



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  
**2011** 年報

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# Corporate Profile

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Lai Guanglin (*Chairman*)  
Mr. Yu Ben Ansheng (*Chief Executive Officer*)  
Mr. Lai Fulin

#### Non-executive Director

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

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

### NOMINATION COMMITTEE

Mr. Lai Guanglin (*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  
22/F, Prince's Building  
Central, Hong Kong

### 董事會

#### 執行董事

Lai Guanglin 先生 (*主席*)  
俞安生先生 (*首席執行官*)  
賴福麟先生

#### 非執行董事

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

楊莉女士 (*主席*)  
Lai Guanglin 先生  
陳偉文先生

#### 提名委員會

Lai Guanglin (*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  
香港中環  
太子大廈二十二樓

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Management (Bermuda) Ltd.  
Canon's Court  
22 Victoria Street  
Hamilton HM 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  
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

## 主要股份過戶登記處

Appleby Management (Bermuda) Ltd.  
Canon's Court  
22 Victoria Street  
Hamilton HM 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

# Corporate Profile

## 公司資料

### OTHER PLACES OF BUSINESS

#### HONG KONG AND MACAU

##### Retail shops

G/F., 618 Shanghai Street, Mongkok, Kowloon,  
Hong Kong

Tel: (852) 2395 0181

Fax: (852) 2787 3421

G/F., No. 30 Hop Yick Road, Yuen Long,  
New Territories, Hong Kong

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

Sections M and N of Lot 3719 in DD104,  
Yuen Long, New Territories, Hong Kong

Tel: (852) 2471 9048

Fax: (852) 2482 1298

Lot 372383 in DD104, Yuen Long,  
New Territories, Hong Kong

Tel: (852) 2471 9048

Fax: (852) 2482 1298

#### MAINLAND CHINA

Bun Kee Building Material (Guangzhou) Co., Ltd  
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

#### WEBSITE

<http://www.chinapipelinegroup.com>

### 其他營業地點

#### 香港及澳門

##### 門市

香港九龍旺角上海街618號地下

電話：(852) 2395 0181

傳真：(852) 2787 3421

香港新界元朗合益路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

香港新界元朗錦綉花園貨倉

泰園路地段 104 Lot 3719 M及N段

電話：(852) 2471 9048

傳真：(852) 2482 1298

香港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

#### 中國大陸

彬記建材(廣州)有限公司

中國廣州市番禺區

石基鎮小龍村朗尾路段3號

電話：86-20-6194 9418

86-20-6194 9428

傳真：86-20-8455 4077

#### 網址

<http://www.chinapipelinegroup.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 2011.

## FINANCIAL RESULTS

For the year ended 31st December 2011, the Group recorded revenue from continuing operation of approximately HK\$438.4 million (2010: HK\$385.1 million), representing an increase of 13.8% as compared with the year ended 31st December 2010. The profit attributable to equity holders of the Company was approximately HK\$13.3 million for the year ended 31st December 2011, as compared with the loss attributable to equity holders of the Company of approximately HK\$122.8 million for the year ended 31st December 2010. The basic earnings per share from continuing operation was approximately HK0.097 cent (2010: basic loss per share of HK0.125 cent).

## FINAL DIVIDEND

The board of directors of the Company does not recommend a final dividend for the year ended 31st December 2011 (2010: Nil).

## BUSINESS REVIEW

During the year of 2011, the Group achieved satisfactory results leveraging on its extensive experience and strategic move. We turned around the operation from a loss to a profit situation.

In view of the unsatisfactory performance of the seamless steel pipes business and the considerable strain which this segment placed on the Group's internal resources, we have made our strategic decision to dispose of the seamless steel pipes segment. The Group completed the disposal in May 2011. We aim at streamlining our business and focus our resources in developing the trading of pipes and fittings 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」)截至二零一一年十二月三十一日止年度之年報。

## 財務業績

截至二零一一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438,400,000港元(二零一零年：385,100,000港元)，較截至二零一零年十二月三十一日止年度增加13.8%。截至二零一一年十二月三十一日止年度，本公司股權持有人應佔溢利約為13,300,000港元，對比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。來自持續營運業務之每股基本盈利約為0.097港仙(二零一零年：每股基本虧損0.125港仙)。

## 末期股息

本公司董事會不建議派付截至二零一一年十二月三十一日止年度之末期股息(二零一零年：無)。

## 業務回顧

於二零一一年，本集團憑藉其豐富的經驗和策略措施，取得了滿意的業績，我們把業績轉虧為盈。

鑑於無縫鋼管業務表現不理想，且該分部對本集團內部資源造成重大負擔，我們已經作出了戰略決策，出售無縫鋼管業務。本集團於二零一一年五月完成了該出售。我們的目標是簡化業務，同時，我們將集中資源發展喉管及管件貿易業務。

# Chairman's Statement

## 主席報告

2011 was a challenging year for the Group. The markets were still very competitive. To strengthen our core competitiveness, the Group placed more focus on cost control and effort in sales and marketing. As a result, our trading of pipes and fittings operation has achieved a better performance than last year.

### PROSPECTS

The Group will continue to develop our trading of pipes and fittings business in Hong Kong and Macau. Looking forward, the market competition will continue to be intense. Against this market condition, the Group will focus our efforts on sales and marketing of new products lines, upgrading our products and services and strengthening our relationships with our customers. Through these initiatives, we aim at growing out top line sales and improving our bottom line profits of the Group.

In addition to the pipes and fittings 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, 14th March 2012

回顧二零一一年，本集團面臨種種挑戰，市場競爭持續激烈。為加強我們的核心競爭力，本集團將更加注重對成本的控制，並在銷售和市場推廣方面努力。因此，我們的喉管及管件貿易業務較去年取得更佳的業績。

### 前景

本集團將繼續發展其於香港及澳門之喉管及管件之貿易業務。展望未來，市場上的競爭將繼續會激烈。為應付這種市場狀況，本集團將集中力量銷售及推廣新產品、提升產品及服務質素，以及加強與客戶的關係。通過這些行動，我們以擴大銷售及改善利潤底線為目標。

除了喉管及管件貿易業務，管理層將繼續尋求能為股東帶來潛在更佳回報的投資機會。

### 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，二零一二年三月十四日

# Management Discussion and Analysis

## 管理層討論及分析

### Financial Review

For the year ended 31st December 2011, the Group recorded revenue from the continuing operation of approximately HK\$438.4 million (2010: HK\$385.1 million), representing an increase of 13.8% as compared to 2010. The profit attributable to equity holders of the Company for the year ended 31st December 2011 was approximately HK\$13.3 million, as compared with the loss attributable to equity holders of the Company of approximately HK\$122.8 million in 2010. As previously disclosed, the loss in 2010 mainly resulted from one-off losses relating to the manufacturing and sale of seamless steel pipes segment amounted to approximately HK\$81.1 million (mainly included impairment losses on property, plant and equipment, land use rights and goodwill) and loss on revaluation of the investment properties amounted to approximately HK\$23.1 million.

The revenue from the continuing operation, contributed from the segment of trading of pipes and fittings, increased by 13.8% over that of last year. The profit after tax from the continuing operation for the year ended 31st December 2011 was approximately HK\$12.9 million (2010: loss after tax of HK\$16.7 million). The basic earnings per share from the continuing operation was approximately HK0.097 cent (2010: basic loss per share of HK0.125 cent).

### 財務回顧

截至二零一一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438,400,000港元（二零一零年：385,100,000港元），較二零一零年增加13.8%。截至二零一一年十二月三十一日止年度，本公司股權持有人應佔溢利約為13,300,000港元，對比二零一零年本公司股權持有人應佔虧損約為122,800,000港元。按先前披露，二零一零年之虧損主要由於有關生產及銷售無縫鋼管分類的一次性虧損約為81,100,000港元（主要包括物業、廠房及設備、土地使用權及商譽之減值虧損），以及投資物業的重估虧損約為23,100,000港元。

來自持續營運業務之收入乃由喉管及管件貿易分類所貢獻，收入較去年上升13.8%。截至二零一一年十二月三十一日止年度來自持續營運業務的稅後溢利約為12,900,000港元（二零一零年：稅後虧損16,700,000港元）。來自持續營運業務之每股基本盈利約為0.097港仙（二零一零年：每股基本虧損0.125港仙）。



# Management Discussion and Analysis

## 管理層討論及分析

### Review of Operations

#### Continuing operation

##### *Trading of pipes and fittings*

The trading of pipes and fittings reported revenue for the year of approximately HK\$438.4 million (2010: HK\$385.1 million (excluding inter-segment revenue)) and profit attributable to equity holders of the Company for the year of approximately HK\$33.8 million (2010: HK\$15.6 million). In 2011, our sales growth was 13.8% due to the improving construction sector and greater effort in sales and marketing. In addition, our gross profit margin was slightly improved and bad debt expense was decreased as compared with last year.

#### Discontinued operations

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

In May 2011, the Group completed the disposal of its entire equity interest in the segment of manufacturing and sale of seamless steel pipes. As a result, the Group recorded a gain of approximately HK\$1.6 million.

During the period under review, revenue contributed from the segment of manufacturing and sale of seamless steel pipes (including the holding companies of Kiyofu, which was part of the discontinued operation of the Group) up to the completion of the disposal amounted to approximately HK\$64.5 million (for the year ended 31st December 2010: HK\$131.3 million) and loss attributable to equity holders of the Company amounted to approximately HK\$1.2 million (excluding the gain on disposal of subsidiaries amounted to approximately HK\$1.6 million) (for the year ended 31st December 2010: HK\$91.2 million). During the year of 2010, one-off losses amounted to approximately HK\$81.1 million, which mainly included impairment losses on property, plant and equipment, land use rights and goodwill were recognised in the consolidated income statement.

### 業務回顧

#### 持續營運業務

##### *喉管及管件貿易*

喉管及管件貿易於本年錄得收入約為438,400,000港元(二零一零年: 385,100,000港元(不包括分類間收入)), 而本年度本公司股權持有人應佔溢利約為33,800,000港元(二零一零年: 15,600,000港元)。於二零一一年, 本集團的銷售增長為13.8%, 乃由於建築行業有所改善, 以及加強銷售及市場推廣所致。此外, 本集團之毛利方面較去年略有改善, 而壞賬撥備較去年亦有所減少。

#### 終止營運業務

##### *生產及銷售無縫鋼管*

於二零一一年五月, 本集團完成出售生產及銷售無縫鋼管分類之全部股本權益。因此, 本集團錄得收益約為1,600,000港元。

於回顧期間內, 來自生產及銷售無縫鋼管分類(連同金裕豐之控股公司, 為本集團之終止營運業務之部份)截至其出售完成止的貢獻收入約為64,500,000港元(截至二零一零年十二月三十一日止年度: 131,300,000港元), 本公司股權持有人應佔虧損約為1,200,000港元(不包括出售附屬公司之收益約為1,600,000港元)(截至二零一零年十二月三十一日止年度: 91,200,000港元)。於二零一零年, 一次性虧損約為81,100,000港元已於綜合收益表內入賬, 主要包括物業、廠房及設備、土地使用權及商譽之減值虧損。

# Management Discussion and Analysis

## 管理層討論及分析

### *Investment properties*

The Group completed the disposal of investment properties held in Hong Kong in early 2010 and the disposal of the entire equity interest in Noble Win International Limited in December 2010 which was engaged in investment properties in Mainland China through its subsidiaries. As such, the segment results for the year ended 31st December 2010 was presented under discontinued operation.

After the disposal of the seamless steel pipes segment, the trading of pipes and fittings remains as the principal business of the Group. As a result, the Group's profitability, liquidity and financial position have been strengthened. As at 31st December 2011, the working capital ratio (as measured by current assets to current liabilities) of the Group was 3.29 (2010: 1.73) and gearing ratio (as measured by total debt to total equity) was 24% (2010: 63%).

### **PROSPECTS**

The Group will continue to develop our trading of pipes and fittings business in Hong Kong and Macau. Looking forward, the operating environment will remain competitive. In order to achieve our top line sales growth and improving our bottom line profits, the Group will focus our efforts on sales and marketing of new product lines, upgrading our products and services and strengthening our relationships with our customers.

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

### *投資物業*

本集團於二零一零年年初完成出售於香港持有之投資物業，以及於二零一零年十二月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。據此，截至二零一零年十二月三十一日止年度的分類業績已呈列為終止營運業務。

自出售無縫鋼管業務後，喉管及管件貿易仍為本集團之主要業務。故此，本集團之盈利、流動資金及財務狀況更趨穩健。於二零一一年十二月三十一日，本集團之流動比率（按流動資產相對於流動負債計算）為3.29（二零一零年：1.73），以及資產負債比率（按借貸總額相對於總權益計算）為24%（二零一零年：63%）。

### **前景**

本集團將繼續發展其於香港及澳門之喉管及管件之貿易業務。展望未來，預期經營環境仍充滿競爭。本集團為達到擴大銷售額以及提升利潤水平，我們將集中力量銷售及推廣新產品、提升產品及服務質素，以及加強與客戶的關係。

除了喉管及管件之貿易業務，管理層將繼續尋求能為股東帶來潛在更佳回報的投資機會。

# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 31st December 2011, the cash and bank balances of the Group were approximately HK\$125.3 million (2010: HK\$155.0 million) including pledged bank deposit, which amounted to HK\$70.5 million (2010: HK\$92.8 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 2011, the Group had aggregate banking facilities of trade finance of approximately HK\$101.5 million (2010: HK\$233.3 million, of which representing banking facilities of both trade finance and term loans), approximately HK\$81.3 million (2010: HK\$221.0 million) was utilised. The Group's total borrowings stood at approximately HK\$69.9 million (2010: HK\$174.0 million), the entire amount of borrowings for both years end will mature within one year.

The entire amount of borrowings outstanding at 31st December 2011 of approximately HK\$69.9 million (2010: HK\$174.0 million) was subject to floating rates.

The gearing ratio as measured by total debt to total equity was approximately 24% as at 31st December 2011 (2010: 63%).

As at 31st December 2011, the entire amount of the Group's borrowings (2010: 39% of the Group's total borrowings) was denominated in HK dollars, no borrowing (2010: 61% of the Group's total borrowings) was denominated in Renminbi.

### 流動資金及資本來源分析

於二零一一年十二月三十一日，本集團之現金及銀行結餘約為125,300,000港元(二零一零年：155,000,000港元)包括抵押銀行存款約為70,500,000港元(二零一零年：92,800,000港元)。基本上，本集團所需之營運資金來自內部資源。本集團相信由營運產生之資金及可用之銀行融資額度，足以應付本集團日後之流動資金需求。

於二零一一年十二月三十一日，本集團之貿易融資的銀行額度合共約101,500,000港元(二零一零年：233,300,000港元，代表貿易融資及定期貸款的銀行融資額度)，已動用之銀行融資額度約為81,300,000港元(二零一零年：221,000,000港元)。本集團的借貸總額約為69,900,000港元(二零一零年：174,000,000港元)，兩個年末之借貸全數將於一年內到期。

於二零一一年十二月三十一日，未償還借貸全數約為69,900,000港元(二零一零年：174,000,000港元)以浮動利率計息。

於二零一一年十二月三十一日，按借貸總額相對於總權益計算的資產負債比率約為24%(二零一零年：63%)。

於二零一一年十二月三十一日，本集團借貸總額全數(二零一零年：本集團借貸總額內39%)以港元結算，並無借貸(二零一零年：本集團借貸總額內61%)以人民幣結算。

# Management Discussion and Analysis

## 管理層討論及分析

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 will arrange for any hedging facilities if necessary.

### CHARGE ON ASSETS

As at 31st December 2011, certain assets held by subsidiaries of the Group with an aggregate carrying amounts of approximately HK\$70.5 million (2010: HK\$204.1 million) were pledged to banks for banking facilities obtained.

### CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31st December 2011. As at 31st December 2010, a subsidiary of the Group in Mainland China had 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 was required to provide 50% pledged deposit upon drawdown. This guarantee had been provided as part of counter security arrangement entered into by the subsidiary with the independent third party, whereby the independent third party had also provided corporate guarantee in favor of the subsidiary for banking facilities up to approximately HK\$47.4 million.

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。為管理外匯風險，本集團一直密切監控外幣風險，並在需要時作出對沖安排。

### 資產押記

於二零一一年十二月三十一日，由本集團之附屬公司持有賬面總值約為70,500,000港元(二零一零年：204,100,000港元)之若干資產已抵押予銀行以取得銀行融資額度。

### 或然負債

於二零一一年十二月三十一日，本集團並無任何重大或然負債。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。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。

# Management Discussion and Analysis

## 管理層討論及分析

### STAFF AND EMPLOYMENT

As at 31st December 2011, the Group employed a total of 177 employees (2010: 501). Total employee benefit expenses for the year ended 31st December 2011 was approximately HK\$57.9 million (2010: HK\$57.1 million), including both continuing and discontinued operations.

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

於二零一一年十二月三十一日，本集團共僱用177名員工（二零一零年：501名），截至二零一一年十二月三十一日止年度，員工福利開支共約57,900,000港元（二零一零年：57,100,000港元），包括持續營運業務及終止營運業務。

薪酬政策每年檢討一次，部份員工享有銷售佣金收入。香港員工除了享有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，該退休金計劃承諾承擔為本集團現時及未來在中國內地的退休員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

Biographical details of Directors and senior management of the Company are set out below:

### EXECUTIVE DIRECTORS

#### Mr. Lai Guanglin

*Chairman of the Board of Directors, Chairman of the Nomination Committee and Member of the Remuneration Committee*

**Mr. Lai**, aged 48, was appointed as a director and the Chairman of the board of the directors of the Company in February 2009. The Company is a leading provider to the construction sector offering a wide range of pipe related products, services and solutions to the constructors, designers, consultants and government agencies in Hong Kong and Macau. Mr. Lai's wholly owned investment vehicle, Singapore Zhongxin Investment Company Limited, is the majority shareholder of the Company.

Mr. Lai is the founder and the Chairman of the board of directors of Agria Corporation which is listed on the New York Stock Exchange. Agria Corporation is primarily engaged in research and development, production and sale of crop seeds to the agricultural sector in Australia, New Zealand, China and South America and the provision of rural services to the farmers in New Zealand and South America. Agria Corporation operates the Southern Hemisphere's largest forage seed business in New Zealand. The activities in forage seeds and rural services are carried out by PGG Wrightson Limited which is a subsidiary of Agria Corporation. PGG Wrightson is a company listed on the New Zealand Stock Exchange. Mr. Lai's wholly owned investment vehicle, Brothers Capital Limited, is Agria Corporation's largest shareholder.

