



華耐控股有限公司  
SINOREF HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

Stock Code 股份代號: 1020

Annual Report  
2013 年報



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# Corporate Information

## 公司資料

### EXECUTIVE DIRECTORS

Mr. Xu Yejun  
Mr. Zhao Ping  
Mr. Ho Yuk Hay

### NON-EXECUTIVE DIRECTOR

Mr. Chow Chi Wa

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yao Enshu  
Mr. Tsui Siu Hang, Steve  
Mr. Wong Kwong Chi

### COMPANY SECRETARY

Mr. Ho Yuk Hay

### AUTHORISED REPRESENTATIVES

Mr. Zhao Ping  
Mr. Ho Yuk Hay

### AUDIT COMMITTEE

Mr. Tsui Siu Hang, Steve (*Chairman*)  
Mr. Yao Enshu  
Mr. Wong Kwong Chi

### REMUNERATION COMMITTEE

Mr. Yao Enshu (*Chairman*)  
Mr. Xu Yejun  
Mr. Tsui Siu Hang, Steve  
Mr. Wong Kwong Chi

### NOMINATION COMMITTEE

Mr. Xu Yejun (*Chairman*)  
Mr. Yao Enshu  
Mr. Tsui Siu Hang, Steve  
Mr. Wong Kwong Chi

### REGISTERED OFFICE

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

### 執行董事

徐葉君先生  
趙平先生  
何旭晞先生

### 非執行董事

周志華先生

### 獨立非執行董事

姚恩澍先生  
徐紹恒先生  
王幹芝先生

### 公司秘書

何旭晞先生

### 授權代表

趙平先生  
何旭晞先生

### 審核委員會

徐紹恒先生 (*主席*)  
姚恩澍先生  
王幹芝先生

### 薪酬委員會

姚恩澍先生 (*主席*)  
徐葉君先生  
徐紹恒先生  
王幹芝先生

### 提名委員會

徐葉君先生 (*主席*)  
姚恩澍先生  
徐紹恒先生  
王幹芝先生

### 註冊辦事處

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

**HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC**

East Qingyuan Ave.  
Yixing EDZ, Jiangsu  
China 214200

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Suite 2007, Tower 1, Lippo Centre  
89 Queensway  
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**CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

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

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

**AUDITOR**

Deloitte Touche Tohmatsu

**LEGAL ADVISER**

Chiu & Partners

**PRINCIPAL BANKER**

Bank of Communications  
The Hongkong and Shanghai Banking Corporation Limited

**COMPANY WEBSITE**

[www.sinoref.com.hk](http://www.sinoref.com.hk)

**STOCK CODE**

Stock Exchange of Hong Kong: 1020

**總辦事處及中國主要營業地點**

中國江蘇省  
宜興經濟開發區  
慶源大道東  
郵編214200

**香港主要營業地點**

香港  
金鐘道89號  
力寶中心1座2007室

**開曼群島股份過戶登記總處**

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

**香港股份過戶登記分處**

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

**核數師**

德勤•關黃陳方會計師行

**法律顧問**

趙不渝 馬國強律師事務所

**主要往來銀行**

交通銀行  
香港上海滙豐銀行有限公司

**公司網址**

[www.sinoref.com.hk](http://www.sinoref.com.hk)

**股份代號**

香港聯交所：1020

# Chairman's Statement

## 主席報告書

Dear Shareholders,

On behalf of the board ("Board") of directors ("Directors") of Sinoref Holdings Limited ("Sinoref" or "Company", together with its subsidiaries, the "Group"), I am pleased to present its annual report for the year ended 31 December 2013.

In 2013, the iron and steel industry was still suffering in the "Harsh Winter" where the long-lasting problems of overcapacity and volatile raw materials prices have driven profitability of the steel industry downwards. In spite of the macroeconomic data suggesting an ongoing recovery in China, the modest economic growth has not worked as a catalyst to spur steel demand. According to the China Iron and Steel Association (CISA), the China Steel Price Index (CSPI) dropped 8.6%, compared to the previous year to 102 points in 2013. The lower steel price has further dampened the business of the steel manufacturers and downstream supply chains. Given the deteriorating market environment and more intense competition, the narrowing profit margin of the Group resulted in its first loss since Sinoref's establishment in 2005 of RMB56.8 million.

With regard to the adverse industry conditions, the new Chinese government leadership showed an unprecedented determination to address the overcapacity issue. The recent announcement of the stringent policies emphasised on controlling the expansion of production capacity and eliminating technically obsolete facilities, with a target to decrease steel capacity by 80 million tonnes over the next five years. According to the CISA, the steel production has continuously declined in late 2013, an indicator that the stringent controls are taking effect. In order to comply with upcoming stricter emission control standards, the steel manufacturers are speeding up facility upgrade, which in turn should boost the demand for advanced steel flow control products. We believe that the subsequent restructuring would consolidate the sector and create a healthy operating environment for the long-term development of the industry. Sinoref will maintain the competitiveness of its high quality products and leverage the potential opportunities presented by supportive policies in the coming years.

各位股東：

本人謹代表華耐控股有限公司（「華耐」或「本公司」，連同其附屬公司合稱「本集團」）董事（「董事」）會（「董事會」），欣然向各位股東提呈截至二零一三年十二月三十一日止年度之全年業績報告。

二零一三年，鋼鐵行業仍然在經歷「嚴冬」，長久以來未解決的產能過剩問題以及原材料價格波動令鋼鐵行業的盈利水平一直下滑。儘管宏觀經濟數據顯示中國經濟正在復甦，但溫和的經濟增幅尚不能提振鋼鐵需求。根據中國鋼鐵工業協會的數據，二零一三年中國鋼材價格指數較上年下跌8.6%至102點。鋼價下跌令鋼廠的業務及下游供應鏈雪上加霜。鑑於市場環境持續轉差加之競爭日趨激烈，本集團利潤率下降，致使華耐自二零零五年成立以來首次錄得虧損人民幣5,680萬元。

針對不利的行業形勢，中國政府新一屆領導人顯示出前所未見的決心解決產能過剩問題。最近更發佈了嚴厲的政策，重點嚴控擴大產能及淘汰落後技術設備，旨在未來五年內削減鋼鐵產能8,000萬噸。根據中國鋼鐵工業協會的數據，二零一三年年底鋼材產量持續下降，表明嚴控措施取得成效。為了符合即將出台的更加嚴格的排放控制標準，鋼廠正在加速設備升級，而這應能促進對高端鋼水控流產品的需求。我們相信隨後進行的結構調整將能整合整個行業，創造出一個就行業長期發展而言健康的營運環境。未來幾年，華耐將保持優質產品的競爭力，並充分利用鼓勵性政策帶來的潛在機遇。

## Chairman's Statement 主席報告書

As the leading manufacturer of advanced steel flow control products in China, the Group is dedicated to provide superior and differentiated products to our customers in both domestic and overseas markets. Our high-quality products have earned the appreciation of leading steel manufacturers in Europe, Russia and Korea. We are confident to maintain our leading position in the domestic market, and raise the brand recognition around the globe market as well.

To stay ahead, we understand the importance of technology advancement. We have continued to put great emphasis on research and development. As at 31 December 2013, we have obtained a total of 18 registered patents.

In addition to organic growth, we have been actively exploring acquisition opportunities to diversify our business and broaden our revenue base. In March 2014, we entered into a share transfer agreement to acquire a company principally engaged in the sales and production of paper converting equipment. We are confident in the industry prospect and the target company's growth potential in view of the enormous market opportunities and its high quality products, renowned brand and extensive sales network. We believe that this acquisition will bring in additional growth drivers to Sinoref and boost our overall performance in the future.

Moving forward, riding on our competitive edge in the steel flow control industry and our strategy to diversify toward more profitable business sectors, we believe Sinoref will regain its strength in the near future and start to reward shareholders with outstanding results.

On behalf of the Board, I would like to take this opportunity to express our heartfelt gratitude to the staff for their steadfast dedication amidst the adverse and challenging environment, as well as to our shareholders and business partners for their invaluable support and trust over the years.

**Xu Yejun**  
Chairman

作為中國高端鋼水控流產品的領先廠商，本集團致力於為國內外市場的客戶提供優質多樣的產品。我們的優質產品贏得了歐洲、俄羅斯及韓國領先鋼廠的讚賞。我們有信心鞏固在國內市場的領先地位，同時提升在全球市場的品牌認可度。

我們明白先進技術對保持領先地位的重要性，因此始終高度重視研發。於二零一三年十二月三十一日，我們共取得18項註冊專利。

除有機增長外，我們還一直積極發掘收購機會，多元化我們的業務及擴大收入來源。二零一四年三月，我們訂立一份股份轉讓協議，收購一間主要從事銷售及生產紙張加工設備的公司。鑑於市場機會眾多且目標公司擁有優質的產品、知名的品牌及廣泛的銷售網絡，我們對行業前景及目標公司的增長潛力擁有信心。我們相信，此項收購將為華耐帶來額外的增長動力並提升未來的整體表現。

展望未來，憑藉我們在鋼水控流行業的競爭優勢以及進軍其他更可獲利業務部門的戰略，我們相信華耐必將在不久的將來重展實力，並對股東報以出色的業績。

本人謹代表董事會，藉此機會對在充滿挑戰的不利環境中忠誠投入、竭盡所能的員工衷心致謝，同時感激股東及業務夥伴多年以來的寶貴支持和信任。

**徐葉君**  
主席

# Management Discussion and Analysis

## 管理層討論與分析

### MARKET REVIEW

In 2013, the global economy was turbulent made complicated by the myriad issues it faced. In the international community, there were the United States debt crisis, the European debt crisis and the unrest in the Arab world. The aftermath of all of these political and economic crises continued to affect the recovery of the world's economy, leading to a decline in demand for commodities-based products, a fragile commodities market, sluggish selling prices for commodities and financial market volatility. In the People's Republic of China ("China" or "PRC"), gross domestic product reported a growth of approximately 7.7% in 2013, the slowest since 1999. The growth slowdown in the domestic economy, coupled with overcapacity but inadequate demand, excess inventory, inflation of iron ore prices, and continuing decline in steel price have put enormous pressure on the production and operations of steel manufacturers. As a result, a certain amount of large steel manufacturers were still suffering losses.

Even worse, many small industry players were forced to be closed down due to a break in the capital chain. According to the World Steel Association, the total production of crude steel in China has increased from approximately 708.8 million tonnes in 2012 to approximately 779.0 million tonnes in 2013, representing an increase of approximately 9.9%. However, according to the China Steel Logistics Professional Committee, China's steel purchasing managers' index was 47.7% in December 2013, remaining in a contraction mode for the fourth consecutive month since September. The dilemma of excess output and sluggish demand has exerted significant impact on steel prices. According to the National Development and Reform Commission of China, steel prices in the first half of 2013 declined considerably, and lingered at low levels during the second half of the year. In December 2013, the composite steel price index dropped to 99.28, which was even lower than that of 1994.

Although the new leadership governing China has taken measures to accelerate industry restructuring, the pace is still slower than anticipated and the desired result has yet to materialise.

### 市場回顧

於二零一三年，所面臨的各種問題令局面更加複雜，致使全球經濟動蕩。在國際社會上，有美國債務危機、歐洲債務危機及阿拉伯世界局面動蕩。這些政治和經濟危機所帶來的後果將繼續影響世界經濟復甦，導致日用品需求下降、商品市場更加脆弱、商品售價低迷及金融市場波動。在中華人民共和國（「中國」），國內生產總值在二零一三年增長約7.7%，是自一九九九年以來增長最慢的一年。國內經濟增長放緩，加上產能過剩但需求不足，存貨過多，鐵礦石價格飛漲，及鋼鐵價格持續下跌，對鋼廠的生產和經營帶來了巨大壓力。因此，若干大型鋼廠仍在蒙受損失。

更糟糕的是，許多小型行業廠商因資金鏈中斷而被迫停業。根據國際鋼鐵協會的資料，中國的粗鋼總產量由二零一二年的約7億880萬噸增加到二零一三年的約7億7,900萬噸，增幅為約9.9%。然而，根據中物聯鋼鐵物流專業委員會的資料，中國於二零一三年十二月的鋼鐵採購經理人指數為47.7%，是自九月以來連續第四個月保持收縮模式。產量過剩及需求遲滯對鋼鐵價格產生了重大影響。根據國家發展和改革委員會的資料，鋼鐵價格在二零一三年上半年出現大幅下跌，而且在下半年仍然徘徊在低水平。在二零一三年十二月，綜合鋼材價格指數降至99.28點，甚至比一九九四年的還要低。

雖然中國的新任領導人已採取措施加快產業重組，但速度仍低於預期，且預期結果尚未實現。

# Management Discussion and Analysis

## 管理層討論與分析

### BUSINESS REVIEW

#### Consolidation in customer base

Building on its strong reputation in the industry and leading technologies in the design and manufacturing of advanced steel flow control products, the Group has further consolidated its customer base in the PRC market. During the year ended 31 December 2013, the Group has secured another two strategic important new customers, Jiangsu Shagang Group (江蘇沙鋼集團有限公司) and Hebei Shougang Qian'An Iron & Steel Co. Ltd (河北省首鋼遷安鋼鐵有限公司). Meanwhile, the Group continued to be the key supplier of the top 10 steel manufacturers in the PRC, including Baosteel Group, Shougang Group, Hebei Group and Wuhan Steel. Going forward, we will continue to explore business opportunities with domestic steel manufacturers to drive further business growth.

#### Expanded overseas market

During the year under review, the global economy has seen a moderate recovery which has created more international business opportunities. As a result, the management understands the importance of diversifying its customer base and has devoted substantial efforts to further expand the overseas market. The Group has built up the reputation of the brand "Sinoref" among the steel industry over the years and has successfully gained good reputation among many of the world's most renowned steel manufacturers, including: the world's largest steel and mining company, ArcelorMittal; and the world's largest manufacturer, processor and distributor of special long steel products, Carbofref GmbH; and during the period under review, the Group recorded encouraging results in expanding into overseas markets, with overseas revenue rising from approximately RMB13.2 million in 2012 to approximately RMB25.9 million in 2013. We will strive to enhance our global brand awareness with the view to strengthen the Group's leading position in the industry.

