



華耐控股有限公司 SINOREF HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1020

Interim Report 2011
中期報告



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Corporate Information

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Mr. Gu Aoxing

NON-EXECUTIVE DIRECTOR

Mr. Gao Zhilong

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

COMPANY SECRETARY

Mr. Tam Chi Ming George

AUTHORIZED REPRESENTATIVE

Dr. Zhang Lanyin
Mr. Tam Chi Ming George

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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Mr. Xu Yejun
Mr. Tsui Siu Hang, Steve
Mr. Yang Fuqiang

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姚恩澍先生
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公司秘書

譚志明先生

授權代表

張蘭銀博士
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審核委員會

徐紹恆先生 (*主席*)
姚恩澍先生
楊富強先生

薪酬委員會

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STOCK CODE

Stock Exchange of Hong Kong: 1020

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主要往來銀行

交通銀行

合規顧問

星展亞洲融資有限公司

公司網址

www.sinoref.com.hk

股份代號

香港聯交所：1020

Chairman's Statement

主席報告

Dear Shareholders,

I am pleased to present on behalf of the board (the "Board") of directors ("Directors") of Sinoref Holdings Limited ("Sinoref" or the "Group") its interim report for the six months ended 30 June 2011.

On 7 July 2010, Sinoref was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Group has established its presence in the global arena and marking a new chapter in the course of its development after listing and has gained wide support from investors over the past year. This not only enhanced its financial capability and standard of corporate governance, but also reinforced its leading market position and reputable corporate image. In May 2011, less than a year after listing, Sinoref was proud to be selected as a constituent stock in the Morgan Stanley Capital Investment (MSCI) China Small Cap Index Series. With increasing attention from investors, the Group will use its best endeavours and continues its efforts to enhance its competitiveness in a pragmatic manner with a view to maximizing returns for shareholders.

Notwithstanding the overall gloomy environment of the PRC steel industry in the first half of 2011 where iron and steel makers faced tremendous pressure on profitability due to soaring prices of raw materials, overcapacity, slow-moving inventories, falling export volume and restricted supply of electricity, Sinoref was able to achieve satisfactory performance. In the first half of 2011, the Group continued to maintain its leading position as the second largest supplier of advanced steel flow control products in China with a market share of about 30%. For the six months ended 30 June 2011, overall sales of the Group increased approximately 7.7% to 4,499 tonnes over the same period of last year. Turnover was approximately RMB167.2 million for the first half of 2011, down 4.3% over the same period of 2010. Net profit was approximately RMB54.6 million, a decrease of 22.1% as compared with the same period of 2010 after reflecting the amortization of share option expenses of the Group. Gross profit in the period under review fell 19.4% to approximately RMB99.1 million over the same period of last year, while net profit margin and gross profit margin decreased 7.4 percentage points and 11.0 percentage points to 32.7% and 59.3% respectively as compared with the same period of last year. Basic earnings per share dropped by 37.5% to RMB0.05. The decrease of turnover and gross profit was mainly attributable to the significant rise in costs of raw materials.

各位股東：

本人謹代表華耐控股有限公司（「華耐」或「集團」）董事會（「董事會」）向股東提呈截至二零一一年六月三十日止之中期業績報告。

二零一零年七月七日華耐於香港聯合交易所有限公司主板成功上市。上市後，集團正式踏上國際舞台，為集團發展歷程掀開了新的篇章，並於過去一年獲得了投資者的廣泛支持，不僅增強了集團的資本實力，提升了企業管治水平，更進一步鞏固了市場領導地位及具聲譽的企業形象。二零一一年五月，上市還未滿一年的華耐便已被摩根士丹利資本國際(MSCI)獲納入為MSCI中國小型企業指數。為此，集團深感榮幸，相信這次晉身指數成分股將能提升集團在國際資本市場的聲譽及地位。在越來越多投資者的關注下，集團將以此為鞭策，腳踏實地繼續努力提高市場競爭力，為股東帶來最佳回報。

儘管二零一一年上半年中國鋼鐵行業的整體環境不甚樂觀，原材料價格高企、產量過剩、存貨過多、出口量下降以及限電措施等均對鋼鐵行業帶來巨大的盈利壓力，華耐還是取得了良好的成績。二零一一年上半年，集團繼續保持中國第二大高端鋼水控流產品供應商的領先地位，市場份額約30%。截至二零一一年六月三十日止六個月，集團整體銷量同比上升約7.7%至4,499噸。二零一一上半年集團錄得營業額約人民幣16,720萬元，較二零一零年同期下降4.3%。經反映集團購股權開支攤銷後的純利約為人民幣5,460萬元，較二零一零年同期下降22.1%。集團於回顧期內之毛利較同期下跌19.4%至約人民幣9,910萬元，純利率及毛利率亦較同期下降7.4百分點及11.0百分點至32.7%及59.3%。每股基本盈利下跌37.5%至人民幣0.05元。營業額及毛利下降歸因於鋼鐵行業原材料成本於期內大幅上漲。

Nevertheless, as the Ministry of Industry and Information Technology raises further the target obsolete production capacity, coupled with the profound consolidation of the steel industry and the commencement of intensive construction of social security housing in the third quarter, as well as the improving automobile and household electrical appliance industries, demand for steel remains strong and hence will drive the demand for advanced steel flow control products. To capture the opportunities from the increasing market demand, the Group is introducing a new production line from Germany. The new production line, which will be located in the new plant locating at the Group's headquarters in Jiangsu, is expected to commence trial operation as soon as the third quarter this year and to contribute revenue to the Group in the fourth quarter in 2011. The annual production of the Group will double to reach approximately 16,800 tonnes. This will be an important milestone for the Group's development in recent years. The installation of the new production line is now at its final stage. Meanwhile, the Group has kicked off strategic negotiations with various steel plants in the northwestern, western and northern parts of China for potential cooperation.

Sinoref's advance customized products and high quality services are widely recognized and have gained long-term trust and praise from its customers. At present, 8 out of the top 10 steel makers in China are the Group's long-term customers. It is noteworthy that Shougang Group has quickly become one of the major customers of the Group shortly after entering into a long-term cooperation agreement with the Group at the end of 2010. The number of customers of the Group remained stable during the period. As at 30 June 2011, the Group had 22 customers in total.

In addition to aggressively expanding its sales network in China, Sinoref also continues its effort to explore the overseas market. At the beginning of the year, the Group entered into a licensed sales agreement with Carboref GmbH, a renowned refractory products provider in Germany and secured revenue of approximately RMB2.5 million during the six months ended 30 June 2011. The Group also achieved progressive results in the negotiations with potential customers from overseas markets including Korea, Taiwan and North America. In May this year, the management of the Group visited the potential partners in Taiwan and had meaningful technological and co-operation thoughts exchange with each other. The Group is confident that overseas sales will increase with target of about 20% of the total revenue of the Group in the coming few years.

然而，隨著工信部再次提高淘汰落後產能目標，鋼鐵行業的深度整合，再加上第三季保障房密集開工及汽車、家電等行業景氣逐漸回升的刺激，市場對鋼材的需求乃維持強勁，從而帶動高端鋼水控流產品的需求。為抓緊市場需求上升帶來的商機，集團正從德國進口一條新生產線。位於集團江蘇總部的新廠房將容納該條新生產線，預計最快可於今年第三季度試產，並預計於二零一一年第四季度為集團帶來盈利貢獻。屆時集團的年產量將翻一番至約16,800噸。這將會是集團近幾年發展的重要里程碑。新生產線的安裝現已進入最後階段。同時間，集團亦與中國西北部、西部及北部多家鋼廠作策略性接觸，洽談潛在的合作計劃。

華耐以高端技術量身定做的產品與及優質卓越的服務得到市場的廣泛認同，並贏得其客戶長期的信任與青睞。目前在中國10大鋼廠中有8家已是集團的長期客戶。值得一提的是二零一零年年底與集團簽訂長期合作協議的首鋼集團，在短短半年已迅速成為集團的主要客戶之一，實在令人鼓舞。期內，集團客戶數目保持於穩定的水準。截至二零一一年六月三十日，集團客戶總數為22家。

華耐在國內積極擴展銷售版圖的同時，在海外市場的開拓也從不停步。集團於今年年初與德國知名耐火產品供應商Carboref GmbH簽訂授權銷售商協議後，於截至二零一一年六月三十日止六個月內已取得人民幣250萬元的收入。集團與韓國、台灣及北美洲等其他海外市場潛在客戶的洽談亦已取得階段性的進展。在今年五月，集團管理層親自到訪台灣的潛在合作對象，進行了在技術和合作上有意義的交流。集團有信心於未來幾年，將海外銷售額擴大至佔集團總體收入約兩成的目標。

As at 30 June 2011, the Group had 7 registered patents including two new invention patents of subentry nozzle for thin slab casting process (薄板坯浸入式水口) and Mono block Stopper with controlled gas flow (可控制流入氣體的整體式塞棒). The Group's self-developed material used by steel flow control products has been listed as one of the new materials for "strategic emerging industries" under the 12th Five-Year Plan, and the Group is entitled to the policy concessions. This serves as the evidence of the Group's unrivalled capabilities in research and development. Looking into the future, the Group will continue to keep abreast of the times and maintain its competitive edge as an industry leader.

