份中擁有權益。
- 該等股份由King Jade Holdings Limited (「King Jade」)持有，該公司由俞安生先生(本公司之執行董事)全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。
- 相關股份中擁有之權益乃指根據本公司於二零零四年六月二十四日採納之購股權計劃授出之購股權。於上文「購股權計劃」一節中已載有購股權之詳情。

Save as disclosed above, as at 31st December 2010, none of the Directors or chief executive or their respective associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS

As at 31st December 2010, the interests or short positions of the following persons or corporations, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### Long position in share and underlying share of the Company

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

Notes:

- Singapore Zhongxin is wholly and beneficially owned by Mr. Lai Guanglin, a non-executive Director and Chairman of the Company. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.

除上文披露者外，於二零一零年十二月三十一日，概無董事或最高行政人員或彼等各自之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或須根據標準守則知會本公司及聯交所之權益或淡倉。

### 主要股東

於二零一零年十二月三十一日，以下人士或法團(上文所披露之本公司董事或最高行政人員除外)於本公司股份及相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉如下：

#### 於本公司股份及相關股份之好倉

附註：

- Singapore Zhongxin 乃由 Lai Guanglin 先生(本公司之非執行董事兼主席)全資實益擁有。因此，根據證券及期貨條例，Lai 先生被視為於該等股份中擁有權益。

- Ms. Li Juan, the spouse of Mr. Lai, is also deemed to be interested in Mr. Lai's interest in the Company under the SFO.
- King Jade is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.
- Ms. Zhang Lin, the spouse of Mr. Yu, is also deemed to be interested in Mr. Yu's interest in the Company under the SFO.

Save as disclosed above, as at 31st December 2010, the Company had not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### MANAGEMENT CONTRACTS

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

### MAJOR CUSTOMERS AND SUPPLIERS

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

#### Purchases

– the largest supplier	25.60%
– five largest suppliers combined	59.68%

#### Sales

– the largest customer	6.38%
– five largest customers combined	16.37%

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

- 根據證券及期貨條例，李娟女士(Lai先生之配偶)亦被視為擁有Lai先生於本公司之權益。
- King Jade乃由俞安生先生(本公司之執行董事)全資實益擁有。因此，根據證券及期貨條例，俞先生被視為於該等股份中擁有權益。
- 根據證券及期貨條例，Zhang Lin女士(俞先生之配偶)亦被視為擁有俞先生於本公司之權益。

除上文披露者外，於二零一零年十二月三十一日，本公司並無獲通知有任何其他人士或法團(本公司董事或最高行政人員除外)於本公司股份或相關股份擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

### 管理合約

年內並無訂立或存在涉及本集團全部或任何重大部分業務之任何管理及行政合約。

### 主要客戶及供應商

本集團主要供應商及客戶年內分別所佔之採購及銷售百分比如下：

#### 採購

– 最大供應商	25.60%
– 五大供應商合計	59.68%

#### 銷售

– 最大客戶	6.38%
– 五大客戶合計	16.37%

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

### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code of Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the year ended 31st December 2010, except for code provision A.4.1. Please refer to the Corporate Governance Report on pages 21 to 34 for details.

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

### AUDIT COMMITTEE

An audit committee currently consists of two independent non-executive Directors and one non-executive Director, namely Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. U Kean Seng.

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

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

### SUBSEQUENT EVENT

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

### 遵守企業管治常規守則

截至二零一零年十二月三十一日止年度，本公司全年已遵守上市規則附錄十四內所載之企業管治常規守則的守則條文，惟守則條文第A.4.1條除外。詳情請參閱第21頁至34頁之企業管治報告。

審核委員會及薪酬委員會之詳情載於企業管治報告內。

### 審核委員會

本公司已成立審核委員會，目前由兩名獨立非執行董事及一名非執行董事，即黃以信先生、陳偉文先生及余建成先生所組成。

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

本公司之審核委員會已審閱全年業績。

### 結算日後事項

於結算日後進行之重大事項，詳情載於財務報表附註35。



### PUBLIC FLOAT

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

### AUDITOR

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

By Order of the Board

**Lai Guanglin**  
*Chairman*

Hong Kong, 28th March 2011

### 公眾持股量

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

### 核數師

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

承董事會命

**Lai Guanglin**  
*主席*

香港，二零一一年三月二十八日



羅兵咸永道會計師事務所

PricewaterhouseCoopers  
22/F, Prince's Building  
Central, Hong Kong

**TO THE SHAREHOLDERS OF  
CHINA PIPE GROUP LIMITED**

*(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of China Pipe Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 52 to 167, which comprise the consolidated and company balance sheets as at 31st December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**DIRECTORS' RESPONSIBILITY FOR  
THE CONSOLIDATED FINANCIAL  
STATEMENTS**

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

**致中國管業集團有限公司股東**

*(於百慕達註冊成立的有限公司)*

本核數師(以下簡稱「我們」)已審計列載於第52至167頁中國管業集團有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一零年十二月三十一日的綜合和公司資產負債表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋資料。

**董事就綜合財務報表須承擔的責任**

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### 核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並按照百慕達《一九八一年公司法》第90條僅向整體股東報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

## OPINION

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

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 28th March 2011

## 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一零年十二月三十一日的事務狀況，及貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一一年三月二十八日

# Consolidated Income Statement

## 綜合收益表

For the year ended 31st 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	Restated 經重列 2009 二零零九年 HK\$'000 千港元
<i>Continuing operations:</i>	<i>持續營運業務：</i>			
Revenue	收入	5	516,479	452,018
Cost of sales	銷售成本		(425,836)	(381,077)
Gross profit	毛利		90,643	70,941
Impairment loss on property, plant and equipment	物業、廠房及設備之 減值虧損	14, 34(iii)	(98,900)	-
Impairment loss on land use rights	土地使用權之減值虧損	15, 34(iii)	(2,471)	-
Impairment loss on goodwill	商譽之減值虧損	16, 34(iii)	(23,050)	-
Other gains, net	其他收益淨額	6	552	5,534
Selling and distribution costs	銷售及分銷成本		(12,807)	(12,102)
General and administrative expenses	一般及行政費用		(97,255)	(80,470)
Operating loss	經營虧損	7	(143,288)	(16,097)
Finance costs, net	財務費用淨額	9	(14,578)	(9,175)
Loss before income tax	稅前虧損		(157,866)	(25,272)
Tax credit	稅項抵免	10	5,638	2,221
Loss for the year from continuing operations	持續營運業務之 年度虧損		(152,228)	(23,051)
<i>Discontinued operation:</i>	<i>終止營運業務：</i>			
Loss for the year from discontinued operation	終止營運業務之 年度虧損	24	(14,855)	(16,346)
Loss for the year	年度虧損		(167,083)	(39,397)
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人		(122,769)	(39,662)
Non-controlling interests	非控制性權益		(44,314)	265
			(167,083)	(39,397)
			HK cents 港仙	HK cents 港仙
Loss per share	每股虧損	12		
Basic and diluted	基本及攤薄			
From continuing operations	持續營運業務		(0.81)	(0.18)
From discontinued operation	終止營運業務		(0.11)	(0.13)
			(0.92)	(0.31)
			HK\$'000 千港元	HK\$'000 千港元
Dividend	股息	13	-	-

The notes on pages 59 to 167 are an integral part of these financial statements.

第59至167頁之附註為此等財務報表之組成部分。

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31st December 2010  
截至二零一零年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
Loss for the year	年度虧損	<b>(167,083)</b>	(39,397)
Other comprehensive income:	其他全面收益：		
Currency translation differences	貨幣換算差額	<b>4,617</b>	576
Release of exchange reserve upon disposal of subsidiaries	有關出售附屬公司之匯兌儲備之回撥	<b>(15,488)</b>	-
		<hr/>	<hr/>
Total comprehensive income for the year	年度全面收益總額	<b>(177,954)</b>	(38,821)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:	應佔：		
Equity holders of the Company	本公司股權持有人	<b>(133,747)</b>	(39,092)
Non-controlling interests	非控制性權益	<b>(44,207)</b>	271
		<hr/>	<hr/>
		<b>(177,954)</b>	(38,821)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 59 to 167 are an integral part of these financial statements.

第59至167頁之附註為此等財務報表之組成部分。

# Consolidated Balance Sheet

## 綜合資產負債表

As at 31st December 2010  
於二零一零年十二月三十一日

		Note	31st December 2010 二零一零年 十二月三十一日 HK\$'000 千港元	31st December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
		附註		
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	10,109	118,485
Land use rights	土地使用權	15	28,462	30,535
Goodwill	商譽	16	-	22,787
Investment properties	投資物業	17	-	185,231
Deferred tax assets	遞延稅項資產	28	4,578	11,761
Rental deposits and other assets	租約按金及其他資產	21	3,196	3,061
			<b>46,345</b>	371,860
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	20	230,545	180,448
Trade and other receivables	貿易及其他應收款項	21	166,446	163,440
Pledged bank deposit	抵押銀行存款	22	92,789	38,576
Cash and cash equivalents	現金及現金等價物	23	62,230	55,784
			<b>552,010</b>	438,248
Assets held-for-sale	持作出售資產	24	-	114,680
			<b>552,010</b>	552,928
<b>Total assets</b>	<b>總資產</b>		<b>598,355</b>	924,788

The notes on pages 59 to 167 are an integral part of these financial statements.

第59至167頁之附註為此等財務報表之組成部分。

# Consolidated Balance Sheet

## 綜合資產負債表

As at 31st December 2010  
於二零一零年十二月三十一日

		Note 附註	31st December 2010 二零一零年 十二月三十一日 HK\$'000 千港元	31st December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
<b>EQUITY</b>	<b>權益</b>			
<b>Equity holders</b>	<b>股權持有人</b>			
Share capital	股本	25	26,665	26,665
Reserves – others	儲備 – 其他	26	259,742	388,385
			<b>286,407</b>	415,050
<b>Non-controlling interests</b>	<b>非控制性權益</b>		<b>(11,114)</b>	33,093
<b>Total equity</b>	<b>總權益</b>		<b>275,293</b>	448,143
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借貸	27	–	39,973
Deferred tax liabilities	遞延稅項負債	28	4,541	18,736
			<b>4,541</b>	58,709
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	29	142,837	95,691
Amount due to a related company	應付關連公司款項	33	876	23,449
Amount due to a non-controlling shareholder	應付一位非控制性股東款項	33	17	133
Loan from a shareholder	股東貸款	33	–	59,881
Taxation payable	應付稅項		749	631
Borrowings	借貸	27	174,042	238,151
			<b>318,521</b>	417,936
<b>Total liabilities</b>	<b>總負債</b>		<b>323,062</b>	476,645
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>598,355</b>	924,788
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>233,489</b>	134,992
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>279,834</b>	506,852

Lai Guanglin  
Director

Yu Ben Ansheng  
Director

Lai Guanglin  
董事

俞安生  
董事

The notes on pages 59 to 167 are an integral part of these financial statements.

第59至167頁之附註為此等財務報表之組成部分。



# Balance Sheet

## 資產負債表

As at 31st December 2010  
於二零一零年十二月三十一日

		Note 附註	31st December 2010 二零一零年 十二月三十一日 HK\$'000 千港元	31st December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	224	—
Investments in subsidiaries	於附屬公司投資	18	88,482	96,901
			<b>88,706</b>	96,901
<b>Current assets</b>	<b>流動資產</b>			
Deposits, prepayments and other receivables	按金、預付款及 其他應收款項	21	1,328	403
Amounts due from subsidiaries	應收附屬公司款項	18	28,479	256,724
Cash and cash equivalents	現金及現金等價物	23	680	877
			<b>30,487</b>	258,004
<b>Total assets</b>	<b>總資產</b>		<b>119,193</b>	354,905
<b>EQUITY</b>	<b>權益</b>			
<b>Equity holders</b>	<b>股權持有人</b>			
Share capital	股本	25	26,665	26,665
Reserves – others	儲備 – 其他	26	(15,598)	161,983
<b>Total equity</b>	<b>總權益</b>		<b>11,067</b>	188,648
<b>LIABILITIES</b>	<b>負債</b>			
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables	其他應付款項	29	8,148	1,200
Amounts due to subsidiaries	應付附屬公司款項	18	99,978	105,176
Loan from a shareholder	股東貸款	33	—	59,881
<b>Total liabilities</b>	<b>總負債</b>		<b>108,126</b>	166,257
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>119,193</b>	354,905
<b>Net current (liabilities)/assets</b>	<b>流動(負債)/資產淨額</b>		<b>(77,639)</b>	91,747
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>11,067</b>	188,648

Lai Guanglin  
Director

Yu Ben Ansheng  
Director

Lai Guanglin  
董事

俞安生  
董事

The notes on pages 59 to 167 are an integral part of these financial statements.

第59至167頁之附註為此等財務報表之組成部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Equity holders 股權持有人									
		Share capital	Share premium	Capital reserve	Merger reserve	Exchange reserve	Share based payment reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		股本	股份溢價	資本儲備	合併儲備	匯兌儲備	以股份為基礎的付款	保留溢利	小計	非控制性權益	總計
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		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
	At 1st January 2009	25,065	79,418	34,115	3,700	16,343	-	245,983	404,624	-	404,624
	Loss for the year	-	-	-	-	-	-	(39,662)	(39,662)	265	(39,397)
	Other comprehensive income:										
	Currency translation differences	-	-	-	-	570	-	-	570	6	576
	Total comprehensive income for the year	-	-	-	-	570	-	(39,662)	(39,092)	271	(38,821)
	Transactions with owners:										
	Issue of new shares for an acquisition of a subsidiary	25,26	1,600	47,200	-	-	-	-	48,800	-	48,800
	Share based payment	-	-	-	-	-	718	-	718	-	718
	Acquisition of a subsidiary	34	-	-	-	-	-	-	-	32,822	32,822
			1,600	47,200	-	-	718	-	49,518	32,822	82,340
	At 31st December 2009	26,665	126,618	34,115	3,700	16,913	718	206,321	415,050	33,093	448,143
	<b>At 1st January 2010</b>	<b>26,665</b>	<b>126,618</b>	<b>34,115</b>	<b>3,700</b>	<b>16,913</b>	<b>718</b>	<b>206,321</b>	<b>415,050</b>	<b>33,093</b>	<b>448,143</b>
	Loss for the year	-	-	-	-	-	-	(122,769)	(122,769)	(44,314)	(167,083)
	Other comprehensive income:										
	Currency translation differences	-	-	-	-	4,510	-	-	4,510	107	4,617
	Release of exchange reserve upon disposal of subsidiaries	32(c)	-	-	-	(15,488)	-	-	(15,488)	-	(15,488)
	Total comprehensive income for the year	-	-	-	-	(10,978)	-	(122,769)	(133,747)	(44,207)	(177,954)
	Transactions with owners:										
	Share based payment	-	-	-	-	-	5,104	-	5,104	-	5,104
	At 31st December 2010	26,665	126,618	34,115	3,700	5,935	5,822	83,552	286,407	(11,114)	275,293

The notes on pages 59 to 167 are an integral part of these financial statements.

第59至167頁之附註為此等財務報表之組成部分。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

	Note	2010	2009
	附註	二零一零年 HK\$'000 千港元	二零零九年 HK\$'000 千港元
<b>Cash flows from operating activities</b>			
		<b>經營業務之現金流量</b>	
Cash (used in)/generated from operations	32(a)	(2,083)	111,067
Interest paid		(23,991)	(7,049)
Interest received		307	110
Income tax paid		(1,332)	(4,212)
Net cash (used in)/generated from operating activities		(27,099)	99,916
<b>Cash flows from investing activities</b>			
		<b>投資業務之現金流量</b>	
Purchase of property, plant and equipment		(2,187)	(4,098)
Proceeds from disposal of property, plant and equipment		22	–
Proceeds from disposal of assets held-for-sale		114,680	–
Acquisition of a subsidiary	32(b)	–	(21,128)
Disposal of subsidiaries	32(c)	161,235	–
Net cash from/(used in) investing activities		273,750	(25,226)
<b>Cash flows from financing activities</b>			
		<b>融資活動之現金流量</b>	
Drawdown of borrowings		372,539	238,232
Repayment of borrowings		(481,106)	(320,785)
(Repayment)/drawdown of loan from a shareholder		(54,360)	24,868
(Repayment)/drawdown of amount due to a related company		(23,468)	22,869
Increase in pledged bank deposit		(53,674)	(1,428)
Net cash used in financing activities		(240,069)	(36,244)
Net increase in cash and cash equivalents		6,582	38,446
Exchange differences		(136)	22
Cash, cash equivalents and bank overdrafts at beginning of the year		55,784	17,316
<b>Cash and cash equivalents at end of the year</b>		<b>62,230</b>	<b>55,784</b>
		<b>年終之現金及現金等價物</b>	

The notes on pages 59 to 167 are an integral part of these financial statements.

第59至167頁之附註為此等財務報表之組成部分。

### 1. General information

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

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

These financial statements are presented in HK dollars, unless otherwise stated.

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

- (i) On 11th November 2009, the Group completed the acquisition of 60% equity interest in 煙臺金裕豐無縫鋼管有限公司 (Yantai Kiyofu Seamless Steel Pipe Co., Ltd) (“Kiyofu”) for cash consideration of RMB18 million and issue of 800,000,000 new shares of the Company. Details of the acquisition are set out in Note 34.
- (ii) On 21st December 2010, the Group completed the disposal of the entire equity interest in Noble Win International Limited (which holds investment properties in Mainland China through its subsidiaries, details are set out in Note 5), at a cash consideration of approximately RMB139,303,000 (equivalent to approximately HK\$162,666,000). Gain on disposal of approximately HK\$12,847,000 was recognised in the consolidated income statement. Details of the disposal are set out in Note 32(c).

### 1. 一般資料

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

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

除非另有所指，本財務報表以港元呈列。

過去兩年，本集團之主要變動如下：

- (i) 於二零零九年十一月十一日，本集團完成收購煙臺金裕豐無縫鋼管有限公司(「金裕豐」)之60%股本權益，代價為人民幣18,000,000元之現金代價及發行800,000,000股本公司的新股份。收購詳情於附註34內披露。
- (ii) 於二零一零年十二月二十一日，本集團完成出售世禾國際有限公司(透過其附屬公司持有位於中國內地的投資物業，詳情列載於附註5)之所有股本權益，現金代價約為人民幣139,303,000元(相等於約162,666,000港元)。出售之收益約為12,847,000港元已於綜合收益表內確認。出售詳情列載於附註32(c)。

### 2. Basis of preparation and accounting policies

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and under the historical cost convention, as modified by the revaluation of investment properties, which were carried at fair value.

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

### 2. 編製基準及會計政策

下文載列編製此等綜合財務報表時採納之主要會計政策。除非另有所指，所採用的政策與過往年度所呈報的一致。

綜合財務報表依照香港財務報告準則（「香港財務報告準則」）及以歷史成本慣例編制，經就重估投資物業按公允值列賬而作出修訂。

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

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

### Adoption of new and revised standards

The Group has adopted the following revised standards, amendment to existing standard and interpretation, which are mandatory for accounting periods beginning on or after 1st January 2010 and relevant to the Group.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Annual improvements to HKFRSs published in May 2009

HKAS 17 (Amendment)	Leases
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The Group has assessed the impact of the adoption of these revised standards, amendment to existing standard and interpretation and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the consolidated financial statements.