### 業務回顧

#### 鞏固客戶基礎

基於本集團在業界的良好聲譽及在設計和製造高端鋼水控流產品方面的領先技術，本集團已進一步鞏固了中國市場的客戶基礎。截至二零一三年十二月三十一日止年度，本集團已獲得另外兩名具有戰略重要性的新客戶江蘇沙鋼集團有限公司及河北省首鋼遷安鋼鐵有限公司。同時，本集團仍是中國十大鋼廠的主要供應商，包括寶鋼集團、首鋼集團、河北集團及武漢鋼鐵。展望未來，我們將繼續與國內鋼廠一併發掘商機，進一步推動業務增長。

#### 擴充海外市場

於回顧年度，全球經濟溫和復甦，創造出更多國際商機。因此，管理層清楚了解顧客群多元化的重要性，並付出巨大努力進一步擴張海外市場。經過多年耕耘，本集團已在鋼鐵行業打響「Sinoref」品牌並成功獲得多家全球知名鋼鐵生產企業的青睞，包括世界最大的鋼鐵及礦業公司ArcelorMittal及世界最大的超長鋼材產品製造商、加工商及分銷商Carbofref GmbH。於回顧期間，本集團海外市場擴張成果令人振奮：海外收入由二零一二年約人民幣1,320萬元上升至二零一三年約人民幣2,590萬元。我們將繼續努力提升品牌國際知名度，鞏固本集團在業界的領先地位。



# Management Discussion and Analysis

## 管理層討論與分析

### Enhanced research and development

For the year ended 31 December 2013, the Group has attained five new utility patents and one new registered invention patent. This brings the Group's total to 18 registered patents as at the end of the year under review. The strong research and development capability is a core competitive edge of Sinoref that has helped the Group become China's second largest advanced steel flow control product manufacturer just a few years after its founding. Apart from further developing its steel flow control products business, the Group has also been seeking potential opportunities in steel-related as well as non-steel related businesses. During the period under review, the Group significantly boosted its investment in research and development to further diversify its business. For the year ended 31 December 2013, Sinoref's research and development team has 32 professionals, and the expenses on research and development amounted to approximately RMB14 million, representing approximately 7.5% of the Group's total revenue. As a result, we have adopted a number of leading self-developed technologies which enable the Group to enjoy a preferential tax rate as a Chinese High-tech Enterprise, supporting future earnings to record new heights.

## FINANCIAL REVIEW

### Revenue

For the year ended 31 December 2013, the Group's revenue was approximately RMB186.4 million (2012: RMB322.7 million). The decrease in revenue was mainly due to the volatility of product price, and the decrease of sales volume, in particular that generated from the domestic market. Total sales volume decreased by approximately 11.7% from approximately 10,100 tonnes for the year ended 31 December 2012 to approximately 8,917 tonnes for the year ended 31 December 2013. This decrease was due to a reduced purchase volume from customers caused by the sluggish market demand in the steel industry.

### 加強研發

截至二零一三年十二月三十一日止年度，本集團已取得五項新的實用專利及一項新註冊發明專利。這令本集團於回顧年度末合共擁有18項註冊專利。強大的研發能力是華耐的核心競爭優勢，幫助本集團於創立幾年後即成為中國第二大高端鋼水控流產品製造商。除了進一步發展鋼水控流產品業務外，本集團也一直在鋼鐵相關及非鋼鐵相關業務中尋求潛在商機。於回顧期間，本集團顯著加大研發投資力度，以進一步增加業務種類。截至二零一三年十二月三十一日止年度，華耐的研發團隊有32名專業人員，研發費用約為人民幣1,400萬元，約佔本集團總收入的7.5%。因此，我們採用了多項領先的自主研發技術，該等自主研發技術能讓本集團享有中國高新技術企業優惠稅率，支持未來盈利以創新高。

### 財務回顧

#### 收入

截至二零一三年十二月三十一日止年度，本集團的收入約為人民幣1億8,640萬元（二零一二年：人民幣3億2,270萬元）。收入減少乃主要由於產品價格波動，及銷量的減少，尤其是國內市場的銷量。總銷量由截至二零一二年十二月三十一日止年度的約10,100噸減少約11.7%至截至二零一三年十二月三十一日止年度的約8,917噸。該減少乃由於鋼鐵行業市場需求不景氣導致客戶採購量減少所致。

# Management Discussion and Analysis

## 管理層討論與分析

### Cost of sales

The Group's cost of sales mainly comprised costs of raw materials, labour, depreciation and other direct costs of sales. During the year under review, the Group's cost of sales decreased by approximately 4.6% from RMB169.7 million in 2012 to approximately to RMB161.9 million in 2013, primarily due to the decrease in purchase of raw materials and the decrease in sales volume.

### Gross profit & gross profit margin

The Group's gross profit decreased from approximately RMB153.0 million for the year ended 31 December 2012 to approximately RMB24.5 million for the year ended 31 December 2013. As a result, the Group's gross profit margin also dropped from approximately 47.4% for the year ended 31 December 2012 to approximately 13.2% for the year ended 31 December 2013. The decrease in the Group's gross profit and gross profit margin were mainly attributable to (i) the decline in sales volume; and (ii) the decrease in average selling price.

### Impairment loss recognised in respect of property, plant and equipment

Due to the weakening of steel market in China of continuing decline in steel demand and price, the recoverability of the relevant carrying amounts of the Group's plant and equipment exceeded their recoverable amounts. An impairment loss of approximately RMB29.1 million has been recognised for the year ended 31 December 2013.

### Selling and distribution costs

The Group's selling and distribution costs comprised sales commissions, sales staff costs and transportation costs. During the year under review, our selling and distribution costs decreased to approximately RMB20.6 million, representing a decrease of approximately 30.1% from approximately RMB29.5 million for the previous year. The decrease was mainly attributable to the decrease in sales commissions and transportation costs.

### 銷售成本

本集團的銷售成本主要包括原材料成本、勞工成本、折舊及其他直接銷售成本。於回顧年度，本集團的銷售成本自二零一二年的人民幣1億6,970萬元減少約4.6%至二零一三年的約人民幣1億6,190萬元，主要由於採購原材料的減少及銷量的下降。

### 毛利及毛利率

本集團的毛利自截至二零一二年十二月三十一日止年度的約人民幣1億5,300萬元減少至截至二零一三年十二月三十一日止年度的約人民幣2,450萬元。因此，本集團的毛利率亦自截至二零一二年十二月三十一日止年度的約47.4%下降至截至二零一三年十二月三十一日止年度的約13.2%。本集團的毛利及毛利率下跌乃主要由於(i)銷量減少；及(ii)平均售價下跌。

### 就物業、廠房及設備確認的減值虧損

由於中國鋼鐵市場疲弱，鋼鐵需求及價格持續下滑，本集團廠房及設備可回收的相關賬面值超過其可回收金額。截至二零一三年十二月三十一日止年度，已確認減值虧損約人民幣2,910萬元。

### 銷售及分銷成本

本集團的銷售及分銷成本包括銷售佣金、銷售員工成本及運輸成本。於回顧年度內，我們的銷售及分銷成本下降至約人民幣2,060萬元，自去年的約人民幣2,950萬元下降約30.1%。該下降乃主要由於銷售佣金及運輸成本的減少所致。

# Management Discussion and Analysis

## 管理層討論與分析

### Administrative expenses

The Group's administrative expenses increased by approximately 5.1% from approximately RMB31.2 million for year ended 31 December 2012 to approximately RMB32.8 million for the year ended 31 December 2013. The increase was primarily due to the increase of research and development expenses, amounting to approximately RMB14.0 million for the year ended 31 December 2013 as the Group dedicated significant efforts to enhance its competitive advantage in advanced technologies and exposure of new business. The increase was off-set by the drop in share-based payment from approximately RMB12.2 million for the year ended 31 December 2012 to approximately RMB0.4 million for the year ended 31 December 2013 due to the cancellation of certain equity-settled share options in 2013.

### Taxation

In 2012, the Group's PRC subsidiary has successfully applied for the Chinese High-tech Enterprise Certification (中國高新技術企業認證). As a result, the Group's PRC subsidiary was subject to the PRC Enterprise Income Tax ("EIT") rate of 15% for the year under review and the same rate will apply in the year ending 31 December 2014.

### (Loss) Profit and total comprehensive (expense) income for the year

As a result of the challenging conditions, the Group's loss and total comprehensive expense for the year was approximately RMB56.8 million, compared to a profit and total comprehensive income for the year of approximately RMB72.5 million for the previous year. The decrease was mainly due to a combination of factors, which include (i) the decrease in revenue as a result of a declining sales volume and average selling price; and (ii) impairment loss recognised in respect of property, plant and equipment. The Group's earnings per share decreased from RMB6.04 cents for the year ended 31 December 2012 to RMB4.73 cents loss per share in 2013.

### 行政開支

本集團的行政開支自截至二零一二年十二月三十一日止年度的約人民幣3,120萬元增加約5.1%至截至二零一三年十二月三十一日止年度的約人民幣3,280萬元。該增加乃主要由於因本集團致力於鞏固其先進技術的競爭優勢而於截至二零一三年十二月三十一日止年度增加研發開支約人民幣1,400萬元及開拓新業務所致。該增加被以股份為基礎付款由截至二零一二年十二月三十一日止年度的約人民幣1,220萬元下降至截至二零一三年十二月三十一日止年度的約人民幣40萬元所抵銷，原因是在二零一三年註銷若干股本結算購股權。

### 稅項

二零一二年，本集團的中國附屬公司成功申請中國高新技術企業認證。因此，於回顧年度，本集團的中國附屬公司須按15%的稅率繳納中華人民共和國企業所得稅（「企業所得稅」），相同稅率將適用於截至二零一四年十二月三十一日止年度。

### 年內（虧損）溢利及年內全面（開支）收入總額

基於情況具挑戰性，本集團的年內虧損及年內全面開支總額約為人民幣5,680萬元，而上一年度錄得年內溢利及年內全面收入總額約人民幣7,250萬元。此項減少主要是由於多個因素的共同影響，其中包括(i)銷量下降及平均售價下跌導致收入減少；及(ii)就物業、廠房及設備確認減值虧損。本集團的每股盈利由截至二零一二年十二月三十一日止年度的人民幣6.04分減少至二零一三年度的每股虧損人民幣4.73分。

# Management Discussion and Analysis

## 管理層討論與分析

### Final dividends

The Board does not recommend the payment of a final dividend for year ended 31 December 2013 (2012: Nil).

### Capital structure, liquidity and financial resources

During the year ended 31 December 2013, the Group's net cash used in operating activities was approximately RMB52.1 million (2012: net cash generated from operating activities RMB77.7 million) and the Group's bank balances and cash was approximately RMB312.3 million (2012: RMB369.8 million).

Total equity of the Group as at 31 December 2013 was approximately RMB563.3 million (2012: RMB619.7 million). The Group does not have any outstanding bank loan as at 31 December 2013 (2012: nil).

Gearing ratio is calculated based on total debt at the end of the year divided by total assets at the end of the year multiplied by 100%. As at 31 December 2013, as the Group was at a net cash position without any bank borrowings, long term debts or payables incurred not in the ordinary course of business, the gearing ratio of the Group was nil.

### Pledge of assets

As at 31 December 2013, the Group did not have any pledge of assets.

### 末期股息

董事會不建議派付截至二零一三年十二月三十一日止年度的末期股息（二零一二年：無）。

### 資本架構、流動資金及財務資源

於截至二零一三年十二月三十一日止年度，本集團經營活動所用現金淨額約為人民幣5,210萬元（二零一二年：經營活動產生的現金淨額為人民幣7,770萬元），本集團的銀行結餘及現金約為人民幣3億1,230萬元（二零一二年：人民幣3億6,980萬元）。

本集團於二零一三年十二月三十一日的權益總額約為人民幣5億6,330萬元（二零一二年：人民幣6億1,970萬元）。於二零一三年十二月三十一日，本集團並無任何未償還銀行貸款（二零一二年：無）。

資本負債比率乃按年末總負債除以年末總資產再乘以100%計算。截至二零一三年十二月三十一日，由於本集團處於淨現金狀況，無任何銀行借貸、長期負債或並非於日常業務過程中產生之應付款項，本集團之資本負債比率為零。

### 資產抵押

於二零一三年十二月三十一日，本集團並無任何資產抵押。

# Management Discussion and Analysis

## 管理層討論與分析

### Foreign exchange exposure

The major functional currency of the Group is RMB but during the year under review certain transactions of the Group are denominated in Hong Kong dollars, Euro dollars and US dollars, which expose the Group to foreign currency risk. During the year under review, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk and did not adopt a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### Material acquisitions and disposals of subsidiaries and associated companies

The Group had no material acquisitions and disposals of subsidiaries and associated companies during the year under review.

### Significant investments held

During the year under review, except for investments in subsidiaries, the Group did not hold any significant investment in equity interest in any other company.

## CONTINGENT LIABILITIES

As at 31 December 2013, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any current material legal proceeding, nor is our Group aware of any pending or potential material legal proceeding involving the Group.

### 外匯風險

本集團之主要功能貨幣為人民幣，但於回顧年度，本集團之若干交易以港元、歐元及美元計值，這使本集團面臨外匯風險。於回顧年度，本集團並未使用任何金融工具對沖其外匯風險，亦未採取外匯對沖政策。然而，本集團管理層將監控外匯風險，並於需要時考慮對沖重大外匯風險。

### 重大收購及出售附屬公司及聯營公司

本集團於回顧年度並無重大收購及出售附屬公司及聯營公司。

### 持有的重大投資

於回顧年度，除於附屬公司之投資外，本集團並無持有任何其他公司股權的任何重大投資。

### 或然負債

於二零一三年十二月三十一日，本集團並無向本集團以外的任何公司提供任何形式的擔保。本集團目前並無涉及任何重大法律訴訟，亦不知悉有任何涉及本集團的未決或潛在的重大法律訴訟。

# Management Discussion and Analysis

## 管理層討論與分析

### HUMAN RESOURCES AND STAFF REMUNERATION

As at 31 December 2013, the Group had 287 staff members employed in mainland China and Hong Kong (2012: 243). Total staff costs for the year were approximately RMB31.2 million (2012: RMB49.0 million). During the year under review, the Group continued to reinforce the training provided to its staff by providing training and study opportunities for management staff and professional technicians. In addition, the Group has provided timely update to all staff with the latest government policies of the industry to continuously enhance the professional standard and quality of the staff. Meanwhile, the Group has provided competitive remuneration for the staff which encourages them to commit themselves and serve customers whole-heartedly.

### PROSPECTS

In the face of the continuous sluggish performance of the steel industry, the PRC government has issued a directive “Guiding Opinions of the State Council on Resolving Serious Production Overcapacity Conflicts” 《國務院關於化解產能嚴重過剩矛盾的指導意見》 in October 2013, which aims to eliminate 80 million tonnes of steel production capacity by 2017. The government will monitor the results and implement an appraisal system, thereby encouraging local governments to take immediate action. The Group will closely monitor the impact of the changes in industrywide policies, and apply its leading technologies to meet evolving production requirements of steel manufacturers.

Looking ahead, despite the weakness in 2013, the management is cautiously optimistic in its outlook in 2014, given the improving economic conditions and supportive government policies. We believe that the PRC government will devote more attention to meet its capacity reduction target by accelerating the closure of obsolete capacity and restructuring within the steel industry, which will as a result create a healthier and supply-demand balanced environment.