In the first half of 2011, Sinoref has equipped itself through careful review, adjustments and preparation. In the coming future, the Group will expand its production capacity and customer base to further increase its market share, striving to become the industry leader and to create ongoing and fruitful returns for shareholders.

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

Xu Yejun
Chairman

截至二零一一年六月三十日，集團共有註冊專利7項，新增兩項發明專利「薄板坯浸入式水口」和「可控制流入氣體的整體式塞棒」。集團自主研發的鋼水控流產品所用物料，根據「十二五」規劃已被列為「戰略性新興產業」新材料之一，可享有政策優惠，這亦顯示了集團不容質疑的研發實力。未來，集團將會繼續與時俱進，保持行業佼佼者的優勢。

二零一一年上半年，華耐在省視、調整與準備中養精蓄銳。未來，集團將擴大產能與客戶基礎，進一步提高市場滲透率，積極爭取成為行業的龍頭企業，為股東創造持久而豐碩的回報。

最後，本人謹代表集團董事會對全體全人付出之竭誠努力及寶貴貢獻致以謝意，本人亦僅此由衷感謝各位合作伙夥及股東的大力支持和信賴。

徐葉君
主席

Management Discussion and Analysis

管理層討論與分析

Headquartered in Yixing City, Jiangsu Province, the Group is a leading manufacturer of advanced steel flow control products in China established since 2005, primarily engaging in the manufacture, sale, research and development of advanced steel flow control products. Steel flow control products are mainly used in the continuous casting process to protect, control and regulate the flow of molten steel and are the essential products applied in the continuous casting process by the world's top steel producers currently. The Group's major products include ladle shrouds, stoppers, tundish nozzles and subentry nozzles, which are all consumables. As a leading manufacturer of advanced steel flow control products in China, the Group is widely recognized leverage on its advanced technology, quality products and efficient operation, and is the second largest player with a market share of approximately 30%.

On 7 July 2010, Sinoref was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited. In only a year upon listing, Sinoref was selected as a constituent stock in the Morgan Stanley Capital Investment (MSCI) China Small Cap Index Series according to an index adjustment in May 2011. Being a constituent stock in the MSCI China Small Cap Index Series, which is one of the widely adopted benchmarks for international investors, is not only a recognition and acknowledgement of the Group, but also a driver to motivate the management to lead the Group to reach new heights.

MARKET REVIEW

The performance of the PRC steel industry was not satisfactory in the first half of 2011. According to the China Iron and Steel Association, the average daily production of crude steel nationwide in late June was 2.018 million tonnes, hitting the two-million-tonne threshold for the very first time. In the first half of the year, crude steel production in China reached 350 million tonnes, up 9.6% over the same period of last year and the utilization of crude steel production capacity exceeded 90%. However, raw material prices remained high. Prices of local iron ore and Indian ore prices grew by 19% and 16.9% respectively year-on-year, whereas coke price was up three percentage points. Many large steel makers recorded a substantial decrease in profitability or even losses in view of the rising costs of production, particularly fuel costs.

本集團成立於二零零五年，總部設於江蘇省宜興市，是中國領先的高端鋼水控流產品製造商，主要從事製造、銷售及研發高端鋼水控流產品。鋼水控流產品主要使用於連鑄過程以保護、控制及調節熔鋼流，是目前世界上主流的鋼鐵生產「連鑄」工序中不可缺少的核心產品。集團的主要產品包括長水口、塞棒、中間包水口及浸入式水口等易耗品。作為中國領先的高端鋼水控流產品製造商，一直在行內以高端的技術、優質的產品及高效的營運獲得市場的廣泛認同，並以約30%的市場份額穩居行業第二。

本集團於二零一零年七月七日成功於香港聯合交易所有限公司主板上市。上市僅一年，在摩根士丹利資本國際(MSCI)二零一一年五月最新的指數調整中，本集團獲選納入MSCI中國小型企業指數。能夠成為國際投資者廣泛採用基準之一的MSCI中國小型股指數成份股，不但是市場對本集團的肯定與認可，更是對管理層的一種鞭策，鼓勵本集團繼續往勇往直前再創佳績。

市場回顧

二零一一年上半年對中國鋼鐵行業的表現來說並不太理想。根據中國鋼協最新資料，六月下旬全國粗鋼日均產量達201.8萬噸，首次突破200萬噸關口。今年上半年六個月全國粗鋼產量達3.5億噸，同比增長9.6%，產能利用率超過九成。然而，原材料價格亦保持高企，如本地鐵礦石及印度礦價格分別同比增長19%和16.9%，焦炭亦上升三個百分點，造成以燃料為主的生產經營成本不斷上漲，多家大型鋼廠的盈利明顯倒退甚至出現虧損。

BUSINESS REVIEW

Construction of new production line

In 2010, the Group's production was close to full utilization and reached 8,200 tonnes. To cope with the rising demand for its products, the Group has been initiating the setting up of a new production line since the end of 2010 and the construction has been progressing smoothly so far. Such production line is expected to complete installation and begin trial run in the third quarter of the year. By then, it is estimated that the annual production capacity will increase by 104.9% to 16,800 tonnes. Coping with the factors that are beyond our control such as technology and weather, such production line is expected to generate revenue contribution to the Group in the fourth quarter this year. The Group is confident that, with the new production line, the Group will experience significant growth in profitability in 2012.

Stable customer base

As a reliable partner, the Group has maintained sound relationships with its existing customers. Leveraging on the Group's advanced products and quality service, Shougang Group has become one of the major customers of the Group shortly after entering into a long-term cooperation agreement with the Group at the end of 2010. Currently, the Group has 22 customers including 8 from top 10 PRC steel manufacturers namely Baosteel Group, Hebei Steel Group and Wuhan Steel Group. In the first half of 2011, Xingang Group has become the Group's new customer. Located in Xinyu City, Jiangxi Province, Xingang Group is a large provincial steel corporation and one of the top 500 PRC enterprises in 2011. For the six months ended 30 June 2011, the Group generated approximately RMB3.60 million revenue from such new customer.

Expansion of overseas markets

In addition to the solid foundation built in the China market, the Group has achieved progressive results in exploring the overseas market. In February 2011, the Group entered into a licensed sales agreement with Carboref GmbH, a renowned refractory products provider in Germany. This marked the beginning of its sales in the overseas market for the Group. For the six months ended 30 June 2011, the Group had secured revenue of approximately RMB2.5 million from Carboref GmbH. Meanwhile, the Group continued to seek new partners to explore the overseas market in other parts of the world, including Korea, Taiwan and North America. In May, the management had a meeting with a potential partner in Taiwan and reached consensus in many areas after detailed negotiations.

業務回顧

興建新生產線

二零一零年本集團產能為8,200噸，產能利用率已近飽滿。為應付持續增長的產品供應需求，集團於二零一零年底至今正緊鑼密鼓興建一條新生產線，目前進展良好，將在今年第三季度安裝完畢並開始試產，屆時年產能將大增104.9%至16,800噸。克服種種技術、天氣等不可控制因素的挑戰，該生產線預計於今年第四季度為集團帶來盈利貢獻。本集團有信心新生產線將在二零一二年為集團的盈利增長帶來實質的飛躍。

穩定客戶基礎

作為可信賴的合作夥伴，本集團一直保持與已有客戶的良好關係。憑藉高技術的產品與高質量的服務，於二零一零年年底與集團簽訂長期合作合約的首鋼集團迅速成為本集團的主要客戶之一。現集團共有客戶22家，其中包括如寶鋼集團、河北鋼鐵集團及武漢鋼鐵集團等8家中國10大鋼廠，二零一一年上半年新增新余鋼鐵股份有限公司為集團客戶。新余鋼鐵位於江西省新余市，是省屬國有大型鋼鐵聯合企業，是二零一一年中國五百強企業之一。截至二零一一年六月三十日止六個月已接獲來自新客戶的訂單為約人民幣360萬元。

開拓海外市場

本集團不但在中國市場擁有堅實的基礎，而且在拓展海外市場上亦取得了階段性的進展。本集團於二零一一年二月與德國知名耐火產品供應商Carboref GmbH簽訂授權銷售商協議，這意味著Carboref GmbH正式成為本集團首個海外客戶。截至二零一一年六月三十日止六個月，本集團從Carboref GmbH取得的收入達人民幣250萬元。同時，本集團繼續物色新業務夥伴，以開拓韓國、台灣及北美洲等海外市場。今年五月管理層與台灣的合作對象在台會面，進行了詳細的洽談，達到了多項共識。

Enhancement of technology research and development

The Group's latest, independent and innovative R&D capability is one of the key factors for maintaining its high entry barrier in the high-end market and high profit margin. The Group actively collaborates with universities and research institutes from time to time to allow its research and development team to closely capture the latest technology growth trends worldwide. As at 30 June 2011, the Group had 7 registered patents and the ISO 9001 Quality Control System Accreditation granted by Beijing BTIHEA Certification Co., Ltd. The two patents for 薄板坯浸入式水口 (Subentry Nozzle for thin slab casting process) and 可控制流入氣體的整體式塞棒 (Mono block Stopper with controlled gas flow) obtained by the Group in the first half of 2011 are invention patents. Such industry leading technology again indicated the Group's capability as one of the world's technology leaders in the market. The Group's self-developed material used by steel flow control products has been listed as one of the new materials for "strategic emerging industries" under the 12th Five-Year Plan, and the Group is entitled to the policy concessions.