## 2. 編製基準及會計政策 (續)

### 採納新訂及經修訂準則

本集團已採納下列與本集團業務相關的經修訂的準則，對現有準則之修訂及詮釋，並強制性須於二零一零年一月一日起開始的會計期間或之後期間實行。

香港會計準則 第27號(經修訂)	綜合及獨立財務報表
香港財務報告 準則第3號(經修訂)	業務合併
香港詮釋第5號	財務報表之呈列— 借款人對包含按要求 償還條款之定期貸款 之分類

於二零零九年五月公佈對香港財務報告準則之年度修訂

香港會計準則 第17號(修訂)	租約
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本集團已評估採納該等經修訂準則、對現有準則之修訂及詮釋後之影響，認為對本集團之業績及財務狀況並無重大影響，而會計政策及綜合財務報表呈列亦無任何重大改變。

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

### Adoption of new and revised standards (cont'd)

HKAS 17 (Amendment), “Leases”, deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. The Group has reassessed the classification of unexpired leasehold land prepayment as at 1st January 2010 on the basis of information existing at the inception of those leases, and continued to classify the leasehold land in Mainland China as operating lease under “Land use rights”.

HKAS 27 (Revised), “Consolidated and Separate Financial Statements”. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When control is lost, any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. HKAS 27 (Revised) had no impact on the current period, as there have been no transactions with non-controlling interests.

## 2. 編製基準及會計政策 (續)

### 採納新訂及經修訂準則 (續)

香港會計準則第17號(修訂)「租約」，刪除對土地租賃之分類的特定原則，藉以消除租賃分類的一般原則之分歧。據此，要求租賃土地應按香港會計準則第17號所列的一般原則分類，即按租賃資產所有權的相關風險及回報是否已大致上轉至承租人為基準。本集團對於二零一零年一月一日尚未到期之租賃土地的分類，根據其訂立租約時存在的資料重新評估，並繼續將位於中國內地的租賃土地分類為經營租賃項下的「土地使用權」。

香港會計準則第27號(經修訂)「綜合及獨立財務報表」。該經修訂準則要求所有跟非控制性權益之交易，而變動不會導致喪失控制權，涉及的交易會於權益內入賬，而有關交易將不再產生商譽或損益。如喪失控制權，所持的餘下權益將重新計算至公允值，公允值與賬面值如有差額，則在損益賬內確認入賬。由於本期間本集團與非控制性權益沒有任何交易，故香港會計準則第27號(經修訂)於本期間內不具影響。

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

### Adoption of new and revised standards (cont'd)

HKFRS 3 (Revised), “Business Combinations”. HKFRS 3 (Revised) continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the consolidated statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interests in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs are expensed. HKFRS 3 (Revised) had no impact on the current period as there has been no business combinations.

HK-Int 5, “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause”. HK Int-5 provides guidance on the classification by the borrower of a term loan that contains a repayment on demand clause, with reference to the criteria for classification of liabilities as current or non-current as set out in paragraph 69 of HKAS 1. HK Int-5 had no significant impact on current and prior periods.

## 2. 編製基準及會計政策 (續)

### 採納新訂及經修訂準則 (續)

香港財務報告準則第3號(經修訂)「業務合併」。香港財務報告準則第3號(經修訂)繼續應用收購法處理業務合併，惟與香港財務報告準則第3號比較，出現若干重大變動。例如，收購業務的所有款項必須按收購日期的公允值記錄，而分類為債務的或然付款其後須在綜合全面收益表重新計量。在計量被收購方的非控制性權益時，企業可按個別交易為基準，選擇按公允值或非控制性權益應佔被收購方淨資產的比例計量。所有收購相關成本必須支銷。由於本期間並無業務合併，故香港財務報告準則第3號(經修訂)於本期間內不具影響。

香港詮釋第5號－財務報表之呈列－借款人對包含按要償還條款之定期貸款之分類，香港詮釋第5號乃借款人對包含按要償還條款之定期貸款提供分類原則，根據香港會計準則第1號第69段所列之條件分類為即期或非即期負債。香港詮釋第5號對本期及前期之業績並無重大影響。



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

### Adoption of new and revised standards (cont'd)

The following new standard and amendments to existing standards have been published and are relevant to the Group's operation. They are mandatory for the Group's accounting periods beginning on or after 1st January 2011 or later periods, the Group has not early adopted them:

HKAS 12 (Amendment)	Deferred tax: Recovery of underlying assets
HKAS 24 (Revised)	Related Party Disclosures
HKFRS 9	Financial Instruments
Annual improvements to HKFRSs published in May 2010	
HKAS 1	Presentation of Financial Statements
HKAS 27	Consolidated and Separate Financial Statements
HKAS 34	Interim Financial Reporting
HKFRS 3	Business Combinations
HKFRS 7	Financial Instruments: Disclosures

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

## 2. 編製基準及會計政策 (續)

### 採納新訂及經修訂準則 (續)

以下為已頒佈與本集團業務相關的新訂準則及對現有準則的修訂。本集團強制須於二零一一年一月一日開始的會計期間或其後期間實行，惟本集團並無提早採納：

香港會計準則 第12號(修訂)	遞延稅項：收回 相關資產
香港會計準則 第24號(經修訂)	關連人士披露
香港財務報告 準則第9號	金融工具

於二零一零年五月公佈對香港財務報告準則之年度修訂

香港會計準則第1號	財務報表之呈報
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第34號	中期財務報告
香港財務報告 準則第3號	業務合併
香港財務報告 準則第7號	金融工具：披露

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

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

**(a) Consolidation**

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

*(i) Subsidiaries*

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

**2. 編製基準及會計政策(續)**

**(a) 綜合賬目**

綜合財務報表包括本公司及其所有附屬公司直至十二月三十一日止的財務報表。

*(i) 附屬公司*

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

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

**(a) Consolidation (cont'd)**

*(ii) Acquisitions*

For acquisitions prior to 1st July 2009, the cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Non-controlling interest is initially measured at its share of fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

For acquisition on or after 1st July 2009, as a result of the adoption of HKFRS 3 (Revised) "Business Combinations", accounting for acquisition of subsidiaries is as follows:

**2. 編製基準及會計政策 (續)**

**(a) 綜合賬目 (續)**

*(ii) 收購*

於二零零九年七月一日以前之收購，收購成本為在交易日為收購而付出的資產、發行之股本工具及發生或承擔的債務的公允值，加上所有與收購直接有關的成本。業務合併中，不論非控制性權益的多少，收購的可辨識資產與承擔的負債及或然負債初始以收購日的公允值計量。非控制性權益初步按其被集團收購日所佔子公司的可辨認資產和負債的公允值計算。收購成本超過本集團所佔購入的可辨識資產的公允值的數額記錄為商譽。倘若收購成本低於所購入的淨資產的公允值，其差額將直接於綜合收益表內確認。

由於採納香港財務報告準則第3號(經修訂)「業務合併」，凡於二零零九年七月一日或以後之收購，有關收購附屬公司之入賬方法如下：

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

**(a) Consolidation (cont'd)**

*(ii) Acquisitions (cont'd)*

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

**2. 編製基準及會計政策(續)**

**(a) 綜合賬目(續)**

*(ii) 收購(續)*

收購一家附屬公司之轉讓代價為轉移的資產、發生的負債及本集團發行之股本權益的公允值。轉讓代價包括任何或然代價安排產生的資產或負債之公允值。收購相關的成本在產生時列為支出。收購的可辨識資產與承擔的負債及或然負債初始以收購日的公允值計量。按個別交易為基準，本集團按被收購公司的公允值或按非控制性權益的比例佔的淨資產確認任何非控股權益。所轉讓代價、被收購人的任何非控制性權益金額及任何先前於被收購人的股權於收購日期的公允值超過所收購可識別資產淨值的公允值的差額入賬列作商譽。倘其低於所收購附屬公司的資產淨值的公允值(在議價購買的情況下)，則該差額會直接於綜合收益表內確認。

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

#### (a) Consolidation (cont'd)

##### (ii) Acquisitions (cont'd)

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

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

### 2. 編製基準及會計政策(續)

#### (a) 綜合賬目(續)

##### (ii) 收購(續)

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

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

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

**(a) Consolidation (cont'd)**

*(iii) Transactions with non-controlling interests*

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**2. 編製基準及會計政策 (續)**

**(a) 綜合賬目 (續)**

*(iii) 非控制性權益的交易*

本集團與非控制性權益進行之交易視作為跟本集團股權持有人的交易處理。對於向非控制性權益採購，所支付的任何代價與所收購附屬公司的淨資產賬面值之相關部份的差額於權益中入帳。對於向非控制性權益進行的出售所產生的盈虧亦於權益入賬。

本集團若喪失控制權或重大影響力，任何剩餘的實體權益，按公允值重新計量，公允值與賬面值之間的差額在綜合收益表中確認。就其後入賬列作聯營公司、合營企業及財務資產之剩餘權益，其初始賬面值按公允值作會計處理方法。此外，先前於其他全面收益內確認與該實體有關之任何金額按猶如該集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收益內確認之金額重新劃分為溢利或虧損。

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

#### (b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors is responsible for allocating resources and assessing performance of operating segments. Operating segments are not aggregated for financial reporting purposes unless the segment has similar economic characteristics and are similar in respect of the nature of products, the nature of production processes and the type or class of customers.

#### (c) Foreign currency translation

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

### 2. 編製基準及會計政策(續)

#### (b) 分類報告

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

#### (c) 外幣換算

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

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

**(c) Foreign currency translation (cont'd)**

*(ii) Transactions and balances*

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

*(iii) Group companies*

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

**2. 編製基準及會計政策 (續)**

**(c) 外幣換算 (續)**

*(ii) 交易及結餘*

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

*(iii) 集團公司*

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

- 各資產負債表所呈列之資產及負債按結算日之收市匯率換算；



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

### (c) Foreign currency translation (cont'd)

#### (iii) Group companies (cont'd)

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

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

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

## 2. 編製基準及會計政策(續)

### (c) 外幣換算(續)

#### (iii) 集團公司(續)

- 各收益賬之收入及開支按平均匯率換算(除非該平均匯率並非交易當日匯率的累積影響之合理約數,在此情況下收入及開支須按交易日的匯率換算);及
- 導致之所有匯兌差額確認為其他全面收益。

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

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

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

**(d) Property, plant and equipment**

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

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

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

**2. 編製基準及會計政策 (續)**

**(d) 物業、廠房及設備**

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

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

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

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

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

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

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

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

The gains or losses on disposals of property, plant and equipment is the difference between net sales proceeds and the carrying amounts and are recognised in profit or loss.

#### (e) Land use rights

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

### 2. 編製基準及會計政策 (續)

#### (d) 物業、廠房及設備 (續)

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

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

倘若資產的賬面值高於其估計可收回值，其賬面值即時撇減至可收回值。

出售帶來的盈虧按出售所得款項淨額及賬面值之差額釐定，並於損益中確認。

#### (e) 土地使用權

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

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

**(f) Goodwill**

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

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

**2. 編製基準及會計政策 (續)**

**(f) 商譽**

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

商譽就減值測試分配至現金產生單位(「現金產生單位」)，所分配之現金產生單位對那些預期將受惠於業務合併而產生的商譽按確定營運分類。

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

**(g) Investment properties**

Property that is held to earn rental income or for capital appreciation or both and is not occupied by the Group, is classified as investment property. Investment properties are measured initially at costs including related transaction costs and are subsequently carried at fair value determined annually by external independent valuers at each balance sheet date. Changes in fair value are recognised in the profit or loss.

These valuations are performed in accordance with the guidance issued by the Hong Kong Institution of Surveyors (“HKIS”) Valuation Standards. These valuations are reviewed annually by external valuers.

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

**2. 編製基準及會計政策 (續)**

**(g) 投資物業**

物業並非由本集團佔用，乃為賺取租金收入及／或物業增值而持有，分類為投資物業。投資物業初始以成本(包括交易相關成本)計量及隨後按公允值(指每年由外部獨立估值師釐定)入賬。公允值之變動於損益內確認。

此等估價方法乃符合香港測量師學會的評估準則。此等估值每年由獨立估值師檢討。

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

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

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

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

**(i) Leases**

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

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

**2. 編製基準及會計政策 (續)**

**(h) 於附屬公司之投資及非財務資產的減值**

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

**(i) 租約**

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

根據經營租約出租的資產會按資產性質於資產負債表列賬。

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

#### (j) Non-current assets held-for-sale

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

#### (k) Inventories

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

### 2. 編製基準及會計政策(續)

#### (j) 持作出售之非流動資產

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

#### (k) 存貨

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

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

**(l) Trade and other receivables**

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

**(m) Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

**2. 編製基準及會計政策 (續)**

**(l) 貿易貨款及其他應收款項**

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

**(m) 現金及現金等價物**

現金及現金等價物包括現金及銀行通知存款。



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

#### (n) Share capital

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

#### (o) Trade payables

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

#### (p) Borrowings

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

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

### 2. 編製基準及會計政策(續)

#### (n) 股本

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

#### (o) 貿易貨款

貿易貨款以公允值初步確認，隨後以實際利率法按攤銷成本列賬。

#### (p) 借貸

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

借貸乃分類列為流動負債，惟本集團有權無條件將清償負債期限延長至結算日後最少十二個月者則作別論。

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

**(q) Employee benefits**

*(i) Employee leaves*

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

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

*(ii) Bonus plans*

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

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

**2. 編製基準及會計政策 (續)**

**(q) 僱員福利**

*(i) 僱員假期*

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

僱員可享有之病假及產假僅會於休假時確認。

*(ii) 花紅計劃*

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

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

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

**(q) Employee benefits (cont'd)**

*(iii) Pension obligations*

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

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

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

**2. 編製基準及會計政策 (續)**

**(q) 僱員福利 (續)**

*(iii) 退休金責任*

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

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

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

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

**(q) Employee benefits (cont'd)**

*(iv) Share-based payment*

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

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

**2. 編製基準及會計政策(續)**

**(q) 僱員福利(續)**

*(iv) 以股份為基礎之付款*

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

於購股權行使時，所得款項扣除直接交易成本計入股本(面值)及股份溢價。

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

**(r) Current and deferred income tax**

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

**2. 編製基準及會計政策(續)**

**(r) 即期及遞延稅項**

期內之稅項支出由即期及遞延稅項組成。稅項於綜合收益賬中確認，除了關於於其他全面收益內確認或直接計入權益之項目，其稅項亦是分別於其他全面收益內確認或直接計入權益。

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

遞延稅項的確認採用負債法就資產負債之稅基與它們在財務報表之賬面值兩者之暫時差異作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延稅項資產實現或遞延稅項負債結算時預期將會應用之稅率而釐定。

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

**(r) Current and deferred income tax (cont'd)**

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**2. 編製基準及會計政策(續)**

**(r) 即期及遞延稅項(續)**

遞延稅項資產乃就有可能將未來應課稅溢利與可動用的暫時差異抵銷而確認。

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

當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅負債互相抵銷。

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

#### (s) Provisions

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

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

#### (t) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, net of value-added tax, rebates, returns and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

- (i) Sales of goods are recognised when goods are delivered to customers, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

### 2. 編製基準及會計政策(續)

#### (s) 撥備

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

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

#### (t) 收入確認

收入包括因出售貨品及提供服務的已收或應收之代價的公允值。列示的收入乃扣除增值稅、回扣、退貨及折扣，並對銷本集團內公司間銷售後之金額。當收入金額能夠可靠地計量時，本集團確認為收入，亦為實體可能帶來未來經濟利益流入，以及當符合特定條件時，本集團各業務之收入確認如下。

- (i) 出售貨品之收入乃於貨品運送予客戶、客戶已接納產品及有關應收款項可合理確定收回時確認。

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

### (t) Revenue recognition (cont'd)

(ii) Gross rental income from investment properties is recognised on a straight-line basis over the periods of the respective leases.

(iii) Interest income is recognised on a time-proportion basis using the effective interest method.

(iv) Dividend income is recognised when the right to receive payment is established.

### (u) Dividend distribution

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

### (v) Financial guarantee contracts

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

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

## 2. 編製基準及會計政策(續)

### (t) 收入確認(續)

(ii) 投資物業之租金收入總額以直線法於各租約之年期內確認。

(iii) 利息收入採用實際利息法按時間比例基準確認。

(iv) 股息收入於收取款項之權利確立時確認。

### (u) 股息分派

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

### (v) 財務擔保合約

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

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



### 3. Financial risk management

#### 3.1 Financial risk factors

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

(a) *Market risk*

(i) Foreign exchange risk

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

### 3. 財務風險管理

#### 3.1 財務風險因素

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

(a) *市場風險*

(i) 外匯風險

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

### 3. Financial risk management (cont'd)

#### 3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

- (i) Foreign exchange risk (cont'd)
- As HKD is pegged against USD, the Group is exposed to limited exchange rate fluctuation. As a result, the exchange rate risk exposure in respect of USD is not significant. While for RMB, the exchange rate fluctuation is relatively volatile. At 31st December 2010, if RMB had strengthened/weakened by 5% (2009: 5%) against HKD with all other variables held constant, post-tax loss would have been HK\$217,000 (2009: HK\$87,000) lower/higher respectively mainly as a result of foreign exchange gains/losses on translation of RMB-denominated financial assets and liabilities.
- (ii) Interest rate risk
- Other than bank balances and deposits (the "Interest Bearing Assets") specified in Note 22 and 23, the Group has no other significant interest-bearing assets as at the end of 2010.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

(a) 市場風險(續)

- (i) 外匯風險(續)
- 由於港元與美元的掛鈎系統，本集團承受有限的匯率波動。因此，關於美元的外匯風險不顯著。相對而言，人民幣的匯率比較波動。於二零一零年十二月三十一日，倘人民幣兌港元於所有其他變量保持不變之情況下升值／貶值5%（二零零九年：5%），則除稅後虧損將分別減少／增加217,000港元（二零零九年：87,000港元），主要是由於換算人民幣計值之財務資產及負債產生外匯收益／虧損所致。
- (ii) 利率風險
- 除附註22及23所述的銀行結餘及存款（「計息資產」）外，本集團於二零一零年底並無其他重大計息資產。

### 3. Financial risk management (cont'd)

#### 3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

The Group's interest rate risk arises from borrowings (the "Interest Bearing Liabilities") as set out in Note 27. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group also analyses its interest rate exposure periodically by considering refinancing, renewal of existing positions and alternative financing. As at 31st December 2010, the Group's Interest Bearing Liabilities issued at variable rates include bank borrowings of HK\$174,042,000 (2009: HK\$243,822,000) and loan from a shareholder of nil (2009: HK\$49,360,000) whereas Interest Bearing Liabilities issued at fixed rates include bank borrowings of nil (2009: HK\$34,302,000), loan from a shareholder of nil (2009: HK\$5,000,000) and amount due to a related company of nil (2009: HK\$22,869,000).