### 人力資源及員工薪酬

於二零一三年十二月三十一日，本集團於中國大陸及香港共有287名員工（二零一二年：243名）。回顧年度的員工成本總額約為人民幣3,120萬元（二零一二年：人民幣4,900萬元）。年內，本集團繼續加強員工培訓工作，向管理人員和專業技術人員提供培訓及學習的機會。此外，本集團亦及時向所有員工提供政府的最新行業政策方面的資訊，不斷提高員工的專業水平及質素。同時，本集團還向其員工提供有競爭力之薪酬，鼓勵彼等全心全意為客戶服務。

### 展望

面對鋼材行業持續不景氣的局面，中國政府於二零一三年十月發佈了指導性的《國務院關於化解產能嚴重過剩矛盾的指導意見》，旨在於二零一七年前淘汰8,000萬噸的鋼材產能。政府將監控結果並實行評估制度，以此促使地方政府立即採取行動。本集團將密切監控行業政策變動的影響，並利用其領先技術達致對鋼鐵生產商不斷提出的生產要求。

展望未來，儘管於二零一三年表現較為疲弱，但鑒於經濟狀況持續改善及政府的鼓勵政策，管理層對其二零一四年的前景持謹慎樂觀態度。我們相信，中國政府將投入更多精力通過加速淘汰落後產能及鋼鐵行業的結構調整達致其降低產能的目標，此舉將會創造一個更為健康且供需平衡的環境。

## Management Discussion and Analysis 管理層討論與分析

While the steel industry has been delivering disappointing performances and is still facing uncertainties, in addition to the business of manufacturing steel flow control products, we are also evaluating other potential business opportunities, with the aim to enhance our profitability. Both the up- and down-stream business segments in the steel industry will be our targets, yet the Group would take an open attitude to any complementary business with bright market prospects. In March 2014, the Company has entered into a share transfer agreement with Rainbow Phoenix Holdings Limited (“Rainbow Phoenix”) to acquire 100% interest of Accura Machinery & Manufacturing (Taicang) Company Limited (“Accura”), a company principally engaged in the sales and production of paper converting equipment and other related equipment. Pursuant to such share transfer agreement, Rainbow Phoenix agreed to guarantee that the audited consolidated net profit after taxation of Accura for the financial year ending 31 December 2014 shall not be less than RMB10 million. “Accura” is a renowned brand in China with its headquarters in the Yangtze Delta. The acquisition will provide an excellent opportunity to diversify the business of the Group and broaden the revenue base of the Group.

In the long run, the Group’s strategy will include evaluating suitable investments that present development opportunities, which provide additional stable income streams that lead to sustainable probability.

然而，由於鋼鐵行業持續經歷頹勢及仍然面臨不確定因素，因此除鋼水控流產品業務外，我們亦評估其他潛在商業機會，以提高我們的盈利能力。鋼鐵行業內的上下游業務分部將成為我們的目標，但本集團對任何具光明市場前景的互補性業務都將保持開放態度。於二零一四年三月，本公司與Rainbow Phoenix Holdings Limited (「Rainbow Phoenix」) 訂立股份轉讓協議，以收購Accura Machinery & Manufacturing (Taicang) Company Limited (「Accura」) (一間主要從事銷售及生產紙張加工設備及其他相關設備的公司) 的100%權益。根據該股份轉讓協議，Rainbow Phoenix同意保證Accura於截至二零一四年十二月三十一日止財政年度的除稅後經審核綜合純利將不少於人民幣1,000萬元。「Accura」屬中國知名品牌，其總部位於長江三角洲。收購事項將為本集團業務多樣化發展提供良機及擴大本集團的收益基礎。

長遠來看，本集團的策略將包括評估具發展機會的適當投資，有關投資可提供帶來持續盈利的額外穩定收入流。

# Corporate Governance Report

## 企業管治報告

The Board hereby presents this Corporate Governance Report in the Group's annual report for the year ended 31 December 2013.

The Board is committed to maintaining a high standard of corporate governance and endeavours in following the code provisions ("Code Provisions") as set out in the Corporate Governance Code ("CG Code") and Corporate Governance Report, contained in Appendix 14 to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Board considers such commitment is essential for the growth of the Group and for maximising the interest of the shareholders ("Shareholders") of the Company. The Company regularly reviews its corporate governance practices to ensure that the latest development in corporate governance can be followed and observed.

### CORPORATE GOVERNANCE PRACTICES

During the financial year under review, the Company had complied with all the Code Provisions for the period from 1 January 2013 to 31 December 2013, except for the deviations from Code Provision A.2.1 of the CG Code which are explained below.

According to Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

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

董事會謹此在本集團截至二零一三年十二月三十一日止年度之年報中呈列本企業管治報告。

董事會致力維持高水準之企業管治，並竭盡所能遵行香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）及企業管治報告的守則條文（「守則條文」）。董事會認為，此項承諾對本集團之發展及使本公司股東（「股東」）的利益最大化等至關重要。本公司定期檢討其企業管治常規，以確保遵行及遵守企業管治之最新發展。

### 企業管治常規

除偏離企業管治守則的守則條文第A.2.1條的規定（參閱下文解釋）外，於回顧財政年度內，本公司於二零一三年一月一日至二零一三年十二月三十一日期間一直遵守所有守則條文。

根據企業管治守則的守則條文第A.2.1條，主席與行政總裁的角色應予區分，不應由同一人擔任。

徐葉君先生除出任本公司主席職務外，亦以本公司行政總裁身份負責本集團策略規劃及監督本集團各方面營運。此舉構成偏離企業管治守則的守則條文第A.2.1條。作為本集團創辦人之一，徐葉君先生對本集團核心業務具有豐富經驗及知識，而其監督本集團營運的職責明顯對本集團有利。董事會認為此架構不會使董事會與本集團管理層之間的權力及授權出現失衡。



# Corporate Governance Report

## 企業管治報告

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted on 7 June 2010 its securities dealing code (“Code”) regarding the dealings of securities of the Company by the Directors and senior management of the Group, on terms no less exacting than the required standard under the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

The Company, having made specific enquiry of all Directors and senior management of the Group, all the Directors and senior management of the Group have confirmed that they have complied with the required standard as set out in the Code and Appendix 10 to the Listing Rules regarding securities transactions by Directors and senior management of the Group throughout the financial year ended 31 December 2013.

### BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group’s overall strategic policies. The management is delegated with the authority and responsibility by the Board for the management of the Group.

The Board is currently composed of three executive Directors namely Mr. Xu Yejun as the chairman, Mr. Zhao Ping and Mr. Ho Yuk Hay; one non-executive Director, Mr. Chow Chi Wa; and three independent non-executive Directors namely Mr. Yao Enshu, Mr. Tsui Siu Hang, Steve and Mr. Wong Kwong Chi. The biographical details of the Directors are set out under “Directors and senior management” on pages 29 to 34 of this annual report of the Company for the year ended 31 December 2013.

In accordance with Article 105(A) of the articles of association of the Company, Mr. Xu Yejun will retire as Director by rotation and, being eligible, offer himself for re-election as Director at the annual general meeting of the Company.

### 證券交易之標準守則

本公司於二零一零年六月七日就董事及本集團高級管理層進行本公司之證券交易採納一套證券交易守則（「守則」），其條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則所載的要求標準。

經本公司向所有董事及本集團高級管理層個別作出查詢後，所有董事及本集團高級管理層已確認，於截至二零一三年十二月三十一日止財政年度已就董事及本集團高級管理層進行證券交易遵守守則所載的規定標準及上市規則附錄10之規定。

### 董事會

董事會負責本公司的領導及控制權，並監察本集團的整體策略性政策。管理層履行董事會委託的權力及責任，藉以管理本集團。

董事會現時包括三名執行董事，即徐葉君先生（主席）、趙平先生及何旭晞先生；一名非執行董事周志華先生；及三名獨立非執行董事，即姚恩澍先生、徐紹恒先生及王幹芝先生。董事之履歷詳情載於本公司截至二零一三年十二月三十一日止年度之年報第29至34頁「董事及高級管理層」一節。

根據本公司組織章程細則第105(A)條，徐葉君先生將於本公司股東週年大會上輪值退任董事，惟符合資格並願意膺選連任。

# Corporate Governance Report

## 企業管治報告

Further, pursuant to Article 109 of the articles of association of the Company, Mr. Zhao Ping (appointed as an executive Director on 30 October 2013), Mr. Ho Yuk Hay (appointed as an executive Director on 30 October 2013), Mr. Chow Chi Wa (appointed as a non-executive Director on 27 November 2013) and Mr. Wong Kwong Chi (appointed as an independent non-executive Director on 27 November 2013) shall retire at the annual general meeting of the Company and, being eligible, offer himself for re-election.

The non-executive Director was appointed for a specific term of three years.

The Board meets regularly to review and determine the corporate strategies and overall strategic policies. Each of the members of the Board has full access to relevant information at the meetings. During the financial year ended 31 December 2013, the Board has convened four regular meetings at which, among other things, the following activities were conducted at such regular meetings:

- (1) approved the interim results and interim report for the six months ended 30 June 2013;
- (2) approved the annual results and annual report for the financial year ended 31 December 2012 and matters to be considered at the annual general meeting of the Company;
- (3) reviewed and approved corporate strategies of the Group for the financial year ending 31 December 2014; and
- (4) reviewed the performance and financial position of the Group.

此外，根據本公司組織章程細則第109條，趙平先生（於二零一三年十月三十日獲委任為執行董事）、何旭晞先生（於二零一三年十月三十日獲委任為執行董事）、周志華先生（於二零一三年十一月二十七日獲委任為非執行董事）及王幹芝先生（於二零一三年十一月二十七日獲委任為獨立非執行董事）將於本公司股東週年大會上退任，惟符合資格並願意膺選連任。

非執行董事獲委任的具體年期為三年。

董事會定期召開會議，以檢討及制定企業策略及整體策略性政策。董事會每位成員均有權取閱會議之相關資料。於截至二零一三年十二月三十一日止財政年度，董事會已召開四次定期會議，並在該等定期會議上處理（其中包括）以下事務：

- (1) 批准截至二零一三年六月三十日止六個月之中期業績及中期報告；
- (2) 批准截至二零一二年十二月三十一日止財政年度之年度業績及年報以及於本公司股東週年大會上審議之事宜；
- (3) 審閱及批准本集團於截至二零一四年十二月三十一日止財政年度之企業策略；及
- (4) 檢討本集團之表現及財務狀況。

# Corporate Governance Report

## 企業管治報告

The Board is also responsible for determining the Company's corporate governance policies and performing corporate governance duties set out under the CG Code. Its corporate governance duties include, among others, (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal or regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) to review the Company's disclosure in its corporate governance report.

Apart from the regular board meetings, the Board met on other occasions when a board-level decision on a particular matter was required.

Details of the Directors' attendance records at the board meetings and general meeting during the financial year ended 31 December 2013 are as follows:

Directors	Board Meetings	General Meeting
<b>Meetings attended/held</b>		
<b>Executive Directors</b>		
Mr. Xu Yejun ( <i>Chairman</i> )	4/4	1/1
Mr. Zhao Ping <sup>1</sup>	-/-	-/-
Mr. Ho Yuk Hay <sup>1</sup>	-/-	-/-
Dr. Zhang Lanyin <sup>2</sup>	4/4	1/1
Mr. Gu Aoxing <sup>3</sup>	4/4	1/1
<b>Non-executive Directors</b>		
Mr. Chow Chi Wa <sup>4</sup>	-/-	-/-
Mr. Gao Zhilong <sup>3</sup>	4/4	1/1
<b>Independent non-executive Directors</b>		
Mr. Yao Enshu	4/4	1/1
Mr. Tsui Siu Hang, Steve	4/4	1/1
Mr. Wong Kwong Chi <sup>4</sup>	-/-	-/-
Mr. Yang Fuqiang <sup>3</sup>	4/4	1/1

<sup>1</sup> Appointed on 30 October 2013

<sup>2</sup> Re-designated to non-executive director on 24 June 2013 and resigned on 27 November 2013

<sup>3</sup> Resigned on 27 November 2013

<sup>4</sup> Appointed on 27 November 2013

董事會亦負責釐定本公司的企業管治政策及履行載於企業管治守則的企業管治職責。其企業管治職責包括(其中包括)(i)制定及檢討本公司的企業管治政策及常規；(ii)檢討及監察董事及高級管理層的培訓及持續專業發展；(iii)檢討及監察本公司在遵守法律或監管規定方面的政策及常規；(iv)制定、檢討及監察僱員及董事適用的操守準則及合規手冊(如有)；及(v)檢討本公司在其企業管治報告內的披露。

除董事會定期會議外，董事會亦在須對特定事宜作出董事會決策時召開會議。

截至二零一三年十二月三十一日止財政年度內，董事出席董事會會議及股東大會之記錄詳情如下：

Directors	Board Meetings	General Meeting
<b>Meetings attended/attended</b>		
<b>Executive Directors</b>		
Mr. Xu Yejun ( <i>Chairman</i> )	4/4	1/1
Mr. Zhao Ping <sup>1</sup>	-/-	-/-
Mr. Ho Yuk Hay <sup>1</sup>	-/-	-/-
Dr. Zhang Lanyin <sup>2</sup>	4/4	1/1
Mr. Gu Aoxing <sup>3</sup>	4/4	1/1
<b>Non-executive Directors</b>		
Mr. Chow Chi Wa <sup>4</sup>	-/-	-/-
Mr. Gao Zhilong <sup>3</sup>	4/4	1/1
<b>Independent non-executive Directors</b>		
Mr. Yao Enshu	4/4	1/1
Mr. Tsui Siu Hang, Steve	4/4	1/1
Mr. Wong Kwong Chi <sup>4</sup>	-/-	-/-
Mr. Yang Fuqiang <sup>3</sup>	4/4	1/1

<sup>1</sup> 於二零一三年十月三十日獲委任

<sup>2</sup> 於二零一三年六月二十四日調任為非執行董事及於二零一三年十一月二十七日辭任

<sup>3</sup> 於二零一三年十一月二十七日辭任

<sup>4</sup> 於二零一三年十一月二十七日獲委任

# Corporate Governance Report

## 企業管治報告

Whilst the Board as a whole is to determine the corporate strategies and overall strategy policies, the executive Directors and senior management of the Company, as delegated by the Board, are responsible for implementing the determined strategies and policies and the day-to-day management of the Group's business.

Save as disclosed under the section headed "Directors and senior management" of this annual report, there is no other relationship (whether financial, business, family or other material/relevant relationships) among the members of the Board.

The Company has received from each of the independent non-executive Directors a written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

### DIRECTORS' TRAINING

Pursuant to Code Provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The Company shall be responsible for arranging suitable training for all Directors at the Company's expense.