Major products

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

Ladle shrouds

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

Stoppers

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

Tundish nozzles

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

Subentry nozzles

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

加強技術研發

與時俱進、自主創新的研發實力是本集團能夠在高端市場保持高門檻及高毛利率的重要原因之一。本集團時刻積極與各大院校及研究機構保持密切合作，使我們的研發團隊能夠緊貼全球最新的技術發展趨勢。本集團於二零一一年六月三十日共有7項註冊專利，以及北京博天亞認證有限公司頒授的ISO 9001品質管制體系認證。本集團於二零一一年上半年取得的兩項專利「薄板坯浸入式水口」和「可控制流入氣體的整體式塞棒」均為發明專利，處於行業領先水平，再次證明了本集團國際一流的技術實力。在「十二·五」規劃中，集團自主研發的鋼水控流產品所用的物料已被列為「戰略性新興產業」新材料之一，享有政策優惠。

主要產品簡介

本集團的產品主要包括長水口、塞棒、中間包水口以及浸入式水口，均為易耗品。

長水口

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

塞棒

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

中間包水口

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

浸入式水口

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

FINANCIAL REVIEW

Revenue

The Group's revenue slightly decreased to approximately RMB167.2 million for the six months ended 30 June 2011, representing a decrease of 4.3% as compared with approximately RMB174.7 million for the six months ended 30 June 2010. Despite that overall increase in sales volume of advanced steel flow control products of the Group, the decline in revenue was mainly due to the decrease in average selling price of products. Overall sales volume grew by 7.7% to approximately 4,499 tonnes for the six months ended 30 June 2011 from 4,177 tonnes for the six months ended 30 June 2010, which was mainly attributable to (i) the Group's acquisition of two customers in the northeast region of the PRC and in Germany in 2011 who purchased approximately 153 tonnes of products from the Group during the six months ended 30 June 2011 and contributed approximately RMB13.9 million or 8.3% to the Group's total revenue in the six months ended 30 June 2011; and (ii) the increase in sales to its existing customers acquired in or before June 2010 by approximately 4.1% from approximately 3,451 tonnes in the first half of 2010 to approximately 4,346 tonnes in the first half of 2011. However, as a result of the decrease in average selling price, the Group's revenue contribution from its existing customers acquired in or before June 2010 decreased from approximately RMB174.7 million for the six months ended 30 June 2010 to approximately RMB153.3 million for the six months ended 30 June 2011.

Cost of sales

The Group's cost of sales mainly comprised costs of raw materials, labour, depreciation and other direct costs of sales. During the six months ended 30 June 2011, the Group's cost of sales increased by approximately 31.2% from approximately RMB51.9 million for the six months ended 30 June 2010 to approximately RMB68.1 million. The increase was mainly attributable to the increase in costs of raw materials and the increase in sales volume of our advanced steel flow control products.

Gross profit and gross profit margin

The Group's gross profit decreased by 19.4% from approximately RMB122.9 million for the six months ended 30 June 2010 to approximately RMB99.1 million for the six months ended 30 June 2011. The Group's gross profit margin also decreased from approximately 70.3% for the six months ended 30 June 2010 to approximately 59.3% for the six months ended 30 June 2011. The decrease in the Group's gross profit and gross profit margin were mainly attributable to the increase in costs of raw materials by approximately 27.7% and the decrease in average selling price.

財務回顧

收入

本集團截至二零一一年六月三十日止六個月的收入略為下跌至約人民幣16,720萬元，較截至二零一零年六月三十日止六個月約人民幣17,470萬元減少4.3%。雖然本集團的高端鋼水控流產品整體銷售量增加，但收入下跌主要是由於產品的平均售價下跌所致。整體銷售量由二零一零年六月三十日止六個月的4,177噸增加7.7%至二零一一年六月三十日止六個月的4,499噸，主要是由於(i)本集團於二零一一年在中國東北地區及德國招攬了兩名新客戶，而該等客戶於截至二零一一年六月三十日止六個月內向本集團購買約153噸產品，為本集團期內的總收入貢獻約人民幣1,390萬元或8.3%；及(ii)本集團來自二零一零年六月或之前已有客戶的銷量增加約4.1%，由二零一零年上半年約3,451噸增至二零一一年上半年約4,346噸。然而，由於產品的平均售價下跌，本集團來自二零一零年六月或之前已有客戶的收入，由截至二零一零年六月三十日止六個月約人民幣17,470萬元，下跌至截至二零一一年六月三十日止六個月約人民幣15,330萬元。

銷售成本

本集團的銷售成本主要包括原材料成本、勞工成本、折舊及其他直接銷售成本。截至二零一一年六月三十日止六個月，本集團銷售成本由截至二零一零年六月三十日止六個月約人民幣5,190萬元上升約31.2%至約人民幣6,810萬元。銷售成本上升，主要是由於原材料成本上漲及本集團高端鋼水控流產品的銷量上升所致。

毛利及毛利率

本集團的毛利由截至二零一零年六月三十日止六個月約人民幣12,290萬元，下跌19.4%至截至二零一一年六月三十日止六個月約人民幣9,910萬元。本集團的毛利率亦由截至二零一零年六月三十日止六個月約70.3%，下跌至截至二零一一年六月三十日止六個月約59.3%。毛利及毛利率下跌，主要是由於原材料成本上升約27.7%以及產品的平均售價下跌所致。

Selling and distribution costs

The Group's selling and distribution costs comprised sales commission, sales staff costs and transportation costs. Selling and distribution costs decreased by 4.8% from approximately RMB14.7 million for the six months ended 30 June 2010 to approximately RMB14.0 million for the six months ended 30 June 2011 which was generally in line with the combined effect of increase in sales volume and decrease in average selling price during the period. As a percentage of the Groups' revenue, our selling and distribution costs remained stable at approximately 8.4% for both the six months ended 30 June 2010 and 2011.

Administrative expenses

The Group's administrative expenses increased by 114.0% from approximately RMB8.6 million for the six months ended 30 June 2010 to approximately RMB18.4 million for the six months ended 30 June 2011. The increase was primarily due to the combined effect of (i) the amortisation of non-cash expense of RMB8.5 million for the six months ended 30 June 2011 associated with share options granted to management and staff in November 2010; and (ii) the increase in legal and professional fee of 50.0% from approximately RMB1.2 million for the six months ended 30 June 2010 to approximately RMB1.8 million for the six months ended 30 June 2011.

Profit and total comprehensive income for the period attributable to owners of the Company

As a result of the foregoing, profit and total comprehensive income for the period attributable to owners of the Company decreased by 22.1% to approximately RMB54.6 million for the six months ended 30 June 2011 from approximately RMB70.1 million for the six months ended 30 June 2010. The Group's net profit margin decreased from approximately 40.1% for the six months ended 30 June 2010 to approximately 32.7% for the six months ended 30 June 2011 was mainly due to (i) the increase in costs of sales by approximately 31.2% from approximately RMB51.9 million for the six months ended 30 June 2010 to approximately RMB68.1 million for the six months ended 30 June 2011 driven by the increase in raw material costs; and (ii) the increase in administrative expenses mainly attributable to the amortisation of non-cash expense of approximately RMB8.5 million associated with share options granted to management and staff in November 2010. The Group's earnings per share decreased to RMB0.05 for the six months ended 30 June 2011 from RMB0.08 for the six months ended 30 June 2010. The decrease was also due to the shares issued upon listing of the Company on Hong Kong Stock Exchange in July 2010 were not included in last year's calculation.

銷售及分銷成本

本集團的銷售及分銷成本包括銷售佣金、銷售人員薪酬成本及運輸成本。銷售及分銷成本由截至二零一零年六月三十日止六個月約人民幣1,470萬元，減少4.8%至截至二零一一年六月三十日止六個月約人民幣1,400萬元，大致上與期內銷量增加及平均售價下跌的合計影響一致。銷售及分銷成本佔本集團收入的百分比維持穩定，截至二零一零年及二零一一年六月三十日止兩個六個月期間均約為8.4%。

行政開支

本集團的行政開支由截至二零一零年六月三十日止六個月約人民幣860萬元，上升114.0%至截至二零一一年六月三十日止六個月約人民幣1,840萬元。開支上升，主要歸因於以下各項之共同效應：(i)由於在二零一零年十一月向管理層及員工授出購股權，故於截至二零一一年六月三十日止六個月攤銷相關的非現金開支約人民幣850萬元；及(ii)專業服務費由截至二零一零年六月三十日止六個月約人民幣120萬元，增加50.0%至截至二零一一年六月三十日止六個月約人民幣180萬元。

本公司擁有人應佔期內溢利及全面收入

綜合上述各項，本公司擁有人應佔期內溢利及全面收入由截至二零一零年六月三十日止六個月約人民幣7,010萬元，減少22.1%至截至二零一一年六月三十日止六個月約人民幣5,460萬元。本集團的純利率由截至二零一零年六月三十日止六個月約40.1%，下跌至截至二零一一年六月三十日止六個月約32.7%，主要是由於：(i)受到原料成本上漲帶動，銷售成本由截至二零一零年六月三十日止六個月約人民幣5,190萬元，上升約31.2%至截至二零一一年六月三十日止六個月約人民幣6,810萬元；及(ii)期內就二零一零年十一月向管理層及員工授出購股權而攤銷非現金開支約人民幣850萬元，行政開支因而上升。本集團每股盈利由截至二零一零年六月三十日止六個月的人民幣0.08元，下跌至截至二零一一年六月三十日止六個月的人民幣0.05元。下跌的原因亦因為本公司於二零一零年七月在香港聯交所上市時發行的股份並未用作計算去年的每股盈利。

Interim dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: nil).