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險(續)

本集團從載於附註27的借貸(「計息負債」)產生利率風險。按浮動利率作出的借貸令本集團須承受現金流利率風險。按固定利率作出的借貸則令本集團須承受公允值利率風險。本集團亦透過考慮再融資、更新現有倉位及另類融資，定期分析利率風險。於二零一零年十二月三十一日，本集團的計息負債按浮動利率計息包括銀行借貸174,042,000港元(二零零九年：243,822,000港元)及股東貸款為零(二零零九年：49,360,000港元)，按定息利率計息包括銀行借貸為零(二零零九年：34,302,000港元)、股東貸款為零(二零零九年：5,000,000港元)及應付一家關連公司款項為零(二零零九年：22,869,000港元)。

### 3. Financial risk management (cont'd)

#### 3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

At 31st December 2010, with all other variables held constant, if the interest rate on HK dollar-denominated borrowings at variable interest rate, bank balances and deposits had increased/decreased by 10 basis points (2009: 10 basis points), the corresponding decrease/increase in net finance costs (representing interest income on the Interest Bearing Assets less interest expenses on Interest Bearing Liabilities) would have resulted in an decrease/increase in the Group's loss after taxation by HK\$99,000 (2009: the corresponding increase/decrease in net finance costs would have resulted in an increase/decrease in the Group's loss after taxation by HK\$31,000). At 31st December 2010, if the interest rate on RMB-denominated borrowings at variable interest rate, bank balances and deposits had increased/decreased by 75 basis points (2009: 25 basis points), the corresponding increase/decrease in net finance costs would have resulted in an increase/decrease in the Group's loss after taxation by HK\$403,000 (2009: HK\$207,000).

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險(續)

於二零一零年十二月三十一日，當所有其他參數維持不變，假若按浮動利率計息的港元借貸、銀行結餘及存款利率上/下調10個基點(二零零九年：10個基點)，融資成本淨額(相當於計息資產利息收入減計息負債利息支出)將相應減少/增加，導致本集團的除稅後虧損減少/增加99,000港元(二零零九年：融資成本淨額將相應增加/減少，導致本集團的除稅後虧損增加/減少31,000港元)。於二零一零年十二月三十一日，假若按浮動利率計息的人民幣借貸、銀行結餘及存款利率上/下調75個基點(二零零九年：25個基點)，融資成本淨額將相應增加/減少，導致本集團的除稅後虧損增加/減少403,000港元(二零零九年：207,000港元)。

### 3. Financial risk management (cont'd)

#### 3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

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

(b) Credit and counterparty risk

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

As at 31st December 2009 and 2010, all the bank deposits are deposited in high-quality financial institutions without significant credit risk. The credit risk on bank deposits is limited because over 60% of the Group's bank balances are placed with subsidiaries of state-owned banks and others are placed with good rating financial institutions. Management does not expect any loss from non-performance of these banks.

As at 31st December 2010, the Group has provided a financial guarantee of approximately HK\$43.9 million, of which 50% of utilised amount is secured by pledged deposit of the borrower, the maximum exposure to credit risk of such guarantee was approximately HK\$21.9 million (31st December 2009: HK\$29.2 million).

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險(續)

本集團並無使用任何利率掉期交易來對沖其所承受的利率風險。

(b) 信貸及交易方風險

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

於二零零九年及二零一零年十二月三十一日，所有銀行存款存放於信譽良好之金融機構，故並無重大信貸風險。有限的銀行存款信貸風險乃由於超過60%之本集團銀行餘額存放於國有銀行之附屬公司，其他存款存放於信譽良好之金融機構。管理層認為不會因該等銀行表現不良而帶來損失。

於二零一零年十二月三十一日，本集團提供財務擔保約為43,900,000港元，當中使用額度的50%，借款人以抵押銀行存款作抵押，該擔保最高風險金額約為21,900,000港元(二零零九年十二月三十一日：29,200,000港元)。

### 3. Financial risk management (cont'd)

#### 3.1 Financial risk factors (cont'd)

- (b) *Credit and counterparty risk (cont'd)*
- In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue trade and other receivables. In addition, the Group reviews regularly the recoverable amount of each individual trade and other receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.
- (c) *Liquidity risk*
- Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. Management maintains rolling forecast of the Group's liquidity reserves which comprises undrawn banking facilities and cash and cash equivalents, on the basis of expected cash flows. The disposal of investment properties in Hong Kong and Mainland China in 2010 has enhanced the Group's ability to serve its financial obligations as they fall due and reduced the level of bank borrowings.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

- (b) *信貸及交易方風險(續)*
- 為將信貸風險降至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之貿易及其他應收款項。此外，本集團定期評估每項個別貿易及其他應收款項之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。本集團並無顯著集中之信貸風險，有關風險已分散至多個對手方及客戶。
- (c) *流動資金風險*
- 審慎的流動資金風險管理包括保持充裕現金及從承諾融資金額取得足夠的可用資金。管理層維持作本集團滾動的流動資金儲備預測，包括基於未提取貸款額度及現金及現金等價物的預計現金流。隨着於二零一零年出售位於香港及中國內地的投資物業，進一步提升本集團償還到期金融負債能力及減少銀行借款。

### 3. Financial risk management (cont'd)

#### 3.1 Financial risk factors (cont'd)

(c) *Liquidity risk (cont'd)*

For the seamless steel pipes segment, since acquisition, the bank borrowings and trade and other payables of Kiyofu have been increasing; the total balance at the end of 2010 has increased by 39% over prior year. As at 31 December 2010, Kiyofu's bank borrowings represented 61% of the Group's total. It places considerable strain on the Group's internal resources, the Group intends to consider the disposal of such segment in future should the opportunity arise.

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

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

(c) *流動資金風險(續)*

對於無縫鋼管分部，自收購後，金裕豐的銀行貸款及貿易及其他應付款持續上升；二零一零年年底之總結餘比去年增加39%。於二零一零年十二月三十一日，金裕豐的銀行借貸佔集團總額的61%，金裕豐對本集團內部資源造成重大負擔，本集團欲考慮於機會出現時把該分部出售。

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

### 3. Financial risk management (cont'd)

### 3. 財務風險管理(續)

#### 3.1 Financial risk factors (cont'd)

#### 3.1 財務風險因素(續)

(c) Liquidity risk (cont'd)

(c) 流動資金風險(續)

		Less than 1 year 一年以內 HK\$'000 千港元	Between 1 and 2 years 一年至兩年 HK\$'000 千港元	Between 2 and 5 years 兩年至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
<b>At 31st December 2010</b>	<b>於二零一零年十二月三十一日</b>				
<b>Group</b>	<b>本集團</b>				
Trade and other payables	貿易及其他應付款項	142,837	-	-	-
Amount due to a related company	應付一家關連公司款項	876	-	-	-
Amount due to a non-controlling shareholder	應付一位非控制性股東款項	17	-	-	-
Borrowings	借貸	174,042	-	-	-
Interest payments on borrowings (note (i))	借貸之利息支付(附註(i))	4,750	-	-	-
Financial guarantee contract (note (ii))	財務擔保合約(附註(ii))	21,939	-	-	-
		<b>8,148</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Company</b>	<b>本公司</b>				
Other payables	其他應付款項	8,148	-	-	-
Amounts due to subsidiaries	應付附屬公司款項	99,978	-	-	-



# Notes to the Financial Statements

## 財務報表附註

### 3. Financial risk management (cont'd)

### 3. 財務風險管理(續)

#### 3.1 Financial risk factors (cont'd)

#### 3.1 財務風險因素(續)

(c) Liquidity risk (cont'd)

(c) 流動資金風險(續)

		Less than 1 year 一年以內 HK\$'000 千港元	Between 1 and 2 years 一年至兩年 HK\$'000 千港元	Between 2 and 5 years 兩年至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
At 31st December 2009	於二零零九年 十二月三十一日				
<b>Group</b>	<b>本集團</b>				
Trade and other payables	貿易及其他 應付款項	95,691	-	-	-
Amount due to a related company	應付一家關連 公司款項	22,869	-	-	-
Amount due to a non-controlling shareholder	應付一位非控制性 股東款項	133	-	-	-
Loan from a shareholder	股東貸款	54,360	-	-	-
Borrowings	借貸	238,151	6,586	19,758	13,629
Interest payments on borrowings, loan from a shareholder and amount due to a related company (note (i))	借貸、股東貸款 及應付一家關連 公司款項之利息 支付(附註(i))	18,375	2,414	4,667	959
Financial guarantee contract (note (ii))	財務擔保合約 (附註(ii))	29,157			
<b>Company</b>	<b>本公司</b>				
Other payables	其他應付款項	1,200	-	-	-
Amounts due to subsidiaries	應付附屬 公司款項	105,176	-	-	-
Loan from a shareholder	股東貸款	54,360	-	-	-
Interest payments on loan from a shareholder (note)	股東貸款之 利息支付 (附註)	10,582	-	-	-

### 3. Financial risk management (cont'd)

#### 3.1 Financial risk factors (cont'd)

(c) *Liquidity risk (cont'd)*

Note:

- (i) The interest payments on borrowings, loan from a shareholder and amount due to a related company are calculated on the respective amounts held as at 31st December 2009 and 2010 without taking into account of any future change in market interest rate. Floating-rate interest is estimated using applicable interest rates at 31st December 2009 and 2010 respectively.
- (ii) The amount represents the maximum exposure of cash outflow under the financial guarantee contract.

#### 3.2 Capital risk management

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

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

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

(c) *流動資金風險(續)*

附註：

- (i) 借貸、股東貸款及應付一家關連公司款項之利息支付乃根據二零零九年及二零一零年十二月三十一日持有之對應金額計算，並無計及日後任何市場利率之變動。於二零零九年及二零一零年十二月三十一日，已分別使用適用利息估計浮動利息。
- (ii) 該金額代表財務擔保合約下之最高現金流出風險。

#### 3.2 資本風險管理

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

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

### 3. Financial risk management (cont'd)

#### 3.2 Capital risk management (cont'd)

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

The Group's strategy was to maintain a solid capital base to support the operations and development of its business in the long term. Management considers a gearing ratio as measured by total debt to total equity of not more than 100% as solid and reasonable. The table below analyses the Group's capital structure at 31st December 2009 and 2010 as follows:

Total debts	總債務
Total equity	總權益
Gearing ratio	資產負債比率

### 3. 財務風險管理(續)

#### 3.2 資本風險管理(續)

與其他同業一致，本集團以資產負債比率作為監控資本的基準。資產負債比率按債務總額除以總權益。

本集團之策略是維持穩健的資金基礎，以支持本集團長期的業務營運及發展。管理層認為按債務總額相對於總權益計算之負債比率處於100%以下均屬穩健及合理。下表為本集團於二零零九年及二零一零年十二月三十一日資本架構之分析：

<b>2010</b>	2009
<b>二零一零年</b>	二零零九年
<b>HK\$'000</b>	HK\$'000
<b>千港元</b>	千港元
<b>174,042</b>	361,454
<b>275,293</b>	448,143
<b>63%</b>	81%

### 3. Financial risk management (cont'd)

#### 3.3 Fair value estimation

The carrying value of trade and other receivables less provision for impairment, trade and other payables, amount due to a related company and amount due to a non-controlling shareholder are a reasonable approximation of their fair values.

### 4. Critical accounting estimates and judgements

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

#### (a) Useful lives of property, plant and equipment

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

### 3. 財務風險管理(續)

#### 3.3 公允值估計

貿易及其他應收款項減減值撥備、貿易及其他應付款項、應付一家關連公司款項及應付一位非控制性股東款項之賬面值與彼等之公允值相若。

### 4. 關鍵會計估計及判斷

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

#### (a) 物業、廠房及設備之可用年期

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

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

**(b) Provision for impairment of trade and other receivables**

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

**(c) Provision for inventories**

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

**4. 關鍵會計估計及判斷(續)**

**(b) 貿易及其他應收款項之減值撥備**

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

**(c) 存貨減值撥備**

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

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

**(d) Impairment of assets**

Non-financial assets including goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The Group tests at least annually whether goodwill or assets that have indefinite useful lives have suffered any impairment, in accordance with the accounting policy stated in Note 2(h). The recoverable amounts of assets or CGUs have been principally determined based on value in use calculations. These calculations require the use of estimates, details are set out in Notes 14, 15 and 16. Details of events and changes in circumstances indicating that the carrying amounts of the assets exceed recoverable amounts are set out in Note 34(iii).

**(e) Employee benefits – share based payments**

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

**4. 關鍵會計估計及判斷(續)**

**(d) 資產減值**

對於非財務資產(包括商譽),當有事件出現或情況改變顯示賬面值高於可收回金額時,便須就減值進行檢討。本集團乃根據列載於附註2(h)之會計政策,對商譽或沒有確定使用年期之資產每年最少進行一次測試,以確定其是否出現減值。資產或產生現金單位之可收回金額主要根據使用價值計算。此計算需要運用判斷,詳情於附註14、15及16內披露。附註34(iii)內詳列有關事件及情況改變顯示資產之賬面值超過其可收回金額。

**(e) 僱員福利—以股份為基礎的付款**

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

### 5. Segment information

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

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

Trading of pipes and fittings includes wholesale and retail operations in Hong Kong, Mainland China and Macau.

Seamless steel pipes segment is contributed by a subsidiary of the Group, Kiyofu, which manufactures and sells seamless steel pipes in Mainland China.

Investment in properties for rental income includes properties held in Hong Kong and Mainland China. As all the investment properties have been disposed during the year, the results related to investment in properties have been presented under discontinued operation in 2010 (Note 24).

The segment information for the year ended 31st December 2010 and 2009 are as follows :

### 5. 分類資料

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

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

喉管及管件貿易包括香港、中國內地及澳門之批發及零售業務。

無縫鋼管分類由本集團附屬公司金裕豐於中國內地生產及銷售無縫鋼管所貢獻。

賺取租金收入之物業投資包括於香港及中國內地持有之物業。於二零一零年，由於所有投資物業已於年內出售，有關投資物業的業績已在終止營運業務項下呈列(附註24)。

截至二零一零年及二零零九年十二月三十一日止年度之業務分類資料如下：

# Notes to the Financial Statements

## 財務報表附註

### 5. Segment information (cont'd)

### 5. 分類資料(續)

		For the year ended 31st December 2010 截至二零一零年十二月三十一日止年度							
		Reportable segments 呈報的分類							
		Continuing operations 持續營運業務				Discontinued operation 終止營運業務			Total reportable segments 呈報分類 總計
		Trading of pipes and fittings 喉管及管件 貿易	Seamless steel pipes 無縫鋼管	Inter- segment revenue 營運分類 間收入	Inter- segment Sub-total 小計	Investment properties 投資物業	Inter- segment revenue 營運分類 間收入	Inter- segment Sub-total 小計	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	452,299	131,334	(67,154)	516,479	1,902	(386)	1,516	517,995
Operating profit/(loss) before interest	經營溢利/(虧損) (未計利息)	21,194	(136,787)	386	(115,207)	(24,293)	(386)	(24,679)	(139,886)
Interest income	利息收入	211	48	-	259	2	-	2	261
Interest expense	利息支出	(2,736)	(6,169)	-	(8,905)	(3,054)	-	(3,054)	(11,959)
Profit/(loss) before income tax	稅前溢利/(虧損)	18,669	(142,908)	386	(123,853)	(27,345)	(386)	(27,731)	(151,584)
Tax (expense)/credit	稅項(支出)/抵免	(3,434)	9,072	-	5,638	29	-	29	5,667
Profit/(loss) for the year	年度溢利/(虧損)	15,235	(133,836)	386	(118,215)	(27,316)	(386)	(27,702)	(145,917)
Non-controlling interests	非控制性權益	-	44,314	-	44,314	-	-	-	44,314
Profit/(loss) before corporate overhead attributable to equity holders	公司費用前之股權 持有人應佔 溢利/(虧損)	15,235	(89,522)	386	(73,901)	(27,316)	(386)	(27,702)	(101,603)
Operating profit/(loss) before interest includes:	經營溢利/(虧損) (未計利息)包括:								
Depreciation and amortisation	折舊及攤銷	1,988	9,727	-	11,715	692	-	692	12,407
Provision for impairment of trade and other receivables	貿易及其他應收款 之減值撥備	5,866	20	-	5,886	-	-	-	5,886
Write-back of provision for impairment of inventories	存貨減值回撥	4,736	-	-	4,736	-	-	-	4,736
Impairment loss on land use rights	土地使用權 之減值虧損	-	2,471	-	2,471	-	-	-	2,471
Impairment loss on property, plant and equipment	物業、廠房及 設備之減值虧損	-	98,900	-	98,900	-	-	-	98,900
Impairment loss on goodwill	商譽之減值虧損	-	23,050	-	23,050	-	-	-	23,050
Capital expenditure	資本開支	1,226	1,584	-	2,810	9	-	9	2,819



# Notes to the Financial Statements

## 財務報表附註

### 5. Segment information (cont'd)

### 5. 分類資料(續)

For the year ended 31st December 2009

截至二零零九年十二月三十一日止年度

		Reportable segments 呈報的分類							
		Continuing operations 持續營運業務				Discontinued operation 終止營運業務			Total reportable segments 呈報分類 總計
		Trading of pipes and fittings 喉管及管件 貿易	Seamless steel pipes 無縫鋼管	Inter- segment revenue 營運分類 間收入	Sub-total 小計	Investment properties 投資物業	Inter- segment revenue 營運分類 間收入	Sub-total 小計	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	425,834	61,162	(34,978)	452,018	2,657	(890)	1,767	453,785
Operating (loss)/profit before interest	經營(虧損)/溢利 (未計利息)	(12,918)	1,535	890	(10,493)	(1,717)	(890)	(2,607)	(13,100)
Interest income	利息收入	57	60	-	117	2	-	2	119
Interest expense	利息支出	(2,363)	(1,082)	-	(3,445)	(3,812)	-	(3,812)	(7,257)
(Loss)/profit before income tax	稅前(虧損)/溢利	(15,224)	513	890	(13,821)	(5,527)	(890)	(6,417)	(20,238)
Tax credit	稅項抵免	2,072	149	-	2,221	1,362	-	1,362	3,583
(Loss)/profit for the year	年度(虧損)/溢利	(13,152)	662	890	(11,600)	(4,165)	(890)	(5,055)	(16,655)
Non-controlling interests	非控制性權益	-	(265)	-	(265)	-	-	-	(265)
(Loss)/profit before corporate overhead attributable to equity holders	公司費用前之股權 持有人應佔 (虧損)/溢利	(13,152)	397	890	(11,865)	(4,165)	(890)	(5,055)	(16,920)
Operating (loss)/profit before interest includes:	經營(虧損)/溢利 (未計利息)包括:								
Depreciation and amortisation	折舊及攤銷	1,992	1,563	-	3,555	745	-	745	4,300
Provision for impairment of trade and other receivables	貿易及其他應收款 減值撥備	8,793	-	-	8,793	-	-	-	8,793
Provision for impairment of inventories	存貨減值撥備	13,290	-	-	13,290	-	-	-	13,290
Capital expenditure	資本開支	613	3,421	-	4,034	3	-	3	4,037

# Notes to the Financial Statements

## 財務報表附註

### 5. Segment information (cont'd)

### 5. 分類資料(續)

		For the year ended 31st December 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
		Note 附註	
Reconciliation of loss before corporate overhead attributable to the equity holders of the Company and discontinued operation	公司費用前本公司 股權持有人應佔虧損 及終止營運業務之對賬		
<i>Continuing operations:</i>	<i>持續營運業務：</i>		
Loss before corporate overhead for reportable segments	公司費用前之 呈報分類小計		
		<b>(73,901)</b>	(11,865)
Administrative expenses (note)	行政費用(附註)	<b>(27,927)</b>	(11,195)
Depreciation	折舊	<b>(154)</b>	(137)
Interest income	利息收入	<b>46</b>	–
Interest expense	利息支出	<b>(5,978)</b>	(5,847)
Fair value gains on financial assets at fair value through profit or loss	按公允價值透過損益列賬的 財務資產之公允價值收益	<b>–</b>	5,728
		<b>(107,914)</b>	(23,316)
<i>Discontinued operation:</i>	<i>終止營運業務：</i>		
Reportable segment	呈報分類小計	<b>(27,702)</b>	(5,055)
After-tax gain on disposal of subsidiaries	出售附屬公司收益 (稅後)	<b>12,847</b>	–
Provision for impairment of other receivables	其他應收款之減值撥備	<b>–</b>	(11,291)
		<b>(14,855)</b>	(16,346)
Loss attributable to the equity holders of the Company	本公司股權持有人 應佔虧損	<b>(122,769)</b>	(39,662)

Note: The amounts mainly represent administrative expenses at corporate level and other businesses not categorised as operating segments.