During the year ended 31 December 2013, the Directors also participated in the following trainings:

Directors	Type of training	董事	培訓類型
<b>Executive Directors</b>			
Mr. Xu Yejun (Chairman)	B	徐葉君先生 (主席)	B類
Mr. Zhao Ping <sup>1</sup>	B	趙平先生 <sup>1</sup>	B類
Mr. Ho Yuk Hay <sup>1</sup>	A, B	何旭晞先生 <sup>1</sup>	A類、B類
Dr. Zhang Lanyin <sup>2</sup>	B	張蘭銀博士 <sup>2</sup>	B類
Mr. Gu Aoxing <sup>3</sup>	B	顧敖行先生 <sup>3</sup>	B類

董事會全體負責制定企業策略及整體策略性政策，而執行董事及本公司高級管理層則獲董事會委派負責執行既定的策略及政策以及本集團業務的日常管理。

除本年報「董事及高級管理層」一節所披露外，董事會各成員之間並無任何其他關係（不論財務、業務、家族或其他重大／有關利益之關係）。

根據上市規則第3.13條，本公司已收到各獨立非執行董事有關其獨立性的書面確認。本公司認為所有獨立非執行董事均屬獨立身份。

### 董事培訓

根據企業管治守則的守則條文第A.6.5條，所有董事應持續參加專業的培訓計劃，增加和更新其知識和技能，以確保彼等向董事會作出知情及相關貢獻。本公司須向所有董事安排合適的培訓，費用由本公司承擔。

於截至二零一三年十二月三十一日止年度，董事亦參加了以下培訓：

# Corporate Governance Report

## 企業管治報告

### Non-executive Directors

Mr. Chow Chi Wa <sup>4</sup>	A, B
Mr. Gao Zhilong <sup>3</sup>	B

### Independent non-executive Directors

Mr. Yao Enshu	B
Mr. Tsui Siu Hang, Steve	A, B
Mr. Wong Kwong Chi <sup>4</sup>	A, B
Mr. Yang Fuqiang <sup>3</sup>	B

<sup>1</sup> Appointed on 30 October 2013

<sup>2</sup> Re-designated to non-executive director on 24 June 2013 and resigned on 27 November 2013

<sup>3</sup> Resigned on 27 November 2013

<sup>4</sup> Appointed on 27 November 2013

A: attending seminars and/or conferences and/or forums

B: reading newspapers, journals, Company newsletters and updates relating to the economy, general business, steel industry or Directors' duties and responsibilities, etc.

### BOARD DIVERSITY POLICY

During the year under review, the Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

### 非執行董事

周志華先生 <sup>4</sup>	A類、B類
高志龍先生 <sup>3</sup>	B類

### 獨立非執行董事

姚恩澍先生	B類
徐紹恒先生	A類、B類
王幹芝先生 <sup>4</sup>	A類、B類
楊富強先生 <sup>3</sup>	B類

<sup>1</sup> 於二零一三年十月三十日獲委任

<sup>2</sup> 於二零一三年六月二十四日調任為非執行董事及於二零一三年十一月二十七日辭任

<sup>3</sup> 於二零一三年十一月二十七日辭任

<sup>4</sup> 於二零一三年十一月二十七日獲委任

A類：參加研討會及／或會議及／或論壇

B類：閱讀與經濟、一般業務、鋼鐵行業或董事之職責有關的報紙、雜誌、公司新聞稿及最新資訊等

### 董事會成員多元化政策

回顧年度內，董事會採用董事會成員多元化政策，該政策載列實現董事會成員多元化的方法。本公司認為董事會成員的多元化可通過考慮包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識等多個方面來實現。董事會所有委任均將以任人唯賢為原則，並且在考慮候選人時以客觀條件充分估計董事會成員多元化的裨益。

甄選候選人將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終決定將按候選人的長處及可為董事會提供的貢獻而作出。

## NOMINATION COMMITTEE

The nomination committee of the Company (“Nomination Committee”) is currently consisted of four members, comprising one executive Director, namely Mr. Xu Yejun (chairman) and three independent non-executive Directors, namely Mr. Yao Enshu, Mr. Tsui, Siu Hang Steve and Mr. Wong Kwong Chi. It was established by the Board with effect from 27 March 2012 and its duties are clearly defined in its terms of reference which have been prepared and adopted according to the CG Code.

The Nomination Committee held two meetings during the year under review and conducted the following activities:

- (1) reviewed the structure, size and diversity of the Board; and
- (2) reviewed the retirement of Directors by rotation and the re-appointment of the retiring Directors at the 2013 annual general meeting of the Company.

Details of attendance of each member of the Nomination Committee during the financial year ended 31 December 2013 are as follows:

	<b>Attendance</b>
<b>Executive Director</b>	
Mr. Xu Yejun	2/2
<b>Independent non-executive Directors</b>	
Mr. Yao Enshu ( <i>Chairman</i> )	2/2
Mr. Tsui Siu Hang, Steve	2/2
Mr. Wong Kwong Chi (Appointed on 27 November 2013)	-/
Mr. Yang Fuqiang (Resigned on 27 November 2013)	1/1

## 提名委員會

本公司提名委員會（「提名委員會」）目前由四位成員組成，包括一名執行董事徐葉君先生（主席）及三名獨立非執行董事即姚恩澍先生、徐紹恒先生及王幹芝先生。提名委員會由董事會於二零一二年三月二十七日成立，其職責已在按照企業管治守則編製及採納之職權範圍中界定。

提名委員會於回顧年度內舉行了兩次會議並處理以下事項：

- (1) 審查董事會結構、人數及組成；及
- (2) 審閱於本公司二零一三年股東週年大會上輪流退任董事及重新委任退任董事。

於截至二零一三年十二月三十一日止財政年度，提名委員會每名成員之出席詳情載列如下：

	<b>出席率</b>
<b>執行董事</b>	
徐葉君先生	2/2
<b>獨立非執行董事</b>	
姚恩澍先生（主席）	2/2
徐紹恒先生	2/2
王幹芝先生 (於二零一三年十一月二十七日獲委任)	-/
楊富強先生 (於二零一三年十一月二十七日辭任)	1/1

# Corporate Governance Report

## 企業管治報告

### REMUNERATION COMMITTEE

The remuneration committee of the Company (“Remuneration Committee”) currently comprises four members, including three independent non-executive Directors, Mr. Yao Enshu (chairman), Mr. Tsui Siu Hang, Steve and Mr. Wong Kwong Chi, and one executive Director, Mr. Xu Yejun. The Remuneration Committee was established by the Board on 7 June 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions.

The Remuneration Committee meets annually to review the remuneration policies and packages for Directors and senior management of the Company and to make recommendations to the Board on such remuneration policies and packages. No Director takes part in any discussions and decisions about his own remuneration.

Details of attendance of each member of the Remuneration Committee during the financial year ended 31 December 2013 are as follows:

	Attendance		出席率
<b>Executive Director</b>		<b>執行董事</b>	
Mr. Xu Yejun	2/2	徐葉君先生	2/2
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>	
Mr. Yao Enshu ( <i>Chairman</i> )	2/2	姚恩澍先生 ( <i>主席</i> )	2/2
Mr. Tsui Siu Hang, Steve	2/2	徐紹恒先生	2/2
Mr. Wong Kwong Chi	-/-	王幹芝先生	-/-
(Appointed on 27 November 2013)		(於二零一三年十一月二十七日獲委任)	
Mr. Yang Fuqiang (Resigned on 27 November 2013)	1/1	楊富強先生	1/1
		(於二零一三年十一月二十七日辭任)	

### 薪酬委員會

本公司之薪酬委員會（「薪酬委員會」）目前包括四名成員，包括三名獨立非執行董事姚恩澍先生（主席）、徐紹恒先生及王幹芝先生以及一名執行董事徐葉君先生。薪酬委員會由董事會於二零一零年六月七日成立，其職責已在按照守則條文編製及採納之書面職權範圍中界定。

薪酬委員會每年舉行會議，以檢討本公司董事及高級管理層之薪酬政策及待遇，並就該等薪酬政策及待遇向董事會提出建議。各董事不會參與有關其本身薪酬之討論及決定。

於截至二零一三年十二月三十一日止財政年度，薪酬委員會每名成員之出席詳情載列如下：

# Corporate Governance Report

## 企業管治報告

During the financial year ended 31 December 2013, the Remuneration Committee had convened two meetings with full attendance by its members and conducted the following activities:

- (1) reviewed and approved the remuneration packages of the Directors and senior management of the Company; and
- (2) reviewed the terms of the service contracts of all the executive Directors by reference to their performance.

### AUDIT COMMITTEE

The audit committee of the Company (“Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Tsui Siu Hang, Steve (chairman), Mr. Yao Enshu and Mr. Wong Kwong Chi. The Audit Committee was established by the Board on 7 June 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions.

The Audit Committee provides an important link between the Board and the Company’s auditor in matters coming within the scope of the Group’s audit. It also reviews the annual and interim reports of the Company prior to their approval by the Board, the effectiveness of the external and internal audit and of internal controls and risk evaluation.

During the financial year under review, the Audit Committee has convened two meetings and conducted the following activities:

- (1) reviewed the annual and interim reports of the Company;
- (2) reviewed the report of internal audit department, internal controls system and financial matters of the Group in pursuance of the written terms of reference;
- (3) reviewed the audit plans and findings of the external auditor of the Company; and
- (4) made recommendation to the Board on the appointment of the external auditor.

於截至二零一三年十二月三十一日止財政年度，薪酬委員會曾召開兩次會議，全體成員均有出席，並處理以下事務：

- (1) 檢討及批准本公司董事及高級管理層之薪酬待遇；及
- (2) 參考執行董事之表現，以檢討全體執行董事之服務合約。

### 審核委員會

本公司之審核委員會（「審核委員會」）目前由三名獨立非執行董事徐紹恒先生（主席）、姚恩澍先生及王幹芝先生組成。審核委員會由董事會於二零一零年六月七日成立，其職責已在按照守則條文編製及採納之書面職權範圍中界定。

審核委員會在董事會及本公司核數師就本集團有關審核範圍內之事宜擔當重要聯繫。審核委員會亦在董事會批准年報及中期報告前審閱年報及中期報告、檢討內部和外部審核之有效性以及檢討內部控制及風險評估。

於回顧財政年度，審核委員會曾召開兩次會議並處理以下事務：

- (1) 審閱本公司之年報及中期報告；
- (2) 根據書面職權範圍審閱本集團內部審核部門之報告、內部控制系統及財務事宜；
- (3) 審閱本公司外聘核數師之審核計劃及結果；及
- (4) 就外聘核數師之委任事宜向董事會提供建議。



# Corporate Governance Report

## 企業管治報告

Details of attendance of each member of the Audit Committee during the financial year ended 31 December 2013 are as follows:

	<b>Attendance</b>
<b>Independent non-executive Directors</b>	
Mr. Tsui Siu Hang, Steve ( <i>Chairman</i> )	2/2
Mr. Yao Enshu	2/2
Mr. Wong Kwong Chi (Appointed on 27 November 2013)	-/-
Mr. Yang Fuqiang (Resigned on 27 November 2013)	2/2

There was no disagreement between the Board's and the Audit Committee's view on the selection, appointment of the external auditor.

### AUDITOR'S REMUNERATION

During the financial year ended 31 December 2013, the nature of the audit and non-audit services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and the relevant fees paid/payable by the Company for such services are as follows:

<b>Services rendered</b>	<b>Fee paid/payable</b> HK\$
Annual audit	1,250,000
Interim review	510,000

於截至二零一三年十二月三十一日止財政年度，審核委員會每名成員之出席詳情如下：

	<b>出席率</b>
<b>獨立非執行董事</b>	
徐紹恒先生 ( <i>主席</i> )	2/2
姚恩澍先生	2/2
王幹芝先生 (於二零一三年十一月二十七日獲委任)	-/-
楊富強先生 (於二零一三年十一月二十七日辭任)	2/2

董事會與審核委員會在外聘核數師之選擇及委任上並無意見分歧。

### 核數師酬金

截至二零一三年十二月三十一日止財政年度，本公司核數師德勤•關黃陳方會計師行提供之審計及非審計服務之性質，以及本公司就該等服務支付／應付之有關費用如下：

<b>所提供之服務</b>	<b>已付／應付費用</b> 港元
年度審計	1,250,000
中期審計	510,000

## RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the state of affairs of the Group. In preparing the financial statements for the financial year ended 31 December 2013, the Directors have selected appropriate accounting policies and applied them consistently, and have prepared the financial statements on a historical cost basis.

The statement of the external auditor about their reporting responsibilities on the financial statements are set out in the Independent Auditor's Report on page 54 to 55 of this annual report of the Company.

## INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective system of internal control. The Board has entrusted the Audit Committee with the responsibility to review the effectiveness of the Group's internal control annually or at any time necessary. The review covers all material controls, including financial, operational and compliance controls, and risk management functions, and takes into account the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

The Board has considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

## 就財務報表承擔之責任

董事負責編製正確及公平反映每一財政期間本集團財務狀況之財務報表。在編製截至二零一三年十二月三十一日止財政年度之財務報表時，董事已選擇適當之會計政策及貫徹應用，並按歷史成本基準編製財務報表。

外聘核數師有關彼等就財務報表之申報責任之聲明已載於本公司之年報第54頁至55頁之獨立核數師報告內。

## 內部控制

董事會負責維持完善及有效之內部控制系統。董事會已授權審核委員會每年或於任何必要時候檢討本集團內部控制之有效性。檢討範圍涵蓋所有重大控制內容，包括財務、運營及合規控制及風險管理職能，並考慮本集團在會計及財務匯報職能方面的員工資源、資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。

董事會已考慮本公司在會計及財務匯報職能方面的員工資源、資歷及經驗，以及員工所接受的培訓計劃及有關預算是否足夠。

# Corporate Governance Report

## 企業管治報告

### SHAREHOLDERS' RIGHTS

#### Procedures for shareholders to convene an extraordinary general meeting

The following procedures for the Shareholders to convene an extraordinary general meeting (“EGM”) of the Company are prepared in accordance with Article 64 of the articles of association of the Company:

- (a) one or more Shareholders (“Requisitionist(s)”) holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the Directors for the transaction of any business specified in such requisition.
- (b) Such requisition shall be made in writing to the Board or the company secretary of the Company at the following:

#### Principal place of business of the Company in Hong Kong

Address: Suite 2007, Tower 1, Lippo Centre, 89 Queensway, Hong Kong

Email: ir@sinoref.com.hk

Attention: the Board of Directors/Company Secretary

#### Registered office of the Company

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

Attention: the Board of Directors/Company Secretary

### 股東權利

#### 股東召開股東特別大會之程序

下列股東召開股東特別大會（「股東特別大會」）之程序乃根據本公司組織章程細則第64條所編製：

- (a) 於遞呈要求日期持有不少於本公司繳足股本十分之一的任何一名或多名有權於股東大會上投票的股東（「呈請人」）有權通過書面通知要求董事會召開股東特別大會，以處理有關要求中指明的任何事項。
- (b) 有關要求須以書面形式向董事會或本公司之公司秘書提出：

#### 本公司之香港主要營業地點

地址：香港金鐘道89號力寶中心1座2007室

郵件：ir@sinoref.com.hk

收件人：董事會／公司秘書

#### 本公司之註冊辦事處

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

收件人：董事會／公司秘書

# Corporate Governance Report

## 企業管治報告

(c) The EGM shall be held within two months after the deposit of such requisition.