本公司董事及高級管理人員之履歷如下：

### 執行董事

#### Lai Guanglin 先生

*董事會主席、提名委員會主席及薪酬委員會成員*

**Lai 先生**，48歲，於二零零九年二月獲委任為本公司董事兼董事會主席。本公司主要為香港及澳門之建造商、設計師、顧問及政府機構提供各類型喉管之相關產品及全面性服務，於建築行業處於領導地位。Lai 先生全資擁有的投資公司 Singapore Zhongxin Investment Company Limited 是本公司之控股股東。

Lai 先生同時任華奧物種集團有限公司董事會主席，該公司為一間在紐約證券交易所上市之公司，Lai 先生是該公司的創辦人；該公司主要業務是為澳洲、新西蘭、中國、南美洲等國家之農業企業提供農作物種子的研發、生產與銷售，並為新西蘭及南美洲當地農業及畜牧農戶提供全面的農業服務。該公司經營的位於新西蘭的牧草種子培植業務，乃南半球最大；牧草種子培植業務及農業服務乃由其附屬子公司 PGG Wrightson Limited 營運。PGG Wrightson 為一間於新西蘭證券交易所上市之公司。華奧物種集團有限公司最大之股東乃 Lai 先生全資擁有的投資公司 Brothers Capital Limited。

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

Mr. Lai has extensive experience in investments, acquisitions and operation management. Mr. Lai has established many other enterprises in China, Hong Kong and internationally, in particular, animation, logistics and transportation, pharmaceutical sectors, etc. He takes a leading role in respect of strategic planning and business development in his investment portfolio.

Mr. Lai is also the deputy Chairman of Chamber of Commerce in Shenzhen, China.

Mr. Lai holds a bachelor's degree in accounting from Monash University, Melbourne, Australia and is a certified public accountant in Australia.

During the period of 2003 to 2009, Mr. Lai served as an independent non-executive director of KXD Digital Entertainment Limited, a company listed on the Singapore Exchange Securities Trading Limited. In December 2009, Mr. Lai was appointed as a director of PGG Wrightson Limited which is a company listed on the New Zealand Stock Exchange.

Mr. Lai is the elder brother of Mr. Lai Fulin, an Executive Director of the Company. Mr. Lai is the sole director of Singapore Zhongxin Investment Company Limited, a substantial shareholder of the Company which has an interest in the shares of the Company that is required to be disclosed under Part XV of the Securities and Futures Ordinance.

Lai 先生在投資收購和營運管理方面具有豐富經驗，其於中國、香港及國際擁有其他相當多創立企業，涉及動漫、物流和運輸、製藥等行業。在他持有的投資組合裡，他於戰略規劃及業務拓展方面扮演主要領導者和推動者的角色。

Lai 先生現任中國深圳市商業委員會副會長。

Lai 先生持有澳洲墨爾本 Monash University 之會計學系學士學位。彼為一名澳洲執業會計師。

於二零零三年至二零零九年期間，Lai 先生曾出任 KXD Digital Entertainment Limited 之獨立非執行董事，其為一間於新加坡證券交易所有限公司上市之公司。於二零零九年十二月，Lai 先生獲委任於新西蘭證券交易所上市之公司 PGG Wrightson Limited 之董事。

Lai 先生乃本公司執行董事賴福麟先生之胞兄。Lai 先生現為本公司的主要股東 Singapore Zhongxin Investment Company Limited 之唯一董事。根據《證券及期貨條例》第 XV 部，該公司須向本公司披露其擁有本公司股份的權益。

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

### Mr. Yu Ben Ansheng

*Chief Executive Officer*

**Mr. Yu**, aged 47, was appointed as Executive Director and Chief Executive Officer of the Company in May 2009. Mr. Yu is responsible for managing overall daily operations of the Group and the implementation of the Group's development strategies. 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 mergers and acquisitions activities in sectors including construction materials, infrastructure, energy, technologies, media and financial services.

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

Mr. Yu is a director of King Jade Holdings Limited, a substantial shareholder of the Company which has an interest in the shares of the Company that is required to be disclosed under Part XV of the Securities and Futures Ordinance.

### 俞安生先生

*首席執行官*

**俞先生**，47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。俞先生負責管理本集團整體日常運作及執行本集團的發展策略。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。

俞先生現為本公司的主要股東King Jade Holdings Limited之董事。該公司根據《證券及期貨條例》第XV部須向本公司披露其擁有本公司股份的權益。



# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

### Mr. Lai Fulin

*Head of Production & Purchasing*

**Mr. Lai**, aged 46, was appointed as Executive Director of the Company in October 2009. Mr. Lai is Head of Production & Purchasing of the Group and mainly responsible for the overall operation and management of the production and purchasing department. 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 Huo 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 Executive Director of the Company.

## NON-EXECUTIVE DIRECTOR

### Mr. U Kean Seng

*Member of the Audit Committee*

**Mr. U**, aged 45, was appointed as Non-executive Director of the Company in February 2009. Mr. U has more than 16 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

### 賴福麟先生

*生產及採購部總監*

**賴先生**，46歲，於二零零九年十月獲委任為本公司之執行董事。賴先生為本集團生產及採購部總監，主要負責生產及採購部整體營運及管理。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，他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(本公司之控股股東、主席兼執行董事)之胞弟。

## 非執行董事

### 余建成先生

*審核委員會成員*

**余先生**，45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16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及Miyoshi Precision Limited(三吉精工有限公司)之獨立董事，該等公司均於新加坡證券交易所有限公司(「新加坡證券

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

by Mr. Lai Guanglin, is the largest shareholder of Agria Corporation. Mr. U is an independent director of GRP Limited and Miyoshi Precision Limited, all of which are companies listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). Mr. U served as a non-executive director of Radiance Group Limited (formerly known as Radiance Electronics Limited), a company listed on the SGX-ST, from 21st November 2007 to 2nd December 2009; and as an independent director of Ossia International Limited, a company listed on the SGX-ST, from 31st December 2005 to 27th April 2010.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Mr. Wong Yee Shuen, Wilson

*Chairman of the Audit Committee*

**Mr. Wong**, aged 44, 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 20 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 Exchange Securities Trading Limited.

交易所)上市。余先生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；及於二零零五年十二月三十一日至二零一零年四月二十七日擔任新加坡證券交易所上市公司Ossia International Limited之獨立董事。

### 獨立非執行董事

#### 黃以信先生

*審核委員會主席*

**黃先生**，44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20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有限公司上市公司Contel Corporation Limited(康特爾集團有限公司)之獨立董事。

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

### Mr. Chen Wei Wen

*Member of the Audit Committee, Nomination Committee and Remuneration Committee*

**Mr. Chen**, aged 43, 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.

### Ms. Yang Li

*Chairman of the Remuneration Committee and Member of the Nomination Committee*

**Ms. Yang**, aged 40, 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. From December 2006 to August 2011, 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.

### 陳偉文先生

*審核委員會、提名委員會及薪酬委員會成員*

**陳先生**，43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。

### 楊莉女士

*薪酬委員會主席及提名委員會成員*

**楊女士**，40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至二零一一年八月，楊女士曾於高原聖果(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方面均擁有豐富的經驗。

# Biographical Details of Directors and Senior Management

## 董事及高級管理人員之履歷

### SENIOR MANAGEMENT

**Mr. Tsang Wai Yip, Patrick**, aged 43, 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 66, is 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 36 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.).

**Mr. Chan Churk Kai**, aged 58, joined the Group in 1978 and is the Managing Director of the pipe trading subsidiary, Bun Kee (International) Limited. With over 34 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.

### 高級管理人員

**曾偉業先生**，43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20年的經驗。

**曾仲賢先生**，66歲，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一九四九年創立）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36年的經驗。憑藉其豐富的經驗及廣泛之業務聯繫，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。

**陳焯佳先生**，58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34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。

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

**Ms. Chan Yuk Fan**, aged 48, 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 30 years of experience in the selling of pipes, fittings and other related accessories.

**Mr. Lai Kui Chung**, aged 54, 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 32 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 46, joined the Group in 1993 and is the Associate Sales Director of the pipe trading subsidiary, Bun Kee (International) Limited. Mr. Ku has over 25 years of experience in sales and marketing activities. He is responsible for the sales and promotion activities including the exhibitions and seminars.

**陳玉芬女士**，48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30年經驗。

**黎居忠先生**，54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32年經驗，持有工業學院之倉庫管理證書。

**古俊明先生**，46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25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 2011.

### BOARD OF DIRECTORS

#### Composition

The Board comprises seven directors, including three executive directors, Mr. Lai Guanglin acting as the Chairman of the Company, Mr. Yu Ben Ansheng acting as Chief Executive Officer and Mr. Lai Fulin; a non-executive Director, Mr. U Kean Seng; and three independent non-executive Directors, Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Ms. Yang Li, one of whom namely, Mr. Wong Yee Shuen, Wilson has appropriate professional accounting experience and expertise. Biographical details of the directors are set out in the section headed “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” of this Annual Report.

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只有利於股東及投資者，亦符合本公司的利益。本公司將繼續提高標準，務求制定最佳之企業管治常規。

### 企業管治常規守則

截至二零一一年十二月三十一日止年度，本公司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。

### 董事會

#### 組成人員

董事會現時由七名董事組成，包括三名執行董事：Lai Guanglin先生(為本公司主席)、俞安生先生(為本公司首席執行官)及賴福麟先生；一名非執行董事：余建成先生；以及三名獨立非執行董事：黃以信先生、陳偉文先生及楊莉女士，其中黃以信先生擁有適當的專業會計經驗及專門知識。每位董事的個人履歷已詳載於本年報之「董事及高級管理人員履歷」內。

# Corporate Governance Report

## 企業管治報告

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. On 20th August 2011, Mr. Sam Ming Choy resigned as executive Director and Chief Operating Officer. On 14th March 2012, Mr. Lai Guanglin has been re-designated from a non-executive Director to an executive Director.

The Board has balance of skills, knowledge and experience appropriate for the requirements of the business and to complement the Company's corporate strategy. 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.

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.

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。於二零一一年八月二十日，Sam Ming Choy先生辭任本公司執行董事兼首席營運官。於二零一二年三月十四日，Lai Guanglin先生由非執行董事獲調任為執行董事。

董事會具備於業務上適當的所需技巧、知識及經驗以配合本公司的公司策略。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人員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。

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。

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, an executive Director and Chairman of the Company, is the elder 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 with a specific term. All Directors 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.

就本公司所知，除Lai Guanglin先生(本公司之執行董事兼主席)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)均與本公司簽訂有指定任期之委任書。所有董事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。



# Corporate Governance Report

## 企業管治報告

On 23rd February 2009, Mr. Lai Guanglin was appointed as non-executive Director and Chairman of the Company. Mr. Lai has been re-designated as executive Director of the Company on 14th March 2012. Mr. Lai 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 overall daily operations of the Group and the implementation of the Group's development strategies.

### 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. All committees 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先生於二零一二年三月十四日獲調任為本公司之執行董事。Lai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，彼負責管理本集團整體日常運作及執行本集團的發展策略。

### 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。所有委員會之組成訂有具體之書面職權範圍書，清楚說明委員會的職權及職責。

### 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。

# Corporate Governance Report

## 企業管治報告

The Board held eight meetings during the year ended 31st December 2011. 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 are set out below:

截至二零一一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會議文件。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. Lai Guanglin <i>(Note 1)</i>	Lai Guanglin 先生 <i>(附註 1)</i>	7/8
Mr. Yu Ben Ansheng	俞安生先生	8/8
Mr. Lai Fulin	賴福麟先生	8/8
Mr. Sam Ming Choy <i>(Note 4)</i>	Sam Ming Choy 先生 <i>(附註 4)</i>	5/6
<b>Non-executive Directors</b>		
Mr. U Kean Seng	余建成先生	8/8
Mr. Zhao Yue <i>(Note 3)</i>	趙越先生 <i>(附註 3)</i>	0/1
Dr. Samuel Zia <i>(Note 3)</i>	謝齊鋒博士 <i>(附註 3)</i>	0/1
<b>Independent Non-executive Directors</b>		
Mr. Wong Yee Shuen, Wilson	黃以信先生	8/8
Mr. Chen Wei Wen	陳偉文先生	8/8
Ms. Yang Li <i>(Note 2)</i>	楊莉女士 <i>(附註 2)</i>	7/7
Ms. Wu Xiuru <i>(Note 3)</i>	吳秀茹女士 <i>(附註 3)</i>	0/1

Notes:

1. Re-designated from a non-executive Director to an executive Director on 14th March 2012.
2. Appointed on 20th January 2011.
3. Resigned on 20th January 2011.
4. Resigned on 20th August 2011.

附註：

1. 於二零一二年三月十四日由非執行董事獲調任為執行董事。
2. 於二零一一年一月二十日獲委任。
3. 於二零一一年一月二十日辭任。
4. 於二零一一年八月二十日辭任。

# Corporate Governance Report

## 企業管治報告

### 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 2011.

### 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 respectively. 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.

### 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，彼等於截至二零一一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，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，分別為黃以信先生、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職權及職責之書面職權範圍書，以符合守則的規定。

# Corporate Governance Report

## 企業管治報告

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 2010 and interim financial statements for the period ended 30th June 2011 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 2011 audit fees and re-appointment of the auditor of the Company.

The Audit Committee held three meetings during the year ended 31st December 2011. The attendance records of the Audit Committee meetings are set out below:

### Name of members

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

於年內，審核委員會與管理層、本公司內部及／外聘核數師(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二零一零年十二月三十一日止年度的全年財務報表及二零一一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。

審核委員會亦已審閱及建議董事會批准二零一一年核數費及重聘本公司核數師。

截至二零一一年十二月三十一日止年內，審核委員會舉行了三次會議。審核委員會會議出席記錄列載如下：

	<b>Attended/Eligible to attend</b>
<b>成員姓名</b>	<b>出席次數／合資格出席次數</b>
黃以信先生(主席)	3/3
余建成先生	3/3
陳偉文先生	3/3

# Corporate Governance Report

## 企業管治報告

### REMUNERATION COMMITTEE

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

The Remuneration Committee is responsible for reviewing and recommending remuneration packages of all 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.

The Remuneration Committee held three meetings during the year ended 31st December 2011. During the meetings, the remuneration policy, remuneration packages and bonus arrangements of the Directors and senior management have been discussed and approved.

### 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。主席由楊莉女士擔任。薪酬委員會已參考守則採納書面職權範圍書。

薪酬委員會負責審閱本公司所有董事及高級管理人員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。

截至二零一一年十二月三十一日止年內，薪酬委員會舉行了三次會議。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。

# Corporate Governance Report

## 企業管治報告

The attendance records of the Remuneration Committee meetings held in 2011 are set out below:

於二零一一年舉行的薪酬委員會會議出席記錄列載如下：

<b>Name of members</b>	<b>成員姓名</b>	<b>Attended/Eligible to attend 出席次數／合資格出席次數</b>
Mr. Lai Guanglin ( <i>Note 1</i> )	Lai Guanglin 先生 ( <i>附註 1</i> )	3/3
Mr. Chen Wei Wen	陳偉文先生	3/3
Ms. Yang Li ( <i>Note 2</i> )	楊莉女士 ( <i>附註 2</i> )	2/2
Mr. Wong Yee Shuen, Wilson ( <i>Note 2</i> )	黃以信先生 ( <i>附註 2</i> )	1/1

Notes:

附註：

1. Mr. Lai ceased to be the Chairman but remained as a member of the Remuneration Committee with effect from 14th March 2012.
2. Ms. Yang was appointed as a member of Remuneration Committee in place of Mr. Wong with effect from 20th January 2011. Thereafter, Ms. Yang has been appointed as the Chairman of Remuneration Committee with effect from 14th March 2012.

1. Lai 先生不再擔任薪酬委員會主席但留任為成員，由二零一二年三月十四日起生效。
2. 楊女士獲委任為薪酬委員會成員以代替黃先生，由二零一一年一月二十日起生效。楊女士其後獲委任為薪酬委員會主席，由二零一二年三月十四日起生效。

The Remuneration Committee also held two meetings in January and March 2012 respectively. At the meeting, the Remuneration Committee considered and approved the discretionary bonus for the Company's Directors and senior management for the year ended 31st December 2011.

薪酬委員會亦分別於二零一二年一月及三月舉行了兩次會議。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二零一一年十二月三十一日止年度之酌情花紅。

# Corporate Governance Report

## 企業管治報告

### NOMINATION COMMITTEE

The Company established a Nomination Committee. As at the date of this report, the Nomination Committee comprises three members including one 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 Nomination Committee was adopted with reference to the Code.

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 held one meeting during the year ended 31st December 2011. The attendance records of the Nomination Committee meetings are set out below:

#### Name of members

Mr. U Kean Seng (Note 1)  
Mr. Chen Wei Wen  
Mr. Wong Yee Shuen, Wilson (Note 2)  
Ms. Yang Li (Note 2)

#### Notes:

1. Mr. Lai Guanglin (an executive Director and Chairman of the Company) has been appointed as a member and the Chairman of Nomination Committee to replace Mr. U, and Mr. U ceased to be a member and the Chairman of the Nomination Committee with effect from 14th March 2012.
2. Ms. Yang was appointed as a member of Nomination Committee in place of Mr. Wong with effect from 20th January 2011.

### 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。提名委員會已參考守則採納職權範圍書。

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任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。

截至二零一一年十二月三十一日止年內，提名委員會舉行了一次會議。提名委員會會議出席記錄列載如下：

	Attended/Eligible to attend
成員姓名	出席次數／合資格出席次數
余建成先生(附註1)	1/1
陳偉文先生	1/1
黃以信先生(附註2)	1/1
楊莉女士(附註2)	0/0

#### 附註：

1. 本公司執行董事兼主席Lai Guanglin先生已獲委任代替余建成先生出任本公司提名委員會成員及主席，余先生不再為本公司提名委員會成員及主席，由二零一二年三月十四日起生效。
2. 楊女士獲委任為提名委員會成員以代替黃先生，由二零一一年一月二十日起生效。

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 a director to the Board for approval during the year under review.

### 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 control review 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 9th March 2012, the professional consulting firm reported their review work for the year ended 31st December 2011 performed in accordance with the detailed risk-based internal control review 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 2011. 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.

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一名董事。

### 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。

董事會已委聘專業顧問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評核，就財務、運作、合規及風險管理等方面之內部監控有效性進行評估。

就審核委員會於二零一二年三月九日舉行之審核委員會會議，該專業顧問機構根據一份以風險為基礎所編制的詳盡內部控制評核計劃（經審核委員會批准），進行截至二零一一年十二月三十一日止年度的評核工作，並向審核委員會匯報。董事會已透過審核委員會檢討截至二零一一年十二月三十一日止年度的集團內部監控制度的有效性。審核委員會成員以及高級管理層並已檢閱、考慮及討論對有關於內部監控系統之調查結果及改善之建議。



# Corporate Governance Report

## 企業管治報告

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.

### 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 2011, the remuneration to the auditor of the Company in respect of audit services was HK\$980,000 and fees related to non-audit services amount to HK\$350,000 and HK\$266,000 in relation to the disposal of the entire equity interest in Merchant Capital Limited and tax advisory services respectively.

### 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 48 to 50.

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。

### 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。截至二零一一年十二月三十一日止年度，就本公司核數師所提供的審核服務費用為980,000港元，以及非審核服務費用包括有關出售廣商有限公司全部股本權益及稅務服務費用分別為350,000港元及266,000港元。

### 董事及核數師之財務申報責任

董事會負責提呈一份平衡、清晰易明之年報及中期報告、股價敏感公告以及按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48至50頁的獨立核數師報告。

### 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.

### 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 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 him, his duly appointed delegate, are available at the annual general meeting to answer questions with regard to the work of these committees.

### 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。

### 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按股數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。

# Report of the Directors

## 董事會報告

The directors of the Company (the “Directors”) have pleasure in presenting their report together with the audited financial statements for the year ended 31st December 2011.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 35 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 2011 are set out in the consolidated income statement on page 51.