附註：該金額主要代表公司及未列入營運分類的其他業務的行政費用。

# Notes to the Financial Statements

## 財務報表附註

### 5. Segment information (cont'd)

The segment assets and liabilities as at 31st December 2010 and 2009 are as follows :

As at 31st December 2010 於二零一零年十二月三十一日  
Reportable segment assets 須予呈報的分類資產

Reportable segment liabilities 須予呈報的分類負債

### 5. 分類資料(續)

於二零一零年及二零零九年十二月三十一日之業務資產及負債如下：

Reportable segments					
呈報的分類					
Trading of pipes and fittings	Seamless steel pipes	Investment properties	Total reportable segments	Corporate and others	Total
喉管及管件	無縫鋼管	投資物業	呈報分類	公司及其他	總計
貿易	無縫鋼管	投資物業	總計	(附註)	總計
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
402,843	181,195	304,436	584,038	14,317	598,355
132,882	181,195	98,897	314,077	8,985	323,062

Reportable segments					
呈報的分類					
Trading of pipes and fittings	Seamless steel pipes	Investment properties	Total reportable segments	Corporate and others	Total
喉管及管件	無縫鋼管	投資物業	呈報分類	公司及其他	總計
貿易	無縫鋼管	投資物業	總計	(附註)	總計
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
325,782	285,653	304,436	915,871	8,917	924,788
149,630	145,391	98,897	393,918	82,727	476,645

Note: The balances represent assets and liabilities of corporate and other businesses not categorised as operating segments, which principally include cash and cash equivalents and accrued expenses (2009: cash and cash equivalents, amount due to a related company and loan from a shareholder).

附註：該金額代表公司及未列入營運分類的其他業務的資產及負債，主要包括現金及現金等價物及應計費用(二零零九年：現金及現金等價物、應付關連公司款項及股東貸款)。

# Notes to the Financial Statements

## 財務報表附註

### 5. Segment information (cont'd)

#### Geographical information

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

Hong Kong	香港
Mainland China	中國內地
Others	其他
Continuing operations	持續營運業務
Discontinued operation	終止營運業務

The Group's non-current assets (excluding financial assets and deferred tax assets) by geographical location are detailed below:

Hong Kong	香港
Mainland China	中國內地
Others	其他

### 5. 分類資料(續)

#### 地區分類資料

本集團按地區分類的來自外界客戶的收入：

Revenue	
收入	
For the year ended	
31st December	
截至十二月三十一日止年度	
	Restated
	經重列
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
378,050	382,761
133,740	63,165
4,689	6,092
<b>516,479</b>	452,018
<b>1,516</b>	1,767
<b>517,995</b>	453,785

本集團按地區分類的非流動資產(不包括財務資產及遞延稅項資產)：

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
2,576	2,835
35,974	354,161
21	42
<b>38,571</b>	357,038

# Notes to the Financial Statements

## 財務報表附註

### 6. Other gains, net

### 6. 其他收益淨額

		2010 二零一零年 HK\$'000 千港元	Restated 經重列 2009 二零零九年 HK\$'000 千港元
Financial assets at fair value through profit or loss – fair value gains	按公允值透過損益列賬的財務資產 – 公允值收益	–	5,728
Net exchange gains/(losses)	匯兌收益/(虧損)淨額	562	(194)
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損淨額	(10)	–
		<b>552</b>	<b>5,534</b>

### 7. Expenses by nature

### 7. 開支性質

Operating loss is arrived at after charging/(crediting):

經營虧損乃扣除/(計入)下列項目後達至：

		2010 二零一零年 HK\$'000 千港元	Restated 經重列 2009 二零零九年 HK\$'000 千港元
Cost of inventories sold	已出售之存貨成本	413,335	361,908
Auditor's remuneration	核數師酬金	1,288	1,208
Depreciation of property, plant and equipment	物業、廠房及設備折舊	11,211	3,584
Amortisation of land use rights	土地使用權攤銷	658	108
Employee benefit expenses (including directors' emoluments (Note 8))	員工福利開支(包括董事酬金(附註8))	56,309	43,005
Operating lease on land and buildings	土地及樓宇經營租約	15,865	14,909
Provision for impairment of trade and other receivables, net (Write-back of provision)/provision for impairment of inventories, net	貿易及其他應收款項減值撥備淨額 存貨減值(回撥)/撥備淨額	5,886	8,793
Other expenses	其他開支	(4,736)	13,290
		<b>36,082</b>	<b>26,844</b>
		<b>535,898</b>	<b>473,649</b>

# Notes to the Financial Statements

## 財務報表附註

### 7. Expenses by nature (cont'd)

### 7. 開支性質(續)

		2010 二零一零年 HK\$'000 千港元	Restated 經重列 2009 二零零九年 HK\$'000 千港元
Representing:	代表：		
Cost of sales	銷售成本	425,836	381,077
Selling and distribution costs	銷售及分銷成本	12,807	12,102
General and administrative expenses	一般及行政費用	97,255	80,470
		<b>535,898</b>	<b>473,649</b>

### 8. Employee benefit expenses (including directors' emoluments)

### 8. 僱員福利開支(包括董事酬金)

		2010 二零一零年 HK\$'000 千港元	Restated 經重列 2009 二零零九年 HK\$'000 千港元
Wages and salaries	工資及薪金	49,705	40,810
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃	1,500	1,477
Share based payment (note)	以股份為基礎之付款(附註)	5,104	718
		<b>56,309</b>	<b>43,005</b>

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

Note:

Details of share options are as follows:

Grantor	Date of grant	Exercise Price HK\$ 行使價 港元
授出人	授出日期	
The Company 本公司	3rd December 2009 二零零九年十二月三日	0.071
The Company 本公司	5th May 2010 二零一零年五月五日	0.083
Total	總額	

The share options are divided into 2 tranches with exercise price of HK\$0.071 and HK\$0.083 respectively and have option period from 3rd December 2009 to 2nd December 2019 (both days inclusive) and 5th May 2010 to 4th May 2020 (both days inclusive) respectively. Details of the exercisable periods are set out in Note 25.

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

#### The Company

Date of grant	授出日期
Exercise price	行使價
Expected volatility	預期股價波幅
Option life	購股權年期
Annual risk free interest rate	年度無風險利率
Dividend yield	孳息率
Fair value	公允值

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

### 8. 僱員福利開支(包括董事酬金)(續)

附註：

購股權詳情如下：

Number of share options 購股權數目				
1st January 2010 二零一零年 一月一日	Granted and accepted 已授出並接納	Exercised 已行使	Lapsed 已失效	31st December 2010 二零一零年 十二月三十一日
592,000,000	-	-	(36,400,000)	555,600,000
-	16,000,000	-	-	16,000,000
<b>592,000,000</b>	<b>16,000,000</b>	<b>-</b>	<b>(36,400,000)</b>	<b>571,600,000</b>

購股權分別按行使價0.071港元及0.083港元分兩批授出，該等購股權期限分別為由二零零九年十二月三日至二零一零年十二月二日(包括首尾兩日)及由二零一零年五月五日至二零一零年五月四日(包括首尾兩日)。行使期限詳情於附註25列出。

已授出購股權的估計公允值根據二項式估值模式計算。該模式採用的主要參數如下：

#### 本公司

5th May 2010 二零一零年五月五日	3rd December 2009 二零零九年十二月三日
HK\$0.083	HK\$0.071
55%	54%
10 years 10年	10 years 10年
2.86%	2.16%
3.10%	3.58%
<b>HK\$0.026 ~ HK\$0.038</b>	<b>HK\$0.021 ~ HK\$0.031</b>

按標準差計量之預期波幅乃基於本公司之可比公司每週股份價格變動的歷史數據。

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

(a) Directors' emoluments

The remuneration of each Director for the year ended 31st December 2010 and 2009 is set out below:

8. 僱員福利開支(包括董事酬金)(續)

(a) 董事酬金

各董事於截至二零一零年及二零零九年十二月三十一日止年度的酬金載列如下：

Name of Director	董事姓名	For the year ended 31st December 2010 截至二零一零年十二月三十一日止年度					Total 總計
		Fees 袍金	Salaries and other benefits 薪金及其他福利	Discretionary bonus 酌情花紅	Group's contributions to retirement scheme 本集團對退休計劃之供款	Share based payments 以股份為基礎的付款	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Lai Guanglin (note (i))	賴光麟 (附註(i))	2,000	-	-	-	-	2,000
Lai Fulin (note (ii))	賴福麟 (附註(ii))	-	1,000	94	12	658	1,764
Yu Ben Ansheng (note (iii))	俞安生 (附註(iii))	-	2,000	53	12	-	2,065
Sam Ming Choy (note (iv))	Sam Ming Choy (附註(iv))	-	1,495	17	76	658	2,246
U Kean Seng (note (i))	余建成 (附註(i))	200	-	-	-	395	595
Zhao Yue (note (v))	趙越 (附註(v))	100	-	-	-	104	204
Wong Yee Shuen, Wilson (note (i))	黃以信 (附註(i))	200	-	-	-	132	332
Wu Xiuru (note (vi))	吳秀茹 (附註(vi))	150	-	-	-	34	184
Chen Wei Wen (note (vii))	陳偉文 (附註(vii))	104	-	-	-	133	237
Zia Samuel (note (viii))	謝齊鋒 (附註(viii))	67	-	-	-	-	67
Lau Kwok Ting (note (ix))	劉國定 (附註(ix))	60	-	-	-	34	94
Cai Shangwu (note (x))	蔡尚武 (附註(x))	15	-	-	-	-	15
		<b>2,896</b>	<b>4,495</b>	<b>164</b>	<b>100</b>	<b>2,148</b>	<b>9,803</b>



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

#### (a) Directors' emoluments (cont'd)

		For the year ended 31st December 2009 截至二零零九年十二月三十一日止年度				
		Group's				Total
		Salaries and other benefits	contributions to retirement scheme	Share based payments		
Name of Director	董事姓名	Fees				
		袍金	薪金及 其他福利	本集團對 退休計劃 之供款	以股份為 基礎的付款	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Lai Guanglin (note (i))	賴福麟 (附註(i))	85	–	–	–	85
Lai Fulin (note (ii))	賴福麟 (附註(ii))	–	320	3	75	398
Yu Ben Ansheng (note (iii))	俞安生 (附註(iii))	–	1,269	8	–	1,277
Cai Shangwu (note (x))	蔡尚武 (附註(x))	85	–	–	–	85
U Kean Seng (note (i))	余建成 (附註(i))	85	–	–	45	130
Zhao Yue (note (v))	趙越 (附註(v))	85	–	–	45	130
Sam Ming Choy (note (iv))	Sam Ming Choy (附註(iv))	84	406	4	75	569
Wong Yee Shuen, Wilson (note (i))	黃以信 (附註(i))	153	–	–	15	168
Lau Kwok Ting (note (ix))	劉國定 (附註(ix))	128	–	–	15	143
Wu Xiuru (note (vi))	吳秀茹 (附註(vi))	55	–	–	15	70
Wing Man Yi (note (xi))	榮文怡 (附註(xi))	29	268	2	–	299
Lam Cheung Shing, Richard (note (xi))	林長盛 (附註(xi))	29	718	2	–	749
Chan Wing Yuen, Hubert (note (xi))	陳永源 (附註(xi))	29	718	2	–	749
Zhu Yongjun (note (xi))	朱勇軍 (附註(xi))	29	479	2	–	510
Lui Tin Nang (note (xi))	呂天能 (附註(xi))	29	–	–	–	29
Ko Ming Tung, Edward (note (xi))	高明東 (附註(xi))	29	–	–	–	29
Ho Yiu Yue, Louis (note (xi))	何耀瑜 (附註(xi))	29	–	–	–	29
		963	4,178	23	285	5,449

### 8. 僱員福利開支(包括董事酬金)(續)

#### (a) 董事酬金(續)

		For the year ended 31st December 2009 截至二零零九年十二月三十一日止年度				
		Group's				Total
		Salaries and other benefits	contributions to retirement scheme	Share based payments		
Name of Director	董事姓名	Fees				
		袍金	薪金及 其他福利	本集團對 退休計劃 之供款	以股份為 基礎的付款	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Lai Guanglin (note (i))	賴福麟 (附註(i))	85	–	–	–	85
Lai Fulin (note (ii))	賴福麟 (附註(ii))	–	320	3	75	398
Yu Ben Ansheng (note (iii))	俞安生 (附註(iii))	–	1,269	8	–	1,277
Cai Shangwu (note (x))	蔡尚武 (附註(x))	85	–	–	–	85
U Kean Seng (note (i))	余建成 (附註(i))	85	–	–	45	130
Zhao Yue (note (v))	趙越 (附註(v))	85	–	–	45	130
Sam Ming Choy (note (iv))	Sam Ming Choy (附註(iv))	84	406	4	75	569
Wong Yee Shuen, Wilson (note (i))	黃以信 (附註(i))	153	–	–	15	168
Lau Kwok Ting (note (ix))	劉國定 (附註(ix))	128	–	–	15	143
Wu Xiuru (note (vi))	吳秀茹 (附註(vi))	55	–	–	15	70
Wing Man Yi (note (xi))	榮文怡 (附註(xi))	29	268	2	–	299
Lam Cheung Shing, Richard (note (xi))	林長盛 (附註(xi))	29	718	2	–	749
Chan Wing Yuen, Hubert (note (xi))	陳永源 (附註(xi))	29	718	2	–	749
Zhu Yongjun (note (xi))	朱勇軍 (附註(xi))	29	479	2	–	510
Lui Tin Nang (note (xi))	呂天能 (附註(xi))	29	–	–	–	29
Ko Ming Tung, Edward (note (xi))	高明東 (附註(xi))	29	–	–	–	29
Ho Yiu Yue, Louis (note (xi))	何耀瑜 (附註(xi))	29	–	–	–	29
		963	4,178	23	285	5,449

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

**(a) Directors' emoluments (cont'd)**

Notes:

- (i) Appointed on 23rd February 2009.
- (ii) Appointed on 1st October 2009.
- (iii) Appointed on 13th May 2009.
- (iv) Appointed as independent non-executive director on 23rd February 2009 and re-designated as executive director on 15th September 2009.
- (v) Appointed on 23rd February 2009 and resigned on 20th January 2011.
- (vi) Appointed on 19th August 2009 and resigned on 20th January 2011.
- (vii) Appointed on 21st April 2010.
- (viii) Appointed on 21st July 2010 and resigned on 20th January 2011.
- (ix) Appointed on 23rd February 2009 and retired on 26th May 2010.
- (x) Appointed on 23rd February 2009 and resigned on 1st May 2010.
- (xi) Resigned on 23rd February 2009.

**8. 僱員福利開支(包括董事酬金)(續)**

**(a) 董事酬金(續)**

附註：

- (i) 於二零零九年二月二十三日獲委任。
- (ii) 於二零零九年十月一日獲委任。
- (iii) 於二零零九年五月十三日獲委任。
- (iv) 於二零零九年二月二十三日委任為獨立非執行董事，並於二零零九年九月十五日調任為執行董事。
- (v) 於二零零九年二月二十三日獲委任及於二零一一年一月二十日辭任。
- (vi) 於二零零九年八月十九日獲委任及於二零一一年一月二十日辭任。
- (vii) 於二零一零年四月二十一日獲委任。
- (viii) 於二零一零年七月二十一日獲委任及於二零一一年一月二十日辭任。
- (ix) 於二零零九年二月二十三日獲委任及於二零一零年五月二十六日退任。
- (x) 於二零零九年二月二十三日獲委任及於二零一零年五月一日辭任。
- (xi) 於二零零九年二月二十三日辭任。

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

#### (a) Directors' emoluments (cont'd)

The emoluments of the directors fell within the following bands:

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

Emoluments paid to independent non-executive directors amounted to HK\$847,000 (2009: HK\$552,000). Emoluments paid to non-executive directors amounted to HK\$2,866,000 (2009: HK\$345,000).

### 8. 僱員福利開支(包括董事酬金)(續)

#### (a) 董事酬金(續)

董事酬金介乎以下組別：

2010 二零一零年	2009 二零零九年
8	16
–	1
2	–
2	–
<b>12</b>	<b>17</b>

付予獨立非執行董事之酬金達847,000港元(二零零九年：552,000港元)。付予非執行董事之酬金達2,866,000港元(二零零九年：345,000港元)。

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

**(b) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include four (2009: one) directors whose emoluments are reflected in the analysis presented above. The emolument paid to the remaining one (2009: four) individual in 2010 was as follows:

Salaries and other short-term employee benefits	基本薪金及其他 短期僱員福利	<b>1,495</b>	6,134
Discretionary bonus	酌情花紅	<b>115</b>	–
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃	<b>75</b>	48
Share based payments	以股份為基礎的付款	<b>1,190</b>	50
		<b>2,875</b>	<b>6,232</b>

The emolument of the one (2009: four) individual fell within the following bands:

HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元	–	2
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元 – 2,000,000 港元	–	1
HK\$2,000,001 – HK\$2,500,000	2,000,001 港元 – 2,500,000 港元	–	1
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	<b>1</b>	–
		<b>1</b>	<b>4</b>

**8. 僱員福利開支(包括董事酬金)(續)**

**(b) 五位最高薪人士**

於年內，本集團五位最高薪人士包括四位(二零零九年：一位)董事，其薪金已於上文呈列的分析反映。於二零一零年內，支付予餘下一位(二零零九年：四位)人士之酬金如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>1,495</b>	6,134
<b>115</b>	–
<b>75</b>	48
<b>1,190</b>	50
<b>2,875</b>	<b>6,232</b>

一名(二零零九年：四名)最高薪人士之薪酬介乎下列範圍：

2010 二零一零年	2009 二零零九年
–	2
–	1
–	1
<b>1</b>	–
<b>1</b>	<b>4</b>

# Notes to the Financial Statements

## 財務報表附註

### 9. Finance costs, net

### 9. 財務費用淨額

		2010 二零一零年 HK\$'000 千港元	Restated 經重列 2009 二零零九年 HK\$'000 千港元
Bank interest income	銀行利息收入	(305)	(117)
Interest expense on loan from a shareholder	股東貸款利息支出	4,927	5,362
Interest expense on amount due to a related company	應付一家關連公司款項利息支出	1,051	485
Interest expense on bank borrowings wholly repayable within five years	須於五年內悉數償還之 銀行借貸之利息支出	8,905	3,445
		<b>14,578</b>	<b>9,175</b>

### 10. Tax credit

### 10. 稅項抵免

		2010 二零一零年 HK\$'000 千港元	Restated 經重列 2009 二零零九年 HK\$'000 千港元
Current taxation:	即期稅項：		
Hong Kong profits tax	香港所得稅	(1,229)	(725)
Overseas tax	海外稅項	(45)	(80)
Over-provision in prior years	以前年度多提	98	427
Total current tax	即期稅項總額	<b>(1,176)</b>	<b>(378)</b>
Deferred taxation (Note 28):	遞延稅項(附註28)：		
Origination and reversal of temporary differences	暫時差額之產生及撥回	6,814	2,599
Total deferred tax	遞延稅項總額	<b>6,814</b>	<b>2,599</b>
Tax credit	稅項抵免	<b>5,638</b>	<b>2,221</b>

### 10. Tax credit (cont'd)

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the year. The rate applicable for income tax in Mainland China is 25% (2009: 25%) for the year ended 31st December 2010.