Capital structure, liquidity and financial resources

During the six months ended 30 June 2011, Group's net cash from operating activities was approximately RMB24.3 million (six months ended 30 June 2010: RMB53.9 million) and the Group's bank balances and cash was RMB267.0 million as at 30 June 2011 (31 December 2010: RMB315.6 million).

Total equity of the Group as at 30 June 2011 was approximately RMB496.9 million (31 December 2010: RMB470.0 million). The Group has no gearing as at 30 June 2011 (31 December 2010: nil).

The Group incurred no finance cost for the six months ended 30 June 2011 (six months ended 30 June 2010: RMB0.2 million).

Pledge of assets

As at 30 June 2011, the Group did not have any pledge of assets.

Contingent liabilities

As at 30 June 2011, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any pending or potential material legal proceedings involving the Group.

Human resources

As at 30 June 2011, the Group had 223 staff member employed in mainland China and Hong Kong (31 December 2010: 190). The increase in headcount was mainly attributable to the recruitment of more talents during the six months ended 30 June 2011 for training on technical and product knowledge in preparation for the second line of production, which is expected to commence production in the fourth quarter of 2011.

中期股息

董事會不建議派付截至二零一一年六月三十日止六個月的中期股息（截至二零一零年六月三十日止六個月：無）。

資本架構、流動資金及財務資源

截至二零一一年六月三十日止六個月，本集團從經營業務所得現金淨額約為人民幣2,430萬元（截至二零一零年六月三十日止六個月：人民幣5,390萬元），而本集團於二零一一年六月三十日的銀行結餘及現金約為人民幣26,700萬元（二零一零年十二月三十一日：人民幣31,560萬元）。

本集團於二零一一年六月三十日的權益總額約為人民幣49,690萬元（二零一零年十二月三十一日：人民幣47,000萬元）。本集團於二零一一年六月三十日的股本負債比率為零（二零一零年十二月三十一日：零）。

本集團於截至二零一一年六月三十日止六個月並無產生融資成本（截至二零一零年六月三十日止六個月：人民幣20萬元）。

資產抵押

於二零一一年六月三十日，本集團並無任何資產抵押。

或然負債

於二零一一年六月三十日，本集團並無為本集團以外任何公司提供任何形式的擔保。本集團並無涉及任何未解決或潛在的重大法律程序。

人力資源

於二零一一年六月三十日，本集團於中國大陸及香港合共聘用約223位員工（二零一零年十二月三十一日：190）。人手增加主要是由於截至二零一一年六月三十日止六個月內招聘更多人才，接受技術及產品知識培訓，以籌備成立第二條生產線，而預計新生產線將於二零一一年第四季投產。

PROSPECTS

The Group has a leading market position and is the second largest company in terms of actual annual production and sale of advanced steel flow control products in China. It plans to further capitalise on its advantages for maintaining the momentum of its future development. The following is a summary of the Group's future development strategies and emphases:

Enhance capacity to satisfy future needs and further expand market share

Sale of our products has continued to grow and our capacity utilisation rate is approaching full utilization. As China's steel market develops and consolidates, the management expects that market potential of advanced steel flow control products is huge.

The Group is now constructing a new plant at its headquarter situated in Yixing, Jiangsu Province, to accommodate a new production line to cope with the increase in sales orders and to capture the huge potential in local and overseas markets. The new line is expected to be completed in the second half of 2011 and commence operation in the third quarter of 2011 earliest. By then, the Group's annual capacity will increase from 8,200 tonnes to 16,800 tonnes.

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

Apart from increasing sale of existing advanced steel flow control products, another Group's development strategy is to advance product quality and diversify our product offerings. The Group will continue to collaborate with universities and research institutions to enhance the quality of our existing products and develop more products.

Explore mainland and overseas markets

The Group will continue to develop its business riding on its established market position and other advantages. While recruiting more sales talent to explore new customers and business opportunities in China, the Group will continue to expand overseas markets. The Group has expanded into European markets after successfully entering into an authorised distributor agreement with Carboref GmbH of Germany on 19 February 2011, and will continue to reinforce the existing sales and marketing team to attract more potential customers in China and overseas.

The Group is confident that its market competitiveness will be greatly enhanced after the completion of the new production line and our new products will bring in more market development opportunities. The Group will continue its effort to capitalise on its niche in the advanced steel flow control products market in China so as to lead the industry growth as well as to scale new heights for fruitful return for its investors.

未來展望

集團擁有領先的市場地位，是中國「高端」鋼水控流產品市場實際年產量和銷售量第二大的企業。集團計畫進一步強化優勢以保持未來的發展速度，集團的未來發展策略及重點概括如下：

提升產能以滿足未來業務增長的需要及進一步提高市場滲透率

本集團的產品銷量持續增長，設備使用率已接近飽和。隨著中國鋼鐵市場的發展和整合，管理層預計「高端」鋼水控流產品市場的發展空間巨大。

集團正於江蘇省宜興總部興建新的生產廠房，可容納一條新生產線，以應付現時的銷售訂單增長及捕捉國內外市場的無限商機。新生產線預計於二零一一年下半年建成，最快可於二零一一年第三季投產，將使集團的年產能由8,200噸增至16,800噸。

憑藉持續的研發，繼續改良及發展現有的鋼水控流產品

在增加現有高端鋼水控流產品銷量的基礎上，集團將把提升產品質素和擴大產品範圍作為集團的另一策略。集團將繼續與各大學院校及研究機構合作，以提升現有產品質素及開發更多新產品。

積極開拓中國及海外市場

集團將在已確立的市場地位和其他競爭優勢上繼續發展壯大，在招聘更多銷售人才以招攬新客戶和拓展中國商機的同時，並繼續積極開拓海外市場。繼集團成功在二零一一年二月十九日與德國Carboref GmbH成功簽訂授權銷售商協議後，在打開歐洲市場的同時，集團亦會繼續致力強化現有的銷售及市場推廣團隊，從而在中國及海外開發更多潛在客戶。

集團有信心新生產線的建成將大大提高集團的市場競爭力，新產品將能帶來更多業務發展的機會。集團將繼續努力在中國「高端」鋼水控流產品行業保持獨特優勢，帶領行業發展，致力再創佳績，為投資者帶來理想回報。

Other Information

其他資料

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

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

The Company has adopted a code of conduct (the “Code of Conduct”) regarding directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors of the Company, all directors of the Company have confirmed that they had complied with the required standard set out in the Code of Conduct during the six months ended 30 June 2011.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the condensed consolidated financial statements for the six months ended 30 June 2011, including the accounting principles and practices adopted by the Group, in conjunction with the Company’s external auditor, Deloitte Touche Tohmatsu.

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

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

遵守企業管治常規守則

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

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

遵守上市發行人董事進行證券交易的標準守則

本公司已採納有關董事進行證券交易的操守守則（「操守守則」），其條款的嚴格程度不下於上市規則附錄十所載上市發行人董事進行證券交易的標準守則所載的規定標準。經向本公司全體董事作出具體查詢後，本公司全體董事已確認彼等於截至二零一一年六月三十日止六個月內一直遵守操守守則所載的規定標準。

審閱賬目

審核委員會已聯同本集團之外聘核數師德勤•關黃陳方會計師行，審閱本集團截至二零一一年六月三十日止六個月之簡明綜合財務報表，包括本集團採納之會計原則及慣例。

購買、出售或贖回本公司上市證券

期內，本公司或其任何附屬公司並無購買、出售或贖回任何本公司上市證券。

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

As at 30 June 2011, the interests or short positions of our directors in the shares, underlying shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to notify our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, are as follows:

董事於本公司及其相聯法團的股份、相關股份或債券中的權益及淡倉

於二零一一年六月三十日，董事於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中，擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括其根據證券及期貨條例的規定被當作或被視為擁有的權益及淡倉），或須根據證券及期貨條例第352條的規定載入該條所指登記冊內的權益或淡倉，或須根據上市規則所載上市公司董事進行證券交易的標準守則知會本公司及聯交所的權益或淡倉如下：