The board of directors of the Company (the “Board”) does not recommend the payment of a final dividend for the year ended 31st December 2011.

### 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 152.

### RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in Note 24 to the financial statements.

### DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31st December 2011 are set out in Note 24 to the financial statements.

本公司董事(「董事」)欣然提呈其報告連同截至二零一一年十二月三十一日止年度之經審核財務報表。

### 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35。

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

本集團截至二零一一年十二月三十一日止年度之業績載於第51頁之綜合收益表。

本公司董事會(「董事會」)不建議派付截至二零一一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152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24。

### 可供分派儲備

於二零一一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24。

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in properties, plant and equipment of the Group are set out in Note 15 to the financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 23 to the financial statements.

### BORROWINGS

Particulars of borrowings of the Group as at 31st December 2011 are set out in Note 25 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15。

### 股本

本公司之股本變動詳情載於財務報表附註23。

### 借貸

本集團於二零一一年十二月三十一日之借貸詳情載於財務報表附註25。

### 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。

# Report of the Directors

## 董事會報告

### (b) Participants of the Scheme

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 number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as the date of the approval of the refreshed limit. 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 838,270,000 Shares, representing approximately 6.29% 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%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期本公司已發行股本之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838,270,000股，佔本公司於本報告日期的已發行股本約6.29%。

**(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 of Hong Kong Limited (the "Stock Exchange") daily quotation sheet on the date on which the options are deemed to be granted and accepted in accordance with the terms of the Scheme (the "Commencement Date"), which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the Commencement Date; and (c) the nominal value of the shares.

**(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)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」）（須為香港聯合交易所有限公司（「聯交所」）經營證券買賣業務之日期（「交易日」）在聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。

# Report of the Directors

## 董事會報告

### (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.

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

### (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。

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 HK\$ 行使價 港元	Held as at 1st January 2011 於二零一一年 一月一日持有	Movement during the year 年內變動				Held as at 31st December 2011 於二零一一年 十二月三十一日 持有
				Granted and accepted 已授出並接納 (note 9) (附註9)	Exercised 已行使	Lapsed 已失效	Cancelled 已註銷	
Lai Fulin 賴福麟 (note 5 附註5)	3/12/2009	0.071	50,000,000	-	-	-	-	50,000,000
U Kean Seng 余建成 (note 5 附註5)	3/12/2009	0.071	30,000,000	-	-	-	-	30,000,000
Wong Yee Shuen, Wilson 黃以信 (note 5 附註5)	3/12/2009	0.071	10,000,000	-	-	-	-	10,000,000
Chen Wei Wen 陳偉文 (note 6 附註6)	5/5/2010	0.083	10,000,000	-	-	-	-	10,000,000
Yang Li 楊莉 (notes 3 & 7 附註3及7)	8/6/2011	0.0392	-	10,000,000	-	-	-	10,000,000
Sam Ming Choy (notes 4 & 5 附註4及5)	3/12/2009	0.071	50,000,000	-	-	50,000,000	-	-
Zhao Yue 趙越 (notes 1 & 5 附註1及5)	3/12/2009	0.071	30,000,000	-	-	30,000,000	-	-
Wu Xiuru 吳秀茹 (notes 2 & 5 附註2及5)	3/12/2009	0.071	10,000,000	-	-	10,000,000	-	-
			190,000,000	10,000,000	-	90,000,000	-	110,000,000
Employees 僱員 (notes 5 & 8 附註5及8)	3/12/2009	0.071	375,600,000	-	-	120,600,000	-	255,000,000
Employee 僱員 (note 6 附註6)	5/5/2010	0.083	6,000,000	-	-	-	-	6,000,000
			571,600,000	10,000,000	-	210,600,000	-	371,000,000

# Report of the Directors

## 董事會報告

### Notes:

1. Resigned as non-executive Director on 20th January 2011.
2. Resigned as independent non-executive Director on 20th January 2011.
3. Appointed as independent non-executive Director on 20th January 2011.
4. Resigned as executive Director on 20th August 2011.
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%  
20%  
20%  
20%  
20%

6. 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%  
20%  
20%  
20%  
20%

7. The options granted to this grantee 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%  
20%  
20%  
20%  
20%

8. Vesting of options granted to certain employees is subject to achievement of profit target.
9. Pursuant to the Scheme, a total of 10,000,000 options were granted on 8th June 2011 and accepted by the grantee. The closing price of the shares immediately before the date on which the share options were granted was HK\$0.038.

### 附註：

1. 於二零一一年一月二十日辭任為非執行董事。
2. 於二零一一年一月二十日辭任為獨立非執行董事。
3. 於二零一一年一月二十日委任為獨立非執行董事。
4. 於二零一一年八月二十日辭任為執行董事。
5. 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：

Period for exercise of the relevant percentage of the options  
行使相關購股權百分比之期限

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

6. 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：

Period for exercise of the relevant percentage of the options  
行使相關購股權百分比之期限

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

7. 授予該承授人的購股權將分階段歸屬，並按下列方式行使：

Period for exercise of the relevant percentage of the options  
行使相關購股權百分比之期限

8/12/2011 – 7/6/2021  
8/12/2012 – 7/6/2021  
8/12/2013 – 7/6/2021  
8/12/2014 – 7/6/2021  
8/12/2015 – 7/6/2021

8. 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。
9. 根據計劃，合共10,000,000股購股權於二零一一年六月八日授出，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0.038港元。



# Report of the Directors

## 董事會報告

Details of the fair value of options granted under the Scheme during the year ended 31st December 2011 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. Lai Guanglin (*Chairman*)(*Note 1*)  
Mr. Yu Ben Ansheng (*Chief Executive Officer*)  
Mr. Lai Fulin  
Mr. Sam Ming Choy (*Chief Operating Officer*)  
(*Resigned on 20th August 2011*)

#### NON-EXECUTIVE DIRECTORS

Mr. U Kean Seng (*Note 2*)  
Mr. Zhao Yue (*Resigned on 20th January 2011*)  
Dr. Samuel Zia (*Resigned on 20th January 2011*)

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yee Shuen, Wilson (*Note 2*)  
Mr. Chen Wei Wen (*Note 2*)  
Ms. Yang Li (*Appointed on 20th January 2011*) (*Note 2*)  
Ms. Wu Xiuru (*Resigned on 20th January 2011*)

有關截至二零一一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

年內及直至本報告日期之本公司董事為：

#### 執行董事

Lai Guanglin 先生 (*主席*)(*附註 1*)  
俞安生先生 (*首席執行官*)  
賴福麟先生  
Sam Ming Choy 先生 (*首席營運官*)  
(*於二零一一年八月二十日辭任*)

#### 非執行董事

余建成先生 (*附註 2*)  
趙越先生 (*於二零一一年一月二十日辭任*)  
謝齊鋒博士 (*於二零一一年一月二十日辭任*)

#### 獨立非執行董事

黃以信先生 (*附註 2*)  
陳偉文先生 (*附註 2*)  
楊莉女士 (*於二零一一年一月二十日獲委任*)(*附註 2*)  
吳秀茹女士 (*於二零一一年一月二十日辭任*)

### Notes:

1. Mr. Lai Guanglin has been re-designated from a non-executive Director to an executive Director with effect from 14th March 2012. Mr. Lai has entered into a new letter of appointment with the Company with no specific term of service.
2. Mr. U Kean Seng, Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Ms. Yang Li have entered into letters of appointment with the Company respectively for a term commencing from 1st January 2012 to 31st December 2012.

In accordance with bye-law 99 of the Bye-laws of the Company, Mr. Yu Ben Ansheng, Mr. Lai Fulin and Mr. Chen Wei Wen will retire from office by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

### 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 section headed "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" of this annual report.

### 附註：

1. 自二零一二年三月十四日起，Lai Guanglin先生由非執行董事獲調任為執行董事。Lai先生已與本公司訂立新委任函，並無指定任期。
2. 余建成先生、黃以信先生、陳偉文先生及楊莉女士已分別與本公司訂立委任函，任期由二零一二年一月一日至二零一二年十二月三十一日止。

根據本公司的公司細則第99條，俞安生先生、賴福麟先生及陳偉文先生將輪值退任，惟有資格並願意於應屆股東週年大會上膺選連任。

### 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之履歷」內披露。

# Report of the Directors

## 董事會報告

### 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

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 2011 are disclosed in Note 31 to the financial statements.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

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

The interests of the directors in the share options of the Company are separately disclosed in the section headed "SHARE OPTION SCHEME" above.

### 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

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。

本集團於截至二零一一年十二月三十一日止年內訂立之重大關連人士之交易於財務報表附註31披露。

### 董事於競爭性業務之權益

董事及彼等各自之聯繫人概無擁有與本集團構成或可能構成競爭之任何業務權益。

### 董事於股份、相關股份或債券之權益及淡倉

董事所持本公司購股權的權益於上文「購股權計劃」一節中另行披露。

# Report of the Directors

## 董事會報告

As at 31st December 2011, 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:

於二零一一年十二月三十一日，本公司董事及主要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條備存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：

### 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				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 (note 2附註2)	-	1,460,000,000	-	1,490,000,000	11.18%

Notes:

附註：

- These shares are held by Singapore Zhongxin Investment Company Limited (“Singapore Zhongxin”), which is wholly and beneficially owned by Mr. Lai Guanglin, an 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 and Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.

- 該等股份由Singapore Zhongxin Investment Company Limited（「Singapore Zhongxin」）持有，該公司由Lai Guanglin先生（本公司之執行董事兼主席）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（本公司之執行董事兼首席執行官）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。

# Report of the Directors

## 董事會報告

Save as disclosed above and in the section headed "SHARE OPTION SCHEME" above, as at 31st December 2011, 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 2011, 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%

除上文及另一節「購股權計劃」所披露者外，於二零一一年十二月三十一日，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

於二零一一年十二月三十一日，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

### Notes:

1. Singapore Zhongxin is wholly and beneficially owned by Mr. Lai Guanglin, an executive Director and Chairman of the Company. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.
2. Ms. Li Juan, the spouse of Mr. Lai Guanglin, is also deemed to be interested in Mr. Lai's interest in the Company under the SFO.
3. King Jade is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.
4. Ms. Zhang Lin, the spouse of Mr. Yu Ben Ansheng, 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 2011, 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.

### 附註：

1. Singapore Zhongxin 乃由 Lai Guanglin 先生(本公司之執行董事兼主席)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。
2. 根據證券及期貨條例，李娟女士(Lai Guanglin 先生之配偶)亦被視為擁有 Lai 先生於本公司之權益。
3. King Jade 乃由俞安生先生(本公司之執行董事兼首席執行官)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。
4. 根據證券及期貨條例，Zhang Lin 女士(俞安生先生之配偶)亦被視為擁有俞先生於本公司之權益。

除上文披露者外，於二零一一年十二月三十一日，本公司並無獲通知有任何其他人士或法團(不包括本公司董事或主要行政人員)持有本公司股份或相關股份的權益或淡倉，而須登記於根據證券及期貨條例第 336 條規定本公司須備存之登記冊內。

### 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。

# Report of the Directors

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

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

#### Purchases

– the largest supplier	15.44%
– five largest suppliers combined	45.35%

#### Sales

– the largest customer	4.39%
– five largest customers combined	15.07%

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.

### 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 2011.

Details of the audit committee, remuneration committee and nomination committee are set out in the "CORPORATE GOVERNANCE REPORT" of this annual report.

### 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份比如下：

#### 採購

– 最大供應商	15.44%
– 五大供應商合計	45.35%

#### 銷售

– 最大客戶	4.39%
– 五大客戶合計	15.07%

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。

### 遵守企業管治常規守則

截至二零一一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。

審核委員會、薪酬委員會及提名委員會之詳情載於本年報之「企業管治報告」內。

## AUDIT COMMITTEE

The audit committee of the Company currently consists of Mr. Wong Yee Shuen, Wilson and Mr. Chen Wei Wen as independent non-executive Directors and Mr. U Kean Seng as non-executive Director.

By reference to “A Guide for The Formation of An Audit Committee” published by the Hong Kong Institute of Certified Public Accountants, 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.

## 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, 14th March 2012

## 審核委員會

本公司審核委員會目前由獨立非執行董事黃以信先生及陳偉文先生；以及非執行董事余建成先生所組成。

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書，訂明審核委員會的職權及職責。

本公司之審核委員會已審閱全年業績。

## 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，二零一二年三月十四日



# Independent Auditor's Report 獨立核數師報告



羅兵咸永道

**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 51 to 151, which comprise the consolidated and company balance sheets as at 31st December 2011, 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51至151頁中國管業集團有限公司(以下簡稱「貴公司」)及其子公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一一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、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

## **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。

# Independent Auditor's Report

## 獨立核數師報告

### 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責或承擔任何責任。

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。

# Independent Auditor's Report

## 獨立核數師報告

### 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 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 14th March 2012

### 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二零一一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利潤及現金流量，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，二零一二年三月十四日

# Consolidated Income Statement

## 綜合收益表

For the year ended 31st December 2011  
截至二零一一年十二月三十一日止年度

		Note 附註	2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
<i>Continuing operation:</i>	<i>持續營運業務：</i>			
Revenue	收入	5	438,395	385,145
Cost of sales	銷售成本	7	(330,014)	(293,197)
Gross profit	毛利		108,381	91,948
Other gains, net	其他收益淨額	6	5,442	508
Selling and distribution costs	銷售及分銷成本	7	(13,604)	(9,621)
General and administrative expenses	一般及行政費用	7	(83,588)	(88,617)
Operating profit/(loss)	經營溢利/(虧損)		16,631	(5,782)
Finance costs, net	財務費用淨額	9	(967)	(7,449)
Profit/(loss) before income tax	稅前溢利/(虧損)		15,664	(13,231)
Tax expense	稅項支出	10	(2,791)	(3,434)
Profit/(loss) for the year from continuing operation	持續營運業務 之年度溢利/(虧損)		12,873	(16,665)
<i>Discontinued operations:</i>	<i>終止營運業務：</i>			
Seamless steel pipes	無縫鋼管	11(a)	(148)	(135,563)
Investment properties	投資物業	11(b)	-	(14,855)
Loss for the period/year from discontinued operations	終止營運業務 之期內/年度虧損		(148)	(150,418)
Profit/(loss) for the year	年度溢利/(虧損)		12,725	(167,083)
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人		13,280	(122,769)
Non-controlling interests	非控制性權益		(555)	(44,314)
			12,725	(167,083)
			HK cent 港仙	HK cent 港仙
Earnings/(loss) per share	每股盈利/(虧損)	13		
Basic and diluted	基本及攤薄			
From continuing operation	持續營運業務		0.097	(0.125)
From discontinued operations	終止營運業務		0.003	(0.796)
			0.100	(0.921)
			HK\$'000 千港元	HK\$'000 千港元
Dividend	股息	14	-	-

The notes on pages 59 to 151 are an integral part of these financial statements.

第59至151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 2011

截至二零一一年十二月三十一日止年度

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit/(loss) for the year	年度溢利／(虧損)		<b>12,725</b>	(167,083)
Other comprehensive income:	其他全面收益：			
Currency translation differences	貨幣換算差額		<b>577</b>	4,617
Release of exchange reserve upon disposal of subsidiaries	有關出售附屬公司之匯兌差額之回撥	29(b)(i) & (ii)	<b>(4,773)</b>	(15,488)
Total comprehensive income for the year, net of tax	年度除稅後全面收益總額		<b>8,529</b>	(177,954)
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人		<b>9,261</b>	(133,747)
Non-controlling interests	非控制性權益		<b>(732)</b>	(44,207)
			<b>8,529</b>	(177,954)
Total comprehensive income attributable to equity holders of the Company:	本公司股權持有人應佔全面收益總額：			
Continuing operation	持續營運業務		<b>12,796</b>	(15,987)
Discontinued operations	終止營運業務		<b>(3,535)</b>	(117,760)
			<b>9,261</b>	(133,747)

There was no tax impact relating to the components of other comprehensive income for the years ended 31st December 2010 and 2011.

截至二零一零年及二零一一年十二月三十一日止年度，並無關於其他全面收益項目的稅項影響。

The notes on pages 59 to 151 are an integral part of these financial statements.

第59至151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 2011  
於二零一一年十二月三十一日

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	15	5,296	10,109
Land use rights	土地使用權	16	–	28,462
Deferred tax assets	遞延稅項資產	26	97	4,578
Rental deposits and other assets	租約按金及其他資產	20	4,853	3,196
			<b>10,246</b>	46,345
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	160,825	230,545
Trade and other receivables	貿易及其他應收款項	20	126,598	166,446
Pledged bank deposit	抵押銀行存款	21	70,450	92,789
Cash and cash equivalents	現金及現金等價物	22	54,869	62,230
			<b>412,742</b>	552,010
<b>Total assets</b>	<b>總資產</b>		<b>422,988</b>	598,355

The notes on pages 59 to 151 are an integral part of these financial statements.

第59至151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 2011  
於二零一一年十二月三十一日

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	23	26,665	26,665
Reserves – others	儲備 – 其他	24	270,792	259,742
			<b>297,457</b>	286,407
<b>Non-controlling interests</b>	<b>非控制性權益</b>		-	(11,114)
<b>Total equity</b>	<b>總權益</b>		<b>297,457</b>	275,293
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	26	-	4,541
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	27	54,725	142,837
Amount due to a related company	應付一家關連公司款項	31	876	876
Amount due to a non-controlling shareholder	應付一位非控制性股東款項	31	-	17
Taxation payable	應付稅項		5	749
Borrowings	借貸	25	69,925	174,042
			<b>125,531</b>	318,521
<b>Total liabilities</b>	<b>總負債</b>		<b>125,531</b>	323,062
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>422,988</b>	598,355
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>287,211</b>	233,489
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>297,457</b>	279,834

Lai Guanglin  
Director 董事

Yu Ben Ansheng 俞安生  
Director 董事

The notes on pages 59 to 151 are an integral part of these financial statements.

第 59 至 151 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 2011  
於二零一一年十二月三十一日

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Plant and equipment	廠房及設備	15	177	224
Investments in subsidiaries	於附屬公司投資	17	89,205	88,482
			<b>89,382</b>	88,706
<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	20	256	1,328
Amounts due from subsidiaries	應收附屬公司款項	17	15,540	28,479
Cash and cash equivalents	現金及現金等價物	22	245	680
			<b>16,041</b>	30,487
<b>Total assets</b>	<b>總資產</b>		<b>105,423</b>	119,193
<b>EQUITY</b>	<b>權益</b>			
<b>Equity holders</b>	<b>股權持有人</b>			
Share capital	股本	23	26,665	26,665
Reserves – others	儲備 – 其他	24	(18,253)	(15,598)
<b>Total equity</b>	<b>總權益</b>		<b>8,412</b>	11,067
<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	27	6,758	8,148
Amounts due to subsidiaries	應付附屬公司款項	17	90,253	99,978
<b>Total liabilities</b>	<b>總負債</b>		<b>97,011</b>	108,126
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>105,423</b>	119,193
<b>Net current liabilities</b>	<b>流動負債淨額</b>		<b>80,970</b>	77,639
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>8,412</b>	11,067

Lai Guanglin  
Director 董事

Yu Ben Ansheng 俞安生  
Director 董事

The notes on pages 59 to 151 are an integral part of these financial statements.