(d) If the Directors fail to proceed to convene such meeting within twenty-one (21) days of such deposit, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

(c) 股東特別大會將於遞呈書面請求後兩個月內舉行。

(d) 倘董事會未能在書面請求遞交後二十一(21)天內召開股東特別大會，則呈請人可以同樣方式自行召開股東特別大會，而因董事會未能召開該大會令呈請人產生的所有合理費用由本公司向呈請人進行償付。

### Procedures for shareholders to direct enquiries to the Company

For matters in relation to the Board, the Shareholders can contact the Company at the following:

Address: Suite 2007, Tower 1, Lippo Centre, 89 Queensway, Hong Kong

Email: ir@sinoref.com.hk

Tel: (852) 2530 0401

Fax: (852) 2530 0662

Attention: the Board of Directors/Company Secretary

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered Shareholders can contact:

### Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited

Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong

Email: is-enquiries@hk.tricorglobal.com

Tel: (852) 2980 1333

Fax: (852) 2810 8185

### 股東向本公司直接查詢的程序

凡有關董事會的事宜，股東可按以下方式聯繫本公司：

地址：香港金鐘道89號力寶中心1座2007室

郵件：ir@sinoref.com.hk

電話：(852) 2530 0401

傳真：(852) 2530 0662

收件人：董事會／公司秘書

凡有關股份登記相關事宜，如股份過戶登記、更改名稱或地址、丟失股票或股息單，登記股東可按以下方式聯繫本公司：

### 香港股份過戶登記分處

卓佳證券登記有限公司

地址：香港皇后大道東183號合和中心22樓

郵件：is-enquiries@hk.tricorglobal.com

電話：(852) 2980 1333

傳真：(852) 2810 8185

# Corporate Governance Report

## 企業管治報告

### Procedures for shareholders to put forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her proposal ("Proposal") with his/her detailed contact information at the Company's principal place of business at Suite 2007, Tower 1, Lippo Centre, 89 Queensway, Hong Kong.

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the board of directors of the Company will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (a) Notice in writing of not less than 14 clear days and not less than 10 clear business days if the Proposal requires approval by way of an ordinary resolution of the Company in an EGM.
- (b) Notice in writing of not less than 21 clear days and not less than 10 clear business days if the Proposal requires approval by way of a special resolution of the Company in an extraordinary general meeting of the Company.
- (c) Notice in writing of not less than 21 clear days and not less than 20 clear business days if the Proposal requires approval by way of a special resolution or an ordinary resolution of the Company in an annual general meeting of the Company.

### INVESTOR RELATIONS

There was no significant change in the Company's constitutional documents during the year ended 31 December 2013.

### 股東於股東大會提呈建議的程序

為於本公司股東大會上提呈建議，股東須以書面提交建議（「建議」）通知，連同詳細聯絡資料，送至本公司主要營業地點，地址為香港金鐘道89號力寶中心1座2007室。

本公司會向本公司之香港股份過戶登記處核實該要求，於獲得股份過戶登記處確認該要求為恰當及合乎程序後，將要求本公司董事會在股東大會的議程內加入建議。

就上述股東提出於股東大會上考慮之建議而向全體股東發出通告之通知期因建議之性質有所不同，詳情如下：

- (a) 倘建議需要通過本公司於股東特別大會上以一項普通決議案的方式批准，則該書面通知為不少於足14天及不少於足10個營業日。
- (b) 倘建議需要通過本公司於本公司股東特別大會上以一項特別決議案的方式批准，則該書面通知為不少於足21天及不少於足10個營業日。
- (c) 倘建議需要通過本公司於本公司股東週年大會上以一項特別決議案或一項普通決議案的方式批准，則該書面通知為不少於足21天及不少於足20個營業日。

### 投資者關係

截至二零一三年十二月三十一日止年度，本公司組織章程文件並無重大變動。

# Directors and Senior Management

## 董事及高級管理層

### EXECUTIVE DIRECTORS

**Mr. Xu Yejun**, aged 49, the co-founder of our Group, is the chairman, chief executive officer and our executive Director. Mr. Xu was appointed as our executive Director on 4 February 2010. He is responsible for the overall strategic planning and management of our Group. Mr. Xu has extensive experience in the advanced steel flow control products industry, and has been engaging in such business for over 25 years.

Mr. Xu studied in 宜興縣大浦中學 (Yixing Dapu Secondary School\*) from 1979 to 1981. Mr. Xu had been trained in 洛陽耐火材料研究院 (Luoyang Institute of Refractories Research\*) from 1984 to 1986. He had worked in 宜興市鎂質耐火材料廠 (Yixing Magnena Refractory Materials Factory\*) from 1981 to 1983 and from 1987 to 1989, in Yixing Wellfire Nonmetal Materials Co., Ltd. 宜興威爾發非金屬材料有限公司 from 1990 to 1995 and in 宜興中村窯業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.\*) from 1996 till the establishment of Sinoref (Yixing) in 2005. As at the date of this annual report, Mr. Xu was a director, the chairman and the legal representative of 華耐國際(宜興)高級陶瓷有限公司 (Sinoref International (Yixing) Co., Ltd.\*), and a director of Sinoref (Hong Kong) Limited and Sinoref (BVI) Limited. Each of 華耐國際(宜興)高級陶瓷有限公司 (Sinoref International (Yixing) Co., Ltd.\*), Sinoref (Hong Kong) Limited and Sinoref (BVI) Limited was a wholly-owned subsidiary of our Company as at the date of this annual report.

### 執行董事

**徐葉君先生**，49歲，為本集團共同創辦人，擔任集團主席、行政總裁及執行董事。徐先生於二零一零年二月四日獲委任為執行董事。他負責本集團整體策略規劃及管理。徐先生於先進鋼水控流產品行業擁有豐富經驗，從事有關業務逾25年。

徐先生自一九七九年至一九八一年於宜興縣大浦中學就讀，自一九八四年至一九八六年於洛陽耐火材料研究院接受訓練，他於一九八一年至一九八三年及一九八七年至一九八九年在宜興市鎂質耐火材料廠工作，之後於一九九零年至一九九五年在宜興威爾發非金屬材料有限公司工作，自一九九六年起在宜興中村窯業有限公司工作，直至他於二零零五年創立華耐(宜興)為止。截至本年度報告日期，徐先生為華耐國際(宜興)高級陶瓷有限公司之董事、主席及法定代表人以及Sinoref (Hong Kong) Limited和Sinoref (BVI) Limited之董事。華耐國際(宜興)高級陶瓷有限公司、Sinoref (Hong Kong) Limited及Sinoref (BVI) Limited於本年報日期均為本公司之全資附屬公司。

## Directors and Senior Management 董事及高級管理層

For his research item 玻璃熔窯蓄熱室系列配套優質耐火材料新產品研製 (The research and manufacture of new high quality refractory accessory materials in glass melting furnace regenerative chamber series\*), Mr. Xu was awarded 中國輕工業科技進步獎 (China Light Industry Technological Advancement Award\*) by 中國輕工總會 (China Light Industry Association\*) in 1991, 上海市科學技術進步獎 (Science and Technology Progress Awards of Shanghai) by 上海市科學技術進步獎評審委員會 (Science and Technology Progress Awards Jury, Shanghai Municipality) in 1995 and 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Advancement in Shanghai\*) by 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 1996. Mr. Xu was also awarded 上海市科學技術進步獎 (Science and Technology Progress Awards of Shanghai) by 上海市科學技術進步獎評審委員會 (Science and Technology Progress Awards Jury, Shanghai Municipality) in 1996 in respect of 優質特異型蓄熱室格子磚系列配套產品研製 (The research and manufacture of high quality specific regenerative chambers checkers series accessory products\*).

**Mr. Zhao Ping**, aged 50, was appointed as our executive Director on 30 October 2013. Mr. Zhao graduated from 安徽大學 (Anhui University) in 1985 with a bachelor's degree in Chinese. He has served as the general manager of 深圳市遠景晟地投資有限公司 (Shenzhen Yuanjing Shengdi Investment Company Limited\*) since 2009. He has been responsible for corporate strategic planning, investment and management in real estates, hotel and natural resources projects. Prior to that, Mr. Zhao has accumulated more than 20 years of experience in investment, business operation and cultural development from various corporations.

**Mr. Ho Yuk Hay**, aged 34, was appointed as our executive Director on 30 October 2013 and company secretary of our company on 11 February 2014. Mr. Ho graduated from The Hong Kong Polytechnic University with a bachelor's degree in Accountancy in 2001 and a master's degree in Corporate Governance in 2012. Mr. Ho is a Certified Public Accountant in Hong Kong and an Associate of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in London.

徐先生憑著他的研究項目「玻璃熔窯蓄熱室系列配套優質耐火材料新產品研製」於一九九一年獲中國輕工總會頒發中國輕工業科技進步獎，於一九九五年獲上海市科學技術進步獎評審委員會頒發上海市科學技術進步獎，又於一九九六年獲上海市科學技術委員會出具上海市科技成果完成者證書。徐先生亦於一九九六年獲上海市科學技術進步獎評審委員會頒發上海市科學技術進步獎，以表彰他對「優質特異型蓄熱室格子磚系列配套產品研製」進行的工作。

**趙平先生**，50歲，於二零一三年十月三十日獲委任為本公司執行董事。趙先生於一九八五年畢業於安徽大學，獲文學學士學位。彼自二零零九年起擔任深圳市遠景晟地投資有限公司的總經理，彼當時主要負責企業策略規劃、房地產投資管理、酒店及自然資源項目。在此之前，趙先生已於多個企業累積了逾20年的投資、業務營運及文化開發的經驗。

**何旭暉先生**，34歲，於二零一三年十月三十日獲委任為本公司執行董事及於二零一四年二月十一日獲委任為本公司公司秘書。何先生於二零零一年畢業於香港理工大學獲會計學士學位並於二零一二年取得公司管治碩士學位。何先生為香港執業會計師及香港特許秘書公會及位於倫敦的英國特許秘書及行政人員公會會員。

## Directors and Senior Management 董事及高級管理層

Mr. Ho has worked in an accounting firm with international presence for over nine years. Mr. Ho has acted as the chief financial officer of Sino Splendid Holdings Limited (a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8006)) ("Sino Splendid") since September 2012.

### NON-EXECUTIVE DIRECTOR

**Mr. Chow Chi Wa**, aged 45, was appointed as our non-executive Director on 27 November 2013. Mr. Chow received a master's degree in corporate governance from the Open University of Hong Kong. He has acted as an executive director, chief executive officer and the company secretary of Sino Splendid since March 2013. During his tenure in Sino Splendid, Mr. Ho Yuk Hay, an executive Director, acted as the chief financial officer of that company. Mr. Chow is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He is an associate of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. He possesses extensive experience in finance and accounting.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Yao Enshu**, aged 81, was appointed as our independent non-executive Director on 7 June 2010. He was appointed as 冶金工業部幹部司副司長 (Deputy Head of the Personnel Department in the Ministry of Metallurgical Industry\*) in the PRC in 1983 and was appointed as 冶金工業部人事司司長 (Head of the Human Resources Department in the Ministry of Metallurgical Industry\*) in 1988. He was recognised as a senior economist by 冶金工業部 (The Ministry of Metallurgical Industry\*) in the PRC in 1992.

何先生曾於一間國際性的會計公司工作逾九年。何先生自二零一二年九月起一直擔任中國華泰瑞銀控股有限公司(一間於聯交所創業板上市的公司(股份代號: 8006)) (「華泰」) 的首席財務官。

### 非執行董事

**周志華先生**，45歲，於二零一三年十一月二十七日獲委任為本公司非執行董事。周先生持有香港公開大學企業管治碩士學位。彼自二零一三年三月起一直擔任華泰之執行董事、首席執行官兼公司秘書。於任職華泰期間，執行董事何旭晞先生出任其首席財務官。彼為香港會計師公會之會計師及英國特許會計師公會資深會員。彼為香港公司秘書公會及特許秘書及行政人員公會會員。彼於財務及會計方面擁有豐富經驗。

### 獨立非執行董事

**姚恩澍先生**，81歲，於二零一零年六月七日獲委任為本公司獨立非執行董事。他在一九八三年獲任命為中國冶金工業部幹部司副司長，並於一九八八年受命擔當冶金工業部人事司司長。他在一九九二年獲中國冶金工業部認可為高級經濟師。



## Directors and Senior Management 董事及高級管理層

**Mr. Tsui Siu Hang, Steve**, aged 40, was appointed as our independent non-executive Director of the Company since 19 November 2010. Graduated from The University of Auckland, New Zealand with a bachelor's degree in Commerce (Accounting) in 1995, Mr. Tsui is a Certified Public Accountant in Hong Kong and a Chartered Accountant in New Zealand. He has also obtained the qualification of Financial Risk Manager from the Global Association of Risk Professional. Mr. Tsui worked for a major international accounting firm as an audit manager from 1995 to 2001. From 2001 till now, he works as auditor in various companies. Mr. Tsui has more than 15 years of experience in the auditing field.

**Mr. Wong Kwong Chi**, aged 62, was appointed as our independent non-executive Director of the Company on 27 November 2013. Mr. Wong received a Bachelor of Science degree and a Master of Business Administration degree from the Chinese University of Hong Kong. He was an executive director of Sino Splendid from March 2010 to July 2012 and the chief executive officer of such company from March 2010 to November 2013. During his tenure at such company, Mr. Ho Yuk Hay, an executive Director, acted as its chief financial officer. Mr. Wong was a director of CDC Corporation, a company formerly listed on the NASDAQ Stock Market, until September 2011. Mr. Wong has served as an independent non-executive director of Glory Mark Hi-Tech (Holdings) Limited (a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code:8159)) since September 2004. He was an independent non-executive director of Fountain Set (Holdings) Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 420)) from August 1998 to June 2012. He has been a founding partner of Whiz Partners Asia Ltd. since November 2013.

**徐紹恒先生**，40歲，於二零一零年十一月十九日獲委任為本公司獨立非執行董事。徐先生於一九九五年畢業於紐西蘭奧克蘭大學，並獲授商務（會計）學士學位。徐先生為香港執業會計師及紐西蘭特許會計師。彼亦已獲Global Association of Risk Professional頒授財務風險經理之資格。徐先生曾於一九九五年至二零零一年期間於一家大型國際會計師事務所擔任審計經理。由二零零一年起至今，彼於多間公司出任核數師。徐先生於核數方面擁有逾15年經驗。

**王幹芝先生**，62歲，於二零一三年十一月二十七日獲委任為本公司獨立非執行董事。王先生持有香港中文大學理學士學位及工商管理學碩士學位。彼由二零一零年三月至二零一二年七月出任華泰之執行董事，並由二零一零年三月至二零一三年十一月出任該公司行政總裁。於任職該公司期間，執行董事何旭晞先生擔任其首席財務官。王先生曾擔任CDC Corporation（一家之前在納斯達克證券市場上市之公司）之董事，直至二零一一年九月。王先生自二零零四年九月起曾任輝煌科技（控股）有限公司（一家於聯交所創業板上市之公司（股份代號：8159））之獨立非執行董事。彼由一九九八年八月至二零一二年六月為福田實業（集團）有限公司（一家於聯交所主板上市之公司（股份代號：420））之獨立非執行董事。彼自二零一三年十一月起一直為Whiz Partners Asia Ltd.之創辦合夥人。

## Directors and Senior Management 董事及高級管理層

### SENIOR MANAGEMENT

**Mr. Wang Zhizhong**, aged 46, is the deputy general manager and the head of our Production Department. Mr. Wang joined our Group in 2005. Mr. Wang was qualified as an assistant engineer by 無錫市人事局 (Wuxi Municipal Personnel Bureau\*) in 1995. He obtained 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Achievement in Shanghai\*) for each of the project named “復合結構電熔澆注空心磚研製” (Development of hollow composite fusion cast blocks\*) and “大型玻璃窟上部結構用新型耐火材料品種的研究” (Research on novel refractories for super structure of glass furnace\*) from 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 2000.