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

### 10. 稅項抵免(續)

香港利得稅以年內估計應課稅溢利按稅率 16.5% (二零零九年：16.5%) 計提。截至二零一零年十二月三十一日止，中國內地所得稅按照適用稅率 25% (二零零九年：25%) 計算。

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

		2010 二零一零年 HK\$'000 千港元	Restated 經重列 2009 二零零九年 HK\$'000 千港元
Loss before income tax	稅前虧損	<b>(157,866)</b>	(25,272)
Tax calculated at tax rate of 16.5% (2009: 16.5%)	按 16.5% (二零零九年：16.5%) 稅率計算之稅項	<b>(26,048)</b>	(4,169)
Effect of different tax rates in other countries	其他國家不同稅率之影響	<b>(12,575)</b>	(784)
Utilisation of previously unrecognised tax loss	使用先前未確認之稅務虧損	<b>(13)</b>	-
Unrecognised tax losses	未確認稅項虧損	<b>7,970</b>	3,592
Tax effect of income not subject to taxation	無須課稅之收入之稅項	<b>(1,089)</b>	(438)
Tax effect of expenses not deductible for taxation purposes	不可扣稅之支出之稅項	<b>30,816</b>	5
Reversal of deferred tax recognised in prior years	沖回之前年度已確認遞延稅項	<b>(4,601)</b>	-
Over-provision of current tax in prior years	之前年度多提即期稅項	<b>(98)</b>	(427)
Tax credit	稅項抵免	<b>(5,638)</b>	(2,221)

### 10. Tax credit (cont'd)

For the year ended 31st December 2010, the weighted average applicable tax rate was 24.5% (2009:19.6%).

### 11. Loss attributable to equity holders

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$182,685,000 (2009: HK\$23,218,000).

### 12. Loss per share

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

### 10. 稅項抵免(續)

截至二零一零年十二月三十一日止年度，加權平均適用稅率為24.5% (二零零九年：19.6%)。

### 11. 股權持有人應佔虧損

於本公司財務報表內處理之本公司股權持有人應佔虧損為約182,685,000港元(二零零九年：23,218,000港元)。

### 12. 每股虧損

下表列示計算每股基本虧損及攤薄虧損乃根據年內股權持有人應佔虧損及股份之加權平均股數(需要時予以調整)：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Loss attributable to equity holders from continuing operations	持續營運業務之股東應佔虧損	107,914	23,316
Loss attributable to equity holders from discontinued operation	終止營運業務之股東應佔虧損	14,855	16,346
Loss attributable to equity holders for the purpose of basic loss per share	計算每股基本虧損之股東應佔虧損	<b>122,769</b>	39,662
<b>Number of shares</b>	<b>股份數目</b>	<b>Thousand 千股</b>	Thousand 千股
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損之普通股份之加權平均股數	<b>13,332,700</b>	12,644,481

**12. Loss per share (cont'd)**

The share options have no potential dilutive effect on basic loss per share for 2009 and 2010.

**13. Dividend**

At the Board meeting held on 28th March 2011, the Board did not recommend a final dividend for the year ended 31st December 2010 (2009: nil).

**12. 每股虧損(續)**

二零零九年及二零一零年購股權對每股基本虧損沒有潛在攤薄影響。

**13. 股息**

於二零一零年三月二十八日舉行的董事會會議上，董事會不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(二零零九年：無)。



# Notes to the Financial Statements

## 財務報表附註

### 14. Property, plant and equipment

### 14. 物業、廠房及設備

#### Group

#### 本集團

		Plant,	Office	Office	Computer	Motor	Total		
		machinery	furniture,						
Buildings	Leasehold	and	fixtures and	equipment	equipment	vehicles			
	improvements		fittings						
			辦公室						
			傢俬、裝置	辦公室	電腦設備	汽車	總計		
			及設備	設備					
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		
<b>Cost</b>	<b>成本</b>								
At 1st January 2010	於二零一零年一月一日	75,823	39,725	9,517	1,360	312	7,660	8,444	142,841
Exchange differences	匯兌差額	2,841	1,342	27	25	8	8	213	4,464
Additions	添置	906	219	236	59	6	82	1,555	3,063
Disposals	出售	-	(321)	-	-	(78)	-	(25)	(424)
Disposal of subsidiaries (Note 32(c))	出售附屬公司 (附註32(c))	-	-	-	(3)	-	(9)	(4,251)	(4,263)
At 31st December 2010	於二零一零年十二月三十一日	79,570	40,965	9,780	1,441	248	7,741	5,936	145,681
<b>Accumulated depreciation and impairment losses</b>	<b>累積折舊及減值虧損</b>								
At 1st January 2010	於二零一零年一月一日	702	4,885	7,849	747	200	6,353	3,620	24,356
Exchange differences	匯兌差額	1,886	874	8	13	7	6	126	2,920
Charge for the year	本年度折舊	4,318	4,468	450	191	40	632	1,804	11,903
Disposals	出售	-	-	-	-	(63)	-	(8)	(71)
Impairment losses (Note 34 (iii))	減值虧損 (附註 34 (iii))	69,144	27,953	-	163	21	147	1,472	98,900
Disposal of subsidiaries (Note 32(c))	出售附屬公司 (附註32(c))	-	-	-	(1)	-	(1)	(2,434)	(2,436)
At 31st December 2010	於二零一零年十二月三十一日	76,050	38,180	8,307	1,113	205	7,137	4,580	135,572
<b>Net book value</b>	<b>賬面淨值</b>								
At 31st December 2010	於二零一零年十二月三十一日	3,520	2,785	1,473	328	43	604	1,356	10,109

# Notes to the Financial Statements

## 財務報表附註

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

### 14. 物業、廠房及設備(續)

#### Group (cont'd)

#### 本集團(續)

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

At 31st December 2010, buildings with carrying amounts of approximately HK\$3,520,000 (2009: HK\$73,084,000) have been pledged for bank borrowings (Note 27).

於二零一零年十二月三十一日，賬面值約為3,520,000港元(二零零九年：73,084,000港元)之樓宇已因銀行借貸(附註27)而予以抵押。

The carrying amounts of property, plant and equipment of the seamless steel pipes business have been reduced to their recoverable amounts and impairment losses of HK\$98,900,000 are recognised in the consolidated income statement. The recoverable amounts are determined based on value in use calculations. The key assumptions used in value in use calculations are set out in Note 16. Details are set out in Note 34(iii).

無縫鋼管業務之物業、廠房及設備賬面值已減至其可回收金額，98,900,000港元之減值虧損已於綜合收益表內確認，可回收金額是按使用價值計算而釐定，使用價值計算中的主要假設列載於附註16。詳情列載於附註34(iii)。

# Notes to the Financial Statements

## 財務報表附註

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

### 14. 物業、廠房及設備(續)

Company

本公司

<b>Cost</b>	<b>成本</b>
At 1st January 2010	於二零一零年一月一日
Additions	添置
At 31st December 2010	於二零一零年十二月三十一日
<b>Accumulated depreciation</b>	<b>累積折舊</b>
At 1st January 2010	於二零一零年一月一日
Charge for the year	本年度折舊
At 31st December 2010	於二零一零年十二月三十一日
<b>Net book value</b>	<b>賬面淨值</b>
At 31st December 2010	於二零一零年十二月三十一日

<b>Leasehold improvements</b>	<b>Office furniture, fixtures and fittings</b>	<b>Total</b>
<b>租賃物業裝修</b>	<b>辦公室傢俬、裝置及設備</b>	<b>總計</b>
<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>千港元</b>	<b>千港元</b>	<b>千港元</b>
-	-	-
208	21	229
<b>208</b>	<b>21</b>	<b>229</b>
-	-	-
5	-	5
<b>5</b>	<b>-</b>	<b>5</b>
<b>203</b>	<b>21</b>	<b>224</b>

### 15. Land use rights

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

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

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

At 31st December 2010, land use rights with carrying amounts of approximately HK\$26,896,000 (2009: HK\$28,837,000) have been pledged for bank borrowings (Note 27).

The carrying amount of land use rights of the seamless steel pipes business has been reduced to its recoverable amount. The recoverable amount is determined based on value in use calculations. The key assumptions used for value in use calculations are set out in Note 16. Details are set out in Note 34(iii). Impairment loss of HK\$2,471,000 recognised in the consolidated income statement is allocated to land use rights with reference to its fair market value.

### 15. 土地使用權

本集團於土地使用權的權益指預付經營租賃款項及其賬面淨值分析如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>28,462</b>	30,535
<b>30,535</b>	-
<b>-</b>	30,638
<b>1,056</b>	5
<b>(2,471)</b>	-
<b>(658)</b>	(108)
<b>28,462</b>	30,535

於二零一零年十二月三十一日，賬面值約為26,896,000港元(二零零九年：28,837,000港元)之土地使用權已因銀行借貸(附註27)而予以抵押。

無縫鋼管業務之土地使用權賬面值已減至其可回收金額。可回收金額是按使用價值計算而釐定，使用價值計算中的主要假設列載於附註16。詳情列載於附註34(iii)。於綜合收益表內確認之土地使用權減值虧損為2,471,000港元，參考其公允市場價值而作出分配。

# Notes to the Financial Statements

## 財務報表附註

### 16. Goodwill

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

Goodwill is related to the segment of manufacturing and sale of seamless steel pipes in Mainland China.

The recoverable amount of a CGU is determined based on value in use calculations, which have been reviewed and confirmed by an independent professional valuer. These calculations use pre-tax cash flow projections based on financial forecasts approved by management covering a five-year period. Management determined the financial forecasts based on past performance and its expectations for market development. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below.

### 16. 商譽

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>22,787</b>	—
—	22,266
<b>263</b>	521
<b>(23,050)</b>	—
<b>—</b>	<b>22,787</b>

商譽是關於於中國內地生產及銷售無縫鋼管分類。

該現金產生單位之可收回金額乃根據使用價值計算，此計算已經獨立專業估值師審閱及確認。這些計算使用稅前現金流量預測在涵蓋五年期間之財務預測的基礎上由管理層批准。管理層對財務作出的預測乃根據過往表現及其對市場發展的期望而確定。現金流量超過五年期推斷估計增長率說明如下。

## 16. Goodwill (cont'd)

The key assumptions used in value in use calculations are as follows:

Growth rate (note (i))	增長率(附註(i))
Discount rate (note (iii))	折現率(附註(ii))

Notes:

- (i) Weighted average growth rate is used to extrapolate cash flows beyond the forecast period which does not exceed long-term average growth rate for the industry.
- (ii) Pre-tax discount rate has been applied to the cash flow projections. The discount rate used is pre-tax and reflect specific risks related to the Group.

After the acquisition, the market situation had significantly deteriorated due to the imposition of anti-dumping and anti-subsidy duties on imports of steel pipes by the United States and European Union that led to oversupply and intense competition in Mainland China market. Also, the unexpected surge in commodity prices (i.e. cost of raw materials of the seamless steel pipes segment) which has exacerbated the situation. As a result, the performance of seamless steel pipes segment for the year 2010 was well below management expectation. Details are set out in Note 34(iii).

During the year, an impairment loss of HK\$23,050,000 is recognised in the consolidated income statement.

## 16. 商譽(續)

使用價值計算之主要假設如下：

<b>2010</b>
<b>二零一零年</b>
<b>%</b>
<b>1%</b>
<b>17.8%</b>

附註：

- (i) 加權平均增長率為用以推算現金流量超出了預測期內而不超過行業長期平均增長率。
- (ii) 稅前折現率已應用於現金流量預測。所採用的折現率乃稅收前及反映有關本集團特定之風險。

於收購後，由於美國及歐洲聯盟對進口鋼管徵收反傾銷關稅及反補貼稅，使市場情況嚴重惡化，導致供應過多及中國大陸市場的激烈競爭。此外，商品價格預期外地大幅上升(即無縫鋼管分部的原材料成本)使情況變得更差。因此，無縫鋼管分部於二零一零年的表現遠低於管理層的預期。詳情列載於附註34(iii)。

年內，23,050,000港元之減值虧損已於綜合收益表內確認。

### 17. Investment properties

### 17. 投資物業

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1st January	於一月一日	185,231	295,498
Exchange differences	匯兌差額	4,502	277
Fair value (losses)/gains	公允值(虧損)/收益	(23,110)	4,136
Classified as assets held-for-sale (Note 24)	分類至持作出售資產(附註24)	-	(114,680)
Disposal of subsidiaries (Note 32(c))	出售附屬公司(附註32(c))	(166,623)	-
At 31st December	於十二月三十一日	<u>-</u>	<u>185,231</u>

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

以下款項已於綜合收益表確認入賬：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Rental income	租金收入	<u>1,516</u>	<u>1,767</u>

For the year ended 31st December 2010, rental income was derived from properties in Hong Kong and Mainland China which have been disposed of during the year.

截至二零一零年十二月三十一日止年度，租金收入賺取自位於香港及中國內地之物業，此等物業已於年內出售。

At 31st December 2009, investment properties with carrying amounts of HK\$185,231,000 have been pledged for banking facilities (Note 27).

於二零零九年十二月三十一日，賬面值為185,231,000港元之投資物業已因銀行信用額度(附註27)而予以抵押。

### 17. Investment properties (cont'd)

As at 31st December 2009, the Group's interests in investment properties at their carrying values were analysed as follows:

In Mainland China, held on:                      於中國內地，以下列方式持有：

Leases of over 50 years                      超過50年的租賃

As at 31st December 2009, the future aggregate minimum lease receivables under non-cancellable operating lease in respect of its investment properties classified as assets held-for-sale were as follows:

Not later than one year                      一年或以內

### 17. 投資物業(續)

於二零零九年十二月三十一日，本集團於投資物業之權益(按賬面值計算)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
-	185,231

於二零零九年十二月三十一日，本集團根據不可撤銷經營租約就投資物業已列為持作出售資產應收之未來最低租賃款項總計如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
-	83



### 18. Investments in subsidiaries

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

#### Amounts due from subsidiaries

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

As at 31st December 2009 and 2010, the amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

As at 31st December 2010, the amount due from a subsidiary of HK\$110,089,000 (2009: HK\$25,740,000) was impaired and provided for. The balance represented fund transfer to the subsidiary in prior years. Due to the uncertainty in recovering the balance, impairment loss for amount due from the subsidiary was recognised based on the difference between the carrying amount and the estimated discounted net cash flows from the subsidiary.

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

### 18. 於附屬公司投資

Company	
本公司	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
88,482	96,901

#### 應收附屬公司款項

Company	
本公司	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
138,568	282,464
(110,089)	(25,740)
28,479	256,724

於二零零九年及二零一零年十二月三十一日，應收附屬公司之款項為無抵押、免息且按要求償還。

於二零一零年十二月三十一日，應收附屬公司之款項110,089,000港元(二零零九年：25,740,000港元)已作減值撥備，結餘代表以前年度劃款至附屬公司。由於該金額之回收存在不確定性，因此應收附屬公司款項之減值虧損乃依據賬面值與附屬公司之未來估計經折現現金流量淨值之差異而確定。

應收附屬公司之款項以港元計值，賬面值與彼等公允值相若。

**18. Investments in subsidiaries (cont'd)**

**Amounts due to subsidiaries**

As at 31st December 2009 and 2010, the amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

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

Details of principal subsidiaries, which in the Directors' opinion, materially affect the results and/or net assets of the Group as at 31st December 2010 are set out in Note 38.

**18. 於附屬公司投資(續)**

**應付附屬公司款項**

於二零零九年及二零一零年十二月三十一日，應付附屬公司款項為無抵押、免息且按要求償還。

應付附屬公司款項之賬面值與彼等公允值相若。

董事認為對本集團之業績及/或於二零一零年十二月三十一日之淨資產構成重大影響之主要附屬公司之詳情載於附註38。

# Notes to the Financial Statements

## 財務報表附註

### 19. Financial instruments by category

### 19. 按種類劃分的金融工具

#### Group

#### 本集團

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<i>Loans and receivables</i>	貸款及應收款		
Assets as per consolidated balance sheet	綜合資產負債表 所示資產		
Trade and other receivables	貿易及其他應收款項	<b>108,404</b>	158,893
Pledged bank deposits (Note 22)	抵押銀行存款 (附註22)	<b>92,789</b>	38,576
Cash and cash equivalents (Note 23)	現金及現金 等價物(附註23)	<b>62,230</b>	55,784
Total	總計	<b>263,423</b>	253,253

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<i>Other financial liabilities</i>	其他財務負債		
Liabilities as per consolidated balance sheet	綜合資產負債表 所示負債		
Trade and other payables (Note 29)	貿易及其他應付款項 (附註29)	<b>131,665</b>	89,654
Loan from a shareholder (Note 33)	股東貸款(附註33)	-	59,881
Amount due to a related company (Note 33)	應付一家關連公司款項 (附註33)	<b>876</b>	23,449
Amount due to a non-controlling shareholder	應付非控制性 股東款項	<b>17</b>	133
Borrowings (Note 27)	借貸(附註27)	<b>174,042</b>	278,124
Total	總計	<b>306,600</b>	451,241

# Notes to the Financial Statements

## 財務報表附註

### 19. Financial instruments by category (cont'd)

### 19. 按種類劃分的金融工具(續)

#### Company

#### 本公司

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<i>Loans and receivables</i>	<i>貸款及應收款</i>		
Assets as per balance sheet	資產負債表所示資產		
Deposits and other receivables	按金及其他應收款項	117	236
Amounts due from subsidiaries (Note 18)	應收附屬公司款項(附註18)	28,479	256,724
Cash and cash equivalents (Note 23)	現金及現金等價物(附註23)	680	877
Total	總計	<b>29,276</b>	257,837

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<i>Other financial liabilities</i>	<i>其他財務負債</i>		
Liabilities as per balance sheet	資產負債表所示負債		
Amounts due to subsidiaries (Note 18)	應付附屬公司款項(附註18)	99,978	105,176
Loan from a shareholder (Note 33)	股東貸款(附註33)	-	59,881
Total	總計	<b>99,978</b>	165,057

### 20. Inventories

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

At 31st December 2010, the provision for impairment of inventories amounted to approximately HK\$25,356,000 (2009: HK\$30,092,000).