第59至151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 2011  
截至二零一一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	總額
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 2010	於二零一零年一月一日	26,665	126,618	34,115	3,700	16,913	718	206,321	415,050	33,093	448,143
Loss for the year	年度虧損	-	-	-	-	-	-	(122,769)	(122,769)	(44,314)	(167,083)
Other comprehensive income:	其他全面收益：										
Currency translation differences	貨幣換算差額	-	-	-	-	4,510	-	-	4,510	107	4,617
Release of exchange reserve upon disposal of subsidiaries	出售附屬公司之匯兌儲備之回撥	29(b)(ii)	-	-	-	(15,488)	-	-	(15,488)	-	(15,488)
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	(10,978)	-	(122,769)	(133,747)	(44,207)	(177,954)
Transactions with owners:	與擁有人之交易：										
Share based payment	以股份為基礎的付款	-	-	-	-	-	5,104	-	5,104	-	5,104
At 31st December 2010	於二零一零年十二月三十一日	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 151 are an integral part of these financial statements.

第59至151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 2011  
截至二零一一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	Statutory 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	法定儲備	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	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January 2011	於二零一一年一月一日	26,665	126,618	34,115	3,700	-	5,935	5,822	83,552	286,407	(11,114)	275,293
Profit for the year	年度溢利	-	-	-	-	-	-	-	13,280	13,280	(555)	12,725
Other comprehensive income:	其他全面收益：											
Currency translation differences	貨幣換算差額	-	-	-	-	-	754	-	-	754	(177)	577
Release of exchange reserve upon disposal of subsidiaries	出售附屬公司之匯兌儲備之回撥	-	-	-	-	-	(4,773)	-	-	(4,773)	-	(4,773)
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	-	(4,019)	-	13,280	9,261	(732)	8,529
Transactions with owners:	與擁有人之交易：											
Share based payment	以股份為基礎的付款	-	-	-	-	-	-	1,789	-	1,789	-	1,789
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	11,846	11,846
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	24	-	-	(24)	-	-	-
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	-	(957)	957	-	-	-
		-	-	-	-	24	-	832	933	1,789	11,846	13,635
At 31st December 2011	於二零一一年十二月三十一日	26,665	126,618	34,115	3,700	24	1,916	6,654	97,765	297,457	-	297,457

The notes on pages 59 to 151 are an integral part of these financial statements.

第59至151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 2011  
截至二零一一年十二月三十一日止年度

	Note	2011	2010
	附註	二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
<b>Cash flows from operating activities</b>			
		<b>經營業務之現金流量</b>	
Cash generated from/(used in) operations	29(a)	13,566	(2,083)
Interest paid		(4,231)	(23,991)
Interest received		601	307
Income tax paid		(3,595)	(1,332)
Net cash generated from/ (used in) operating activities		<b>6,341</b>	(27,099)
<b>Cash flows from investing activities</b>			
		<b>投資業務之現金流量</b>	
Purchase of property, plant and equipment		(921)	(2,187)
Proceeds from disposal of property, plant and equipment	29(a)	115	22
Proceeds from disposal of asset held-for-sale		-	114,680
Disposal of subsidiaries – continuing operation	29(b)(i)	(2,072)	-
Disposal of subsidiaries – discontinued operations	29(b)(ii)	(5,086)	161,235
Net cash (used in)/from investing activities		<b>(7,964)</b>	273,750
<b>Cash flows from financing activities</b>			
		<b>融資活動之現金流量</b>	
Drawdown of borrowings		219,025	372,539
Repayment of borrowings		(216,411)	(481,106)
Drawdown of loan from a shareholder		4,000	-
Repayment of loan from a shareholder		(4,000)	(54,360)
Repayment of amount due to a related company		-	(23,468)
Increase in pledged bank deposit		(8,599)	(53,674)
Net cash used in financing activities		<b>(5,985)</b>	(240,069)
Net (decrease)/increase in cash and cash equivalents		<b>(7,608)</b>	6,582
Exchange differences		247	(136)
Cash and cash equivalents at beginning of the year		62,230	55,784
Cash and cash equivalents at end of the year		<b>54,869</b>	62,230

The notes on pages 59 to 151 are an integral part of these financial statements.

第59至151頁之附註為此等財務報表之組成部分。

# Notes to the Financial Statements

## 財務報表附註

### 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.

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 Hong Kong dollars, unless otherwise stated.

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

- (i) In 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) 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.
- (ii) On 26th April 2011, the Company entered into a sale and purchase agreement with Xiang Feng Holdings Limited in relation to the disposal of the entire equity interest in Merchant Capital Limited, which was engaged in seamless steel pipes business in Mainland China through its indirect 60% equity interest owned subsidiary, namely 煙臺金裕豐無縫鋼管有限公司 (Yantai Kiyofu Seamless Steel Pipe Co., Ltd.) (“Kiyofu”). The consideration was RMB5,200,000 (equivalent to approximately HK\$6,262,000). The disposal was completed in May 2011. A gain on disposal of subsidiaries of approximately HK\$1,569,000 was recognised in the consolidated income statement. Further details are set out in Note 11(a).

### 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。

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) 於二零一零年十二月，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)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。
- (ii) 於二零一一年四月二十六日，本公司與祥豐控股有限公司訂立買賣協議關於出售廣商有限公司全部股本權益，廣商有限公司主要透過其間接持有60%股本權益之附屬公司(煙臺金裕豐無縫鋼管有限公司(「金裕豐」))於中國內地從事無縫鋼管業務。出售代價為人民幣5,200,000元(相等於約6,262,000港元)，出售事項於二零一一年五月完成，出售之收益約為1,569,000港元已於綜合收益表內確認。進一步詳情列載於附註11(a)。

# Notes to the Financial Statements

## 財務報表附註

### 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 (“HKFRSs”) under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs 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。

綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」）按歷史成本慣例編製。

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。

# Notes to the Financial Statements

## 財務報表附註

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

#### Adoption of new or revised standards and amendments to existing standards

The Group has adopted the following revised standard and amendments to existing standards, which are mandatory for accounting periods beginning on or after 1st January 2011 and relevant to the Group.

HKAS 24 (Revised)	Related Party Disclosures
HKFRSs Amendments	Improvements to HKFRSs 2010

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

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous years. HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

### 2. 編製基準及會計政策(續)

#### 採納新訂或經修訂準則及對現有準則之修訂

本集團已採納下列與本集團業務相關的經修訂準則及對現有準則之修訂，並強制性須於二零一一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24號(經修訂)	關連人士披露
香港財務報告準則修訂本	二零一零年之香港財務報告準則之改進

除於下文解釋，本集團已評估採納該等經修訂準則及對現有準則之修訂後之影響，認為對本集團之業績及財務狀況並無重大影響，而本集團之會計政策及綜合財務報表之呈列亦無任何重大改變。

香港會計準則第24號(經修訂)對關連人士的釋義作出修訂並釐清其涵義。有關修訂可能會造成被辨識為報告實體的關連人士的該等人士出現變更。本集團已重新評估根據經修訂釋義對其關連人士進行的識別，並認為經修訂釋義對本集團於本年度及上一年度的關連人士披露不構成任何重大影響。香港會計準則第24號(經修訂)亦引進適用於(在本集團與對手方受政府、政府機關或類似機構共同控制、聯手控制或重大影響的情況下)關連人士交易的簡化披露規定。由於本集團並非政府關連實體，故該等新披露與本集團並不相關。

# Notes to the Financial Statements

## 財務報表附註

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

#### Adoption of new or revised standards and amendments to existing standards (cont'd)

The following new or revised standards and amendments to existing standards have been published and are relevant to the Group's operations. They are mandatory for the Group's accounting periods beginning on or after 1st January 2012 or later periods, the Group has not early adopted them:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement

### 2. 編製基準及會計政策 (續)

#### 採納新訂或經修訂準則及對現有準則之修訂(續)

以下為已頒佈與本集團業務相關的新訂或經修訂準則及對現有準則的修訂。本集團強制須於二零一二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：

香港財務報告準則第7號之修訂	披露—轉讓金融資產
香港財務報告準則第7號之修訂	披露—抵銷金融資產及金融負債
香港會計準則第1號之修訂	呈列其他全面收益項目
香港會計準則第12號之修訂	遞延稅項—收回相關資產
香港會計準則第32號之修訂	抵銷金融資產及金融負債
香港會計準則第19號(二零一一)	僱員福利
香港會計準則第27號(二零一一)	獨立財務報表
香港財務報告準則第9號	金融工具
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第11號	合營安排
香港財務報告準則第12號	披露於其他實體之權益
香港財務報告準則第13號	公允值之計量

# Notes to the Financial Statements

## 財務報表附註

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

#### Adoption of new or revised standards and amendments to existing standards (cont'd)

The Group has already commenced an assessment of the impact of these new or 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.

#### (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)

#### 採納新訂或經修訂準則及對現有準則之修訂(續)

本集團已開始評估此等新訂或經修訂準則及對現有準則修訂的影響，但尚未能指出彼等是否將對營運業績及財務狀況造成重大影響。

#### (a) 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截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。



# Notes to the Financial Statements

## 財務報表附註

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

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

##### (ii) Acquisitions

The Group applies the acquisition method to account for business combinations. 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

本集團之業務合併應用收購法入賬。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價值。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價值。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價值計量。按個別交易為基準，本集團按被收購公司的公允價值或按非控制性權益的比例佔的淨資產確認任何非控制性權益。所轉讓代價、被收購公司的任何非控制性權益金額及任何先前於被收購公司的股權於收購日期的公允值超逾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。

# Notes to the Financial Statements

## 財務報表附註

### 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)

集團公司之間的交易、結餘和未變現收益均已被抵銷。未變現虧損亦予抵銷。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)扣除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。

# Notes to the Financial Statements

## 財務報表附註

### 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) 與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帳。

本集團若喪失控制權或重大影響力,任何剩餘的實體權益,按公允價值重新計量,公允價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價值作會計處理方法。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。

# Notes to the Financial Statements

## 財務報表附註

### 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

營運分類之申報方式與向主要營運決策者作出之內部匯報所採用者貫徹一致。主要營運決策者已獲認定為董事會。董事會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等級外。

#### (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。

# Notes to the Financial Statements

## 財務報表附註

### 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資產負債表日期之收市匯率換算；

# Notes to the Financial Statements

## 財務報表附註

### 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)

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

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表確認為出售收益或虧損的一部分。

因收購海外實體而產生之商譽及公允價值調整,均視作為該海外實體之資產及負債處理,並以資產負債表日期之收市匯率折算。

# Notes to the Financial Statements

## 財務報表附註

### 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 property, 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表中扣除。

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

# Notes to the Financial Statements

## 財務報表附註

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

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

Buildings	20-30 years
Plant, 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	3-10 years

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

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

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

#### (e) Land use rights

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

### 2. 編製基準及會計政策(續)

#### (d) 物業、廠房及設備(續)

樓宇	20至30年
廠房、機器及設備	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10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。

出售帶來的盈虧按所得款項及賬面值之差額釐定，並於綜合收益表中的其他收益淨額確認。

#### (e) 土地使用權

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



# Notes to the Financial Statements

## 財務報表附註

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

#### (f) 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.

#### (g) 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)

#### (f) 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。

#### (g) 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表中確認為收入或開支。

根據經營租約出租的資產會按資產性質於資產負債表列賬。

# Notes to the Financial Statements

## 財務報表附註

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

#### (h) 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 ("FIFO") 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.

#### (i) Trade and other receivables

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

### 2. 編製基準及會計政策 (續)

#### (h) 存貨

存貨按成本及可變現淨值兩者之較低者列賬。喉管及管件貿易分類成本按先進先出(「先進先出」)法計算,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。

#### (i) 貿易及其他應收款項

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

# Notes to the Financial Statements

## 財務報表附註

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

**(j) Cash and cash equivalents**  
Cash and cash equivalents include cash in hand and deposits held at call with banks.

**(k) 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.

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

**(m) 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)

**(j) 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。

**(k) 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權益列作所得款項(除稅後)的扣除額。

**(l) 貿易應付款項**  
貿易應付款項初始以公允價值確認，隨後以實際利率法按攤銷成本列賬。

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

借貸乃分類列為流動負債，惟本集團有權無條件將清償負債期限延長至資產負債表日期後最少十二個月者則作別論。

# Notes to the Financial Statements

## 財務報表附註

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

#### (n) 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)

#### (n) 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。本集團已就截至資產負債表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十二個月內償付，並按照預期於償還時將予支付之金額計量。

# Notes to the Financial Statements

## 財務報表附註

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

#### (n) 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 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)

#### (n) 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)

#### (n) 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)

#### (n) 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價值乃確認為開支。列作開支的總金額，乃參照已授出購股權的公允價值釐定，不包括任何有關服務及表現的非市場歸屬條件的影響。非市場歸屬條件包括在有關預期將歸屬購股權數目的假設內。總開支在歸屬期內計入，歸屬期是指滿足所有特訂歸屬條件所需的期間。於各資產負債表日，本集團均會基於非市場歸屬條件修改其估計預期將歸屬的購股權數目，修改原來估計數字的影響(如有)則於收益表內確認，以及對股本作相應調整。

於購股權行使時，所得款項扣除直接交易成本計入股本(面值)及股份溢價。

# Notes to the Financial Statements

## 財務報表附註

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

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

### 2. 編製基準及會計政策(續)

#### (o) 即期及遞延稅項

期內之稅項支出由即期及遞延稅項組成。稅項於綜合收益表中確認，除了關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資產負債表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綜合財務報表之賬面值兩者之暫時差異作撥備。然而，若遞延稅項來自在交易(不包括企業合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在資產負債表日前已頒佈或實質頒佈，並在有關之遞延稅項資產實現或遞延稅項負債結算時預期將會應用之稅率及法例而釐定。

# Notes to the Financial Statements

## 財務報表附註

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

#### (o) 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.

#### (p) Provisions

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

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

### 2. 編製基準及會計政策(續)

#### (o) 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項負債互相抵銷。

#### (p) 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，可能須就解決有關責任而導致資源流出及能夠可靠地作出金額估計時確認。

撥備以有義務支付有關負債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時間價值及該負債特定之風險。時間流逝導致撥備金額之增加，確認為利息開支。



# Notes to the Financial Statements

## 財務報表附註

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

#### (q) 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.
- (ii) Interest income is recognised on a time-proportion basis using the effective interest method.
- (iii) Dividend income is recognised when the right to receive payment is established.

### 2. 編製基準及會計政策(續)

#### (q) 收入確認

收入包括因出售貨品及提供服務的已收或應收代價的公允價值。列示的收入乃扣除增值稅、回扣、退貨及折扣，且對本集團內公司間的銷售金額予以抵銷。當收入金額能夠可靠地計量時，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，本集團才會確認為收入。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，而客戶已接納產品及有關應收款項可合理確定收回時確認。
- (ii) 利息收入採用實際利息法按時間比例基準確認。
- (iii) 股息收入於收取款項之權利確立時確認。

### 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"), Renminbi ("RMB") and Euro. Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the entities of the Group. In order to mitigate the foreign currency risk, the Group has been closely monitoring its foreign currency exposure and requirements and will arrange for any hedging facilities if necessary.

### 3. 財務風險管理

#### 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，以及透過穩健的償債能力、適當的還款期限及銀行融資額度而使再融資及流動資金風險減至最低，從而儘量減低對本集團財務表現的潛在不利影響。本集團一直以來恪守審慎之理財政策，於年內並無使用任何結構性財務產品。

(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」）、人民幣（「人民幣」）及歐元）。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，及將在需要時作出對沖安排。

# Notes to the Financial Statements

## 財務報表附註

### 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 and Euro, the exchange rate fluctuation is relatively volatile. At 31st December 2011, if RMB had strengthened/weakened by 5% (2010: 5%) against HKD with all other variables held constant, post-tax profit would have been HK\$1,109,000 higher/lower (2010: post-tax loss of HK\$217,000 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 21 and 22, the Group has no other significant interest-bearing assets as at 31st December 2011.

### 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,人民幣及歐元的匯率比較波動。於二零一一年十二月三十一日,倘人民幣兌港元於所有其他變量維持不變之情況下升值/貶值5%(二零一零年:5%),則除稅後溢利將分別增加/減少1,109,000港元(二零一零年:除稅後虧損減少/增加217,000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21及22所述的銀行結餘及存款(「計息資產」)外,本集團於二零一一年十二月三十一日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 25. 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 2011, the Group's Interest Bearing Liabilities issued at variable rates include bank borrowings of HK\$69,925,000 (2010: HK\$174,042,000).

### 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25的借貸(「計息負債」)產生利率風險。按浮動利率作出的借貸令本集團須承受現金流利率風險。按固定利率作出的借貸則令本集團須承受公允價值利率風險。本集團亦透過考慮再融資、更新現時持倉及另類融資，定期分析其利率風險。於二零一一年十二月三十一日，本集團的計息負債按浮動利率計息包括銀行借貸69,925,000港元(二零一零年：174,042,000港元)。

# Notes to the Financial Statements

## 財務報表附註

### 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 2011, 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 (2010:10 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 increase/decrease in the Group's profit after taxation by HK\$76,000 (2010:the corresponding decrease/increase in net finance costs would have resulted in a decrease/increase in the Group's loss after taxation by HK\$99,000). At 31st December 2011, if the interest rate on RMB-denominated bank balances and deposits had increased/decreased by 75 basis points, the corresponding decrease/increase in net finance costs would have resulted in an increase/decrease in the Group's profit after taxation by HK\$183,000 (2010: if the interest rate on RMB-denominated borrowings at variable interest rate, bank balances and deposits had increased/decreased by 75 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).

### 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)

於二零一一年十二月三十一日，當所有其他變量維持不變，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(二零一零年：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溢利增加/減少76,000港元(二零一零年：融資成本淨額將相應減少/增加，導致本集團的除稅後虧損減少/增加99,000港元)。於二零一一年十二月三十一日，假若以人民幣計值的銀行結餘及存款利率上/下調75個基點，融資成本淨額將相應減少/增加，導致本集團的除稅後溢利增加/減少183,000港元(二零一零年：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，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)。

### 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 2010 and 2011, 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 80% of the Group's bank balances are placed with subsidiaries of state-owned banks and others are placed with reputable financial institutions. Management does not expect any loss from non-performance of these banks.