Mr. Wang worked in the production technology department in various companies including Yixing Wellfire Nonmetal Materials Co., Ltd. 宜興威爾發非金屬材料有限公司 and 宜興中村窑業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.\*), before joining our Group in 2005. In addition, Mr. Wang, jointly with Mr. Xu and Dr. Zhang, invented the 可控制流入氣體的整體式塞棒 (Mono block Stopper with controlled gas flow) which was registered as a patent (in respect of utility) in the PRC in May 2010.

**Mr. Wen Zhuowei**, aged 36, joined us in 2007 as head of our Production Department and worked as head of our Purchasing Department in 2013. Mr. Wen is mainly responsible for our procurement and environmental protection matters. Mr. Wen graduated from 江蘇省廣播電視大學 (Jiangsu Radio and TV University\*). He worked for 江蘇耐克體育用品有限公司 (Nike Jiangsu) Sport Products Co., Limited\*) as production supervisor from 2000 to 2005 and worked as shift leader in 微密科技 (宜興) 有限公司 (Weimi Science and Technology (Yixing) Co., Ltd\*) from 2006 to 2007 prior to joining our Group.

**Mr. Tang Jishan**, aged 40, joined us in 2007 as head of our Research and Development Department. He obtained his bachelor's and master's degree in Metallurgy of Iron and Steel in 2001, both from Wuhan University of Science and Technology. He has experience in the field of metallurgical industry. He worked in the sales department in Vesuvius Advanced Ceramics (Suzhou) Co. Ltd.

### 高級管理層

**王志中先生**，46歲，為副總經理兼生產部主管。王先生於二零零五年加入本集團。王先生於一九九五年從無錫市人事局取得助理工程師資格。他於二零零零年就「復合結構電熔澆注空心磚研製」及「大型玻璃窟上部結構用新型耐火材料品種的研究」項目從上海市科學技術委員會各自取得上海市科技成果完成者證書。

王先生於二零零五年加入本集團前曾於多間公司的生產技術部門工作，當中包括宜興威爾發非金屬材料有限公司及宜興中村窑業有限公司。另外，王先生、徐先生與張博士共同發明可控制流入氣體的整體式塞棒，該發明於二零一零年五月在中國獲註冊為專利（有關實用新型）。

**溫卓偉先生**，36歲，於二零零七年加入本集團擔任生產部主管及二零一三年兼任採購部主管。溫先生主要負責本集團採購及環保事宜。溫先生畢業於江蘇省廣播電視大學，在加入本集團之前，他曾自二零零零年至二零零五年在江蘇耐克體育用品有限公司任生產主管；二零零六年至二零零七年在微密科技（宜興）有限公司擔任生產領班。

**唐繼山先生**，40歲，於二零零七年加入本集團擔任研究及開發部門主管。他於二零零一年在武漢科技大學獲得鋼鐵冶金學學士及碩士學位。他於冶金行業擁有經驗。他曾於維蘇威高級陶瓷（蘇州）有限公司的銷售部門任職。

## Directors and Senior Management 董事及高級管理層

**Mr. Dai Donglin**, aged 45, joined us in 2007 as executive regional sales manager. He obtained a bachelor's degree in Arts from Henan University in 1992. He then joined Vesuvius Advanced Ceramics (Suzhou) Co. Ltd. from 1995 to 2004. Mr. Dai furthered his studies on Civil and Commercial Law between 1998 and 2000 in Jilin University. He has many years of experiences in sales management.

**戴東林先生**，45歲，於二零零七年加入本集團擔任區域行政銷售經理。他於一九九二年獲河南大學頒發文學學士學位。其後，他於一九九五年至二零零四年期間加入維蘇威高級陶瓷（蘇州）有限公司。戴先生於一九九八年至二零零零年於吉林大學進修民商法。他具備多年的銷售管理經驗。

*For the purpose of this section, “\*” denotes unofficial English translation.*

# Report of the Directors

## 董事會報告

The Directors are pleased to present their report and audited financial statements of the Group for the year ended 31 December 2013.

### PRINCIPAL ACTIVITIES

The Group is primarily engaged in the manufacturing of advanced steel flow control products used in the continuous casting steel making process to protect, control and regulate the flow of molten steel.

The Group's turnover is mainly derived from business activities in Mainland China. An analysis of the Group's income for the year is set out in note 8 to the financial statements.

Particulars of the Company's major subsidiaries as at 31 December 2013 are set out in note 30 to the financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2013 are set out in the consolidated statement of profit or loss and other comprehensive income on page 56 of this report.

The state of the Group's and the Company's affairs at 31 December 2013 is set out in the consolidated statement of financial position and statement of financial position on pages 57 and 115 of this report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2013.

### FIVE YEAR FINANCIAL SUMMARY

The result, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, are summarised on page 120 of this report.

董事謹此呈列本集團截至二零一三年十二月三十一日止年度之報告及經審核財務報表。

### 主要業務

本集團主要從事製造高端鋼水控流產品，該等產品用於連鑄過程以保護、控制及調節熔鋼流。

本集團之營業額主要來自中國大陸之業務活動。本集團年內之收入分析載於財務報表附註8。

本公司於二零一三年十二月三十一日之主要附屬公司詳情載於財務報表附註30。

### 業績及股息

本集團截至二零一三年十二月三十一日止年度之業績載於本年報第56頁之綜合損益及其他全面收益表。

本集團及本公司於二零一三年十二月三十一日之財務狀況，分別載於本年報第57及115頁之綜合財務狀況表及財務狀況表。

董事會不建議派付截至二零一三年十二月三十一日止年度之末期股息。

### 五年財務概要

摘錄自經審核財務報表之本集團於過去五個財政年度之業績、資產及負債概要載於本年報第120頁。

# Report of the Directors

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment of the Group as at 31 December 2013 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 24 to the financial statements.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, there was a sufficiency of public float the Company's securities as required under the Listing Rules.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

### RESERVES AND DISTRIBUTABLE RESERVES

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

The Company's reserves available for distribution to its shareholders as at 31 December 2013 amounted to approximately RMB117,270,000 (31 December 2012: RMB92,414,000).

### 物業、廠房及設備

本集團於二零一三年十二月三十一日之物業、廠房及設備詳情載於財務報表附註15。

### 股本

本公司股本變動詳情載於財務報表附註24。

### 公眾持股量

根據本公司於緊接本年報刊發前的最後實際可行日期獲得的公開資料及據董事所知，本公司證券的公眾持股量一直充足，符合上市規則的規定水平。

### 購買、贖回或出售上市證券

於截至二零一三年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

### 儲備及可分派儲備

本集團儲備於年內之變動詳情載於綜合權益變動表。

於二零一三年十二月三十一日，本公司可分派予股東之儲備為約人民幣117,270,000元（二零一二年十二月三十一日：人民幣92,414,000元）。

### MAJOR CUSTOMERS AND SUPPLIERS

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

	<b>Percentage of the total purchases/sales accounted for</b>
Purchases	
– the largest supplier	21.2%
– five largest suppliers combined	48.0%
Sales	
– the largest customer	13.2%
– five largest customers combined	39.6%

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

At no time during the year under review, none of the Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) has any interest in the customers or suppliers disclosed above.

### 主要客戶及供應商

本集團主要客戶及供應商所佔本年度之銷售及採購額百分比如下：

	<b>佔採購／ 銷售總額 百分比</b>
採購	
– 最大供應商	21.2%
– 五大供應商合計	48.0%
銷售	
– 最大客戶	13.2%
– 五大客戶合計	39.6%

概無本公司董事、彼等之聯繫人或任何股東（就董事所知擁有本公司已發行股本5%以上者）在上述本集團五大供應商或客戶中擁有權益。

於回顧年度內任何時間，董事、彼等之聯繫人或任何股東（據董事所知擁有本公司已發行股本逾5%者）概無於上述披露之客戶或供應商中擁有任何權益。

# Report of the Directors

## 董事會報告

### DIRECTORS

The Directors who held office during the year and up to the date of this report were:

#### Executive Directors

Mr. Xu Yejun (*Chairman and chief executive officer*)  
Dr. Zhang Lanyin<sup>1</sup>  
Mr. Gu Aoxing<sup>2</sup>  
Mr. Zhao Ping<sup>3</sup>  
Mr. Ho Yuk Hay<sup>3</sup>

#### Non-executive Directors

Mr. Gao Zhilong<sup>2</sup>  
Mr. Chow Chi Wa<sup>4</sup>

#### Independent Non-executive Directors

Mr. Yao Enshu  
Mr. Yang Fuqiang<sup>2</sup>  
Mr. Tsui Siu Hang, Steve  
Mr. Wong Kwong Chi<sup>4</sup>

<sup>1</sup> Re-designated to non-executive director on 24 June 2013 and resigned on 27 November 2013

<sup>2</sup> Resigned on 27 November 2013

<sup>3</sup> Appointed on 30 October 2013

<sup>4</sup> Appointed on 27 November 2013

### DIRECTORS' PROFILES

Directors' profiles are set out on pages 29 to 34 of this report.

### 董事

於年內直至本報告日期之董事如下：

#### 執行董事

徐葉君先生 (*主席兼行政總裁*)  
張蘭銀博士<sup>1</sup>  
顧敖行先生<sup>2</sup>  
趙平先生<sup>3</sup>  
何旭晞先生<sup>3</sup>

#### 非執行董事

高志龍先生<sup>2</sup>  
周志華先生<sup>4</sup>

#### 獨立非執行董事

姚恩澍先生  
楊富強先生<sup>2</sup>  
徐紹恒先生  
王幹芝先生<sup>4</sup>

<sup>1</sup> 於二零一三年六月二十四日調任為非執行董事及於二零一三年十一月二十七日辭任

<sup>2</sup> 於二零一三年十一月二十七日辭任

<sup>3</sup> 於二零一三年十月三十日獲委任

<sup>4</sup> 於二零一三年十一月二十七日獲委任

### 董事履歷

董事履歷載於本年報第29至34頁。

### DIRECTORS' SERVICE CONTRACTS

Mr. Xu Yejun, entered into a service contract with our Company pursuant to which he agreed to act as executive Directors for an initial term of three years with effect from 7 June 2010. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless either party has given at least three months' written notice of non-renewal before the expiry of the then existing term.

Mr. Zhao Ping and Mr. Ho Yuk Hay has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from 30 October 2013. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless either party has given at least three months' written notice of non-renewal before the expiry of the then existing term.

Mr. Yao Enshu, an independent non-executive Director, has been appointed for an initial term of one year commencing from 7 June 2010 renewable automatically for successive term of one year each commencing from the next day after the expiry of then current term of appointment, unless terminated by either Mr. Yao Enshu himself or our Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Mr. Tsui Siu Hang, Steve, an independent non-executive Director appointed on 21 November 2010, has been appointed for an initial term of one year commencing from 21 November 2010 renewable automatically for successive term of one year each commencing from the next day after the expiry of then current term of appointment, unless terminated by either Mr. Tsui Siu Hang, Steve himself or our Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

### 董事服務合約

徐葉君先生已與本公司訂立服務合約，據此彼同意自二零一零年六月七日起擔任執行董事，初步為期三年。任期將於初步任期屆滿或之後每年任期屆滿時自動續期一年，直至任何一方於現行任期屆滿前向另一方發出不少於三個月之書面通知不予續期為止。

趙平先生及何旭晞先生已與本公司訂立服務合約，據此彼等同意自二零一三年十月三十日起擔任執行董事，初步為期三年。任期將於初步任期屆滿或之後每年任期屆滿時自動續期一年，直至任何一方於現行任期屆滿前向另一方發出不少於三個月之書面通知不予續期為止。

姚恩澍先生獲委任為獨立非執行董事，自二零一零年六月七日起計為期一年，於當時委任期屆滿後翌日起將自動續期一年，直至由姚恩澍先生親自或本公司在初步任期屆滿時或其後任何時間發出不少於三個月之書面通知終止為止。

獨立非執行董事徐紹恒先生於二零一零年十一月二十一日獲委任，其初步委任期自二零一零年十一月二十一日起計為期一年，於當時委任期屆滿後翌日起將自動續期一年，直至由徐紹恒先生親自或本公司在初步任期屆滿時或其後任何時間發出不少於三個月之書面通知終止為止。



# Report of the Directors

## 董事會報告

Mr. Chow Chi Wa, our non-executive Director, and Mr. Wong Kwong Chi, our independent non-executive Director has been appointed for an initial term of one year commencing from 27 November 2013 renewable automatically for successive term of one year each commencing from the next day after the expiry of then current term of appointment, unless terminated by either party has given at least three months' notice in writing expiring at the end of the initial term or at any time thereafter.

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS

Apart from the particulars disclosed in note 28 under the heading "Related party transactions" to the financial statements, there were no other contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries subsisting at the end of the year or at any time during the year in which a Director had, whether directly or indirectly, a material interest.

No contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

周志華先生及王幹芝先生分別獲委任為本公司非執行董事及獨立非執行董事，彼等初步委任期自二零一三年十一月二十七日起計為期一年，於當時委任期屆滿後翌日起將自動續期一年，直至由任何一方在初步任期屆滿時或其後任何時間發出至少三個月之書面通知終止為止。

在應屆股東週年大會上建議重選之董事概無訂有本公司不可於一年內免付賠償（一般法定賠償除外）而終止之未屆滿服務合約。

### 董事於合約之權益

除財務報表附註28「關連人士交易」所披露之詳情外，於年終時或年內任何時間，本公司或其附屬公司並無訂有與本公司業務有關而董事直接或間接擁有重大權益之任何其他重大合約，而本公司與其附屬公司之間亦無訂有與本公司業務有關而董事直接或間接擁有重大權益之任何其他重大合約。

本公司或其任何附屬公司與本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立任何重大合約。

概無訂立本公司或其任何附屬公司之控股股東向本公司或其任何附屬公司提供服務之重大合約。

### DIRECTORS' INTEREST IN SHARES

As at 31 December 2013, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), are set out below:

#### Long and short positions in the Shares and underlying Shares

Name of Director	Nature of interest	Number of securities held (Note 1)
董事姓名	權益性質	所持有證券數目 (附註1)
Mr. Xu Yejun 徐葉君先生	Beneficial owner 實益擁有人	330,000,000 Shares (L) 330,000,000股股份(L)

Note:

- The letter "L" denotes the person's long position in our Shares.