Name of Director(s) 董事姓名	Name of Group member/ associated corporation 本集團成員公司／ 相聯法團名稱	Capacity/nature of interest 身份／權益性質	Number and class of securities 證券數目及類別 (Note 1) (附註1)	Percentage of shareholding 股權百分比
Mr. Xu Yejun 徐葉君先生	Our Company 本公司	Beneficial owner 實益擁有人	363,000,000 Shares (L) (Note 2) 363,000,000股股份 (L) (附註2)	30.25%
		Interest of spouse 配偶權益	500,000 Shares (L) (Note 3) 500,000股股份 (L) (附註3)	0.04%
Mr. Gao Zhilong 高志龍先生	Our Company 本公司	Beneficial owner 實益擁有人	171,000,000 Shares (L) 171,000,000股股份 (L)	14.25%
Dr. Zhang Lanyin 張蘭銀博士	Our Company 本公司	Beneficial owner 實益擁有人	95,000,000 Shares (L) (Note 4) 95,000,000股股份 (L) (附註4)	7.92%
Mr. Gu Aoxing 顧敖行先生	Our Company 本公司	Beneficial owner 實益擁有人	41,000,000 Shares (L) (Notes 4 & 5) 41,000,000股股份 (L) (附註4及5)	3.42%

Other Information 其他資料

Notes:

1. The letter "L" denotes our Directors' long position in our shares.
2. Among these shares, (a) 360,000,000 Shares were beneficially owned by Mr. Xu Yejun; and (b) 3,000,000 Shares represented underlying Shares for which Mr. Xu Yejun was entitled to subscribe under the Company's Share Option Scheme. On 22 November 2010, Mr. Xu Yejun was granted 3,000,000 options under the share option scheme of the Company to subscribe for 3,000,000 Shares, exercisable at a price of HK\$1.408 per share in three tranches in the proportion of 30%, 60% and 100% on 22 November 2011, 22 November 2012 and 22 November 2013 respectively. The options have a term of ten years commencing from 22 November 2010.
3. These shares represent the underlying Shares for which Ms. Gu Shuping, the wife of Mr. Xu Yejun, was entitled to subscribe under the Company's Share Option Scheme.
4. Among these shares, (a) 90,000,000 Shares were beneficially owned by Dr. Zhang Lanyin; and (b) 5,000,000 Shares represented underlying Shares for which Dr. Zhang Lanyin was entitled to subscribe under the Company's Share Option Scheme. On 22 November 2010, each of Mr. Gu Aoxing and Dr. Zhang Lanyin was granted 5,000,000 options under the share option scheme of the Company to subscribe for 5,000,000 Shares, exercisable at a price of HK\$1.408 per share in three tranches in the proportion of 30%, 60% and 100% on 22 November 2011, 22 November 2012 and 22 November 2013 respectively. The options have a term of ten years commencing from 22 November 2010.
5. Among these shares, (a) 36,000,000 Shares were beneficially owned by Mr. Gu Aoxing; and (b) 5,000,000 Shares represented underlying Shares for which Mr. Gu Aoxing was entitled to subscribe under the Company's Share Option Scheme.

附註：

1. 英文字母「L」代表董事於本公司股份中的好倉。
2. 在該等股份中，(a) 360,000,000股股份由徐葉君先生實益擁有；及(b)3,000,000股股份指徐葉君先生有權根據本公司購股權計劃認購之相關股份。於二零一零年十一月二十二日，徐葉君先生根據本公司購股權計劃獲授3,000,000份購股權，可按每股1.408港元之行使價，於二零一一年十一月二十二日、二零一二年十一月二十二日及二零一三年十一月二十二日分別按30%、60%及100%之比例分三批認購3,000,000股股份。該等購股權之有效期由二零一零年十一月二十二日起計為期十年。
3. 該等股份指徐葉君先生之妻子顧淑萍女士有權根據本公司購股權計劃認購之相關股份。
4. 在該等股份中，(a) 90,000,000股股份由張蘭銀博士實益擁有；及(b) 5,000,000股股份指張蘭銀博士有權根據本公司購股權計劃認購之相關股份。於二零一零年十一月二十二日，顧啟行先生及張蘭銀博士根據本公司購股權計劃各獲授5,000,000份購股權，可按每股1.408港元之行使價，於二零一一年十一月二十二日、二零一二年十一月二十二日及二零一三年十一月二十二日分別按30%、60%及100%之比例分三批認購5,000,000股股份。該等購股權之有效期由二零一零年十一月二十二日起計為期十年。
5. 在該等股份中，(a) 36,000,000股股份由顧啟行先生實益擁有；及(b) 5,000,000股股份指顧啟行先生有權根據本公司購股權計劃認購之相關股份。

INTEREST DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

根據證券及期貨條例須予披露的權益及主要股東

So far as our directors are aware, as at 30 June 2011, other than a director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed “Interests and short positions of our Directors in the Shares, underlying Shares or debentures of our Company and our associated corporations” above, the following persons had an interest or short position in the shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are, directly or indirectly, interested in 5% or more of the shares:

據董事所知，於二零一一年六月三十日，除本公司董事或主要行政人員外（其權益於上文分段「董事於本公司及其相聯法團的股份、相關股份或債券中的權益及淡倉」披露），以下人士擁有須根據證券及期貨條例第XV部第2及3分部的規定向本公司披露的股份或相關股份權益或淡倉，或直接或間接於5%或以上股份擁有權益：

Name of Shareholder 股東名稱	Capacity/nature of interest 身份／權益性質	Number and class of securities 證券數目及類別 (Note 1) (附註1)	Percentage of shareholding 股權百分比
Ms. Gu Shuping (Note 2) 顧淑萍女士 (附註2)	Interest of spouse 配偶權益 Beneficial owner 實益擁有人	363,000,000 Shares (L) 363,000,000股股份 (L) 500,000 Shares (L) (Note 5) 500,000股股份 (L) (附註5)	30.25% 0.04%
Ms. Chai Xiaoyuan (Note 3) 柴笑媛女士 (附註3)	Interest of spouse 配偶權益	171,000,000 Shares (L) 171,000,000股股份 (L)	14.25%
Ms. Zhao Yijun (Note 4) 趙毅君女士 (附註4)	Interest of spouse 配偶權益	95,000,000 Shares (L) 95,000,000股股份 (L)	7.92%
Mr. Cheah Cheng Hye 謝清海先生	Founder of a discretionary trust 酌情信託之創辦人	60,736,000 Shares (L) (Note 6) 60,736,000股股份 (L) (附註6)	7.06%
Ms. To Hau Yin (Note 7) 杜巧賢女士 (附註7)	Interest of Spouse 配偶權益	60,736,000 Shares (L) 60,736,000股股份 (L)	7.06%
Hang Seng Bank Trustee International Limited	Trustee 受託人	60,736,000 Shares (L) 60,736,000股股份 (L)	7.06%

Notes:

- The letter “L” denotes the corporation’s long position in our shares.
- Ms. Gu Shuping is the wife of Mr. Xu Yejun.
- Ms. Chai Xiaoyuan is the wife of Mr. Gao Zhilong.
- Ms. Zhao Yijun is the wife of Dr. Zhang Lanyin.
- These shares represent the underlying Shares for which Ms. Gu Shuping, the wife of Mr. Xu Yejun, was entitled to subscribe under the Company’s Share Option Scheme.
- These Shares were held by Value Partners Limited. Value Partners Limited is wholly owned by Value Partners Group Limited, of which 28.69% of shares were owned to Cheah Capital Management Limited. Cheah Capital Management Limited is wholly owned by Cheah Company Limited. The entire issued share capital of Cheah Company Limited is held by Hang Seng Bank Trustee International Limited as discretionary trustee for Mr. Cheah Cheng Hye’s family.
- Ms. To Hau Yin is the wife of Mr. Cheah Cheng Hye.

附註：

- 英文字母「L」代表公司於本公司股份中的好倉。
- 顧淑萍女士為徐葉君先生的妻子。
- 柴笑媛女士為高志龍先生的妻子。
- 趙毅君女士為張蘭銀博士的妻子。
- 該等股份指徐葉君先生之妻子顧淑萍女士有權根據本公司購股權計劃認購之相關股份。
- 該等股份由Value Partners Limited持有。Value Partners Limited由Value Partners Group Limited全資擁有，而Value Partners Group Limited的28.69%股份由Cheah Capital Management Limited擁有。Cheah Capital Management Limited由Cheah Company Limited全資擁有。Cheah Company Limited的全部已發行股本由Hang Seng Bank Trustee International Limited作為謝清海先生家屬之酌情受託人而持有。
- 杜巧賢女士為謝清海先生的妻子。

Report on Review of Interim Financial Information

中期財務資料審閱報告

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF SINOREF HOLDINGS LIMITED
(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 19 to 36, which comprises the condensed consolidated statement of financial position of Sinoref Holdings Limited (the “Company”) and its subsidiaries as of 30 June 2011 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 August 2011

致華耐控股有限公司列位股東
(於開曼群島註冊成立之有限公司)