### 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。

於二零一零年及二零一一年十二月三十一日，所有銀行存款存放於信譽良好之金融機構，故並無重大信貸風險。銀行存款存在有限的信貸風險，乃由於超過80%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。

# Notes to the Financial Statements

## 財務報表附註

### 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 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 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 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)

(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收回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融資額度取得足夠的可用資金。管理層維持對本集團滾動的流動資金儲備作預測，包括基於未提取融資額度及現金及現金等價物的預計現金流。

下表按於資產負債表日期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。

# Notes to the Financial Statements

## 財務報表附註

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

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

(c) Liquidity risk (cont'd)

At 31st December 2011 於二零一一年十二月三十一日

**Group 本集團**  
Trade and other payables 貿易及其他應付款項  
Amount due to a related company 應付一家關連公司款項  
Borrowings 借貸  
Interest payments on borrowings (note (i)) 借貸之利息支付 (附註(i))

**Company 本公司**  
Other payables 其他應付款項  
Amounts due to subsidiaries 應付附屬公司款項

At 31st December 2010 於二零一零年十二月三十一日

**Group 本集團**  
Trade and other payables 貿易及其他應付款項  
Amount due to a related company 應付一家關連公司款項  
Amount due to a non-controlling shareholder 應付一位非控制性股東款項  
Borrowings 借貸  
Interest payments on borrowings (note (i)) 借貸之利息支付 (附註(i))  
Financial guarantee contract (note (ii)) 財務擔保合同 (附註(ii))

**Company 本公司**  
Other payables 其他應付款項  
Amounts due to subsidiaries 應付附屬公司款項

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

(c) 流動資金風險(續)

	Less than 1 year 一年以內 HK\$'000 千港元	Between 1 and 2 years 一年至兩年 HK\$'000 千港元	Between 2 and 5 years 兩年至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
<b>Group 本集團</b>				
Trade and other payables	54,725	-	-	-
Amount due to a related company	876	-	-	-
Borrowings	69,925	-	-	-
Interest payments on borrowings (note (i))	391	-	-	-
<b>Company 本公司</b>				
Other payables	6,758	-	-	-
Amounts due to subsidiaries	90,253	-	-	-
<b>Group 本集團</b>				
Trade and other payables	142,837	-	-	-
Amount due to a related company	876	-	-	-
Amount due to a non-controlling shareholder	17	-	-	-
Borrowings	174,042	-	-	-
Interest payments on borrowings (note (i))	4,750	-	-	-
Financial guarantee contract (note (ii))	21,939	-	-	-
<b>Company 本公司</b>				
Other payables	8,148	-	-	-
Amounts due to subsidiaries	99,978	-	-	-



# Notes to the Financial Statements

## 財務報表附註

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

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

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

Notes:

- (i) The interest payments on borrowings are calculated on the respective amounts held as at 31st December 2010 and 2011 without taking into account of any future change in market interest rate. Floating-rate interest is estimated using applicable interest rates at 31st December 2010 and 2011 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.

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.

### 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) 借貸之利息支付乃根據二零一零年及二零一一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。於二零一零年及二零一一年十二月三十一日，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。

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。資產負債比率按借貸總額除以權益總額計算。

# Notes to the Financial Statements

## 財務報表附註

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

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

The Group's strategy was to maintain a solid capital base to support the operations and development of its business in the long term. Given its existing principal business, management considers a gearing ratio as measured by total debt to total equity of not more than 50% as solid and reasonable. The table below analyses the Group's capital structure at 31st December 2010 and 2011 as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Total debts	總借貸	<b>69,925</b>	174,042
Total equity	總權益	<b>297,457</b>	275,293
Gearing ratio	資產負債比率	<b>24%</b>	63%

#### 3.3 Fair value estimation

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

### 3. 財務風險管理(續)

#### 3.2 資本風險管理(續)

本集團之策略是維持穩健的資金基礎，以支持本集團的長期業務營運及發展。鑑於現時之主要業務，管理層認為按借貸總額相對於總權益計算之資產負債比率處於50%以下均屬穩健及合理。下表為本集團於二零一零年及二零一一年十二月三十一日資本架構之分析：

#### 3.3 公允價值估計

貿易及其他應收款項、貿易及其他應付款項、應付一間關連公司款項及應付一位非控制性股東款項之賬面值扣除減值撥備後與彼等之公允值相若。就披露而言，金融負債之公允值透過按本集團同類金融工具之現行市場利率對未來合約現金流量折現而估算。

# Notes to the Financial Statements

## 財務報表附註

### 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) 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.

#### (b) 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

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) 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，包括每個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。

#### (b) 存貨減值撥備

本集團管理層於各資產負債表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。本集團於各資產負債表日對每種產品進行存貨審核，並對過時品種作出撥備。

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

##### (c) Provision for bonus and customer claims

Management reviews the provision for bonus and customer claims at each balance sheet date to determine whether the provision is adequate based on historical experience and most reliable estimates. Significant judgement is required in determining the provision for bonus and customer claims.

##### (d) 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)

##### (c) 花紅及客戶補償撥備

管理層於各資產負債表日審核花紅及客戶補償撥備，按過往經驗及可靠的估算決定撥備是否足夠。於決定花紅及客戶補償撥備時，需作出重大的判斷。

##### (d) 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載於附註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。

# Notes to the Financial Statements

## 財務報表附註

### 5. Segment information

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

During the year, the Group has two reportable segments, which are trading of pipes and fittings and manufacturing and sale of seamless steel pipes. The segments are managed separately as each business offers different products and services.

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

Manufacturing and sale of seamless steel pipes segment is mainly contributed by a subsidiary of the Group, Kiyoyo, which manufactures and sells seamless steel pipes in Mainland China. Kiyoyo and its holding companies were disposed of during the year and constituted the discontinued operation of the Group. Details of the discontinued operation are set out in Note 11(a).

As at 31st December 2010, the Group had disposed of all investment properties, the results related to investment properties were presented under discontinued operation. Details of the discontinued operation were set out in Note 11(b).

### 5. 分類資料

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

於年內，本集團有兩項須予呈報的分類，其中包括從事喉管及管件貿易，以及生產及銷售無縫鋼管。由於各項業務提供不同產品及服務，各分類的管理工作乃獨立進行。

喉管及管件貿易包括香港及澳門之批發、零售及物流業務。

生產及銷售無縫鋼管分類主要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。金裕豐連同其控股公司已於年內出售，並構成本集團之終止營運業務。該終止營運業務詳情列載於附註11(a)。

截至二零一零年十二月三十一日止，本集團已出售所有投資物業，有關投資物業的業績已在終止營運業務項下呈列。該終止營運業務詳情列載於附註11(b)。

# Notes to the Financial Statements

## 財務報表附註

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

The segment information for the year ended 31st December 2011 and 2010 are as follows:

### 5. 分類資料(續)

截至二零一一年及二零一零年十二月三十一日止年度之營運分類資料如下：

		For the year ended 31st December 2011 截至二零一一年十二月三十一日止年度		
		Reportable segments 須予呈報的分類		
		Continuing operation 持續營運業務	Discontinued operation 終止營運業務	Total reportable segments 須予呈報分類總額
		Trading of pipes and fittings 喉管及管件貿易 HK\$'000 千港元	Seamless steel pipes 無縫鋼管 HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	438,395	64,512	502,907
Operating profit	經營溢利	37,466	979	38,445
Interest income	利息收入	438	129	567
Interest expense	利息支出	(1,340)	(2,825)	(4,165)
Profit/(loss) before income tax	稅前溢利／(虧損)	36,564	(1,717)	34,847
Tax expense	稅項支出	(2,791)	-	(2,791)
Profit/(loss) for the year	年度溢利／(虧損)	33,773	(1,717)	32,056
Non-controlling interests	非控制性權益	-	555	555
Profit/(loss) before corporate overhead attributable to equity holders of the Company	公司費用前之本公司股權持有人應佔溢利／(虧損)	33,773	(1,162)	32,611
Operating profit includes:	經營溢利包括：			
Depreciation and amortisation	折舊及攤銷	1,808	318	2,126
Provision for impairment of trade and other receivables, net	貿易及其他應收款項減值撥備淨額	710	-	710
Write-back of provision for impairment of inventories, net	存貨減值回撥淨額	3,093	-	3,093
Capital expenditure	資本開支	870	15	885

# 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 須予呈報的分類							
		Continuing operation 持續營運業務			Discontinued operations 終止營運業務			Total reportable segments 須予呈報 分類總額	
		Trading of pipes and fittings 喉管及 管件貿易	Inter- segment revenue 營運分類間 收入	Sub-total 小計	Seamless steel pipes 無縫鋼管	Investment properties 投資物業	Inter- segment revenue 營運分類間 收入	Sub-total 小計	Total reportable segments 須予呈報 分類總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	452,299	(67,154)	385,145	131,334	1,902	(386)	132,850	517,995
Operating profit/(loss)	經營溢利/(虧損)	21,194	386	21,580	(137,506)	(24,293)	(386)	(162,185)	(140,605)
Interest income	利息收入	211	-	211	91	2	-	93	304
Interest expense	利息支出	(2,736)	-	(2,736)	(7,220)	(3,054)	-	(10,274)	(13,010)
Profit/(loss) before income tax	稅前溢利/(虧損)	18,669	386	19,055	(144,635)	(27,345)	(386)	(172,366)	(153,311)
Tax (expense)/credit	稅項(支出)/抵免	(3,434)	-	(3,434)	9,072	29	-	9,101	5,667
Profit/(loss) for the year	年度溢利/(虧損)	15,235	386	15,621	(135,563)	(27,316)	(386)	(163,265)	(147,644)
Non-controlling interests	非控制性權益	-	-	-	44,314	-	-	44,314	44,314
Profit/(loss) before corporate overhead attributable to equity holders of the Company	公司費用前之本公司 股權持有人應佔 溢利/(虧損)	15,235	386	15,621	(91,249)	(27,316)	(386)	(118,951)	(103,330)
Operating profit/(loss) includes:	經營溢利/(虧損)包括:								
Depreciation and amortisation	折舊及攤銷	1,988	-	1,988	9,864	692	-	10,556	12,544
Provision for impairment of trade and other receivables, net	貿易及其他應收款 之減值撥備淨額	5,866	-	5,866	20	-	-	20	5,886
Write-back of provision for impairment of inventories, net	存貨減值回撥 淨額	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	-	1,226	1,591	9	-	1,600	2,826

# Notes to the Financial Statements

## 財務報表附註

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

### 5. 分類資料(續)

		Note	2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
Reconciliation of profit/(loss) before corporate overhead attributable to the equity holders of the Company and discontinued operations	公司費用前本公司股權持有人應佔溢利/(虧損)及終止營運業務之對賬			
<i>Continuing operation:</i>	<i>持續營運業務：</i>			
Profit before corporate overhead for reportable segments	公司費用前之呈報分類溢利		<b>33,773</b>	15,621
Administrative expenses (note)	行政費用(附註)		<b>(20,771)</b>	(27,345)
Depreciation	折舊		<b>(64)</b>	(17)
Interest income	利息收入		<b>34</b>	3
Interest expense	利息支出		<b>(99)</b>	(4,927)
			<b>12,873</b>	(16,665)
<i>Discontinued operations:</i>	<i>終止營運業務：</i>			
Seamless steel pipes	無縫鋼管		<b>(1,162)</b>	(91,249)
Investment properties	投資物業		-	(27,702)
After-tax gain on disposal of subsidiaries	出售附屬公司 收益(稅後)	11(a) & (b)	<b>1,569</b>	12,847
			<b>407</b>	(106,104)
Profit/(loss) attributable to the equity holders of the Company	本公司股權持有人應佔溢利/(虧損)		<b>13,280</b>	(122,769)

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 2011 and 2010 are as follows:

### 5. 分類資料(續)

於二零一一年及二零一零年十二月三十一日之營運分類資產及負債如下：

		Reportable segment 須予呈報的分類		
		Trading of pipes and fittings 喉管及管件貿易 HK\$'000 千港元	Corporate and others (note) 公司及其他 (附註) HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31st December 2011	於二零一一年十二月三十一日			
Assets	資產	410,060	12,928	422,988
Liabilities	負債	118,628	6,903	125,531

		Reportable segments 須予呈報的分類				
		Trading of pipes and fittings 喉管及管件貿易 HK\$'000 千港元	Seamless steel pipes 無縫鋼管 HK\$'000 千港元	Total reportable segments 須予呈報分類總額 HK\$'000 千港元	Corporate and others (note) 公司及其他 (附註) HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31st December 2010	於二零一零年十二月三十一日					
Assets	資產	402,843	181,195	584,038	14,317	598,355
Liabilities	負債	132,882	181,195	314,077	8,985	323,062

Note: The balances represent assets and liabilities at corporate level and other businesses not categorised as operating segments, which principally include cash and cash equivalents and accrued expenses.

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預提費用。

# 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:

### 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如下：

		Revenue 收入	
		2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
<i>Continuing operation:</i>			
	<i>持續營運業務：</i>		
Hong Kong	香港	427,729	378,050
Mainland China	中國內地	1,084	2,406
Others	其他	9,582	4,689
		<b>438,395</b>	385,145
<i>Discontinued operations:</i>			
	<i>終止營運業務：</i>		
Mainland China	中國內地		
Seamless steel pipes	無縫鋼管	64,512	131,334
Investment properties	投資物業	-	1,338
Hong Kong	香港		
Investment properties	投資物業	-	178
		<b>64,512</b>	132,850
		<b>502,907</b>	517,995

# Notes to the Financial Statements

## 財務報表附註

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

#### Geographical information (cont'd)

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(續)

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)如下:

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
1,585	2,576
3,711	35,974
-	21
<b>5,296</b>	<b>38,571</b>

### 6. Other gains, net

Write-back of trade payables	貿易應付款回撥
Provision for customer claim	客戶補償撥備
Gain on disposal of subsidiaries	出售附屬公司之收益
Net exchange gains	匯兌收益淨額
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損淨額

### 6. 其他收益淨額

2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
6,192	-
(3,694)	-
832	-
2,222	562
(110)	(54)
<b>5,442</b>	<b>508</b>

# Notes to the Financial Statements

## 財務報表附註

### 7. Expenses by nature

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

### 7. 開支性質

經營溢利／(虧損)乃扣除／(計入)下列項目後達  
至：

		2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
Cost of inventories sold	已出售之存貨成本	<b>325,931</b>	288,718
Auditor's remuneration	核數師酬金	<b>1,330</b>	1,458
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>1,872</b>	2,005
Employee benefit expenses (including directors' emoluments (Note 8))	員工福利開支(包括 董事酬金(附註8))	<b>56,652</b>	51,412
Operating lease on land and buildings	土地及樓宇經營租約	<b>16,264</b>	15,865
Provision for impairment of trade and other receivables, net	貿易及其他應收款項 減值撥備淨額	<b>710</b>	5,866
Write-back of provision for impairment of inventories, net	存貨減值回撥淨額	<b>(3,093)</b>	(4,736)
Other expenses	其他開支	<b>27,540</b>	30,847
		<b>427,206</b>	391,435
Representing:	代表：		
Cost of sales	銷售成本	<b>330,014</b>	293,197
Selling and distribution costs	銷售及分銷成本	<b>13,604</b>	9,621
General and administrative expenses	一般及行政費用	<b>83,588</b>	88,617
		<b>427,206</b>	391,435

# Notes to the Financial Statements

## 財務報表附註

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

### 8. 僱員福利開支(包括董事酬金)

		2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
Wages and salaries	工資及薪金	53,264	44,808
Pension costs – defined contribution plans	退休金成本—定額供款計劃	1,599	1,500
Share based payment (note)	以股份為基礎之付款(附註)	1,789	5,104
		<b>56,652</b>	<b>51,412</b>

Note:

附註：

Details of share options are as follows:

購股權詳情如下：

Grantor	Date of grant	Exercise Price HK\$	Number of share options 購股權數目								
			1st January 2010	Granted and accepted	Exercised	Lapsed	31st December 2010	Granted and accepted	Exercised	Lapsed	31st December 2011
授出人	授出日期	行使價 港元	二零一零年 一月一日	已授出 並接納	已行使	已失效	二零一零年 十二月 三十一日	已授出 並接納	已行使	已失效	二零一一年 十二月 三十一日
The Company 本公司	3rd December 2009 二零零九年十二月三日	0.071	592,000,000	-	-	(36,400,000)	555,600,000	-	-	(210,600,000)	345,000,000
The Company 本公司	5th May 2010 二零一零年五月五日	0.083	-	16,000,000	-	-	16,000,000	-	-	-	16,000,000
The Company 本公司	8th June 2011 二零一一年六月八日	0.0392	-	-	-	-	-	10,000,000	-	-	10,000,000
Total	總額		592,000,000	16,000,000	-	(36,400,000)	571,600,000	10,000,000	-	(210,600,000)	371,000,000

# Notes to the Financial Statements

## 財務報表附註

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

Note: (cont'd)

The share options are divided into 3 tranches with exercise price of HK\$0.071, HK\$0.083 and HK\$0.0392 and have option period from 3rd December 2009 to 2nd December 2019 (both days inclusive), 5th May 2010 to 4th May 2020 (both days inclusive) and 8th June 2011 to 7th June 2021 (both days inclusive) respectively. Details for the exercisable period is shown in Note 23.

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

The Company	本公司
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	公允價值

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：(續)

購股權分別按行使價0.071港元、0.083港元及0.0392港元分三批授出，該等購股權期限分別為由二零零九年十二月三日至二零一九年十二月二日(包括首尾兩日)、由二零一零年五月五日至二零二零年五月四日(包括首尾兩日)及由二零一一年六月八日至二零二一年六月七日(包括首尾兩日)。行使期限詳情於附註23列出。

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

8th June 2011 二零一一年六月八日	5th May 2010 二零一零年五月五日
HK\$0.0392	HK\$0.083
49%	55%
10 years 10年	10 years 10年
2.255%	2.86%
2.75%	3.10%
<b>HK\$0.014 ~ HK\$0.016</b>	HK\$0.026 ~ HK\$0.038

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。

# Notes to the Financial Statements

## 財務報表附註

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

#### (a) Directors' emoluments

The remuneration of each Director for the year ended 31st December 2011 and 2010 is set out below:

### 8. 僱員福利開支(包括董事酬金)(續)

#### (a) 董事酬金

各董事於截至二零一一年及二零一零年十二月三十一日止年度的酬金載列如下：

		For the year ended 31st December 2011 截至二零一一年十二月三十一日止年度				
		Group's				
		Salaries	contributions			
		and other	Discretionary	to retirement	Share based	Total
		Fees	bonus	scheme	payments	
		袍金	薪金及	酌情花紅	以股份為	總額
		其他福利	之供款	退休計劃	基礎的付款	
		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
Lai Guanglin (note (i))	Lai Guanglin (附註(i))	2,090	-	1,177	-	3,267
Yu Ben Ansheng (note (ii))	俞安生(附註(ii))	-	2,090	477	12	2,579
Lai Fulin (note (iii))	賴福麟(附註(iii))	-	1,405	395	12	2,156
U Kean Seng	余建成	200	-	-	-	406
Wong Yee Shuen, Wilson	黃以信	200	-	-	-	269
Chen Wei Wen (note (iv))	陳偉文(附註(iv))	150	-	-	-	254
Yang Li (note(v))	楊莉(附註(v))	142	-	-	-	198
Zhao Yue (note (vi))	趙越(附註(vi))	5	-	-	-	5
Wu Xiuru (note (vi))	吳秀茹(附註(vi))	8	-	-	-	8
Zia Samuel (note (vii))	謝薺鋒(附註(vii))	8	-	-	-	8
Sam Ming Choy (note (viii))	Sam Ming Choy (附註(viii))	-	911	-	46	1,032
		<b>2,803</b>	<b>4,406</b>	<b>2,049</b>	<b>70</b>	<b>10,182</b>

# Notes to the Financial Statements

## 財務報表附註

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

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

Lai Guanglin (note (i))	賴光麟 (附註(i))	2,000	-	-	-	-	2,000
Yu Ben Ansheng (note (ii))	俞安生 (附註(ii))	-	2,000	53	12	-	2,065
Lai Fulin (note (iii))	賴福麟 (附註(iii))	-	1,000	94	12	658	1,764
U Kean Seng	余建成	200	-	-	-	395	595
Wong Yee Shuen, Wilson	黃以信	200	-	-	-	132	332
Chen Wei Wen (note (iv))	陳偉文 (附註(iv))	104	-	-	-	133	237
Zhao Yue (note (vi))	趙越 (附註(vi))	100	-	-	-	104	204
Wu Xiuru (note (vi))	吳秀茹 (附註(vi))	150	-	-	-	34	184
Zia Samuel (note (vii))	謝齊鋒 (附註(vii))	67	-	-	-	-	67
Sam Ming Choy (note (viii))	Sam Ming Choy (附註(viii))	-	1,495	17	76	658	2,246
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

2,896	4,495	164	100	2,148	9,803
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### 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 2010

截至二零一零年十二月三十一日止年度

	Fees	Group's contributions				Total
		Salaries and other benefits	Discretionary bonus	to retirement scheme	Share based payments	
	袍金	薪金及其他福利	酌情花紅	退休計劃之供款	以股份為基礎的付款	總額
	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
Lai Guanglin (note (i))	2,000	-	-	-	-	2,000
Yu Ben Ansheng (note (ii))	-	2,000	53	12	-	2,065
Lai Fulin (note (iii))	-	1,000	94	12	658	1,764
U Kean Seng	200	-	-	-	395	595
Wong Yee Shuen, Wilson	200	-	-	-	132	332
Chen Wei Wen (note (iv))	104	-	-	-	133	237
Zhao Yue (note (vi))	100	-	-	-	104	204
Wu Xiuru (note (vi))	150	-	-	-	34	184
Zia Samuel (note (vii))	67	-	-	-	-	67
Sam Ming Choy (note (viii))	-	1,495	17	76	658	2,246
Lau Kwok Ting (note (ix))	60	-	-	-	34	94
Cai Shangwu (note (x))	15	-	-	-	-	15
	2,896	4,495	164	100	2,148	9,803



# Notes to the Financial Statements

## 財務報表附註

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

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

Notes:

- (i) Re-designated from non-executive director to executive director with effect from 14th March 2012. The director's fee will be increased to HK\$3,204,000 per annum with effect from 1st April 2012.
- (ii) The director's salary will be increased to HK\$2,250,000 per annum with effect from 1st April 2012.
- (iii) The director's salary will be increased to HK\$1,464,000 per annum with effect from 1st April 2012.
- (iv) Appointed on 21st April 2010.
- (v) Appointed on 20th January 2011. With effect from 1st January 2012, the director fee was increased to HK\$200,000 per annum.
- (vi) Resigned on 20th January 2011.
- (vii) Appointed on 21st July 2010 and resigned on 20th January 2011.
- (viii) Resigned on 20th August 2011.
- (ix) Retired on 26th May 2010.
- (x) Resigned on 1st May 2010.