The cost of inventories recognised as expenses and included in cost of sales amounted to approximately HK\$413,335,000 (2009: HK\$361,908,000).

At 31st December 2010, inventories held by a PRC subsidiary with carrying amounts of approximately HK\$80,930,000 (2009: HK\$38,926,000) have been pledged for bank borrowings (Note 27).

### 20. 存貨

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>17,902</b>	17,956
<b>6,828</b>	6,010
<b>1,941</b>	1,603
<b>203,874</b>	154,879
<b>230,545</b>	180,448

於二零一零年十二月三十一日，存貨減值撥備達約25,356,000港元(二零零九年：30,092,000港元)。

確認為支出並列入銷售成本項下之存貨成本達約413,335,000港元(二零零九年：361,908,000港元)。

於二零一零年十二月三十一日，賬面值約為80,930,000港元(二零零九年：38,926,000港元)之存貨於中國附屬公司持有，已因銀行借貸(附註27)而予以抵押。

# Notes to the Financial Statements

## 財務報表附註

### 21. Trade and other receivables

### 21. 貿易及其他應收款項

		Group 本集團		Company 本公司	
		2010 二零一零年 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	2009 二零零九年 HK\$'000 千港元
Trade receivables	貿易貨款	100,279	135,773	-	-
Less: provision for impairment	減：減值撥備	(3,190)	(2,612)	-	-
Trade receivables – net	貿易貨款－淨額	97,089	133,161	-	-
Prepayments	預付款	61,238	7,608	1,211	167
Other receivables and assets, net	其他應收款項 及資產淨額	7,922	23,206	117	236
Rental deposits and other assets	租約按金及其他資產	3,393	2,526	-	-
		169,642	166,501	1,328	403
Less: non-current portion	減：非流動部份	(3,196)	(3,061)	-	-
		166,446	163,440	1,328	403

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

貿易應收款項、其他應收款項、其他資產及租約按金之賬面金額與彼等公允值相若。

### 21. Trade and other receivables (cont'd)

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

Hong Kong dollars	港元
RMB	人民幣
USD	美元
MOP	澳門幣
EURO	歐元
AUD	澳元

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

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

### 21. 貿易及其他應收款項(續)

本集團貿易及其他應收款項之賬面金額以下列貨幣計值：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
83,930	96,220
42,474	61,722
41,332	8,354
489	205
1,197	—
220	—
<b>169,642</b>	<b>166,501</b>

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

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
60,725	90,986
19,113	25,447
2,570	4,734
1,634	2,290
535	487
15,702	11,829
<b>100,279</b>	<b>135,773</b>

### 21. Trade and other receivables (cont'd)

Trade receivables that are current or past due less than four months are not considered impaired. As of 31st December 2010, trade receivables of approximately HK\$36,364,000 (2009: HK\$42,175,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

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

As at 31st December 2010, trade receivables of HK\$3,190,000 (2009: HK\$2,612,000) were impaired and provided for. The individually impaired receivables mainly relate to customers, which are in unexpected difficult financial situations. These receivables are past due more than 120 days.

### 21. 貿易及其他應收款項(續)

即期或逾期四個月以下之貿易應收款項不會考慮作減值。於二零一零年十二月三十一日，貿易應收款項約36,364,000港元(二零零九年：42,175,000港元)已逾期但未作減值。該等款項與一批並無逾期還款記錄之獨立客戶有關。該等貿易應收款項之賬齡分析如下：

<b>2010</b>	2009
<b>二零一零年</b>	二零零九年
<b>HK\$'000</b>	HK\$'000
<b>千港元</b>	千港元
<b>19,113</b>	25,447
<b>2,570</b>	4,734
<b>1,634</b>	2,290
<b>535</b>	487
<b>12,512</b>	9,217
<b>36,364</b>	42,175

於二零一零年十二月三十一日，貿易應收款項3,190,000港元(二零零九年：2,612,000港元)已作減值撥備。個別已減值應收款項主要與未能預期陷入財務困境之客戶有關。該等應收款項逾期超過120天。



### 21. Trade and other receivables (cont'd)

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

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

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

As at 31st December 2010, other receivables of approximately HK\$25,045,000 (2009: HK\$42,377,000) were impaired and provided for. The amount of additional charge was approximately HK\$380,000 for the year ended 31st December 2010 (2009: HK\$18,289,000) and has been included in general and administrative expenses in the consolidated income statement. During 2010, the drop of provision for other receivables amounted to approximately HK\$18,834,000 was due to deconsolidation of subsidiaries upon disposal. The individually impaired other receivables mainly related to counterparties, which are in unexpected difficult financial situations.

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

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

### 21. 貿易及其他應收款項(續)

貿易應收款之減值撥備變動如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
2,612	967
904	2,369
-	(226)
(375)	(498)
49	-
<b>3,190</b>	<b>2,612</b>

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

於二零一零年十二月三十一日，其他應收款項約25,045,000港元(二零零九年：42,377,000港元)已作減值撥備。於二零一零年十二月三十一日，額外撥備金額約為380,000港元(二零零九年：18,289,000港元)，並已計入綜合收益表內之一般及行政費用項下。於二零一零年，其他應收款項減值撥備下降之金額約為18,834,000港元，是由於出售附屬公司後停止綜合入賬所致。個別減值之其他應收款項主要涉及未能預期陷入財務困境之對手方。

貿易及其他應收款項內其他類別並無任何已減值資產。

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

### 22. Pledged bank deposit

As at 31st December 2010, bank deposit of HK\$75,000,000 (2009: HK\$30,000,000) denominated in Hong Kong dollars and bank deposit of HK\$17,789,000 (2009: HK\$8,576,000) denominated in RMB were pledged as collateral for the Group's banking facilities (Note 27).

The effective interest rate on pledged bank deposit was 0.72% (2009: 0.24%) per annum and these deposits are matured within 12 to 166 days (2009: 4 to 102 days).

### 23. Cash and cash equivalents

### 22. 已抵押銀行存款

於二零一零年十二月三十一日，75,000,000 港元（二零零九年：30,000,000 港元）以港元計值及 17,789,000 港元（二零零九年：8,576,000 港元）以人民幣計值之銀行存款已予以抵押，作為本集團銀行信貸額度之抵押品（附註 27）。

已抵押銀行存款之實際利率為年息 0.72%（二零零九年：0.24%），此等存款之到期日介乎 12 天至 166 天（二零零九年：4 天至 102 天）。

### 23. 現金及現金等價物

		Group 本集團		Company 本公司	
		2010 二零一零年 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	2009 二零零九年 HK\$'000 千港元
Cash at bank and in hand	銀行及手頭現金	<b>62,230</b>	55,784	<b>680</b>	877
Maximum exposure to credit risk	須承受的最高信貸風險	<b>62,060</b>	55,563	<b>680</b>	876

### 23. Cash and cash equivalents (cont'd)

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

Hong Kong dollars	港元
RMB	人民幣
USD	美元
AUD	澳元
EURO	歐元
Other currencies	其他貨幣

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

### 23. 現金及現金等價物(續)

本集團及本公司之現金及現金等價物之賬面金額按以下貨幣計值：

Group 本集團		Company 本公司	
2010 二零一零年 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	2009 二零零九年 HK\$'000 千港元
43,309	40,526	680	877
17,301	13,128	-	-
38	518	-	-
203	394	-	-
5	1	-	-
1,374	1,217	-	-
<b>62,230</b>	<b>55,784</b>	<b>680</b>	<b>877</b>

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

**24. Assets held-for-sale and discontinued operation**

**(a) Assets held-for-sale**

As at 31st December 2009, investment properties held in Hong Kong have been presented as assets held-for-sale as disposal actions had been initiated at 2009 year end. The disposals were completed in January and February 2010.

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

**(b) Discontinued operation**

On 21st December 2010, the Group completed the disposal of the entire equity interest in Noble Win International Limited which was engaged in investment in properties in the Mainland China through its subsidiaries.

The Group had re-presented the disclosures in respect of the discontinued operation of the consolidated income statement for the year ended 31st December 2009.

**24. 持作出售資產及終止營運業務**

**(a) 持作出售資產**

於二零零九年十二月三十一日，於香港持有之投資物業已作持作出售資產處理，因出售行動已於二零零九年年底前展開。該等出售於二零一零年一月及二月份完成。

於二零零九年十二月三十一日，賬面值約為114,680,000港元之於香港的持作出售資產已因銀行融資(附註27)而予以抵押。

**(b) 終止營運業務**

於二零一零年十二月二十一日，本集團完成出售世禾國際有限公司所有股本權益，該公司透過其附屬公司於中國內地從事物業投資。

本集團已重新呈列有關截至二零零九年十二月三十一日止年度之終止營運業務的綜合收益表之披露。

### 24. Assets held-for-sale and discontinued operation (cont'd)

Analysis of the results of discontinued operation is as follows:

### 24. 持作出售資產及終止營運業務(續)

終止營運業務之業績分析如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue	收入	1,516	1,767
Cost of sales	銷售成本	-	-
Gross profit	毛利	1,516	1,767
Other (losses)/gains, net	其他(虧損)/收益淨額	(23,182)	4,136
Selling and distribution costs	銷售及分銷成本	(116)	(603)
General and administrative expenses	一般及行政費用	(2,897)	(19,198)
Operating loss	經營虧損	(24,679)	(13,898)
Finance costs, net	財務費用淨額	(3,052)	(3,810)
Loss before income tax	稅前虧損	(27,731)	(17,708)
Tax credit	稅項抵免	29	1,362
Loss after tax of discontinued operation	終止營運業務之虧損	(27,702)	(16,346)
Pre-tax gain on disposal of subsidiaries	出售附屬公司之收益(稅前)	12,847	-
Tax expense	稅項支出	-	-
After-tax gain on disposal of subsidiaries	出售附屬公司之收益(稅後)	12,847	-
Loss for the year for discontinued operation	終止營運業務之年度虧損	(14,855)	(16,346)
Attributable to:	應佔:		
Equity holders of the Company	本公司股權持有人	(14,855)	(16,346)
Non-controlling interests	非控制性權益	-	-
		(14,855)	(16,346)

# Notes to the Financial Statements

## 財務報表附註

### 24. Assets held-for-sale and discontinued operation (cont'd)

### 24. 持作出售資產及終止營運業務(續)

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Operating activities cash flows	經營業務之現金流	(9,676)	(5,325)
Investing activities cash flows	投資活動之現金流	114,680	(44)
Financing activities cash flows	融資活動之現金流	(106,389)	6,573
		<b>(1,385)</b>	<b>1,204</b>

  

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cumulative income recognised directly in equity	直接於權益中 確認的累計收入		
Foreign exchange translation adjustments	匯兌調整	-	12,589

### 25. Share capital

### 25. 股本

		Number of shares 股份數目 thousands 千股	HK\$'000 千港元
At 1st January 2009	於二零零九年一月一日	12,532,700	25,065
Issue of new shares for acquisition of a subsidiary (note)	收購一家 附屬公司 發行新股份(附註)	800,000	1,600
At 31st December 2009	於二零零九年十二月三十一日	13,332,700	26,665
At 1st January and 31st December 2010	於二零一零年一月一日 及十二月三十一日	<b>13,332,700</b>	<b>26,665</b>

### 25. Share capital (cont'd)

The authorised share capital of the Company is HK\$500,000,000, comprising 250,000 million shares (2009: 250,000 million shares) with a par value of HK\$0.002 per share (2009: HK\$0.002 per share). All issued shares are fully paid.

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

#### Share Option Scheme

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

### 25. 股本(續)

本公司之法定股本為500,000,000港元，由每股面值0.002港元(二零零九年：每股面值0.002港元)共250,000,000,000股(二零零九年：250,000,000,000股)組成。所有已發行股份皆已繳足。

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

#### 購股權計劃

本公司已採納一項購股權計劃(「購股權計劃」)。據此，授權本公司董事全權酌情邀請任何合資格參與者(定義見購股權計劃)接納可認購本公司股份之購股權。認購價將由董事會釐定，並最少為(a) 股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為香港聯交所經營證券買賣業務之日期(「交易日」))在香港聯交所每日報價表所報之收市價；(b) 股份於緊接開始日期前連續五個交易日在香港聯交所每日報價表所報之平均收市價；及(c) 股份面值三者中之最高者。接納授出之每份購股權時，承授人須支付10港元之代價。根據購股權計劃授出之購股權涉及之股份最高數目，不得超過採納購股權計劃當日本公司已發行股本之10%。購股權計劃由二零零四年六月二十四日起計十年內有效。

## 25. Share capital (cont'd)

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

**Maximum percentage of the options exercisable  
可行使之購股權最高百分比**

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

## 25. 股本(續)

- (i) 於二零零九年十二月三日，本集團向董事及僱員要約並已獲接納592,000,000份購股權，該等購股權之行使價為0.071港元及購股權之行使期限為十年，由二零零九年十二月三日開始至二零一九年十二月二日到期(包括首尾兩天)。授予承授人的購股權分階段歸屬，並按以下方式行使：

**Period for exercise of the relevant percentage of the options  
行使相關購股權百分比之期限**

Upon the expiry of 6 months from 3rd December 2009 and up to 2nd December 2019  
由二零零九年十二月三日起計六個月屆滿起，至二零一九年十二月二日止

Upon the expiry of 18 months from 3rd December 2009 and up to 2nd December 2019  
由二零零九年十二月三日起計十八個月屆滿起，至二零一九年十二月二日止

Upon the expiry of 30 months from 3rd December 2009 and up to 2nd December 2019  
由二零零九年十二月三日起計三十個月屆滿起，至二零一九年十二月二日止

Upon the expiry of 42 months from 3rd December 2009 and up to 2nd December 2019  
由二零零九年十二月三日起計四十二個月屆滿起，至二零一九年十二月二日止

Upon the expiry of 54 months from 3rd December 2009 and up to 2nd December 2019  
由二零零九年十二月三日起計五十四個月屆滿起，至二零一九年十二月二日止



## 25. Share capital (cont'd)

- (ii) On 5th May 2010, 16,000,000 share options were offered to and accepted by a Director and an employee, with an exercise price of HK\$0.083 and an option period of 10 years commencing from 5th May 2010 and expiring on 4th May 2020 (both days inclusive). The options granted to the grantees are vested in stages and to be exercised in the following manner:

**Maximum percentage of the options exercisable  
可行使之購股權最高百分比**

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

20% of the total number of options granted to any grantee  
向任何承授人授出之購股權總數之20%

Vesting of options granted to certain employees are subject to achievement of profit target.

## 25. 股本(續)

- (ii) 於二零一零年五月五日，本集團向一位董事及一位僱員要約並已獲接納16,000,000份購股權，該等購股權之行使價為0.083港元及購股權之行使期限為十年，由二零一零年五月五日開始至二零二零年五月四日到期(包括首尾兩天)。授予承授人的購股權分階段歸屬，並按以下方式行使：

**Period for exercise of the relevant percentage of the options  
行使相關購股權百分比之期限**

Upon the expiry of 6 months from 5th May 2010 and up to 4th May 2020

由二零一零年五月五日起計六個月屆滿起，至二零二零年五月四日止

Upon the expiry of 18 months from 5th May 2010 and up to 4th May 2020

由二零一零年五月五日起計十八個月屆滿起，至二零二零年五月四日止

Upon the expiry of 30 months from 5th May 2010 and up to 4th May 2020

由二零一零年五月五日起計三十個月屆滿起，至二零二零年五月四日止

Upon the expiry of 42 months from 5th May 2010 and up to 4th May 2020

由二零一零年五月五日起計四十二個月屆滿起，至二零二零年五月四日止

Upon the expiry of 54 months from 5th May 2010 and up to 4th May 2020

由二零一零年五月五日起計五十四個月屆滿起，至二零二零年五月四日止

授予若干僱員之購股權須達到溢利目標方可歸屬予有關僱員。

### 25. Share capital (cont'd)

Movements in the number of share options outstanding during the year are as follows:

### 25. 股本(續)

年內，尚未行使購股權數目之變動如下：

		Average exercise price in HK\$ per share 每股股份之 平均行使價(港元)	Number of options 購股權數目
At 1st January 2009	於二零零九年一月一日		–
Granted and accepted	已授出並接納	0.071	592,000,000
At 31st December 2009 and 1st January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	0.071	<b>592,000,000</b>
Granted and accepted	已授出並接納	0.083	<b>16,000,000</b>
Lapsed	已失效	0.071	<b>(36,400,000)</b>
At 31st December 2010	於二零一零年十二月三十一日	0.071	<b>571,600,000</b>

Out of 571,600,000 outstanding share options (2009: 592,000,000), 77,600,000 share options (2009: Nil) were exercisable.

於571,600,000股(二零零九年：592,000,000)購股權中，77,600,000股(二零零九年：無)為可行使的購股權。

# Notes to the Financial Statements

## 財務報表附註

### 26. Reserves

#### Group

		本集團						
		Share premium	Capital reserve (note (i))	Merger reserve (note (ii))	Exchange reserve	Share based payment reserve	Retained earnings	Total
		股份溢價	資本儲備	合併儲備	匯兌儲備	以股份為基礎的付款	保留溢利	總額
		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
At 1st January 2009	於二零零九年一月一日	79,418	34,115	3,700	16,343	-	245,983	379,559
Loss for the year	年度虧損	-	-	-	-	-	(39,662)	(39,662)
Currency translation differences	貨幣換算差額	-	-	-	570	-	-	570
Issue of new shares for acquisition of a subsidiary (Note 34)	收購附屬公司發行新股(附註34)	47,200	-	-	-	-	-	47,200
Share based payment	以股份為基礎的付款	-	-	-	-	718	-	718
At 31st December 2009 and 1st January 2010	於二零零九年十二月三十一日及二零一零年一月一日	<b>126,618</b>	<b>34,115</b>	<b>3,700</b>	<b>16,913</b>	<b>718</b>	<b>206,321</b>	<b>388,385</b>
Loss for the year	年度虧損	-	-	-	-	-	(122,769)	(122,769)
Currency translation differences	貨幣換算差額	-	-	-	4,510	-	-	4,510
Disposal of subsidiaries (Note 32(c))	出售附屬公司(附註32(c))	-	-	-	(15,488)	-	-	(15,488)
Share based payment	以股份為基礎的付款	-	-	-	-	5,104	-	5,104
At 31st December 2010	於二零一零年十二月三十一日	<b>126,618</b>	<b>34,115</b>	<b>3,700</b>	<b>5,935</b>	<b>5,822</b>	<b>83,552</b>	<b>259,742</b>

#### Company

		本公司				
		Share premium	Contributed surplus (note (iii))	Share based payment reserve	Accumulated deficit	Total
		股份溢價	繳入盈餘	以股份為基礎的付款	累計虧損	總額
		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 1st January 2009	於二零零九年一月一日	79,418	86,759	-	(28,894)	137,283
Issue of new shares for acquisition of a subsidiary (Note 34)	收購附屬公司發行新股(附註34)	47,200	-	-	-	47,200
Loss for the year	年度虧損	-	-	-	(23,218)	(23,218)
Share based payment	以股份為基礎的付款	-	-	718	-	718
At 31st December 2009 and 1st January 2010	於二零零九年十二月三十一日及二零一零年一月一日	<b>126,618</b>	<b>86,759</b>	<b>718</b>	<b>(52,112)</b>	<b>161,983</b>
Loss for the year	年度虧損	-	-	-	(182,685)	(182,685)
Share based payment	以股份為基礎的付款	-	-	5,104	-	5,104
At 31st December 2010	於二零一零年十二月三十一日	<b>126,618</b>	<b>86,759</b>	<b>5,822</b>	<b>(234,797)</b>	<b>(15,598)</b>

## 26. Reserves (cont'd)

Notes:

- (i) The capital reserve of the Group arose from acquisition of the remaining interests in a subsidiary in 1999. The balance represents the excess of the fair value attributable to the net assets and liabilities acquired over the consideration paid.
- (ii) The merger reserve of the Group arising from the group reorganisation is determined by the difference between the nominal value of shares of the subsidiaries acquired pursuant to the group reorganisation and the nominal value of the Company's shares deemed to have been issued.
- (iii) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of World Trade Bun Kee (BVI) Ltd. and the value of net assets of the underlying subsidiaries acquired by the Company in 2000. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, subject to a solvency test. At the Group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.
- (iv) At 31st December 2010, there is no distributable profit for the Company (2009: reserves of the Company available for distribution, including the contributed surplus, amounted to approximately HK\$34,647,000).