Save as disclosed above, as at 31 December 2013, none of the Directors or chief executive of the Company had any interest or short positions of the in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code.

### 董事於股份之權益

於二零一三年十二月三十一日，本公司董事或行政總裁於本公司或其任何相關聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中所擁有本公司根據證券及期貨條例第352條須存置之登記冊中所記錄，或根據證券及期貨條例第XV部或上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

#### 於股份及相關股份之好倉及淡倉

Interest in underlying shares of share option (Note 1)	Approximate percentage of shareholding (%)
購股權之 相關股份權益 (附註1)	概約股權 百分比 (%)

附註：

- 「L」代表該人士於本公司股份之好倉。

除上文披露者外，於二零一三年十二月三十一日，本公司董事或行政總裁於本公司或其任何相關聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，概無擁有本公司根據證券及期貨條例第352條須存置之登記冊中所記錄，或根據證券及期貨條例第XV部或標準守則須知會本公司及聯交所之任何權益或淡倉。

# Report of the Directors

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2013, so far as was known to the Directors of the Company, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

#### Long and short positions in the Shares and underlying Shares

Name of Shareholder	Nature of interest	Number of securities held (Note 1)
股東姓名	權益性質	所持證券數目 (附註1)
Ms. Gu Shuping (Note 2)	Interest of spouse	330,000,000 Shares (L)
顧淑萍女士 (附註2)	配偶權益	330,000,000股股份(L)
Mr. Chen Hong	Beneficial owner	205,012,000 Shares (L)
陳洪先生	實益擁有人	205,012,000股股份(L)

Notes:

- The letter "L" denotes the person's long position in our Shares.
- Ms. Gu Shuping is the wife of Mr. Xu Yejun.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 31 December 2013, had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### 主要股東之權益

於二零一三年十二月三十一日，就本公司董事所知，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有須根據證券及期貨條例第336條登記於本公司存置的登記冊之權益或淡倉如下：

#### 於股份及相關股份之好倉及淡倉

Interest in underlying Shares of share option (Note 1)	Approximate percentage of shareholding (%)
購股權之 相關股份權益 (附註1)	概約股權 百分比 (%)

–	27.50
–	17.08

附註：

- 「L」代表該人士於本公司股份之好倉。
- 顧淑萍女士為徐葉君先生的妻子。

除上文所披露者外，就本公司董事及行政總裁所知，於二零一三年十二月三十一日，並無任何人士在本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露之權益或淡倉，或直接或間接擁有可於任何情況下在本公司或按本公司須根據證券及期貨條例第336條存置的登記冊所記錄的主要股東的股東大會上投票之任何類別股本的面值5%或以上之權益。

### SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Share Option Scheme**”), which was adopted on 7 June 2010 (the “**Adoption Date**”), for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years from the Adoption Date.

Eligible participants of the Share Option Scheme include the following:

- (i) any employee (whether full time or part time) of the Group or any entity (the “**Invested Entity**”) in which any member of the Group holds any equity interest (including any executive director but excluding any non-executive director of the Group or any Invested Entity);
- (ii) any non-executive directors (including independent non-executive directors) of the Group or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

### 購股權計劃

本公司設有一項購股權計劃（「**購股權計劃**」），該計劃於二零一零年六月七日（「**採納日期**」）採納，目的是向經甄選合資格參與者提供獎勵或報酬，以表揚彼等對本集團作出之貢獻。除非另行取消或修訂，否則購股權計劃將由採納日期起一直有效，為期十年。

購股權計劃之合資格參與者包括以下人士：

- (i) 本集團或本集團任何成員公司持有股權之任何實體（「**被投資實體**」）之任何僱員（不論全職或兼職）（包括本集團或任何被投資實體的任何執行董事但不包括其任何非執行董事）；
- (ii) 本集團或任何被投資實體之任何非執行董事（包括獨立非執行董事）；
- (iii) 向本集團或任何被投資實體的任何成員公司提供貨品或服務之任何供應商；
- (iv) 本集團或任何被投資實體之任何客戶；
- (v) 向本集團或任何被投資實體提供研究、開發或其他技術支持之任何人士或實體；
- (vi) 本集團任何成員公司或任何被投資實體之任何股東或本集團任何成員公司或任何被投資實體所發行任何證券之持有人；

## Report of the Directors 董事會報告

(vii) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliances or other business arrangement to the development and growth of the Group.

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme is 120,000,000, representing approximately 8.56% of the issued share capital of the Company as at the date of this annual report. The maximum number of Shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the options). In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, in a 12-month period up to and including the date of grant, such grant of share options are subject to Shareholders' approval in a general meeting.

(vii) 就本集團或任何被投資實體的業務或業務發展之任何範疇提供意見之任何顧問（專業或其他方面）或諮詢人；及

(viii) 透過合作經營、業務聯盟或其他業務安排，對本集團的發展及增長作出貢獻或可能作出貢獻之任何組別或類別之參考者。

於本年報日期，根據購股權計劃可供發行之股份總數為120,000,000股，相等於本公司於本年報日期之已發行股本之約8.56%。於任何12個月期間內，每名參與者因行使根據購股權計劃及本集團任何其他購股權計劃可授出的購股權（包括已行使及尚未行使的購股權）而可獲發行之購股權最高數目，不得超過本公司當時之已發行股本之1%。任何進一步授出超出該上限之購股權，須經股東在股東大會上批准。

向本公司董事、行政總裁或主要股東或向彼等各自之聯繫人（定義見上市規則）授出購股權，須事先經獨立非執行董事（包括身為購股權承授人之獨立非執行董事）批准。此外，倘若向主要股東或獨立非執行董事或彼等各自之聯繫人授出購股權，將導致於截至授出日期（包括該日）止12個月期間內，有關人士因行使所有已獲授及將獲授之購股權（包括已行使、註銷及尚未行使之購股權）而獲發行及將獲發行之股份，超出已發行股份的0.1%，且總值（根據授出日期之股份收市價計算）超出500萬港元，則上述授出須經股東在股東大會上批准。

## Report of the Directors 董事會報告

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the Board, whose period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the Share Option Scheme.

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Board, but shall not be less than the highest of:

- (i) the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the grant, which must be a trading day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and
- (iii) the nominal value of a Share.

Since the Adoption Date and up to 31 December 2013, 120,000,000 share options has been granted by the Company, representing 10% of the issued share capital of the Company as at 31 December 2013.

授出的購股權可於授出日期起計21日內，由承授人支付象徵式代價1港元而接納。所授出購股權之行使期由董事會釐定，而該期間由所授出購股權獲接納日期開始，而無論如何不得遲於授出購股權日期後第10年屆滿，惟可根據購股權計劃的有關條文而提早終止。

根據購股權計劃認購股份之認購價將由董事會釐定，惟不得低於下列最高者：

- (i) 於授出日期（須為交易日）聯交所每日報價表所示之股份收市價；
- (ii) 於緊接授出日期前五個營業日在聯交所每日報價表所示之股份平均收市價；及
- (iii) 每股面值。

由採納日期直至二零一三年十二月三十一日，本公司已授出120,000,000份購股權，相等於本公司於二零一三年十二月三十一日之已發行股本10%。

# Report of the Directors

## 董事會報告

### DIRECTOR'S INTEREST IN SHARE OPTIONS

### 董事於購股權之權益

Movements of the options, which were granted under the Share Option Scheme, during the year under review were listed below in accordance with Rule 17.07 of the Listing Rules:

根據購股權計劃授出之購股權於回顧年度內之變動根據上市規則第17.07條呈列如下：

Name of Director or his associate	董事或其聯繫人姓名	Date of grant	No. of share options					Outstanding at 31 December 2013	Exercise price of share options	Exercise period
			Outstanding at 1 January 2013	Granted during the year	Exercised during the year	Forfeited during the year	Cancelled during the year			
授出日期	尚未行使	年內授出	年內行使	年內沒收	年內註銷	年內失效	於二零一三年十二月三十一日尚未行使	購股權之行使價 HK\$ 港元	行使期	
Mr. Xu Yejun	徐葉君先生	22/11/2010 (Note 3) (附註3)	3,000,000	-	-	- (3,000,000)	-	1.408	22/11/2011 to 21/11/2020 22/11/2011至21/11/2020	
Dr. Zhang Lanyin	張蘭銀博士	22/11/2010 (Note 3) (附註3)	5,000,000	-	-	- (5,000,000)	-	1.408	22/11/2011 to 21/11/2020 22/11/2011至21/11/2020	
		27/9/2011 (Note 4) (附註4)	4,000,000	-	-	- (4,000,000)	-	0.476	27/9/2012 to 26/9/2021 27/9/2012至26/9/2021	
Mr. Gu Aoxing	顧歙行先生	22/11/2010 (Note 3) (附註3)	5,000,000	-	-	- (5,000,000)	-	1.408	22/11/2011 to 21/11/2020 22/11/2011至21/11/2020	
		27/9/2011 (Note 4) (附註4)	4,000,000	-	-	- (4,000,000)	-	0.476	27/9/2012 to 26/9/2021 27/9/2012至26/9/2021	
Ms. Gu Shuping	顧淑萍女士	22/11/2010 (Note 3) (附註3)	500,000	-	-	- (500,000)	-	1.408	22/11/2011 to 21/11/2020 22/11/2011至21/11/2020	

## Report of the Directors 董事會報告

### Notes:

1. Each of Dr. Zhang Lanyin and Mr. Gu Aoxing resigned as Director on 27 November 2013.
2. Ms. Guo Shuping is the wife of Mr. Xu Yejun, the chairman, the chief executive officer and an executive Director of the Company and hence an associate (as defined in the Listing Rules) of Mr. Xu Yejun.
3. These options granted under the Share Option Scheme have a term of ten years commencing from 22 November 2010 and shall vest and become exercisable in three tranches in the proportion of 30%, 60% and 100% on 22 November 2011, 22 November 2012 and 22 November 2013 respectively.
4. These options granted under the Share Option Scheme have a term of ten years commencing from 27 September 2011 and shall vest and become exercisable in three tranches in the proportion of 30%, 60% and 100% on 27 September 2012, 27 September 2013 and 27 September 2014 respectively.

Further details of share options were stipulated in note 25 to the financial statements. Apart from the aforesaid, at no time during the year ended 31 December 2013 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

### 附註：

1. 張蘭銀博士及顧敖行先生已於二零一三年十一月二十七日辭任董事職務。
2. 顧淑萍女士為本公司主席、行政總裁兼執行董事徐葉君先生之妻子，因此為徐葉君先生之聯繫人（定義見上市規則）。
3. 該等根據購股權計劃授出之購股權之有效期由二零一零年十一月二十二日起計為期十年，而將於二零一一年十一月二十二日、二零一二年十一月二十二日及二零一三年十一月二十二日，分別按30%、60%及100%之比例，分三批歸屬及可予行使。
4. 該等根據購股權計劃授出之購股權之有效期由二零一一年九月二十七日起計為期十年，而將於二零一二年九月二十七日、二零一三年九月二十七日及二零一四年九月二十七日，分別按30%、60%及100%之比例，分三批歸屬及可予行使。

購股權的進一步詳情在財務報表附註25載列。除上述者外，於截至二零一三年十二月三十一日止年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事或彼等之配偶或18歲以下之子女可藉購入本公司或任何其他企業之股份而獲益。



# Report of the Directors

## 董事會報告

### EMPLOYEES' INTEREST IN SHARE OPTION SCHEME

Details of the options to subscribe for shares of the Company under the Share Option Scheme for the period under review are as follows:

### 僱員於購股權計劃之權益

於回顧期內，根據購股權計劃可認購本公司股份之購股權詳情如下：

Class of grantee	承授人類別	Date of grant	No. of share options						Outstanding at 31 December 2013	Exercise price of share options	Exercise period
			Outstanding at 1 January 2013	Granted during the year	Exercised during the year	Forfeited during the year	Cancelled during the year	Lapsed during the year			
		授出日期	於二零一三年一月一日尚未行使	年內授出	年內行使	年內沒收	年內註銷	年內失效	於二零一三年十二月三十一日尚未行使	購股權之行使價	行使期
										HK\$	
										港元	
Directors (Note 1)	董事 (附註1)	22/11/2010 (Note 3) (附註3)	13,000,000	-	-	-	(13,000,000)	-	-	1.408	22/11/2011 to 1/11/2020
		27/9/2011 (Note 4) (附註4)	8,000,000	-	-	-	(8,000,000)	-	-	0.476	27/9/2012 to 26/9/2021
Other employees (Note 2)	其他僱員 (附註2)	22/11/2010 (Note 3) (附註3)	47,000,000	-	-	-	(43,000,000)	-	4,000,000	1.408	22/11/2011 to 21/11/2020
		27/9/2011 (Note 4) (附註4)	52,000,000	-	-	-	(48,000,000)	-	4,000,000	0.476	27/9/2012 to 26/9/2021

Notes:

- Details of options granted to the Directors are set out in the paragraph headed "Directors' Interest in share options" in the Report of the Directors above.
- Other employees include employees of the Group (other than Directors) working under employment contract of the Group which are regarded as "continuous contract" for the purpose of the Employment Ordinance (Cap. 57 of the Laws of Hong Kong).

附註：

- 授予董事購股權之詳情載於上文董事會報告內「董事於購股權之權益」一段。
- 其他僱員包括根據本集團的僱傭合約工作之本集團僱員（董事除外），而該等僱傭合約就僱傭條例（香港法例第57章）被視為「持續合約」。

3. These options granted under the Share Option Scheme have a term of ten years commencing from 22 November 2010 and shall vest and become exercisable in three tranches in the proportion of 30%, 60% and 100% on 22 November 2011, 22 November 2012 and 22 November 2013 respectively.
3. 該等根據購股權計劃授出之購股權之有效期由二零一零年十一月二十二日起計為期十年，而將於二零一一年十一月二十二日、二零一二年十一月二十二日及二零一三年十一月二十二日，分別按30%、60%及100%之比例，分三批歸屬及可予行使。
4. These options granted under the Share Option Scheme have a term of ten years commencing from 27 September 2011 and shall vest and become exercisable in three tranches in the proportion of 30%, 60% and 100% on 27 September 2012, 27 September 2013 and 27 September 2014 respectively.
4. 該等根據購股權計劃授出之購股權之有效期由二零一一年九月二十七日起計為期十年，而將於二零一二年九月二十七日、二零一三年九月二十七日及二零一四年九月二十七日，分別按30%、60%及100%之比例，分三批歸屬及可予行使。

### RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Options" and "Directors' Interest in Shares" above, at no time during the year under review was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### CONNECTED TRANSACTIONS

Details of the related party transactions undertaken by the Group in the usual course of business are set out in note 28 to the financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

### 購買本公司證券之權利

除上文「購股權」及「董事於股份之權益」兩節所披露者外，於回顧年度內任何時間，本公司或其任何附屬公司或其任何同系附屬公司概無訂立任何安排，致使本公司之董事或行政總裁或彼等各自之聯繫人（定義見上市規則）有任何權利認購本公司或其相聯法團（定義見證券及期貨條例）之證券，或可藉購入本公司或任何其他企業之股份或債券而獲益。

### 關連交易

本集團在日常業務過程中進行之關連人士交易詳情載於財務報表附註28。概無該等關連人士交易構成上市規則所界定之須予披露關連交易。

# Report of the Directors

## 董事會報告

### COMPETING INTERESTS

None of the Directors or the substantial shareholders of the Company and their respective associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year and up to the date of this report.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### MANAGEMENT CONTRACTS

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

### EMOLUMENT POLICY

The emolument policy of the employees and senior management of the Group is set by the remuneration committee of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to market competitiveness, individual performance and achievement.