### 8. 僱員福利開支(包括董事酬金)(續)

#### (a) 董事酬金(續)

附註：

- (i) 於二零一二年三月十四日，由非執行董事調任為執行董事。董事袍金將增至每年3,204,000港元，自二零一二年四月一日起生效。
- (ii) 董事薪金將增至每年2,250,000港元，自二零一二年四月一日起生效。
- (iii) 董事薪金將增至每年1,464,000港元，自二零一二年四月一日起生效。
- (iv) 於二零一零年四月二十一日獲委任。
- (v) 於二零一一年一月二十日獲委任。自二零一二年一月一日起，董事袍金增加至每年200,000港元。
- (vi) 於二零一一年一月二十日辭任。
- (vii) 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。
- (viii) 於二零一一年八月二十日辭任。
- (ix) 於二零一零年五月二十六日退任。
- (x) 於二零一零年五月一日辭任。

# Notes to the Financial Statements

## 財務報表附註

### 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
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元
HK\$3,000,001 – HK\$3,500,000	3,000,001 港元 – 3,500,000 港元

#### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2010: four) directors whose emoluments are reflected in the analysis presented above. The emoluments paid to the two (2010: one) individuals in 2011 were as follows:

### 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：

2011 二零一一年	2010 二零一零年
7	8
1	–
–	2
1	2
1	–
1	–
<b>11</b>	<b>12</b>

#### (b) 五位最高薪人士

於年內，本集團五位最高薪人士包括三位(二零一零年：四位)董事，其薪金已於上文呈列的分析反映。於二零一一年內，支付予兩位(二零一零年：一位)人士之酬金如下：

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Discretionary bonus	酌情花紅
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃
Share based payments	以股份為基礎的付款

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
2,949	1,495
1,017	115
102	75
831	1,190
<b>4,899</b>	<b>2,875</b>

# Notes to the Financial Statements

## 財務報表附註

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

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

The emoluments of the two (2010: one) individuals fell within the following bands:

HK\$2,000,001 – HK\$2,500,000	2,000,001 港元 – 2,500,000 港元
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元

### 8. 僱員福利開支(包括董事酬金)(續)

#### (b) 五位最高薪人士(續)

兩名(二零一零年:一名)最高薪人士之薪酬介乎下列範圍:

2011 二零一一年	2010 二零一零年
1	–
1	1
<b>2</b>	<b>1</b>

### 9. Finance costs, net

### 9. 財務費用淨額

Bank interest income	銀行利息收入
Interest expense on loan from a shareholder	股東貸款利息支出
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

2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
(472)	(214)
99	4,927
1,340	2,736
<b>967</b>	<b>7,449</b>

# Notes to the Financial Statements

## 財務報表附註

### 10. Tax expense

### 10. 稅項支出

		2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
Current taxation:	即期稅項：		
Hong Kong profits tax	香港所得稅	2,652	1,229
Overseas tax	海外稅項	230	45
Over-provision in prior years	以前年度多提	(31)	(98)
		<hr/>	<hr/>
Total current tax	即期稅項總額	2,851	1,176
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Deferred taxation (Note 26):	遞延稅項(附註26)：		
Origination and reversal of temporary differences	暫時差額之產生及撥回	(60)	2,258
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Tax expense	稅項支出	<b>2,791</b>	<b>3,434</b>

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

香港利得稅以年內估計應課稅溢利按稅率16.5% (二零一零年：16.5%)計提。海外稅項乃根據年內之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

# Notes to the Financial Statements

## 財務報表附註

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

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

### 10. 稅項支出(續)

本集團有關稅前溢利/(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：

		2011 二零一一年 HK\$'000 千港元	Restated 經重列 2010 二零一零年 HK\$'000 千港元
Profit/(loss) before income tax	稅前溢利/(虧損)	<b>15,664</b>	(13,231)
Tax calculated at tax rate of 16.5% (2010: 16.5%)	按 16.5% (二零一零年：16.5%) 稅率計算之稅項	<b>2,584</b>	(2,183)
Effect of different tax rates in other countries	其他國家不同稅率之影響	<b>(336)</b>	(282)
Utilisation of previously unrecognised tax loss	使用先前未確認之稅項虧損	<b>(829)</b>	(13)
Unrecognised tax losses	未確認稅項虧損	<b>708</b>	2,906
Tax effect of income not subject to taxation	無須課稅之收入之稅項影響	<b>(504)</b>	(170)
Tax effect of expenses not deductible for taxation purposes	不可扣稅之支出之稅項影響	<b>1,199</b>	3,233
Reversal of deferred tax recognised in prior years	撥回之前年度已確認遞延稅項	-	41
Over-provision of current tax in prior years	之前年度多提即期稅項	<b>(31)</b>	(98)
Tax expense	稅項支出	<b>2,791</b>	3,434

For the year ended 31st December 2011, the weighted average applicable tax rate was 14.4% (2010:18.6%).

截至二零一一年十二月三十一日止年度，加權平均數之適用稅率為14.4%(二零一零年：18.6%)。

### 11. Discontinued operations

#### (a) Seamless steel pipes

In May 2011, the Group completed the disposal of the entire equity interest in Merchant Capital Limited, which was engaged in manufacturing and sale of seamless steel pipes business in Mainland China through its indirect 60% equity interest owned subsidiary, Kiyofu. For the year ended 31st December 2011, the financial results of the discontinued operation for the period up to the completion of the disposal has been consolidated.

The results and cash flows of the discontinued operation included in the consolidated income statement and the consolidated statement of cash flows are as follows:

### 11. 終止營運業務

#### (a) 無縫鋼管

於二零一一年五月，本集團完成出售廣商有限公司全部股本權益，該公司透過其間接持有60%股本權益之附屬公司金裕豐於中國內地經營生產及銷售無縫鋼管業務。截至二零一一年十二月三十一日止年度，終止營運業務截至出售完成止期間之財務業績已被綜合入賬。

終止營運業務的業績及現金流已包含於綜合收益表及綜合現金流量表，如下：

# Notes to the Financial Statements

## 財務報表附註

### 11. Discontinued operations (cont'd)

### 11. 終止營運業務(續)

#### (a) Seamless steel pipes (cont'd)

#### (a) 無縫鋼管(續)

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收入	64,512	131,334
Cost of sales	銷售成本	(60,802)	(132,639)
Gross profit/(loss)	毛利/(虧損)	3,710	(1,305)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	-	(98,900)
Impairment loss on land use rights	土地使用權之減值虧損	-	(2,471)
Impairment loss on goodwill	商譽之減值虧損	-	(23,050)
Other (loss)/gain	其他(虧損)/收益	(7)	44
Selling and distribution costs	銷售及分銷成本	(808)	(3,186)
General and administrative expenses	一般及行政費用	(1,916)	(8,638)
Operating profit/(loss)	經營溢利/(虧損)	979	(137,506)
Finance costs, net	財務費用淨額	(2,696)	(7,129)
Loss before income tax	稅前虧損	(1,717)	(144,635)
Tax credit	稅項抵免	-	9,072
Loss after tax from discontinued operation	終止營運業務之除稅後虧損	(1,717)	(135,563)
Pre-tax gain on disposal of subsidiaries	出售附屬公司之收益(稅前)	1,569	-
Tax expense	稅項支出	-	-
After-tax gain on disposal of subsidiaries	出售附屬公司之收益(稅後)	1,569	-
Loss for the period/year from discontinued operation	終止營運業務之期內/年度虧損	(148)	(135,563)
Attributable to:	應佔：		
Equity holders of the Company	本公司股權持有人	407	(91,249)
Non-controlling interests	非控制性權益	(555)	(44,314)
		(148)	(135,563)

# Notes to the Financial Statements

## 財務報表附註

### 11. Discontinued operations (cont'd)

#### (a) Seamless steel pipes (cont'd)

Operating activities cash flows	經營業務之現金流
Investing activities cash flows	投資活動之現金流
Financing activities cash flows	融資活動之現金流
Exchange differences	匯兌差額

#### (b) Investment properties

The Group completed the disposal of investment properties held in Hong Kong in early 2010 and the disposal of the entire equity interest in Noble Win International Limited in December 2010 which was engaged in investment properties in Mainland China through its subsidiaries.

The results and cash flows of the discontinued operation included in the consolidated income statement and the consolidated statement of cash flows are as follows:

### 11. 終止營運業務(續)

#### (a) 無縫鋼管(續)

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>(698)</b>	(16,733)
<b>(15)</b>	(1,380)
<b>348</b>	18,653
<b>174</b>	286
<b>(191)</b>	826

#### (b) 投資物業

本集團於二零一零年年初完成出售於香港持有之投資物業，以及於二零一零年十二月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。

終止營運業務的業績及現金流已包含於綜合收益表及綜合現金流量表，如下：



# Notes to the Financial Statements

## 財務報表附註

### 11. Discontinued operations (cont'd)

### 11. 終止營運業務(續)

#### (b) Investment properties (cont'd)

#### (b) 投資物業(續)

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收入	-	1,516
Cost of sales	銷售成本	-	-
Gross profit	毛利	-	1,516
Other losses	其他虧損	-	(23,182)
Selling and distribution costs	銷售及分銷成本	-	(116)
General and administrative expenses	一般及行政費用	-	(2,897)
Operating loss	經營虧損	-	(24,679)
Finance costs, net	財務費用淨額	-	(3,052)
Loss before income tax	稅前虧損	-	(27,731)
Tax credit	稅項抵免	-	29
Loss after tax from discontinued operation	終止營運業務之除稅後虧損	-	(27,702)
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 from discontinued operation	終止營運業務之年度虧損	-	(14,855)
Attributable to:	應佔：		
Equity holders of the Company	本公司股權持有人	-	(14,855)
Non-controlling interest	非控制性權益	-	-
		-	(14,855)

# Notes to the Financial Statements

## 財務報表附註

### 11. Discontinued operations (cont'd)

#### (b) Investment properties (cont'd)

Operating activities cash flows	經營業務之現金流
Investing activities cash flows	投資活動之現金流
Financing activities cash flows	融資活動之現金流
Exchange differences	匯兌差額

### 11. 終止營運業務(續)

#### (b) 投資物業(續)

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
-	(9,708)
-	114,680
-	(106,389)
-	32
-	(1,385)

### 12. 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 loss of approximately HK\$4,418,000 (2010: HK\$182,685,000).

### 12. 股權持有人應佔虧損

本公司股權持有人應佔虧損於財務報表內處理之本公司虧損約為4,418,000港元(二零一零年: 182,685,000港元)。

# Notes to the Financial Statements

## 財務報表附註

### 13. Earnings/(loss) per share

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

Profit/(loss) attributable to equity holders of the Company from continuing operation	持續營運業務之本公司股權持有人應佔溢利/(虧損)
Profit/(loss) attributable to equity holders of the Company from discontinued operations	終止營運業務之本公司股權持有人應佔溢利/(虧損)
Profit/(loss) attributable to equity holders of the Company for the purpose of basic earnings/(loss) per share	計算每股基本盈利/(虧損)之本公司股權持有人應佔溢利/(虧損)
<b>Number of shares</b>	<b>股份數目</b>
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	計算每股基本盈利/(虧損)之普通股份之加權平均股數

The share options have no potential dilutive effect on basic earnings/(loss) per share for 2010 and 2011.

### 14. Dividend

At the Board meeting held on 14th March 2012, the Board does not recommend a final dividend for the year ended 31st December 2011 (2010: nil).

### 13. 每股盈利/(虧損)

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

	Restated 經重列 2010 二零一零年 HK\$'000 千港元
<b>2011 二零一一年 HK\$'000 千港元</b>	
<b>12,873</b>	(16,665)
<b>407</b>	(106,104)
<b>13,280</b>	(122,769)
<b>Thousand 千股</b>	Thousand 千股
<b>13,332,700</b>	13,332,700

二零一零年及二零一一年購股權對每股基本盈利/(虧損)沒有潛在攤薄影響。

### 14. 股息

於二零一二年三月十四日舉行的董事會會議上，董事會不建議派發截至二零一一年十二月三十一日止年度之末期股息(二零一零年：無)。

# Notes to the Financial Statements

## 財務報表附註

### 15. Property, plant and equipment

### 15. 物業、廠房及設備

#### Group

#### 本集團

		Buildings	Plant, machinery and equipment	Leasehold improvements	Office furniture, fixtures and fittings	Office equipment	Computer equipment	Motor vehicles	Total
		樓宇	廠房、機器 及設備	租賃物業 裝修	辦公室傢俬、 裝置及設備	文備設備	電腦設備	汽車	總額
		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 2011	於二零一一年一月一日	79,570	40,965	9,780	1,441	248	7,741	5,936	145,681
Exchange differences	匯兌差額	1,235	701	35	13	5	4	73	2,066
Additions	添置	-	339	86	38	22	88	348	921
Disposals	出售	-	(202)	-	-	-	-	(725)	(927)
Disposal of subsidiaries (Note 29(b)(ii))	出售附屬公司 (附註29(b)(ii))	(80,805)	(34,050)	-	(624)	(183)	(233)	(2,399)	(118,294)
At 31st December 2011	於二零一一年 十二月三十一日	-	7,753	9,901	868	92	7,600	3,233	29,447
<b>Accumulated depreciation and impairment losses</b>	<b>累積折舊及 減值虧損</b>								
At 1st January 2011	於二零一一年一月一日	76,050	38,180	8,307	1,113	205	7,137	4,580	135,572
Exchange differences	匯兌差額	1,181	581	12	8	4	3	49	1,838
Charge for the year	本年度折舊	70	454	449	87	14	461	448	1,983
Disposals	出售	-	(202)	-	-	-	-	(500)	(702)
Disposal of subsidiaries (Note 29(b)(ii))	出售附屬公司 (附註29(b)(ii))	(77,301)	(34,050)	-	(471)	(166)	(213)	(2,339)	(114,540)
At 31st December 2011	於二零一一年 十二月三十一日	-	4,963	8,768	737	57	7,388	2,238	24,151
<b>Net book value</b>	<b>賬面淨值</b>								
At 31st December 2011	於二零一一年 十二月三十一日	-	2,790	1,133	131	35	212	995	5,296

# Notes to the Financial Statements

## 財務報表附註

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

### 15. 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	Office equipment	Computer equipment	Motor vehicles	Total
		樓宇	廠房、機器及設備	租賃物業裝修	辦公室傢俬、裝置及設備	文儀設備	電腦設備	汽車	總額
		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 29(b)(ii))	出售附屬公司 (附註29(b)(ii))	-	-	-	(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 loss	減值虧損	69,144	27,953	-	163	21	147	1,472	98,900
Disposal of subsidiaries (Note 29(b)(ii))	出售附屬公司 (附註29(b)(ii))	-	-	-	(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

At 31st December 2010, buildings with carrying values of approximately HK\$3,520,000 had been pledged for borrowings (Note 25).

於二零一零年十二月三十一日，帳面值約為3,520,000港元之樓宇已因銀行融資(附註25)而予以抵押。

# Notes to the Financial Statements

## 財務報表附註

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

### 15. 物業、廠房及設備(續)

Company

本公司

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Office furniture, fixtures and fittings 辦公室傢俬、裝置及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>			
At 1st January 2011	於二零一一年一月一日	208	21	229
Additions	添置	-	20	20
		-----	-----	-----
At 31st December 2011	於二零一一年十二月三十一日	208	41	249
		-----	-----	-----
<b>Accumulated depreciation</b>	<b>累積折舊</b>			
At 1st January 2011	於二零一一年一月一日	5	-	5
Charge for the year	本年度折舊	59	8	67
		-----	-----	-----
At 31st December 2011	於二零一一年十二月三十一日	64	8	72
		-----	-----	-----
<b>Net book value</b>	<b>賬面淨值</b>			
At 31st December 2011	於二零一一年十二月三十一日	144	33	177
		-----	-----	-----
<b>Cost</b>	<b>成本</b>			
At 1st January 2010	於二零一零年一月一日	-	-	-
Additions	添置	208	21	229
		-----	-----	-----
At 31st December 2010	於二零一零年十二月三十一日	208	21	229
		-----	-----	-----
<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	5	-	5
		-----	-----	-----
At 31st December 2010	於二零一零年十二月三十一日	5	-	5
		-----	-----	-----
<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	203	21	224
		-----	-----	-----

# Notes to the Financial Statements

## 財務報表附註

### 16. 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 10 to 50 years 介乎10至50年的租賃

At 1st January 於一月一日  
Exchange differences 匯兌差額  
Impairment loss 減值虧損  
Amortisation 攤銷  
Disposal of subsidiaries (Note 29(b)(ii)) 出售附屬公司(附註29(b)(ii))  
At 31st December 於十二月三十一日

At 31st December 2010, land use rights with carrying values of approximately HK\$26,896,000 had been pledged for borrowings (Note 25).