## 26. 儲備(續)

附註：

- (i) 本集團之資本儲備起源於一九九九年收購一間附屬公司之餘下權益。有關結餘指所購入淨資產及負債之公允值超出已支付代價之差額。
- (ii) 本集團因集團重組而產生之合併儲備，乃根據集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值兩者間之差額釐定。
- (iii) 本公司之繳入盈餘乃指本公司為換取World Trade Bun Kee (BVI) Ltd.全部已發行普通股而發行之股份面值與本公司所收購有關附屬公司於二零零零年之資產淨值兩者間之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘在符合有關無力償還債務之測試之情況下，可供分派予股東。在本集團之賬目上，繳入盈餘重新分類為有關附屬公司之儲備組成部分。
- (iv) 於二零一零年十二月三十一日，本公司無可供分派溢利(二零零九年：可供分派儲備(包括繳入盈餘)達約34,647,000港元)。

# Notes to the Financial Statements

## 財務報表附註

### 27. Borrowings

### 27. 借貸

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Non-current</b>	<b>非流動</b>		
Long term bank borrowings (note (i))	長期銀行借貸 (附註 (i))	-	39,973
<b>Current</b>	<b>流動</b>		
Current portion of long term bank borrowings (note (i))	長期銀行借貸之即期部分 (附註 (i))	-	6,586
Short term bank borrowings (note (ii))	短期銀行借貸 (附註 (ii))		
Trust receipt loans (note (ii))	信託收據貸款 (附註 (ii))	<b>106,731</b>	143,381
		<b>67,311</b>	88,184
		<b>174,042</b>	238,151
		<b>174,042</b>	278,124
Representing:	其中：		
Unsecured	無抵押	<b>1,511</b>	6,367
Secured (note (vii))	有抵押 (附註 (vii))	<b>172,531</b>	271,757
		<b>174,042</b>	278,124

### 27. Borrowings (cont'd)

Notes:

- (i) As at 31st December 2009, the long term bank borrowings were secured and issued at floating rates. The carrying amounts and fair values of the long term bank borrowings were as follows:

Long term bank borrowings	長期銀行借貸
Carrying amounts	賬面金額
Fair values	公允值

The fair values of long term bank borrowings approximate their carrying amounts as the impact of discounting was not significant. The fair values of long term borrowings were estimated based on discounted cash flow approach using the prevailing market rates of interest available to the Group of 5.94% for financial instruments with substantially the same terms and characteristics for the year ended 31st December 2009, depending on the type and currency of borrowings.

- (ii) The carrying amounts of the short term bank borrowings and trust receipt loans approximate their fair values. As at 31st December 2010, short term bank borrowings of approximately HK\$106,731,000 (2009: HK\$143,381,000) and trust receipt loans of approximately HK\$65,800,000 (2009: HK\$81,817,000) are secured.

### 27. 借貸(續)

附註:

- (i) 於二零零九年十二月三十一日，長期銀行借貸均為有抵押並按浮動利率計息。長期銀行借貸之賬面金額及公允值如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
-	46,559
-	47,734

由於折現之影響並不重大，故長期銀行借貸之公允值與彼等賬面金額相約。長期借貸之公允值視乎借貸之類別及貨幣，利用本集團適用之現行市場利率5.94%就截至二零零九年十二月三十一日止年度條款及特點大致相同之金融工具按現金流量折現法估計。

- (ii) 短期銀行借貸及信託收據貸款之賬面金額與彼等公允值相若。於二零一零年十二月三十一日，約106,731,000港元之短期銀行貸款(二零零九年：143,381,000港元)及約65,800,000港元之信託收據貸款(二零零九年：81,817,000港元)為有抵押。

### 27. Borrowings (cont'd)

Notes: (cont'd)

- (iii) The bank borrowings are denominated in the following currencies:

Bank borrowings:	銀行借貸：
Hong Kong dollars	港元
RMB	人民幣

- (iv) The effective interest rates (per annum) at the balance sheet date are as follows:

Long term bank borrowings	長期銀行借貸
Short term bank borrowings	短期銀行借貸
Trust receipt loans	信託收據貸款

- (v) All short term bank borrowings and trust receipt loans will mature within one year. The maturity of long term bank borrowings outstanding as at 31st December 2009 was as follows:

Within one year	一年內
Between one and two years	一年至兩年
Between two and five years	兩年至五年
Wholly repayable within five years	須於五年內悉數償還
Wholly repayable after five years	五年以上悉數償還

### 27. 借貸(續)

附註：(續)

- (iii) 銀行借貸以下列貨幣列值：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
67,311	111,610
106,731	166,514
<b>174,042</b>	<b>278,124</b>

- (iv) 於結算日，銀行借貸之有效年利率如下：

2010 二零一零年 %	2009 二零零九年 %
-	6.53
6.49	5.71
1.67	3.07

- (v) 所有短期銀行借貸及信託收據貸款均會於一年內到期。於二零零九年十二月三十一日，長期銀行借貸餘額之到期日如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
-	6,586
-	6,586
-	19,758
-	32,930
-	13,629
-	46,559

### 27. Borrowings (cont'd)

Notes: (cont'd)

- (vi) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

Six months or less	六個月或以下
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- (vii) The banking facilities were secured by corporate guarantees and certain assets held by subsidiaries. The carrying amounts of the assets include property, plant and equipment of approximately HK\$3,520,000 (2009: HK\$73,084,000) (Note 14), land use rights of approximately HK\$26,896,000 (2009: HK\$28,837,000) (Note 15), investment properties of nil (2009: HK\$185,231,000) (Note 17), assets held-for-sale of nil (2009: HK\$114,680,000) (Note 24), inventories of approximately HK\$80,930,000 (2009: HK\$38,926,000) (Note 20) and bank deposits of approximately HK\$92,789,000 (2009: HK\$38,576,000) (Note 22).

### 28. Deferred taxation

Deferred tax assets to be recovered after 12 months	將於十二個月後收回之遞延稅項資產
Deferred tax liabilities to be settled after 12 months	將於十二個月後支銷之遞延稅項負債

Deferred tax is calculated in full on temporary differences under the liability method using tax rates of the relevant subsidiaries applicable to the period when the asset is expected to be realised or the liability to be settled, based on tax rates that have been substantively enacted by the balance sheet date.

### 27. 借貸(續)

附註：(續)

- (vi) 於結算日，本集團借貸面臨的利率變動及合同重新定價日風險如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>106,731</b>	189,839

- (vii) 銀行融資由公司擔保及附屬公司持有之資產作擔保。該等資產之賬面值包括約3,520,000港元之物業、廠房及設備(二零零九年：73,084,000港元)(附註14)、約26,896,000港元之土地使用權(二零零九年：28,837,000港元)(附註15)、投資物業為零(二零零九年：185,231,000港元)(附註17)、持作出售資產為零(二零零九年：114,680,000港元)(附註24)、約80,930,000港元之存貨(二零零九年：38,926,000港元)(附註20)及銀行存款約92,789,000港元(二零零九年：38,576,000港元)(附註22)作抵押。

### 28. 遞延稅項

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>4,578</b>	11,761
<b>(4,541)</b>	(18,736)
<b>37</b>	(6,975)

遞延稅項採用負債法就有關附屬公司預期資產變現或負債結算之期間所適用之稅率(於結算日已頒佈或實質頒佈)作全數撥備。



### 28. Deferred taxation (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The net movement on the deferred tax account is as follows:

At 1st January	於一月一日
Acquisition of a subsidiary (Note 34)	收購一家附屬公司 (附註34)
Credited to income statement	在收益賬計入
– continuing operations	– 持續營運業務
– discontinued operation	– 終止營運業務
Exchange differences	匯兌差額
At 31st December	於十二月三十一日

### 28. 遞延稅項(續)

當有法定權利可將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債涉及同一稅務機關徵收，一家應課稅公司或不同的應課稅公司有意將餘額以淨額結算，則可將遞延稅項資產與遞延稅項負債互相抵銷。

遞延稅項賬目之變動淨額如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>(6,975)</b>	(1,997)
<b>-</b>	(9,116)
<b>6,814</b>	2,599
<b>301</b>	1,540
<b>(103)</b>	(1)
<b>37</b>	(6,975)

## 28. Deferred taxation (cont'd)

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

### Deferred tax assets

At 1st January 2009	於二零零九年一月一日
Acquisition of a subsidiary (Note 34)	收購一家附屬公司(附註34)
Credited to income statement	在收益賬計入
Exchange differences	匯兌差額
At 31st December 2009 and 1st January 2010	於二零零九年十二月三十一日 及二零一零年一月一日
(Charged)/credited to income statement	在收益賬(扣除)/計入
— continuing operations	— 持續營運業務
Exchange differences	匯兌差額
At 31st December 2010	於二零一零年十二月三十一日

## 28. 遞延稅項(續)

遞延稅項資產及負債於年內之變動(未計及於相同徵稅區內抵銷之結餘)如下:

### 遞延稅項資產

	Tax losses	Tax depreciation	Total
	稅務虧損	稅項折舊	總計
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
At 1st January 2009	—	—	—
Acquisition of a subsidiary (Note 34)	9,467	—	9,467
Credited to income statement	2,364	—	2,364
Exchange differences	2	—	2
At 31st December 2009 and 1st January 2010	<b>11,833</b>	<b>—</b>	<b>11,833</b>
(Charged)/credited to income statement	<b>(11,943)</b>	<b>4,466</b>	<b>(7,477)</b>
Exchange differences	<b>110</b>	<b>112</b>	<b>222</b>
At 31st December 2010	<b>—</b>	<b>4,578</b>	<b>4,578</b>

### 28. Deferred taxation (cont'd)

#### Deferred tax liabilities

At 1st January 2009	於二零零九年一月一日
Credited to income statement	在收益賬計入
– continuing operations	– 持續營運業務
– discontinued operation	– 終止營運業務
Acquisition of a subsidiary (Note 34)	收購一家附屬公司 (附註34)
Exchange differences	匯兌差額
At 31st December 2009 and 1st January 2010	於二零零九年十二月三十一日及二零一零年一月一日
Credited/(charged) to income statement	在收益賬計入/(扣除)
– continuing operations	– 持續營運業務
– discontinued operation	– 終止營運業務
Exchange differences	匯兌差額
At 31st December 2010	於二零一零年十二月三十一日

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$24,342,000 (2009: HK\$13,974,000) in respect of accumulated tax losses amounting to approximately HK\$111,672,000 (2009: HK\$64,962,000) as at 31st December 2010, that can be carried forward against future taxable income. As at 31st December 2010, the accumulated tax losses amounting to approximately HK\$69,597,000 (2009: HK\$38,299,000) will be expired in five years. There is no expiry date for the other tax losses.

### 28. 遞延稅項(續)

#### 遞延稅項負債

Tax depreciation	Revaluation on assets	Total
稅項折舊	重估資產	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
(452)	(1,545)	(1,997)
85	150	235
297	1,243	1,540
–	(18,583)	(18,583)
–	(3)	(3)
<b>(70)</b>	<b>(18,738)</b>	<b>(18,808)</b>
<b>71</b>	<b>14,220</b>	<b>14,291</b>
<b>(1)</b>	<b>302</b>	<b>301</b>
–	<b>(325)</b>	<b>(325)</b>
<b>–</b>	<b>(4,541)</b>	<b>(4,541)</b>

遞延所得稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作出確認。本集團並未就二零一零年十二月三十一日可結轉以抵銷未來應課稅收入之累計稅項虧損約111,672,000港元(二零零九年: 64,962,000港元)確認遞延所得稅項資產約24,342,000港元(二零零九年: 13,974,000港元)。於二零一零年十二月三十一日, 該等累計稅項虧損達約69,597,000港元(二零零九年: 38,299,000港元), 將於五年內到期。其他稅項虧損並無屆滿日期。

# Notes to the Financial Statements

## 財務報表附註

### 29. Trade and other payables

### 29. 貿易及其他應付款

		Group 本集團		Company 本公司	
		2010 二零一零年 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	2009 二零零九年 HK\$'000 千港元
Trade payables	貿易貨款	87,425	56,485	-	-
Accrued expenses and other payables	預提費用及 其他應付款	55,412	39,206	8,148	1,200
		<b>142,837</b>	95,691	<b>8,148</b>	1,200

The ageing analysis of the Group's trade payables is as follows:

本集團貿易貨款的賬齡分析如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within 30 days	30天以內	21,943	18,619
31 to 60 days	31天至60天	5,449	3,854
61 to 90 days	61天至90天	692	5,588
Over 90 days	超過90天	59,341	28,424
		<b>87,425</b>	56,485

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

本集團之貿易及其他應付款項之賬面金額按以下貨幣計值：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Hong Kong dollars	港元	29,267	26,755
USD	美元	33,855	16,593
RMB	人民幣	75,353	47,870
EURO	歐元	3,695	4,158
Other currencies	其他貨幣	667	315
		<b>142,837</b>	95,691

### 30. Operating lease commitment

Land and buildings	土地及樓宇
Not later than one year	不超過一年
Later than one year and not later than five years	超過一年但不超過五年
Later than five years	超過五年
Equipments	設備
Not later than one year	不超過一年
Later than one year and not later than five years	超過一年但不超過五年

The lease terms are between six months to ten years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

### 31. Financial Guarantee Contract

As at 31st December 2010, a subsidiary of the Group in Mainland China has provided a corporate guarantee (with maximum exposure of approximately HK\$21.9 million) in favor of a bank to support the banking facilities of approximately HK\$43.9 million obtained by an independent third party which is required to provide 50% pledged deposit upon drawdown (31st December 2009: HK\$29.2 million against which no pledged deposit was required). This guarantee has been provided as part of counter security arrangement entered into by the subsidiary with the independent third party, whereby the independent third party has also provided corporate guarantee in favor of the subsidiary for banking facilities up to approximately HK\$47.4 million. The financial guarantee contract is not recognised in the consolidated financial statements due to its insignificant value.

### 30. 經營租約承擔

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		<b>15,375</b>	15,456
		<b>18,834</b>	25,640
		<b>145</b>	967
		<b>34,354</b>	42,063
		<b>378</b>	–
		<b>1,251</b>	–
		<b>1,629</b>	–
		<b>35,983</b>	42,063

租賃期介乎六個月至十年，主要的租賃合約於租賃期到期後按市價續約。

### 31. 財務擔保合約

於二零一零年十二月三十一日，本集團於中國內地的一家附屬公司為一位獨立第三方取得銀行融資而向銀行提供之公司擔保約為43,900,000港元，當中使用額度的50%需由該獨立第三方提供抵押存款作抵押（承受最高風險約為21,900,000港元）（二零零九年十二月三十一日：29,200,000港元，當中並無抵押存款之要求）。該項擔保由附屬公司與獨立第三方訂立，為部份反擔保的安排，同時藉以獨立第三方為附屬公司提供公司擔保，以取得銀行融資額度約為47,400,000港元。由於財務擔保合約的價值不重大，故沒有於綜合財務報表內確認。

# Notes to the Financial Statements

## 財務報表附註

### 32. Notes to the consolidated statement of cash flows

### 32. 綜合現金流量表附註

(a) Reconciliation of loss before income tax to net cash (used in)/generated from operations

(a) 稅前虧損與經營業務之現金(所用)/產生淨額對賬

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Loss before income tax from continuing operations	(157,866)	(25,272)
Loss before income tax from discontinued operation	(27,731)	(17,708)
	<b>(185,597)</b>	<b>(42,980)</b>
Adjustments for:		
Depreciation	11,903	4,329
Amortisation	658	108
Loss on disposal of property, plant and equipment, net (note)	10	-
Fair value loss/(gains) on investment properties	23,110	(4,136)
Interest income	(307)	(119)
Interest expenses	17,937	13,104
Provision for impairment of trade and other receivables	5,886	20,084
(Write-back of provision)/provision for impairment of inventories	(4,736)	13,290
Impairment loss on property, plant and equipments	98,900	-
Impairment loss on land use rights	2,471	-
Impairment loss on goodwill	23,050	-
Share based payments	5,104	718
Changes in working capital:		
(Increase)/decrease in inventories	(42,435)	134,690
(Increase)/decrease in trade and other receivables	(7,434)	53,512
Decrease in financial assets at fair value through profit or loss	-	22,493
Increase/(decrease) in trade and other payables	49,515	(91,940)
Decrease in amount due to a non-controlling shareholder	(118)	(10,092)
Decrease in amounts due to related companies	-	(1,994)
Net cash (used in)/generated from operations	<b>(2,083)</b>	<b>111,067</b>

### 32. Notes to the consolidated statement of cash flows (cont'd)

#### (a) Reconciliation of loss before income tax to net cash (used in)/generated from operations (cont'd)

Note: Proceeds from disposal of property, plant and equipment comprises:

Net book amount	賬面淨值
Loss on disposal	出售虧損
Proceeds from disposal	出售所得款項
Represented by:	代表：
Cash	現金
Other receivable	其他應收款

### 32. 綜合現金流量表附註(續)

#### (a) 稅前虧損與經營業務之現金(所用)/產生淨額對賬(續)

附註：出售物業、廠房及設備之所得款項包括：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
353	—
(10)	—
<b>343</b>	—
22	—
321	—
<b>343</b>	—