緒言

我們已審閱列載於第19至36頁的中期財務資料，該中期財務資料包括華耐控股有限公司（「貴公司」）及其附屬公司於二零一一年六月三十日的簡明綜合財務狀況表，及截至該日止六個月期間的相關簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及解釋附註。香港聯合交易所有限公司主板證券上市規則要求應遵照相關條例及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）編製有關中期財務資料的報告。貴公司董事需要負責根據香港會計準則第34號編製及呈報本中期財務資料。我們的責任是根據我們審閱工作的結果，對此中期財務資料表達結論，並按照我們雙方所協議的委聘工作條款，僅向全體董事報告。除此之外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負上或承擔任何責任。

審閱範圍

我們的審閱依據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」作出。審閱中期財務資料包括向負責財務和會計事宜之人員作出查詢，及進行分析和其他審閱程序。審閱範圍遠較根據香港核數準則所進行審核之範圍為小，故不能令我們確保我們將獲悉在審核中可能被發現之所有重大事項。因此，我們並不發表審核意見。

結論

按照我們的審閱結果，我們並無察覺任何事項，令我們相信中期財務資料在所有重大方面並無按照香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一一年八月二十四日

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

	Notes 附註	Six months ended 30 June 截至六月三十日止六個月		
		2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (Audited) (經審核)	
Revenue	3	167,181	174,740	收入
Cost of sales		(68,110)	(51,885)	銷售成本
Gross profit		99,071	122,855	毛利
Other income		952	152	利息收入
Selling and distribution costs		(13,998)	(14,658)	銷售及分銷成本
Administrative expenses		(18,396)	(8,594)	行政開支
Other expenses	5	–	(12,500)	其他開支
Finance costs	6	–	(223)	融資成本
Profit before taxation		67,629	87,032	除稅前溢利
Taxation	7	(13,007)	(16,948)	稅項
Profit and total comprehensive income for the period attributable to owners of the Company	8	54,622	70,084	本公司擁有人應佔期內溢利及全面收入總額
Earnings per share	10			每股盈利
Basic (RMB)		0.05	0.08	基本 (人民幣)
Diluted (RMB)		0.05	N/A 不適用	攤薄 (人民幣)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2011 於二零一一年六月三十日

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
Non-current assets				非流動資產
Property, plant and equipment	11	108,155	57,536	物業、廠房及設備
Prepaid land lease payments		10,214	10,331	預付土地租賃款項
Deposits paid for acquisition of plant and equipment		–	3,930	收購廠房及設備 已付按金
		118,369	71,797	
Current assets				流動資產
Inventories		20,343	15,273	存貨
Trade receivables	12	130,963	96,593	貿易應收款項
Bills receivables	13	30,488	30,579	應收票據
Other receivables, deposits and prepayments		401	516	其他應收款項、按金及 預付款項
Prepaid land lease payments		235	235	預付土地租賃款項
Bank balances and cash		267,000	315,554	銀行結餘及現金
		449,430	458,750	
Current liabilities				流動負債
Trade payables	14	16,610	15,248	貿易應付款項
Other payables and accruals	15	34,059	29,453	其他應付款項及應計費用
Tax liabilities		6,373	4,912	稅項負債
		57,042	49,613	
Net current assets		392,388	409,137	流動資產淨值
Total assets less current liabilities		510,757	480,934	資產總值減流動負債
Non-current liability				非流動負債
Deferred tax liabilities		13,838	10,937	遞延稅項負債
		496,919	469,997	
Capital and reserves				資本及儲備
Share capital	16	104,201	104,201	股本
Reserves		392,718	365,796	儲備
Total equity		496,919	469,997	權益總額

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

	Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Special reserve 特別儲備 RMB'000 人民幣千元 (Note a) (附註a)	Statutory reserves 法定儲備 RMB'000 人民幣千元 (Note b) (附註b)	Share options reserve 購股權儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	
At 1 January 2010 (audited)	47,041	–	–	10,709	–	95,827	153,577	於二零一零年一月一日 (經審核)
Profit for the period representing total comprehensive income for the period	–	–	–	–	–	70,084	70,084	期內溢利 (指期內全面收入 總額)
Special reserve arising from exchange of shares upon Corporate Reorganisation	(46,867)	–	46,867	–	–	–	–	公司重組時交換股份 所產生之特別 儲備
Transfer to statutory reserves	–	–	–	8,713	–	(8,713)	–	轉撥至法定儲備
At 30 June 2010 (audited)	174	–	46,867	19,422	–	157,198	223,661	於二零一零年六月 三十日(經審核)
At 1 January 2011 (audited)	104,201	80,442	46,867	26,588	1,895	210,004	469,997	於二零一一年一月一日 (經審核)
Profit for the period representing total comprehensive income for the period	–	–	–	–	–	54,622	54,622	期內溢利 (指期內全面收入 總額)
Final dividend for year ended 31 December 2010 (note 9)	–	–	–	–	–	(36,193)	(36,193)	截至二零一零年十二月 三十一日止年度之 末期股息(附註9)
Recognition of equity settled share-based payments	–	–	–	–	8,493	–	8,493	確認股本結算以股份 為基礎付款
Transfer to statutory reserves	–	–	–	6,446	–	(6,446)	–	轉撥至法定儲備
At 30 June 2011 (unaudited)	104,201	80,442	46,867	33,034	10,388	221,987	496,919	於二零一一年六月 三十日(未經審核)

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

Notes:

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

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

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

附註：

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

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

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

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

Six months ended 30 June

截至六月三十日止六個月

2011 2010

二零一一年 二零一零年

RMB'000 RMB'000

人民幣千元 人民幣千元

(Unaudited) (Audited)

(未經審核) (經審核)

	2011	2010	
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	
	(未經審核)	(經審核)	
Net cash from operating activities	24,300	53,897	經營活動所得現金淨額
Net cash used in investing activities			投資活動所用現金淨額
Interest received	952	152	已收取利息
Purchase of property, plant and equipment	(37,613)	(554)	購買物業、廠房及設備
	(36,661)	(402)	
Net cash (used in) from financing activities			融資活動(所用)所得現金淨額
Interest paid	–	(223)	已付利息
Dividend paid	(36,193)	–	已付股息
Additions of discounted bills with recourse	–	3,690	增加附追索權貼現票據
	(36,193)	3,467	
Net (decrease) increase in cash and cash equivalents	(48,554)	56,962	現金及現金等值物(減少)增加淨額
Cash and cash equivalents at beginning of the period	315,554	65,500	期初現金及現金等值物
Cash and cash equivalents at end of the period, represented by bank balances and cash	267,000	122,462	期終現金及現金等值物，以銀行結餘及現金列示

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2010.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations (“new or revised HKFRSs”) issued by the HKICPA:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of these new or revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則附錄十六之適用披露規定，以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」而編製。

2. 主要會計政策

簡明綜合財務報表乃根據歷史成本基準編製。

截至二零一一年六月三十日止六個月之簡明綜合財務報表所使用之會計政策及計算方法，與編製本集團截至二零一零年十二月三十一日止年度之財務報表所採用者一致。

於本中期期間，本集團首次應用以下由香港會計師公會頒佈之新訂或經修訂準則、修訂本及詮釋（「新訂或經修訂香港財務報告準則」）：

香港財務報告準則（修訂本）	於二零一零年頒佈之香港財務報告準則之改進
香港會計準則第24號 (二零零九年經修訂)	關連人士披露
香港會計準則第32號 (修訂本)	供股分類
香港（國際財務報告詮釋委員會）— 詮釋第14號 (修訂本)	最低資金要求之預付款項
香港（國際財務報告詮釋委員會）— 詮釋第19號	以股本工具抵銷金融負債

應用該等新訂或經修訂香港財務報告準則對本集團本期或以往會計期間之簡明綜合財務報表並無重大影響。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ¹
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ⁴
HKFRS 11	Joint Arrangements ⁴
HKFRS 12	Disclosure of Interests in Other Entities ⁴
HKFRS 13	Fair Value Measurement ⁴
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ³
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ²
HKAS 19 (as revised in 2011)	Employee Benefits ⁴
HKAS 27 (as revised in 2011)	Separate Financial Statements ⁴
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ⁴

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2012

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2013

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

3. REVENUE

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

2. 主要會計政策 (續)

本集團並無提早採納以下已頒佈但尚未生效之新訂及經修訂準則及修訂本。

香港財務報告準則第7號 (修訂本)	披露 – 轉讓金融資產 ¹
香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ⁴
香港財務報告準則第11號	聯合安排 ⁴
香港財務報告準則第12號	披露其他實體之權益 ⁴
香港財務報告準則第13號	公平值計量 ⁴
香港會計準則第1號 (修訂本)	其他全面收益項目之呈列 ³
香港會計準則第12號 (修訂本)	遞延稅項：收回相關資產 ²
香港會計準則第19號 (二零一一年經修訂)	僱員福利 ⁴
香港會計準則第27號 (二零一一年經修訂)	獨立財務報表 ⁴
香港會計準則第28號 (二零一一年經修訂)	於聯營公司及合營企業之投資 ⁴

¹ 於二零一一年七月一日或以後開始之年度期間生效

² 於二零一二年一月一日或以後開始之年度期間生效

³ 於二零一二年七月一日或以後開始之年度期間生效

⁴ 於二零一三年一月一日或以後開始之年度期間生效

本公司董事預期，應用該等新訂或經修訂準則及修訂本對本集團業績及財務狀況不會有重大影響。

3. 收入

收入指就一般日常業務中之銷售貨品已收及應收的淨額，再減去退貨及折扣。

4. OPERATING SEGMENTS

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

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

Information about products

The revenue of the major products is analysed as follows:

4. 經營分部

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

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

產品資料

主要產品收入分析如下：

Six months ended 30 June		
截至六月三十日止六個月		
2011	2010	
二零一一年	二零一零年	
RMB'000	RMB'000	
人民幣千元	人民幣千元	
(Unaudited)	(Audited)	
(未經審核)	(經審核)	
Manufacture and sale of advanced steel flow control products:		製造及銷售高端鋼水控流產品：
Subentry Nozzle	83,099	84,683 浸入式水口
Stopper	44,276	47,121 塞棒
Tundish Nozzle	31,876	33,832 中間包水口
Ladle Shroud	7,930	9,104 長水口
	167,181	174,740

4. OPERATING SEGMENTS (Continued)

Information about geographical areas

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

	Six months ended 30 June		
	2011	2010	
	二零一一年	二零一零年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
	(Unaudited)	(Audited)	
	(未經審核)	(經審核)	
The PRC (country of domicile)	164,682	174,740	中國(原籍國家)
Europe	2,499	-	歐洲
	167,181	174,740	

Information about major customers

Revenue from a customer amounting to RMB22,752,000 (six months ended 30 June 2010: RMB18,090,000) individually represents more than 10% of the Group's total revenue. Four types of products were sold to that customer.

5. OTHER EXPENSES

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

6. FINANCE COSTS

The amounts represented the interests on discounted bills with recourse wholly repayable within five years.

4. 經營分部 (續)

地區資料

下表提供本集團按地區市場劃分的收入分析：

主要客戶資料

來自一名客戶之收入達人民幣22,752,000元(截至二零一零年六月三十日止六個月：人民幣18,090,000元)，獨佔本集團總收入超過10%。本集團向該名客戶銷售四類產品。

5. 其他開支

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

6. 融資成本

有關金額指須於五年內悉數償還之附追索權貼現票據之利息。

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

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

7. TAXATION

7. 稅項

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (Audited) (經審核)
Current tax:			即期稅項：
PRC Enterprise Income Tax	10,106	13,027	中國企業所得稅
Deferred tax:			遞延稅項：
Current year	2,901	3,921	本年度
	13,007	16,948	

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

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

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

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

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

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

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

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

7. TAXATION (Continued)

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 shall be subject to PRC Enterprise Income Tax which is withheld by the PRC entity. During the six months ended 30 June 2011, deferred tax expense of RMB2,901,000 (six months ended 30 June 2010: RMB3,921,000) in respect of undistributed earnings of the Group's PRC subsidiary has been recognised in the condensed consolidated statement of comprehensive income.

7. 稅項 (續)

根據由財政部及國家稅務總局聯合發出的通知(財稅2008第1號文件)，於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體預扣。截至二零一一年六月三十日止六個月，有關本集團中國附屬公司之未分派盈利之遞延稅項費用為人民幣2,901,000元(截至二零一零年六月三十日止六個月：人民幣3,921,000元)，經已在簡明綜合全面收益表中確認。

8. PROFIT FOR THE PERIOD

8. 期內溢利

	Six months ended 30 June		
	截至六月三十日止六個月		
	2011	2010	
	二零一一年	二零一零年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
	(Unaudited)	(Audited)	
	(未經審核)	(經審核)	
Profit for the period has been arrived at after charging:			期內溢利經扣除下列項目後達致：
Cost of inventories recognised as an expense	66,297	51,684	確認為開支之存貨成本
Depreciation of property, plant and equipment	3,036	2,348	物業、廠房及設備折舊
Release of prepaid lease payments	117	117	預付土地租賃款項解除
Net exchange loss	224	–	匯兌虧損淨額
Share-based payments	8,493	–	以股份為基礎付款

9. DIVIDENDS

9. 股息

	Six months ended 30 June		
	截至六月三十日止六個月		
	2011	2010	
	二零一一年	二零一零年	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
	(Unaudited)	(Audited)	
	(未經審核)	(經審核)	
Final dividend paid in respect of the year ended 31 December 2010 of HK3.6 cents (year ended 31 December 2009: nil) per ordinary share	36,193	–	就截至二零一零年十二月三十一日止年度派付末期股息每股普通股3.6港仙(截至二零零九年十二月三十一日止年度：無)

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

董事會不建議派付本期間之中期股息(截至二零一零年六月三十日止六個月：無)。

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10. EARNINGS PER SHARE

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

		Six months ended 30 June			
		截至六月三十日止六個月			
		2011		2010	
		二零一一年		二零一零年	
		RMB'000		RMB'000	
		人民幣千元		人民幣千元	
		(Unaudited)		(Audited)	
		(未經審核)		(經審核)	
Earnings					盈利
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company		54,622		70,084	就計算本公司擁有人應佔每股基本及攤薄盈利所使用之盈利
		Six months ended 30 June			
		截至六月三十日止六個月			
		2011		2010	
		二零一一年		二零一零年	
		'000		'000	
		千股		千股	
		(Unaudited)		(Audited)	
		(未經審核)		(經審核)	
Number of shares					股份數目
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share		1,200,000		900,000	就計算每股基本及攤薄盈利所使用之普通股加權平均數

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

The computation of diluted earnings per share for the six months ended 30 June 2011 does not assume the exercise of the Company's options because the exercise price of the share options was higher than the average price of the shares of the Company for the current period. No diluted earnings per share has been presented for in prior period as there was no potential dilutive ordinary shares outstanding during the prior period.

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

10. 每股盈利

用作計算截至二零一零年六月三十日止六個月之每股基本盈利之股份數目乃假設就公司重組發行之本公司普通股於二零一零年一月一日經已發行，以及根據於二零一零年七月七日完成之資本化發行所發行之898,000,000股普通股而計算，並已追溯調整。

由於本公司購股權之行使價高於本公司股份於本期間之平均價格，因此計算截至二零一一年六月三十日止六個月之每股攤薄盈利時並無假設本公司購股權獲行使。由於過往期間並無具攤薄潛力之已發行普通股，因此並無就過往期間呈列每股攤薄盈利。

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the Group has acquired buildings of RMB302,000, furniture and fixtures and office equipment of RMB106,000, plant, machinery and equipment of RMB47,026,000, and motor vehicles of RMB119,000. In addition, the Group has spent RMB6,102,000 on construction costs of a new production plant in the PRC in order to expand the manufacturing capabilities of the Group. The total additions of property, plant and equipment during the six months ended 30 June 2011 are RMB53,655,000.

12. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 90 days, while other customers are due immediately when goods are delivered. The following is an aged analysis of trade receivables presented based on the goods delivery date at the end of the reporting period.

	At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
0 – 30 days	39,993	18,196	0至30日
31 – 60 days	24,835	26,502	31至60日
61 – 90 days	29,324	21,219	61至90日
91 – 120 days	27,167	18,278	91至120日
Over 120 days	9,644	12,398	120日以上
	130,963	96,593	

11. 物業、廠房及設備變動

於截至二零一一年六月三十日止六個月，本集團購入人民幣302,000元之樓宇、人民幣106,000元之傢俱及裝置及辦公室設備、人民幣47,026,000元之廠房、機器及設備，以及人民幣119,000元之汽車。此外，本集團已耗資人民幣6,102,000元在中國建造一座新生產廠房，以擴展本集團之產能。於截至二零一一年六月三十日止六個月，添置物業、廠房及設備之總額為人民幣53,655,000元。

12. 貿易應收款項

本集團向若干客戶授出之信貸期為90日以內，而其他客戶須於收到貨品時即時付款。以下為於申報期末根據貨品交付日期呈列之貿易應收款項賬齡分析：

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13. BILLS RECEIVABLES

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

	At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	
Within 90 days	18,448	21,568	90內
91 – 120 days	6,512	6,097	91至120日
121 – 180 days	5,528	2,914	121至180日
	30,488	30,579	

At 30 June 2011, the carrying value of bills receivables include endorsed bills for which the maturity dates have not yet been due amounted to RMB12,302,000 (31 December 2010: RMB11,023,000) continue to be recognised as assets in the condensed consolidated financial statements. As the Group is still exposed to credit risk on these receivables at the end of the reporting period, the bills endorsed to the suppliers for which the maturity dates have not yet been due are recognised as current liabilities in the condensed consolidated statement of financial position.

13. 應收票據

於申報期末，應收票據賬齡分析如下：

於二零一一年六月三十日，應收票據賬面值包括到期日尚未逾期的背書票據人民幣12,302,000元（二零一零年十二月三十一日：人民幣11,023,000元），繼續於簡明綜合財務報表中獲確認為資產。由於本集團於申報期末仍就此等應收款項面對信貸風險，因此向供應商發出而到期日尚未逾期的背書票據於簡明綜合財務狀況表中確認為流動負債。

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For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

14. TRADE PAYABLES

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

	At 30 June 2011	At 31 December 2010	
	於二零一一年 六月三十日	於二零一零年 十二月三十一日	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
	(Unaudited)	(Audited)	
	(未經審核)	(經審核)	
0 – 30 days	10,767	10,041	0至30日
31 – 60 days	4,460	2,876	31至60日
61 – 90 days	1,122	2,029	61至90日
Over 90 days	261	302	90日以上
	16,610	15,248	

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

At 30 June 2011, included in the trade payables was RMB12,302,000 (31 December 2010: RMB11,023,000) that was endorsed bills settled to suppliers for which the maturity dates have not yet been due.