### 16. 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：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
-	28,462
<b>28,462</b>	30,535
<b>439</b>	1,056
-	(2,471)
<b>(207)</b>	(658)
<b>(28,694)</b>	-
-	28,462

於二零一零年十二月三十一日，賬面值約為26,896,000港元之土地使用權已因銀行融資(附註25)而予以抵押。

# Notes to the Financial Statements

## 財務報表附註

### 17. Investments in subsidiaries

### 17. 於附屬公司投資

		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資(按成本)	<b>89,205</b>	88,482

#### Amounts due from subsidiaries

#### 應收附屬公司款項

		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Amounts due from subsidiaries	應收附屬公司款項	<b>15,540</b>	138,568
Less: Provision for impairment	減：減值撥備	-	(110,089)
		<b>15,540</b>	28,479

As at 31st December 2010 and 2011, amounts due from subsidiaries are unsecured, interest-free and repayable on demand. As at 31st December 2011, amounts due from subsidiaries of HK\$2,624,000 (2010: HK\$138,568,000) was denominated in Hong Kong dollars and HK\$12,916,000 (2010: nil) was denominated in RMB. The carrying values of amounts due from subsidiaries approximate their fair values.

於二零一零年及二零一一年十二月三十一日，應收附屬公司之款項為無抵押、免息且須於要求時償還。於二零一一年十二月三十一日，應收附屬公司款項中，2,624,000港元(二零一零年：138,568,000港元)以港元計值，12,916,000港元(二零一零年：無)以人民幣計值。應收附屬公司之款項賬面值與彼等公允價值相若。



# Notes to the Financial Statements

## 財務報表附註

### 17. Investments in subsidiaries (cont'd)

#### Amounts due from subsidiaries (cont'd)

As at 31st December 2010, amounts due from subsidiaries of HK\$110,089,000 were 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.

#### Amounts due to subsidiaries

As at 31st December 2010 and 2011, 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 2011 are set out in Note 35.

### 17. 於附屬公司投資(續)

#### 應收附屬公司款項(續)

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。

#### 應付附屬公司款項

於二零一零年及二零一一年十二月三十一日，應付附屬公司款項為無抵押、免息且須於要求時償還。

應付附屬公司款項之賬面值與彼等公允價值相若。

董事認為對本集團之業績及／或於二零一一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35。

# Notes to the Financial Statements

## 財務報表附註

### 18. Financial instruments by category

### 18. 按種類劃分的金融工具

#### Group

#### 本集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<i>Loans and receivables</i>	<i>貸款及應收款</i>		
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>96,431</b>	108,404
Pledged bank deposits (Note 21)	抵押銀行存款(附註21)	<b>70,450</b>	92,789
Cash and cash equivalents (Note 22)	現金及現金等價物(附註22)	<b>54,869</b>	62,230
<b>Total</b>	<b>總額</b>	<b>221,750</b>	263,423

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<i>Other financial liabilities</i>	<i>其他財務負債</i>		
Liabilities as per consolidated balance sheet	綜合資產負債表所示負債		
Trade and other payables	貿易及其他應付款項	<b>30,693</b>	131,665
Amount due to a related company (Note 31)	應付一家關連公司款項(附註31)	<b>876</b>	876
Amount due to a non-controlling shareholder	應付一位非控制性股東款項	-	17
Borrowings (Note 25)	借貸(附註25)	<b>69,925</b>	174,042
<b>Total</b>	<b>總額</b>	<b>101,494</b>	306,600

# Notes to the Financial Statements

## 財務報表附註

### 18. Financial instruments by category (cont'd)

### 18. 按種類劃分的金融工具(續)

Company	本公司	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	5	117
Amounts due from subsidiaries (Note 17)	應收附屬公司款項(附註17)	15,540	28,479
Cash and cash equivalents (Note 22)	現金及現金等價物(附註22)	245	680
Total	總額	<b>15,790</b>	29,276
<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 17)	應付附屬公司款項(附註17)	90,253	99,978

# Notes to the Financial Statements

## 財務報表附註

### 19. Inventories

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

At 31st December 2011, the provision for impairment of inventories amounted to approximately HK\$22,263,000 (2010: HK\$25,356,000).

The cost of inventories recognised as expenses and included in cost of sales amounted to HK\$325,931,000 (2010: HK\$288,718,000).

At 31st December 2010, inventories held by a PRC subsidiary with carrying values of approximately HK\$80,930,000 were pledged for borrowings (Note 25).

### 19. 存貨

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
-	17,902
-	6,828
-	1,941
<b>160,825</b>	203,874
<b>160,825</b>	230,545

於二零一一年十二月三十一日，存貨減值撥備約達22,263,000港元(二零一零年：25,356,000港元)。

確認為支出並列入銷售成本項下之存貨成本達325,931,000港元(二零一零年：288,718,000港元)。

於二零一零年十二月三十一日，帳面值約為80,930,000港元之存貨於中國之附屬公司持有，已因銀行融資(附註25)而予以抵押。

# Notes to the Financial Statements

## 財務報表附註

### 20. Trade and other receivables

### 20. 貿易及其他應收款項

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade receivables	貿易應收款項	<b>92,360</b>	100,279	-	-
Less: provision for impairment	減：減值撥備	<b>(1,557)</b>	(3,190)	-	-
Trade receivables-net	貿易應收款項－淨額	<b>90,803</b>	97,089	-	-
Prepayments	預付款	<b>35,020</b>	61,238	<b>251</b>	1,211
Other receivables and assets, net	其他應收款項及資產淨額	<b>775</b>	7,922	<b>5</b>	117
Rental deposits and other assets	租約按金及其他資產	<b>4,853</b>	3,393	-	-
		<b>131,451</b>	169,642	<b>256</b>	1,328
Less: non-current portion	減：非流動部份	<b>(4,853)</b>	(3,196)	-	-
		<b>126,598</b>	166,446	<b>256</b>	1,328

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

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

# Notes to the Financial Statements

## 財務報表附註

### 20. 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 60-120 days under the segment of trading of pipes and fittings. 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

### 20. 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：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
94,262	83,930
13,977	42,474
21,029	41,332
1,939	489
-	1,197
244	220
<b>131,451</b>	<b>169,642</b>

本集團一般給予喉管及管件貿易分類之信貸期為60至120天。貿易應收款按到期日之賬齡分析如下：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
68,839	60,725
14,219	19,113
5,235	2,570
1,347	1,634
96	535
2,624	15,702
<b>92,360</b>	<b>100,279</b>

# Notes to the Financial Statements

## 財務報表附註

### 20. 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 2011, trade receivables of HK\$21,964,000 (2010: HK\$36,364,000) are 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 2011, trade receivables of HK\$1,557,000 (2010: HK\$3,190,000) are 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.

### 20. 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。截至二零一一年十二月三十一日，貿易應收款項21,964,000港元(二零一零年：36,364,000港元)已逾期但未減值。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：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
14,219	19,113
5,235	2,570
1,347	1,634
96	535
1,067	12,512
<b>21,964</b>	<b>36,364</b>

於二零一一年十二月三十一日，貿易應收款項1,557,000港元(二零一零年：3,190,000港元)已作減值撥備。個別已減值應收款項主要與突然陷入經濟困難之客戶有關。該等應收款項逾期超過120天。

# Notes to the Financial Statements

## 財務報表附註

### 20. 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
Disposal of subsidiaries	出售附屬公司
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 2011, no other receivables were impaired and provided for (2010: HK\$25,045,000).

Save as above, 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.

### 20. 貿易及其他應收款項(續)

貿易應收款之減值撥備變動如下：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
3,190	2,612
531	904
(458)	—
(218)	(375)
(1,492)	—
4	49
<b>1,557</b>	<b>3,190</b>

就新增及解除已減值應收款項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。

於二零一一年十二月三十一日，並無其他應收款項作減值撥備(二零一零年：25,045,000港元)。

除上述以外，貿易及其他應收款項內其他類別並無任何已減值資產。

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



# Notes to the Financial Statements

## 財務報表附註

### 21. Pledged bank deposit

As at 31st December 2011, bank deposit of HK\$50,000,000 (2010: HK\$75,000,000) denominated in Hong Kong dollars and bank deposit of HK\$20,450,000 (2010: HK\$17,789,000) denominated in RMB were pledged as collateral for the Group's banking facilities (Note 25).

The effective interest rate on pledged bank deposit was 0.87% (2010: 0.72%) per annum and these deposits are matured within 4 to 81 days (2010: 12 to 166 days).

### 22. Cash and cash equivalents

### 21. 已抵押銀行存款

於二零一一年十二月三十一日，50,000,000 港元（二零一零年：75,000,000 港元）以港元計值及 20,450,000 港元（二零一零年：17,789,000 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擔保（附註 25）。

已抵押銀行存款之實際利率為年息 0.87%（二零一零年：0.72%），此等存款之到期日介乎 4 天至 81 天（二零一零年：12 天至 166 天）。

### 22. 現金及現金等價物

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash at bank and in hand	銀行及手頭現金	<b>54,869</b>	62,230	<b>245</b>	680
Maximum exposure to credit risk	須承受的最高信貸風險	<b>54,413</b>	62,060	<b>245</b>	680

# Notes to the Financial Statements

## 財務報表附註

### 22. 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

### 22. 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	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
40,767	43,309	245	680
12,353	17,301	-	-
136	38	-	-
203	203	-	-
1	5	-	-
1,409	1,374	-	-
<b>54,869</b>	<b>62,230</b>	<b>245</b>	<b>680</b>

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.

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

### 23. Share capital

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

Number of shares 股份數目 thousands 千股	HK\$'000 千港元
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13,332,700	26,665
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At 1st January and  
31st December 2011

於二零一一年一月一日及  
十二月三十一日

<b>13,332,700</b>	<b>26,665</b>
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# Notes to the Financial Statements

## 財務報表附註

### 23. Share capital (cont'd)

The authorised share capital of the Company is HK\$500,000,000, comprising 250,000 million shares (2010: 250,000 million shares) with a par value of HK\$0.002 per share (2010: HK\$0.002 per share). All issued shares are fully paid.

#### 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 number of shares may be refreshed by the approval of the shareholders and the refreshed limit of the number of shares must not exceed 10% of the issued share capital of the Company as at the date of the approval of the refreshed limit. The Scheme became effective for a period of ten years commencing 24th June 2004.

### 23. 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(二零一零年：每股面值0.002港元)共250,000,000,000股(二零一零年：250,000,000,000股)組成。所有已發行股份皆已繳足。

#### 購股權計劃

本公司已採納一項購股權計劃(「購股權計劃」)。據此，授權本公司董事全權酌情邀請任何合資格參與者(定義見購股權計劃)接納可認購本公司股份之購股權。認購價將由董事會釐定，惟不得低於(a)股份於有關購股權被視為按照購股權計劃條款授出及接納當日(「開始日期」)(須為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%。股份數目可由股東批准更新，惟經更新之股份數目上限不得超過批准更新上限之日期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。

# Notes to the Financial Statements

## 財務報表附註

### 23. Share capital (cont'd)

#### Share option scheme (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%  
20%  
20%  
20%  
20%

- (ii) On 5th May 2010, 16,000,000 share options were offered to and accepted by Director and 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 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%  
20%  
20%  
20%  
20%

### 23. 股本(續)

#### 購股權計劃(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(包括首尾兩日)。授予承授人的購股權將分階段歸屬，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**

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

- (ii) 於二零一零年五月五日，本集團向董事及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(包括首尾兩日)。授予承授人的購股權將分階段歸屬，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**

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

# Notes to the Financial Statements

## 財務報表附註

### 23. Share capital (cont'd)

#### Share option scheme (cont'd)

(iii) On 8th June 2011, 10,000,000 share options were offered to and accepted by a Director, with an exercise price of HK\$0.0392 and an option period of 10 years commencing from 8th June 2011 and expiring on 7th June 2021 (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%  
20%  
20%  
20%  
20%

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

### 23. 股本(續)

#### 購股權計劃(續)

(iii) 於二零一一年六月八日，本集團向一位董事要約並已獲接納10,000,000份購股權，該等購股權之行使價為0.0392港元及購股權期限為十年，由二零一一年六月八日開始至二零二一年六月七日期滿(包括首尾兩日)。授予承授人的購股權將分階段歸屬，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

8/12/2011 – 7/6/2021  
8/12/2012 – 7/6/2021  
8/12/2013 – 7/6/2021  
8/12/2014 – 7/6/2021  
8/12/2015 – 7/6/2021

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。

# Notes to the Financial Statements

## 財務報表附註

### 23. Share capital (cont'd)

#### Share option scheme (cont'd)

Movements in the number of share options outstanding during the year are as follows:

### 23. 股本(續)

#### 購股權計劃(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 2010	於二零一零年一月一日	0.071	592,000,000
Granted and accepted	已授出並接納	0.083	16,000,000
Lapsed	已失效	0.071	(36,400,000)
At 31st December 2010 and 1st January 2011	於二零一零年十二月三十一日 及二零一一年一月一日	<b>0.071</b>	<b>571,600,000</b>
Granted and accepted	已授出並接納	<b>0.0392</b>	<b>10,000,000</b>
Lapsed	已失效	<b>0.071</b>	<b>(210,600,000)</b>
At 31st December 2011	於二零一一年十二月三十一日	<b>0.071</b>	<b>371,000,000</b>

Out of 371,000,000 (2010: 571,600,000) outstanding share options, 112,000,000 (2010: 77,600,000) share options were exercisable as at 31st December 2011.

於二零一一年十二月三十一日，於371,000,000股(二零一零年：571,600,000)購股權中，112,000,000股(二零一零年：77,600,000)為可行使。

# Notes to the Financial Statements

## 財務報表附註

### 24. Reserves

### 24. 儲備

#### Group

#### 本集團

		Share premium	Capital reserve (note(i)) 資本儲備 (附註(i))	Merger reserve (note(ii)) 合併儲備 (附註(ii))	Statutory reserve 法定儲備	Exchange reserve 匯兌儲備	Share based payment reserve 以股份為 基礎的付款	Retained earnings 保留溢利	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2010	於二零一零年一月一日	126,618	34,115	3,700	-	16,913	718	206,321	388,385
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 29(b)(iii))	出售附屬公司 (附註29(b)(iii))	-	-	-	-	(15,488)	-	-	(15,488)
Share based payment	以股份為基礎的付款	-	-	-	-	-	5,104	-	5,104
At 31st December 2010 and 1st January 2011	於二零一零年十二月三十一日及二零一一年一月一日	<b>126,618</b>	<b>34,115</b>	<b>3,700</b>	<b>-</b>	<b>5,935</b>	<b>5,822</b>	<b>83,552</b>	<b>259,742</b>
Profit for the year	年度溢利	-	-	-	-	-	-	13,280	13,280
Currency translation differences	貨幣換算差額	-	-	-	-	754	-	-	754
Disposal of subsidiaries (Note 29(b)(i)&(ii))	出售附屬公司 (附註29(b)(i)&(ii))	-	-	-	-	(4,773)	-	-	(4,773)
Share based payment	以股份為基礎的付款	-	-	-	-	-	1,789	-	1,789
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	24	-	-	(24)	-
Transfer upon lapse of share options	因購股權失效轉撥	-	-	-	-	-	(957)	957	-
At 31st December 2011	於二零一一年十二月三十一日	<b>126,618</b>	<b>34,115</b>	<b>3,700</b>	<b>24</b>	<b>1,916</b>	<b>6,654</b>	<b>97,765</b>	<b>270,792</b>

# Notes to the Financial Statements

## 財務報表附註

### 24. Reserves (cont'd)

### 24. 儲備(續)

#### Company

#### 本公司

		Share premium	Contributed surplus (note(iii)) 繳入盈餘 (附註(iii))	Share based payment reserve 以股份為 基礎的付款	Accumulated deficit 累計虧損	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2010	於二零一零年一月一日	126,618	86,759	718	(52,112)	161,983
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 and 1st January 2011	於二零一零年 十二月三十一日及 二零一一年一月一日	<b>126,618</b>	<b>86,759</b>	<b>5,822</b>	<b>(234,797)</b>	<b>(15,598)</b>
Loss for the year	年度虧損	-	-	-	(4,418)	(4,418)
Share based payment	以股份為基礎的付款	-	-	1,789	-	1,789
Transfer upon lapse of share options	因購股權失效轉撥	-	-	(957)	931	(26)
At 31st December 2011	於二零一一年 十二月三十一日	<b>126,618</b>	<b>86,759</b>	<b>6,654</b>	<b>(238,284)</b>	<b>(18,253)</b>

#### Notes:

#### 附註：

- (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.

- (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價值超出已支付代價之差額。
- (ii) 本集團因集團重組而產生之合併儲備，乃按根據集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值兩者間之差額釐定。



# Notes to the Financial Statements

## 財務報表附註

### 24. Reserves (cont'd)

Notes: (cont'd)

- (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 and 2011, there is no distributable profit for the Company.

### 24. 儲備(續)

附註：(續)

- (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) 於二零一零年及二零一一年十二月三十一日，本公司無可供分派溢利。

### 25. Borrowings

### 25. 借貸

#### Current

Short term bank borrowings (note (i))  
Trust receipt loans (note (i))

#### 流動

短期銀行借貸(附註(i))  
信託收據貸款(附註(i))

Representing:  
Unsecured  
Secured (note (v))

其中：  
無抵押  
有抵押(附註(v))

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
–	106,731
<b>69,925</b>	67,311
<b>69,925</b>	174,042
<b>2,989</b>	1,511
<b>66,936</b>	172,531
<b>69,925</b>	174,042

# Notes to the Financial Statements

## 財務報表附註

### 25. Borrowings (cont'd)

Notes:

- (i) The carrying amounts of the short term bank borrowings and trust receipt loans approximate their fair values. As at 31st December 2011, trust receipt loans of HK\$66,936,000 (2010: HK\$65,800,000) are secured. As at 31st December 2010, short term bank borrowings of HK\$106,731,000 were secured.
- (ii) The bank borrowings and trust receipt loans are denominated in the following currencies:

Borrowings:	借貸：
Hong Kong dollars	港元
RMB	人民幣

- (iii) The effective interest rates (per annum) at the balance sheet date are as follows:

Short term bank borrowings	短期銀行借貸
Trust receipt loans	信託收據貸款

- (iv) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

Six months or less	六個月或以下
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### 25. 借貸(續)

附註：

- (i) 短期銀行借貸及信託收據貸款之賬面金額與彼等公允價值相若。於二零一一年十二月三十一日，66,936,000 港元(二零一零年：65,800,000 港元)之信託收據貸款為有抵押。於二零一零年十二月三十一日，106,731,000 港元之短期銀行貸款為有抵押。
- (ii) 銀行借貸及信託收據貸款以下列貨幣列值：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
69,925	67,311
-	106,731
<b>69,925</b>	<b>174,042</b>

- (iii) 於資產負債表日，借貸之有效年利率如下：

2011 二零一一年 %	2010 二零一零年 %
-	6.49
<b>1.70</b>	<b>1.67</b>

- (iv) 於資產負債表日，本集團借貸面臨的利率變動及合同重新定價日風險如下：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
-	106,731

# Notes to the Financial Statements

## 財務報表附註

### 25. Borrowings (cont'd)

Notes: (cont'd)

- (v) The banking facilities are secured by corporate guarantees and certain assets held by subsidiaries. As at 31st December 2011, bank deposits of approximately HK\$70,450,000 (2010: HK\$92,789,000) (Note 21) are secured. As at 31st December 2010, property, plant and equipment of approximately HK\$3,520,000 (Note 15), land use rights of approximately HK\$26,896,000 (Note 16) and inventories of approximately HK\$80,930,000 (Note 19) were secured.