# Notes to the Financial Statements

## 財務報表附註

### 32. Notes to the consolidated statement of cash flows (cont'd)

### 32. 綜合現金流量表附註(續)

#### (b) Acquisition of a subsidiary

#### (b) 收購一家附屬公司

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Net assets acquired	已購入淨資產		
Property, plant and equipment (Note 14)	物業、廠房及設備(附註14)	-	106,897
Land use rights (Note 15)	土地使用權(附註15)	-	30,638
Inventories	存貨	-	68,074
Trade and other receivables	貿易及其他應收款項	-	49,781
Pledged bank deposit	抵押銀行存款	-	17,148
Cash and cash equivalents	現金及現金等價物	-	1,572
Amount due to a shareholder	應付股東款項	-	(10,225)
Trade and other payables	貿易及其他應付款項	-	(104,121)
Borrowings	借貸	-	(68,592)
Deferred tax assets (Note 28)	遞延稅項資產(附註28)	-	9,467
Deferred tax liabilities (Note 28)	遞延稅項負債(附註28)	-	(18,583)
		-	82,056
Net assets	資產淨值	-	82,056
Non-controlling interests	非控制性股東權益	-	(32,822)
		-	49,234
Goodwill	商譽	-	22,266
		-	71,500
Satisfied by:	支付方式:		
Cash paid	已付現金	-	22,700
Consideration shares	代價股份	-	48,800
		-	71,500
Analysis of net cash outflow in respect of acquisition of a subsidiary:	有關收購一家附屬公司之現金流出淨額分析:		
Cash paid	已付現金	-	(22,700)
Cash and cash equivalents acquired	已購入現金及現金等價物	-	1,572
Net cash outflow in respect of acquisition of a subsidiary	有關收購一家附屬公司之現金流出淨額	-	(21,128)



# Notes to the Financial Statements

## 財務報表附註

### 32. Notes to the consolidated statement of cash flows (cont'd)

### 32. 綜合現金流量表附註(續)

#### (c) Disposal of subsidiaries

#### (c) 出售附屬公司

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Net assets disposed	已出售淨資產		
Property, plant and equipment	物業、廠房及設備	1,827	-
Investment properties	投資物業	166,623	-
Other receivables	其他應收款	3	-
Cash and cash equivalents	現金及現金等價物	1,431	-
Other payables	其他應付款	(4,577)	-
		<hr/>	<hr/>
Net assets	資產淨值	165,307	-
Exchange reserves released	撥出之匯兌儲備	(15,488)	-
Gain on disposal of subsidiaries	出售附屬公司收益	12,847	-
		<hr/>	<hr/>
		162,666	-
		<hr/>	<hr/>
Satisfied by:	支付方式:		
Cash received	已收現金	162,666	-
		<hr/>	<hr/>
Analysis of net cash inflow in respect of disposal of subsidiaries:	有關出售附屬公司之現金流入淨額分析:		
Cash received	已收現金	162,666	-
Cash and cash equivalents disposed of	已出售之現金及現金等價物	(1,431)	-
		<hr/>	<hr/>
Net cash inflow in respect of disposal of subsidiaries	有關出售附屬公司之現金流入淨額	161,235	-
		<hr/>	<hr/>

### 33. Related party transactions

### 33. 關連人士交易

#### (a) Balances with related parties

#### (a) 關連人士結餘

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Amount due to a related company (note (i))	應付一家關連公司款項 (附註(i))	876	23,449
Loan from a shareholder (note (ii))	股東貸款 (附註(ii))	-	59,881
Amount due to a non-controlling shareholder (note (iii))	應付一位非控制性股東款項 (附註(iii))	17	133
		<b>893</b>	<b>83,463</b>

Notes:

附註：

(i) The related companies include:

(i) 關連公司包括：

- an entity indirectly owned by a director. The balance of approximately HK\$876,000 was unsecured, non-interest bearing and repayable on demand.
- an entity jointly and indirectly controlled by a director and his family member as at 31st December 2009. The principal amount of HK\$23,070,000 were unsecured, bearing interest at 5.31% per annum and repayable on demand.

- 一位董事間接擁有之實體。結餘約為876,000港元，為無抵押、無附帶利息及按要求償還。
- 於二零零九年十二月三十一日，一位董事及其家庭成員非直接共同持有之實體。有關23,070,000港元之本金為無抵押、按年利率5.31%計息及按要求償還。

### 33. Related party transactions (cont'd)

#### (a) Balances with related parties (cont'd)

Notes: (cont'd)

- (ii) As at 31st December 2009, the loan was from Mr. Lai Guanglin, a director of the Company. As at 31st December 2009, the balance was unsecured, the balance of approximately HK\$49,360,000 was interest-bearing at HK Dollar prime rate plus 4.75% per annum and the remaining balance of HK\$5,000,000 was interest-bearing at 1% per month and repayable within one year.
- (iii) Amount due to a non-controlling shareholder is unsecured, non-interest bearing and repayable on demand.
- (iv) Interest expenses paid to related parties for the year ended 31st December 2009 and 2010 are disclosed in Note 9.
- (v) During the year, a subsidiary purchased a motor vehicle from a related party amounting to approximately HK\$876,000.

#### (b) Key management compensation

Salaries and other short term employee benefits	薪金及其他短期僱員福利
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃
Share based payments	以股份為基礎之付款

### 33. 關連人士交易(續)

#### (a) 關連人士結餘(續)

附註：(續)

- (ii) 於二零零九年十二月三十一日，該等貸款來自本公司董事Lai Guanglin先生。於二零零九年十二月三十一日，該等結餘為無抵押、當中約49,360,000港元按港元最優惠利率加4.75%年利率計息及餘下5,000,000港元按每月1%計息，及於未來1年內償還。
- (iii) 應付一位非控制性股東款項為無抵押、無附帶利息及按要求償還。
- (iv) 截至二零零九年及二零一零年十二月三十一日止年度，付給關連公司之利息支出於附註9披露。
- (v) 年內，一家附屬公司從一家關連公司購買一輛汽車，金額約為876,000港元。

#### (b) 主要管理人員報酬

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>13,628</b>	14,179
<b>231</b>	144
<b>3,914</b>	523
<b>17,773</b>	14,846

### 34. Business combination

On 11th November 2009, the Group completed the acquisition of the 60% equity interest in Kiyofu at consideration of cash of RMB18 million (equivalent to HK\$20.4 million) and issue of 800,000,000 shares of the Company. Kiyofu is engaged in manufacturing and sale of seamless steel pipes in Mainland China.

The acquired business contributed revenue of HK\$61,162,000 and net profit of HK\$397,000 to the Group from date of acquisition to 31st December 2009. If the acquisition had occurred on 1st January 2009, revenue and loss contributed to the Group for the year 2009 would have been HK\$243,486,000 and HK\$9,951,000 respectively.

Set forth below was a calculation of goodwill as at 11th November 2009:

### 34. 業務合併

於二零零九年十一月十一日，本集團以人民幣18,000,000（相等於20,400,000港元）之現金及發行本公司800,000,000股股份作為代價，收購金裕豐之60%權益。金裕豐於中國內地從事生產及銷售無縫鋼管。

由收購日至二零零九年十二月三十一日，該收購業務為本集團貢獻收入61,162,000港元及溢利397,000港元。倘若收購於二零零九年一月一日發生，二零零九年內所貢獻之收入及虧損分別為243,486,000港元及9,951,000港元。

以下列示商譽於二零零九年十一月十一日之計算方法：

		HK\$'000 千港元
Purchase consideration (note (i)):	購買代價(附註(i)):	
– Cash paid to the vendor	– 已付現金予賣方	20,430
– Direct cost relating to the acquisition	– 有關收購事項之直接成本	2,270
– Fair value of shares issued	– 已發行股份之公允值	48,800
		71,500
Total purchase consideration	購買代價總額	71,500
Less: fair value of share of net identifiable assets acquired (shown as below)	減：應佔購入可識別資產淨值的公允值(如下文所示)	(49,234)
		22,266
Goodwill	商譽	

### 34. Business combination (cont'd)

Note:

- (i) The final purchase consideration amount was contingent on a RMB30 million (equivalent to approximately HK\$34.1 million) profit guarantee provided by the former equity holders and the current non-controlling equity holder of Kiyoyo. They had guaranteed the Group that the net profit of Kiyoyo shall not be less than RMB30 million for the year ended 31st December 2010 (the "Profit Guarantee"), and would compensate the Group for the shortfall, if any, in proportion to their equity shareholdings. As at 31st December 2009, based on estimation made by management, it was considered that the exercise of the Profit Guarantee was remote. No adjustment in respect of the Profit Guarantee was therefore made to the purchase consideration and goodwill.

However, the Profit Guarantee has not been met as Kiyoyo suffered a loss for the year ended 31st December 2010. Due to the uncertainty and practical difficulties in recovering the amount, the Profit Guarantee is of insignificant value.

The assets and liabilities as of the completion date arising from the acquisition were as follows:

### 34. 業務合併(續)

附註：

- (i) 收購代價之最終金額，附帶於由金裕豐前股東及現時非控制性股東提供之人民幣30,000,000(等值約34,100,000港元)之利潤保證。他們承諾金裕豐截至二零一零年十二月三十一日止年度之利潤不低於人民幣30,000,000(「利潤保證」)，以及按股權比例補償本集團應佔之差額。於二零零九年十二月三十一日，基於管理層估計，認為行使利潤保證較微，故未有因利潤保證而對最終收購代價及商譽作調整。

然而，由於金裕豐截至二零一零年十二月三十一日止年度的業績錄得虧損，故利潤保證並未達到。由於回收款項存在不確定性及實際困難，故利潤保證並無重大價值。

於完成日期收購所產生之資產及負債如下：

		<b>Acquirees' carrying amount 被收購公司 的賬面價值 HK\$'000 千港元</b>	<b>Acquirees' fair value 被收購公司 的公允值 HK\$'000 千港元</b>
<b>Net assets acquired:</b>	<b>收購資產淨值：</b>		
Property, plant and equipment	物業、廠房及設備	53,022	106,897
Land use rights	土地使用權	10,180	30,638
Inventories	存貨	68,074	68,074
Trade and other receivables	貿易及其他應收款項	49,781	49,781
Pledged bank deposit	抵押銀行存款	17,148	17,148
Cash and cash equivalents	現金及現金等價物	1,572	1,572
Amount due to a shareholder	應付一位股東款項	(10,225)	(10,225)
Trade and other payables	貿易及其他應付款項	(104,121)	(104,121)
Borrowings	借貸	(68,592)	(68,592)
Deferred tax assets	遞延稅項資產	9,467	9,467
Deferred tax liabilities	遞延稅項負債	-	(18,583)
Net assets (Note (ii))	資產淨值 (附註(ii))	26,306	82,056
Non-controlling interests	非控制性權益	(10,522)	(32,822)
Net assets acquired	購入資產淨值	<u>15,784</u>	<u>49,234</u>

### 34. Business combination (cont'd)

Note:

(ii) Included in net assets acquired, there was a guarantee provided by Kiyofu to an independent third party (the "third party") for RMB25.5 million (equivalent to approximately HK\$29.2 million) banking facility obtained by the third party (the "financial guarantee"). For the year ended 31st December 2009, the fair value of the financial guarantee could only be determined provisionally pending completion of the assessment of the third party's credit worthiness and valuation process and such amount would be adjusted within 12 months of the date of acquisition against goodwill upon final determination of the fair value of the financial guarantee. During the year, management has engaged an independent valuer to assess the fair value of the financial guarantee and considered the fair value determined by the valuer is insignificant, and hence no adjustment to goodwill is made.

(iii) The financial results for the year ended 31st December 2010 for the segment of manufacturing and sale of seamless steel pipes was materially affected by the imposition of anti-dumping duties on imports of steel pipes by the United States and the significant surge in commodities prices (i.e. cost of raw materials of the seamless steel pipes segment). In addition, the implementation of the strategy of selling oil pipes to energy companies was not as smooth as expected. Therefore, the segment could not have any profit contribution from the sale of oil pipes to those energy companies to reduce the above impact.

Due to the above, the Group has performed an impairment assessment on the assets of the seamless steel pipes business. The Group, after taking into account all relevant information, inter alia, the escalating anti-dumping and anti-subsidy duties as well as the anticipated uprising trend of the cost of raw materials (mainly steel billets), the carrying amounts of the assets of the seamless steel pipes business have been reduced to their recoverable amounts, which are determined based on value in use calculation, details of the key assumptions are set out in Note 16. Impairment losses on goodwill, property, plant and equipment and land use rights of approximately HK\$23,050,000, HK\$98,900,000 and HK\$2,471,000 were recognised in the consolidated income statement respectively.

### 34. 業務合併(續)

附註：

(ii) 收購之淨資產當中，包含金裕豐為一位獨立第三方(「第三方」)取得銀行融資而提供人民幣25,500,000(等值約29,200,000港元)之財務擔保(「財務擔保」)。截至二零零九年十二月三十一日止年度，財務擔保的公允值只能臨時確認，第三方的信譽和評估的程序仍在進行，待財務擔保的公允值最後確定後，該金額將於收購日期十二個月內與商譽對沖。年內，管理層委託獨立估值師評估財務擔保之公允值，考慮到估值師計算之公允值並無重大價值，因此對商譽並無作出調整。

(iii) 截至二零一零年十二月三十一日止年度，生產及銷售無縫鋼管分部之財務業績因美國對進口鋼管實施反傾銷稅及商品價格(即無縫鋼管分部之原材料成本)大幅飆升而受到重大影響。此外，實施出售油管予能源公司之策略未如預期般順利。因此，該分部出售油管予該等能源公司未能帶來盈利貢獻以減少上述影響。

基於上述原因，本集團已就無縫鋼管業務的資產進行減值評估。本集團經考慮所有相關資料後，其中包括，逐步上升的反傾銷稅及反補貼稅，以及預計原材料(主要為鋼坯)的成本會持續上升，無縫鋼管業務的資產賬面值已跌至其可收回金額(此乃根據使用價值的計算結果而釐訂，其中主要假設詳列於附註16)。於商譽、物業、廠房及設備，以及土地使用權的減值虧損分別約23,050,000港元、98,900,000港元及2,471,000港元，並已於綜合收益表內確認。

### 35. Events after the balance sheet date

On 21st January 2011, the Group entered into a sale and purchase agreement with Magic Joy Global Limited (the “Purchaser”), pursuant to which the Purchaser agreed to acquire and the Group agreed to sell all issued shares of National Link Investment Limited at the consideration of HK\$1. The disposal was completed on 18th February 2011. It is expected that the Group will record an insignificant gain from the disposal and is in the process of finalising the amount.

### 36. Ultimate holding company

The Directors of the Company consider Singapore Zhongxin, a company incorporated in the British Virgin Islands, as being the ultimate holding company. Singapore Zhongxin is wholly and beneficially owned by Mr. Lai Guanglin, a director of the Company.

### 37. Approval of financial statements

The financial statements were approved by the Board on 28th March 2011.

### 35. 結算日後事項

於二零一一年一月二十一日，本集團及 Magic Joy Global Limited (「買方」) 訂立買賣協議，據此，買方同意購入及本集團同意出售紀嚴國際有限公司全部已發行股份，代價為1港元。出售事項於二零一一年二月十八日完成，預期出售事項完成後，本集團將錄得一項不重大的收益及現正計算該金額。

### 36. 最終控股公司

本公司董事認為，在英屬維爾京群島註冊成立之 Singapore Zhongxin 為最終控股公司。Lai Guanglin 先生全資及實益擁有 Singapore Zhongxin，為本公司之董事。

### 37. 審批財務報表

董事會於二零一一年三月二十八日審批財務報表。

# Notes to the Financial Statements

## 財務報表附註

### 38. Particulars of the principal subsidiaries

### 38. 主要附屬公司資料

Name 名稱	Principal Activities 主要業務	Particulars of issued and fully paid share capital/ registered capital 已發行及繳足 股本／註冊資本	Percentage 百分比	
			Attributable to the Group 本集團應佔	Held by subsidiaries 附屬公司持有
<i>Incorporated and operating in Hong Kong 在香港成立及經營</i>				
Bun Kee (International) Limited 彬記(國際)有限公司	Trading of construction materials, mainly pipes and fittings in Hong Kong 於香港買賣建築材料，主要為喉管 及管件	100 ordinary shares of HK\$1 each 3,000,000 non-voting deferred shares of HK\$1 each 100 股每股面值 1 港元之普通股 3,000,000 股每股面值 1 港元之 無投票權遞延股份	100	100
Hamerwind Logistic Company Limited 時風物流有限公司	Provision of warehousing and logistic services in Hong Kong 於香港提供倉貯及物流服務	800 ordinary shares of HK\$100 each 800 股每股面值 100 港元之普通股	100	100
<i>Established and operating in the PRC 在中國成立及經營</i>				
煙臺金裕豐無縫鋼管有限公司	Manufacturing and sale of seamless steel pipes in the PRC 於中國生產及銷售無縫鋼管	RMB50,000,000 人民幣 50,000,000	60	60
Bun Kee Building Material (Guangzhou) Co., Ltd. 彬記建材(廣州)有限公司	Assembling materials in the PRC 於中國裝配建築材料	HK\$9,000,000 9,000,000 港元	100	100
<i>Established and operating in Macao 在澳門成立及經營</i>				
Bun Kee Building Material and Equipment (Macao) Co., Ltd. 彬記建材及設備(澳門)有限公司	Trading of construction materials, mainly pipes and fittings in Macao 於澳門買賣建築材料，主要為喉管及管件	MOP50,000 50,000 澳門幣	100	100



# Five Year Financial Summary

## 五年財務概要

		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
<b>Results</b>	<b>業績</b>					
<b>Revenue</b>	<b>收入</b>	617,556	633,668	701,766	452,018	<b>516,479</b>
Profit/(loss) before income tax	稅前溢利/(虧損)	71,616	84,583	(36,868)	(25,272)	<b>(157,866)</b>
Income tax (expense)/credit	稅項(支出)/抵免	(12,314)	(17,479)	(5,728)	2,221	<b>5,638</b>
Profit/(loss) for the year from continuing operations	持續營運業務之年度溢利/(虧損)	59,302	67,104	(42,596)	(23,051)	<b>(152,228)</b>
Loss for the year from discontinued operation	終止營運業務之年度虧損	-	-	-	(16,346)	<b>(14,855)</b>
Profit/(loss) for the year	年度溢利/(虧損)	59,302	67,104	(42,596)	(39,397)	<b>(167,083)</b>
<b>Attributable to:</b>	<b>應佔溢利:</b>					
Equity holders of the Company	股權持有人	59,302	67,104	(42,596)	(39,662)	<b>(122,769)</b>
Non-controlling interests	非控制性權益	-	-	-	265	<b>(44,314)</b>
		59,302	67,104	(42,596)	(39,397)	<b>(167,083)</b>
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	523,353	817,492	820,834	924,788	<b>598,355</b>
Total liabilities	總負債	(183,489)	(369,883)	(416,210)	(476,645)	<b>(323,062)</b>
Total equity	總權益	339,864	447,609	404,624	448,143	<b>275,293</b>

Note: The results of operation of investment properties segment (which was discontinued in 2010) prior to 2009 have not been restated or reclassified.

附註：投資物業營運分部(於二零一零年內終止營運)於二零零九年以前的業績未作重列或重分類。



中國管業集團有限公司  
China Pipe Group Limited