以下為貿易應付款項於申報期末根據收取貨品日期呈列之賬齡分析。

供應商向本集團授出之信貸期為30日內。

於二零一一年六月三十日，貿易應付款項包括以到期日尚未逾期的向供應商結算之背書票據人民幣12,302,000元（二零一零年十二月三十一日：人民幣11,023,000元）。

15. OTHER PAYABLES AND ACCRUALS

	At 30 June 2011	At 31 December 2010	
	於二零一一年 六月三十日	於二零一零年 十二月三十一日	
	RMB'000	RMB'000	
	人民幣千元	人民幣千元	
	(Unaudited)	(Audited)	
	(未經審核)	(經審核)	
Other payables	1,688	1,050	其他應付款項
Payables for acquisition of property, plant and equipment	14,475	2,363	收購物業、廠房及設備 之應付款項
Accrued sales commission	9,545	16,756	應計銷售佣金
Accrued professional fees	789	760	應計專業費用
Accrued staff costs	1,487	1,470	應計員工成本
Other tax payables	6,075	7,054	其他應付稅項
	34,059	29,453	

15. 其他應付款項及應計費用

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For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

16.SHARE CAPITAL

16.股本

	Notes 附註	Number of shares at HK\$0.10 per share 每股面值0.10 港元之股份數目 '000 千股	Amount 金額 HK\$'000 千港元	
Authorised:				法定：
At 4 February 2010 (date of incorporation)	(a)	1,000	100	於二零一零年二月四日 (註冊成立日期)
Increase in authorised share capital	(b)	2,999,000	299,900	法定股本增加
At 30 June 2010, 31 December 2010 and 30 June 2011		3,000,000	300,000	於二零一零年六月三十日、 二零一零年十二月三十一日 及二零一一年六月三十日
Issued:				已發行：
Allotted and issued nil-paid on 4 February 2010	(a)	1,000	100	於二零一零年二月四日 已配發及發行之未繳股份
Issue of shares upon completion of the Corporate Reorganisation on 7 June 2010	(c)	1,000	100	於二零一零年六月七日 完成公司重組時發行股份
At 30 June 2010		2,000	200	於二零一零年六月三十日
Issue of shares by capitalisation of the share premium account	(d)	898,000	89,800	透過將股份溢價賬撥充資本 而發行股份
Issue of shares pursuant to global offering	(e)	300,000	30,000	根據全球發售發行股份
At 31 December 2010 and 30 June 2011		1,200,000	120,000	於二零一零年十二月三十一日 及二零一一年六月三十日
Shown in the condensed consolidated financial statements				簡明綜合財務報表 所示
At 31 December 2010 and 30 June 2011		RMB'000 equivalent 人民幣千元等值	104,201	於二零一零年十二月三十一日 及二零一一年六月三十日

The following changes in the share capital of the Company took place during the period from 4 February 2010 (date of incorporation) to 30 June 2011.

- (a) The Company was incorporated on 4 February 2010 with an authorised share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each, of which 1,000,000 ordinary shares with a par value of HK\$0.10 each were allotted and issued nil-paid by the Company to its then sole shareholder on the same date.
- (b) On 7 June 2010, the authorised share capital of the Company was increased from HK\$100,000 to HK\$300,000,000 by the creation of the additional 2,999,000,000 new shares of HK\$0.10 each. These new shares rank pari passu in all respects with the existing shares.

於二零一零年二月四日(註冊成立日期)至二零一一年六月三十日期間，本公司股本出現以下變動。

- (a) 本公司於二零一零年二月四日註冊成立，法定股本為100,000港元，分為1,000,000股每股面值0.10港元之股份，其中1,000,000股每股面值0.10港元之普通股於同日由本公司以未繳股本方式向當時唯一股東配發及發行。
- (b) 於二零一零年六月七日，本公司增設2,999,000,000股每股面值0.10港元之新股份，將法定股本由100,000港元增至300,000,000港元。該等新股份在各方面與現有股份享有同等地位。

16. SHARE CAPITAL (Continued)

- (c) Pursuant to a share purchase agreement dated 7 June 2010 and entered into by, among other parties, Sinoref International Limited (the then holding company of the Company) as vendor and the Company as purchaser for the acquisition of the entire issued share capital of Sinoref (BVI) Limited, being two shares of US\$1.00 each, in consideration of and in exchange for which the Company (i) credited as fully paid at par the 1,000,000 nil-paid shares then held by the shareholders of Sinoref International Limited; and (ii) allotted and issued, at the direction of Sinoref International Limited, 1,000,000 shares credited as fully paid to the shareholders of Sinoref International Limited in proportion to their respective shareholdings in Sinoref International Limited.
- (d) Pursuant to the written resolutions passed by all shareholders of the Company dated 7 June 2010, the directors of the Company were authorised to capitalise an amount of HK\$89,800,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 898,000,000 ordinary shares of HK\$0.10 each of the Company for allotment and issue to the shareholders of the Company on the register of members of the Company on 7 June 2010 on a pro-rata basis, conditional on the share premium account being credited as a result of the issue of shares by the Company pursuant to the global offering.
- (e) On 7 July 2010, 300,000,000 ordinary shares of HK\$0.10 each of the Company were issued at a price of HK\$0.76 by way of global offering. On the same date, the Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited. The proceeds of HK\$30,000,000 (equivalent to RMB26,050,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of HK\$198,000,000 (equivalent to RMB171,931,000), before issuing expenses, were credited to share premium account.

In respect of 60,000,000 share options granted on 22 November 2010 pursuant to the Company's share option scheme, all the share options are not exercisable at 30 June 2011. No options are granted or lapsed during the current period.

16. 股本 (續)

- (c) 根據華耐國際有限公司(本公司當時之控股公司)(作為賣方)與本公司(作為買方)於二零一零年六月七日訂立之購股協議,本公司收購Sinoref (BVI) Limited全部已發行股本(即兩股每股面值1.00美元之股份),而作為代價及交換條件,本公司(i)將當時由華耐國際有限公司股東所持有之1,000,000股未繳股份按面值入賬列為繳足;及(ii)遵照華耐國際有限公司之指示,按華耐國際有限公司股東各自於華耐國際有限公司之股權比例,向該等股東配發及發行1,000,000股入賬列為繳足之股份。
- (d) 根據本公司全體股東於二零一零年六月七日通過之書面決議案,本公司董事獲授權將本公司股份溢價賬中之進賬89,800,000港元撥充資本,動用該金額按面值繳足本公司898,000,000股每股面值0.10港元之普通股,以按比例向於二零一零年六月七日名列本公司股東名冊之股東配發及發行,惟須待本公司根據全球發售發行股份後股份溢價賬取得進賬方可作實。
- (e) 於二零一零年七月七日,本公司透過全球發售,按0.76港元之價格發行300,000,000股每股面值0.10港元之本公司普通股。於同日,本公司股份於香港聯合交易所有限公司主板上市。代表本公司股份面值之所得款項30,000,000港元(相等於人民幣26,050,000元)已記入本公司之股本。餘下所得款項198,000,000港元(相等於人民幣171,931,000元)(未扣除發行開支)已記入股份溢價賬。

就於二零一零年十一月二十二日根據本公司之購股權計劃授出之60,000,000份購股權而言,所有購股權於二零一一年六月三十日尚未獲行使。於本期間內並無購股權授出或失效。

17. CAPITAL COMMITMENTS

At 31 December 2010, the Group had commitments for capital expenditure in respect of construction of new production plant of RMB5,072,000 and acquisition of plant and equipment of RMB35,720,000 contracted for but not provided in the condensed consolidated financial statements. At 30 June 2011, the capital expenditure in respect of construction of new production plant and acquisition of plant and equipment have been fully provided in the condensed consolidated financial statements.

18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

	Six months ended 30 June	
	截至六月三十日止六個月	
	2011	2010
	二零一一年	二零一零年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Short-term benefits	1,960	1,594
Retirement benefit scheme contributions	26	22
Share-based payments	5,237	–
	7,223	1,616

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

17. 資本承擔

於二零一零年十二月三十一日，本集團就建造新生產廠房和收購廠房及設備而分別承擔資本開支人民幣5,072,000元及人民幣35,720,000元，而該等承擔已訂約但未在簡明綜合財務報表中撥備。於二零一一年六月三十日，有關建造新生產廠房和收購廠房及設備之資本開支已全數在簡明綜合財務報表中撥備。

18. 關連方交易

主要管理人員薪酬

董事及其他主要管理層成員於兩個期間之薪酬如下：

董事及主要行政人員之酬金乃董事會參考個人表現及市場趨勢而釐定。



SINOREF

華耐控股有限公司

SINOREF HOLDINGS LIMITED