### 26. Deferred taxation

Deferred tax assets to be recovered after 12 months	將於十二個月後彌補之遞延稅項資產
Deferred tax liabilities to be settled after 12 months	將於十二個月後償還之遞延稅項負債

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.

### 25. 借貸(續)

附註：(續)

- (v) 銀行融資額度由公司擔保及附屬公司持有之資產作抵押。於二零一一年十二月三十一日，銀行存款約70,450,000港元(二零一零年：92,789,000港元)(附註21)已作抵押。於二零一零年十二月三十一日，物業、廠房及設備約3,520,000港元(附註15)、土地使用權約26,896,000港元(附註16)及存貨約80,930,000港元(附註19)作抵押。

### 26. 遞延稅項

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
97	4,578
-	(4,541)
<b>97</b>	<b>37</b>

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(於資產負債表日已頒佈或實質頒佈)作全數撥備。

# Notes to the Financial Statements

## 財務報表附註

### 26. 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:

### 26. 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負債互相抵銷。

遞延稅項賬目之變動淨額如下：

		<b>2011</b>	2010
		<b>二零一一年</b>	二零一零年
		<b>HK\$'000</b>	HK\$'000
		<b>千港元</b>	千港元
At 1st January	於一月一日	<b>37</b>	(6,975)
Credited to income statement	在收益賬計入		
– Continuing operation	– 持續營運業務	<b>60</b>	(2,258)
(Note 10)	(附註10)		
– Discontinued operations	– 終止營運業務	–	9,373
Exchange differences	匯兌差額	–	(103)
At 31st December	於十二月三十一日	<b>97</b>	37

# Notes to the Financial Statements

## 財務報表附註

### 26. 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, are as follows:

#### Deferred tax assets

At 1st January 2010 (Charged)/credited to income statement	於二零一零年一月一日 在收益表(扣除)/計入
– Continuing operation	– 持續營運業務
– Discontinued operations	– 終止營運業務
Exchange differences	匯兌差額
At 31st December 2010 and 1st January 2011 (Charged)/credited to income statement	於二零一零年 十二月三十一日及 二零一一年一月一日 在收益表(扣除)/計入
– Continuing operation	– 持續營運業務
– Discontinued operations	– 終止營運業務
Exchange differences	匯兌差額
Disposal of subsidiaries (Note 29(b)(ii))	出售附屬公司 (附註 29(b)(ii))
At 31st December 2011	於二零一一年 十二月三十一日

### 26. 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

	<b>Tax losses</b> <b>稅務虧損</b> HK\$'000 千港元	<b>Decelerated tax depreciation</b> <b>減速稅項折舊</b> HK\$'000 千港元	<b>Total</b> <b>總額</b> HK\$'000 千港元
	11,833	–	11,833
	(2,366)	37	(2,329)
	(9,577)	4,429	(5,148)
	110	112	222
	–	<b>4,578</b>	<b>4,578</b>
	–	<b>60</b>	<b>60</b>
	–	<b>(52)</b>	<b>(52)</b>
	–	<b>70</b>	<b>70</b>
	–	<b>(4,559)</b>	<b>(4,559)</b>
	–	<b>97</b>	<b>97</b>

# Notes to the Financial Statements

## 財務報表附註

### 26. Deferred taxation (cont'd)

### 26. 遞延稅項(續)

#### Deferred tax liabilities

#### 遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Revaluation on assets 重估資產 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st January 2010	於二零一零年一月一日	(70)	(18,738)	(18,808)
Credited/(charged) to income statement	在收益表 計入/(扣除)			
– Continuing operation	– 持續營運業務	71	–	71
– Discontinued operations	– 終止營運業務	(1)	14,522	14,521
Exchange differences	匯兌差額	–	(325)	(325)
At 31st December 2010 and 1st January 2011	於二零一零年 十二月三十一日及 二零一一年一月一日	–	(4,541)	(4,541)
Credited/(charged) to income statement	在收益表計入/(扣除)			
– Discontinued operations	– 終止營運業務	–	52	52
Exchange differences	匯兌差額	–	(70)	(70)
Disposal of subsidiaries (Note 29(b)(iii))	出售附屬公司 (附註 29(b)(iii))	–	4,559	4,559
At 31st December 2011	於二零一一年 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 HK\$7,165,000 (2010: HK\$24,090,000) in respect of accumulated tax losses amounting to HK\$41,426,000 as at 31st December 2011 (2010: HK\$110,509,000), that can be carried forward against future taxable income. As at 31st December 2011, the accumulated tax losses amounting to HK\$3,881,000 (2010: HK\$68,900,000) will be expired in five years. There is no expiry period for the other tax losses.

遞延所得稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作出確認。本集團並未就二零一一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41,426,000港元(二零一零年: 110,509,000港元)確認遞延所得稅項資產7,165,000港元(二零一零年: 24,090,000港元)。於二零一一年十二月三十一日, 該等累計稅項虧損達3,881,000港元(二零一零年: 68,900,000港元), 將於五年內到期。其他稅項虧損並無屆滿期間。

# Notes to the Financial Statements

## 財務報表附註

### 27. Trade and other payables

Trade payables  
Accrued expenses and  
other payables

貿易應付款項  
預提費用及  
其他應付款

### 27. 貿易及其他應付款項

Group 本集團		Company 本公司	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
16,672	87,425	-	-
38,053	55,412	6,758	8,148
<b>54,725</b>	142,837	<b>6,758</b>	8,148

The ageing analysis of the Group's trade payables is as follows:

本集團貿易應付款項的賬齡分析如下：

Within 30 days  
31 to 60 days  
61 to 90 days  
Over 90 days

30天以內  
31天至60天  
61天至90天  
超過90天

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
13,262	21,943
1,904	5,449
433	692
1,073	59,341
<b>16,672</b>	87,425

# Notes to the Financial Statements

## 財務報表附註

### 27. Trade and other payables (cont'd)

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

Hong Kong dollars	港元
USD	美元
RMB	人民幣
EURO	歐元
Other currencies	其他貨幣

### 27. 貿易及其他應付款項(續)

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：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
43,732	29,267
7,462	33,855
1,950	75,353
312	3,695
1,269	667
<b>54,725</b>	<b>142,837</b>

### 28. 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
Equipment and motor vehicles	設備及汽車
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

### 28. 經營租約承擔

Group 本集團	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
16,604	15,375
60,172	18,834
9,784	145
<b>86,560</b>	<b>34,354</b>
752	378
1,260	1,251
<b>2,012</b>	<b>1,629</b>
<b>88,572</b>	<b>35,983</b>

The lease terms are between one to ten years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

租賃期介乎一至十年，主要的租賃合約於租賃期到期後按市價續約。



# Notes to the Financial Statements

## 財務報表附註

### 29. Notes to the consolidated statement of cash flows

### 29. 綜合現金流量表附註

(a) Reconciliation of profit/(loss) before income tax to net cash generated from/(used in) operations

(a) 稅前溢利/(虧損)與經營業務產生/(所用)之現金淨額對賬

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit/(loss) before income tax from continuing operation	持續營運業務之稅前溢利/(虧損)	15,664	(13,231)
Loss before income tax from discontinued operations	終止營運業務之稅前虧損		
– Seamless steel pipes	– 無縫鋼管	(1,717)	(144,635)
– Investment properties	– 投資物業	-	(27,731)
		<b>13,947</b>	(185,597)
Adjustments for:	就下列作出調整：		
Depreciation	折舊	1,983	11,903
Amortisation	攤銷	207	658
Loss on disposal of property, plant and equipment, net (note)	出售物業、廠房及設備之虧損淨額(附註)	110	10
Fair value loss on investment properties	投資物業之公允價值虧損	-	23,110
Interest income	利息收入	(601)	(307)
Interest expenses	利息支出	4,264	17,937
Write-back of trade payable	貿易應付款回撥	(6,912)	-
Provision for customer claim	客戶補償撥備	3,694	-
Provision for impairment of trade and other receivables	貿易及其他應收款減值撥備	710	5,886
Write-back of provision for impairment of inventories	存貨減值回撥	(3,093)	(4,736)
Impairment loss on property, plant and equipments	物業、廠房及設備減值虧損	-	98,900
Impairment loss on land use rights	土地使用權減值虧損	-	2,471
Impairment loss on goodwill	商譽減值虧損	-	23,050
Share based payments	以股份為基礎的付款	1,789	5,104
Gain on disposal of subsidiaries	出售附屬公司收益	(832)	-
Changes in working capital:	營運資金變動：		
Increase in inventories	存貨增加	(11,355)	(42,435)
Increase in trade and other receivables	貿易及其他應收款增加	(23,778)	(7,434)
Increase in trade and other payables	貿易及其他應付款增加	33,450	49,515
Decrease in amounts due to a non-controlling shareholder	應付一位非控制性股東款項減少	(17)	(118)
Net cash generated from/(used in) operations	經營業務產生/(所用)現金淨額	<b>13,566</b>	(2,083)

# Notes to the Financial Statements

## 財務報表附註

### 29. Notes to the consolidated statement of cash flows (cont'd)

(a) Reconciliation of profit/(loss) before income tax to net cash generated from/(used in) operations (cont'd)

Note: Proceeds from disposal of property, plant and equipment comprises:

Net book amount	賬面淨值
Loss on disposal	出售之虧損
Proceeds from disposal	出售所得款項
Represented by:	代表:
Cash	現金
Other receivable	其他應收款

### 29. 綜合現金流量表附註(續)

(a) 稅前溢利/(虧損)與經營業務產生/(所用)之現金淨額對賬(續)

附註：出售物業、廠房及設備之所得款項包括：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
225	353
(110)	(10)
115	343
115	22
-	321
115	343

# Notes to the Financial Statements

## 財務報表附註

### 29. Notes to the consolidated statement of cash flows (cont'd)

#### (b) Disposal of subsidiaries

- (i) Details of disposal of subsidiaries relating to continuing operation are as follows:

Net assets disposed of	已出售淨資產
Trade and other receivables	貿易及其他應收款項
Inventories	存貨
Cash and cash equivalents	現金及現金等價物
Trade and other payables	貿易及其他應付款項
Net liabilities	淨負債
Exchange reserves released	撥出之匯兌儲備
Gain on disposal of subsidiaries	出售附屬公司收益
Satisfied by:	支付方式：
Cash received	已收現金
Analysis of net cash outflow in respect of disposal of subsidiaries:	有關出售附屬公司之現金流出淨額分析：
Cash received	已收現金
Cash and cash equivalents disposed of	已出售之現金及現金等價物
Net cash outflow in respect of disposal of subsidiaries	有關出售附屬公司之現金流出淨額

### 29. 綜合現金流量表附註(續)

#### (b) 出售附屬公司

- (i) 有關持續營運業務之出售附屬公司詳情列載如下：

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
193	-
52	-
2,072	-
(2,417)	-
<hr/>	<hr/>
(100)	-
(732)	-
832	-
<hr/>	<hr/>
-	-
<hr/> <hr/>	<hr/> <hr/>
-	-
<hr/>	<hr/>
2,072	-
<hr/>	<hr/>
2,072	-
<hr/> <hr/>	<hr/> <hr/>

# Notes to the Financial Statements

## 財務報表附註

### 29. Notes to the consolidated statement of cash flows (cont'd)

### 29. 綜合現金流量表附註(續)

#### (b) Disposal of subsidiaries (cont'd)

#### (b) 出售附屬公司(續)

(ii) Details of disposal of subsidiaries relating to discontinued operations are as follows:

(ii) 有關終止營運業務之出售附屬公司詳情列載如下：

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Net assets disposed of	已出售淨資產			
Property, plant and equipment	物業、廠房及設備	15	3,754	1,827
Land use rights	土地使用權	16	28,694	-
Investment properties	投資物業		-	166,623
Deferred tax assets	遞延稅項資產	26	4,559	-
Trade and other receivables	貿易及其他應收款項		62,016	3
Inventories	存貨		85,627	-
Pledged bank deposits	抵押銀行存款		31,312	-
Cash and cash equivalents	現金及現金等價物		11,348	1,431
Trade and other payables	貿易及其他應付款項		(117,476)	(4,577)
Borrowings	借貸		(108,387)	-
Deferred tax liabilities	遞延稅項負債	26	(4,559)	-
Net (liabilities)/assets	淨(負債)/資產		(3,112)	165,307
Non-controlling interests	非控制性權益		11,846	-
			8,734	165,307
Exchange reserves released	撥出之匯兌儲備		(4,041)	(15,488)
Gain on disposal of subsidiaries	出售附屬公司收益		1,569	12,847
			6,262	162,666
Satisfied by:	支付方式：			
Cash received	已收現金		6,262	162,666
Analysis of net cash (outflow)/inflow in respect of disposal of subsidiaries:	有關出售附屬公司之現金(流出)/流入淨額分析：			
Cash received	已收現金		6,262	162,666
Cash and cash equivalents disposed of	已出售之現金及現金等價物		(11,348)	(1,431)
Net cash (outflow)/inflow in respect of disposal of subsidiaries	有關出售附屬公司之現金(流出)/流入淨額		(5,086)	161,235

# Notes to the Financial Statements

## 財務報表附註

### 30. Financial guarantee contract

As at 31st December 2010, a subsidiary of the Group in Mainland China had 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 was required to provide 50% pledged deposit upon drawdown. This guarantee had been provided as part of counter security arrangement entered into by the subsidiary with the independent third party, whereby the independent third party had also provided corporate guarantee in favor of the subsidiary for banking facilities up to approximately HK\$47.4 million. The financial guarantee contract was not recognised in the consolidated financial statements as at 31st December 2010 due to its insignificant value.

### 31. Related party transactions

#### (a) Balances with related parties

Amount due to a related company (note(i))	應付一家關連公司款項 (附註 (i))
Amount due to a non-controlling shareholder (note(ii))	應付一位非控制性股東款項 (附註 (ii))

### 30. 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)。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，故沒有於二零一零年十二月三十一日綜合財務報表內確認。

### 31. 關連人士交易

#### (a) 關連人士結餘

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>876</b>	876
<b>-</b>	17

# Notes to the Financial Statements

## 財務報表附註

### 31. Related party transactions (cont'd)

#### (a) Balances with related parties (cont'd)

Notes:

- (i) The related company is indirectly owned by a director. The balance was unsecured, non-interest bearing and repayable on demand.
- (ii) Amount due to a non-controlling shareholder was unsecured, non-interest bearing and repayable on demand.
- (iii) Interest expenses paid to a related party for the year ended 31st December 2010 and 2011 are disclosed in Note 9.

#### (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	退休金成本一定額供款計劃
Share based payments	以股份為基礎之付款

### 31. 關連人士交易(續)

#### (a) 關連人士結餘(續)

附註：

- (i) 關連公司為一位董事間接擁有之實體。結餘為無抵押、無附帶利息及按要求償還。
- (ii) 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。
- (iii) 截至二零一零年及二零一一年十二月三十一日止年度,付給一位關連人士之利息支出於附註9披露。

#### (b) 主要管理人員報酬

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>17,486</b>	13,628
<b>211</b>	231
<b>1,821</b>	3,914
<b>19,518</b>	17,773

# Notes to the Financial Statements

## 財務報表附註

### 32. 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.

### 33. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation or restated to disclose the results of the discontinued operations. These reclassifications have no impact on the Group's and the Company's loss for the year ended 31st December 2010 or the Group's and the Company's total equity as at 31st December 2010.

### 34. Approval of financial statements

The financial statements were approved by the Board of Directors on 14th March 2012.

### 32. 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。Singapore Zhongxin 由本公司之董事 Lai Guanglin 先生全資及實益擁有。

### 33. 比較數字

若干比較數字已予以重分類以符合本年度之呈列方式或重列以披露終止營運業務。重列的數字對本集團及本公司截至二零一零年十二月三十一日止年度的虧損及於二零一零年十二月三十一日的總權益並無影響。

### 34. 審批財務報表

董事會於二零一二年三月十四日審批財務報表。

# Notes to the Financial Statements

## 財務報表附註

### 35. Particulars of the principal subsidiaries

### 35. 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 於香港從事建築材料(主要為喉管 及管件)之貿易	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>				
Bun Kee Building Material (Guangzhou) Co., Ltd.# 彬記建材(廣州)有限公司#	Assembling construction 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 於澳門從事建築材料(主要為喉管 及管件)之貿易	MOP50,000 50,000澳門幣	100	100

# The company is incorporated in the PRC as a wholly foreign-owned enterprise.

# 該公司為於中國成立之外商獨資公司。



# Five Year Financial Summary

## 五年財務概要

		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	2011 二零一一年 HK\$'000 千港元
Revenue	收入	633,668	701,766	452,018	385,145	<b>438,395</b>
Profit/(loss) before income tax	稅前溢利/(虧損)	84,583	(36,868)	(25,272)	(13,231)	<b>15,664</b>
Income tax (expense)/credit	稅項(支出)/抵免	(17,479)	(5,728)	2,221	(3,434)	<b>(2,791)</b>
Profit/(loss) for the year from continuing operations	持續營運業務之年度 溢利/(虧損)	67,104	(42,596)	(23,051)	(16,665)	<b>12,873</b>
Loss for the year from discontinued operations	終止營運業務 之年度虧損					
Seamless steel pipes	無縫鋼管	-	-	-	(135,563)	<b>(148)</b>
Investment properties	投資物業	-	-	(16,346)	(14,855)	<b>-</b>
Loss for the year from discontinued operations	終止營運業務 之年度虧損	-	-	(16,346)	(150,418)	<b>(148)</b>
Profit/(loss) for the year	年度溢利/(虧損)	67,104	(42,596)	(39,397)	(167,083)	<b>12,725</b>
Attributable to:	應佔：					
Equity holders of the Company	本公司股權持有人	67,104	(42,596)	(39,662)	(122,769)	<b>13,280</b>
Non-controlling interests	非控制性權益	-	-	265	(44,314)	<b>(555)</b>
		67,104	(42,596)	(39,397)	(167,083)	<b>12,725</b>
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	817,492	820,834	924,788	598,355	<b>422,988</b>
Total liabilities	總負債	(369,883)	(416,210)	(476,645)	(323,062)	<b>(125,531)</b>
Total equity	總權益	447,609	404,624	448,143	275,293	<b>297,457</b>

Notes:

- The results of operation of investment properties segment (which was discontinued in 2010) prior to 2009 have not been restated or reclassified.
- The results of manufacturing and sale of seamless steel pipes segment (which was discontinued in 2011) prior to 2010 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。
- 生產及銷售無縫鋼管營運分部(於二零一一年內終止營運)於二零一零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