The Company has adopted a share option scheme as an incentive to among other Directors and other eligible employees of the Group. Details of the scheme are set out in note 25 to the financial statements.

### 競爭權益

於年內及直至本年報日期，本公司董事或主要股東及彼等各自之聯繫人（定義見上市規則）概無在與本集團業務競爭或可能構成競爭的業務中擁有任何權益，或與本集團有任何其他利益衝突。

### 優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

### 管理合約

年內並無訂立或存在有關本公司全部業務或其中任何重要部份的管理及行政之重大合約。

### 酬金政策

本集團僱員及高級管理層之酬金政策乃由本公司薪酬委員會根據有關人士之長處、資歷及能力而制訂。

董事之酬金乃由本公司薪酬委員會經考慮市場競爭力、個人表現及績效而決定。

本公司已採納購股權計劃，作為（其中包括）本集團董事及其他合資格僱員之獎勵，有關該計劃之詳情載於財務報表附註25。

### EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 31 to the consolidated financial statements.

### PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

On 10 January 2014, the Company entered into a conditional placing and subscription agreement with a placing agent and Mr. Chen Hong (“Vendor”) in relation to (i) the placing of a maximum of 200,000,000 existing ordinary shares of the Company to not less than six placees who are not acting in concert with connected persons of the Company at HK\$0.38 per Share (“Placing”), representing a discount of approximately 18.28% to the closing price of HK\$0.465 per Share on 10 January 2014; and (ii) the subscription of up to 200,000,000 Shares of HK\$0.01 each by the Vendor (“Subscription”) at HK\$0.38 per Share. The Directors considered that the Placing and the Subscription represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole. As the Vendor was a substantial shareholder and thus a connected person of the Company, the Subscription constituted a connected transaction under the Listing Rules.

The Placing and the Subscription were completed on 10 January 2014 and 20 January 2014 respectively and a total of 200,000,000 Shares were allotted and issued to the Vendor. The net proceeds raised per Share upon completion of the Placing and the Subscription are approximately HK\$0.375 per Share. The whole amount of the net proceeds of approximately HK\$75 million will be used for general working capital and/or to finance potential investment projects. Details of the Placing and the Subscription were set out in the announcement of the Company dated 10 January 2014.

### 報告期後事項

報告期後發生之重大事項之詳情載於綜合財務報表附註31。

### 配售現有股份及認購新股份

於二零一四年一月十日，本公司與配售代理及陳洪先生（「賣方」）訂立有條件配售及認購協議，內容有關(i)以每股股份0.38港元之價格將本公司最多200,000,000股現有普通股配售予不少於六名與本公司之關連人士並非一致行動人士之承配人（「配售事項」），相當於二零一四年一月十日收市價每股股份0.465港元折讓約18.28%；及(ii)賣方以每股股份0.38港元之價格認購最多200,000,000股每股0.01港元之股份（「認購事項」）。董事認為，配售事項及認購事項乃一個為本公司籌集資金，同時能夠擴大股東基礎及本公司之資本基礎之機會。因此，董事認為，配售事項及認購事項符合本公司及股東之整體利益。由於賣方為本公司之主要股東，因而為本公司之關連人士，故認購事項構成上市規則項下之關連交易。

配售事項及認購事項已分別於二零一四年一月十日及二零一四年一月二十日完成，合共200,000,000股股份已配發及發行予賣方。配售事項及認購事項完成後，每股股份所籌集之款項淨額約為0.375港元。所得款項淨額之總額約75,000,000港元將用作一般營運資金及／或撥付潛在投資項目。配售事項及認購事項之詳情載於本公司日期為二零一四年一月十日之公告。

# Report of the Directors

## 董事會報告

### ACQUISITION OF THE ACCURATE GROUP

On 7 March 2014, the Company as purchaser and Rainbow Phoenix Holdings Limited, an independent third party, as vendor entered into a share transfer agreement (“Share Transfer Agreement”) in relation to the acquisition of the entire equity interest in Accurate Trade International Limited (together with its subsidiaries, the “Accurate Group”) at a consideration of RMB55,000,000 (equivalent to approximately HK\$69,750,000) (“Acquisition”). RMB45,000,000 (equivalent to approximately HK\$57,070,000) of the consideration will be settled by allotting and issuing 92,052,000 shares of the Company at HK\$0.62 each on the completion date of the Acquisition and the remaining RMB10,000,000 (equivalent to approximately HK\$12,680,000) will be settled by allotting and issuing 20,456,000 shares of the Company at HK\$0.62 each within seven business days upon the fulfillment of the profit guarantee of the Accurate Group for the financial year ending 31 December 2014 as set out the Share Transfer Agreement. As at the date of this annual report, the Accurate Group was principally engaged in sales and production of paper converting equipment and other relating equipment through its operating subsidiary, Accura. Upon completion of the Acquisition, the Accurate Group will become a wholly owned subsidiary of the Company. As at the date of this report, the Acquisition has not been completed subject to fulfillment of certain terms and conditions and the relevant regulatory approvals. Details of the Acquisition were set out in the announcement of the Company dated 7 March 2014.

### CORPORATE GOVERNANCE

Details of the Company’s corporate governance practices are set out in the section headed “Corporate Governance Report” of this annual report.

### AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group.

### 收購ACCURATE GROUP

於二零一四年三月七日，本公司（作為買方）與獨立第三方Rainbow Phoenix Holdings Limited（作為賣方）訂立關於以人民幣55,000,000元（相等於約69,750,000港元）之代價收購Accurate Trade International Limited（連同其附屬公司，合稱「Accurate Group」）全部股權（「收購事項」）之股份轉讓協議（「股份轉讓協議」）。其中代價人民幣45,000,000元（相等於約57,070,000港元）將通過於收購完成日期按每股0.62港元之價格配發及發行92,052,000股本公司股份支付，而餘下人民幣10,000,000元（相等於約12,680,000港元）將通過在Accurate Group截至二零一四年十二月三十一日止財政年度的溢利保證達成後七個營業日內按每股0.62港元之價格配發及發行20,456,000股本公司股份支付。於本年度報告日期，Accurate Group主要通過其經營附屬公司Accura從事紙張加工設備及其他相關設備的銷售及生產。待收購事項完成後，Accurate Group將成為本公司的全資附屬公司。於刊發本報告日期，收購事項尚未完成，須待若干條款及條件達成及相關監管機構批准後方可作實。有關收購事項之詳情已於本公司日期為二零一四年三月七日的公佈內披露。

### 企業管治

本公司企業管治常規詳情載於本年報「企業管治報告」一節。

### 審核委員會

本公司已成立審核委員會，並已遵照上市規則所載規定制訂書面職權範圍，目的是檢討及監察本集團之財務申報程序及內部監控。

## Report of the Directors 董事會報告

The Audit Committee currently comprises Mr. Tsui Siu Hang, Steve (Chairman), Mr. Yao Enshu and Mr. Wong Kwong Chi. The Audit Committee has reviewed and discussed with the management and the external auditor for the financial reporting matters including the annual results for the year ended 31 December 2013.

### AUDITOR

A resolution to re-appoint the retiring auditor, Deloitte Touche Tohmatsu, will be proposed at the forthcoming annual general meeting.

### CLOSURE OF REGISTER OF MEMBERS

For determining the qualification for attending the annual general meeting of the Company to be held on 30 May 2014, the register of members of the Company will be closed from 28 May 2014 to 30 May 2014 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 27 May 2014.

By order of the Board  
**Sinoref Holdings Limited**  
**Xu Yejun**  
*Chairman*  
Hong Kong, 31 March 2014

審核委員會成員現時包括徐紹恒先生（主席）、姚恩澍先生及王幹芝先生。審核委員會已與管理層及外聘核數師一同審閱及討論財務申報事宜，包括截至二零一三年十二月三十一日止年度之全年業績。

### 核數師

在應屆股東週年大會上將提呈決議案，續聘退任的德勤•關黃陳方會計師行為本公司核數師。

### 暫停辦理股份過戶登記

為釐定出席本公司將於二零一四年五月三十日舉行的股東週年大會之資格，本公司將於二零一四年五月二十八日至二零一四年五月三十日（包括首尾兩日）暫停辦理股東登記，期間將不會辦理股份過戶手續。為符合資格出席本公司股東週年大會，所有股份過戶文件連同有關股票須於二零一四年五月二十七日下午四時三十分前，交回本公司在香港之股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，以辦理登記手續。

承董事會命  
**華耐控股有限公司**  
主席  
**徐葉君**  
香港，二零一四年三月三十一日

# Independent Auditor's Report

## 獨立核數師報告

## Deloitte.

### 德勤

#### TO THE MEMBERS OF SINOREF HOLDINGS LIMITED

#### 華耐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Sinoref Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 119, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### AUDITOR'S RESPONSIBILITY

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

#### 致華耐控股有限公司列位股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審計列載於第56至119頁華耐控股有限公司(「貴公司」)及其附屬公司(合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一三年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、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。

#### 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,並僅根據我們獲委聘的協定條款向貴公司全體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。該等準則要求我們遵守道德規範,並規劃及執行審計,以合理確定綜合財務報表是否存在任何重大錯誤陳述。

# Independent Auditor's Report

## 獨立核數師報告

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

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

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2013, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
31 March 2014

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真實而公平的綜合財務報表相關的內部控制，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。

### 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集團於二零一三年十二月三十一日的事務狀況及截至該日止年度的虧損及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

**德勤•關黃陳方會計師行**  
執業會計師  
香港  
二零一四年三月三十一日



## Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

		Notes	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
		附註		
Revenue	收入	7	186,436	322,671
Cost of sales	銷售成本		(161,891)	(169,687)
Gross profit	毛利		24,545	152,984
Interest income on bank deposits	銀行存款的利息收入		1,300	1,399
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	15	(29,131)	–
Selling and distribution costs	銷售及分銷成本		(20,608)	(29,474)
Administrative expenses	行政開支		(32,846)	(31,244)
(Loss) profit before taxation	除稅前(虧損)溢利	10	(56,740)	93,665
Taxation	稅項	9	(36)	(21,186)
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company	本公司擁有人應佔年內(虧損)溢利及年內全面(開支)收入總額		(56,776)	72,479
(Loss) earnings per share Basic and diluted	每股(虧損)盈利 基本及攤薄	14	(RMB4.73 cents) (人民幣4.73分)	RMB6.04 cents 人民幣6.04分

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2013  
於二零一三年十二月三十一日

		Notes 附註	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	73,475	111,604
Prepaid lease payments	預付租賃款項	16	9,628	9,862
			<b>83,103</b>	121,466
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	17	22,939	19,979
Trade receivables	貿易應收款項	18	172,365	131,151
Bills receivables	應收票據	19	32,854	46,937
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		2,254	685
Prepaid lease payments	預付租賃款項	16	235	235
Tax recoverable	可收回稅項		2,681	4,294
Bank balances and cash	銀行結餘及現金	20	312,322	369,805
			<b>545,650</b>	573,086
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	21	28,712	22,537
Other payables and accruals	其他應付款項及應計費用	22	17,456	32,066
Tax liabilities	稅項負債		5,528	6,500
			<b>51,696</b>	61,103
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>493,954</b>	511,983
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>577,057</b>	633,449
<b>Non-current liability</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	23	13,720	13,720
			<b>563,337</b>	619,729
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	24	104,201	104,201
Reserves	儲備		459,136	515,528
<b>Total equity</b>	<b>權益總額</b>		<b>563,337</b>	619,729

The consolidated financial statements on pages 56 to 119 were approved and authorised for issue by the Board of Directors on 31 March 2014 and are signed on its behalf by:

於第56至119頁之綜合財務報表由董事會於二零一四年三月三十一日批准及授權刊發，並由以下代表簽署：

董事  
DIRECTOR

董事  
DIRECTOR

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Statutory reserves	Share options reserve	Retained profits	Total
		股本	股份溢價	特別儲備	法定儲備	購股權儲備	保留溢利	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(Note a) (附註a)	(Note b) (附註b)			
At 1 January 2012	於二零一二年 一月一日	104,201	80,442	46,867	39,273	19,939	254,123	544,845
Profit and total comprehensive income for the year	年內溢利及全面收入 總額	-	-	-	-	-	72,479	72,479
Final dividend for year ended 31 December 2011	截至二零一一年 十二月三十一日 止年度之末期股息	-	-	-	-	-	(9,840)	(9,840)
Recognition of equity settled share-based payments	確認股本結算以股份 為基礎付款	-	-	-	-	12,245	-	12,245
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	9,545	-	(9,545)	-
At 31 December 2012	於二零一二年十二月 三十一日	104,201	80,442	46,867	48,818	32,184	307,217	619,729
Loss and total comprehensive expense for the year	年內虧損及全面開支 總額	-	-	-	-	-	(56,776)	(56,776)
Recognition of equity settled share-based payments	確認股本結算以股份 為基礎付款	-	-	-	-	384	-	384
Release of share options reserve upon cancellation of equity-settled share options arrangement	於註銷股本結算購股 權安排時解除購股 權儲備	-	-	-	-	(30,038)	30,038	-
At 31 December 2013	於二零一三年 十二月三十一日	<u>104,201</u>	<u>80,442</u>	<u>46,867</u>	<u>48,818</u>	<u>2,530</u>	<u>280,479</u>	<u>563,337</u>

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### Notes:

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

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

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

### 附註：

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

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

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

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>		
(Loss) profit before taxation	除稅前(虧損)溢利	(56,740)	93,665
Adjustments for:	就以下各項作出調整：		
Interest income	利息收入	(1,300)	(1,399)
Write-off of property, plant and equipment	撇銷物業、廠房及設備	-	7
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,590	12,635
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	29,131	-
Amortisation of prepaid lease payments	預付租賃款項攤銷	234	235
Share-based payments expense	以股份為基礎付款開支	384	12,245
Operating cash flows before movements in working capital	營運資本變動前之經營現金流量	(15,701)	117,388
(Increase) decrease in inventories	存貨(增加)減少	(2,960)	4,934
Increase in trade receivables	貿易應收款項增加	(41,214)	(13,246)
Decrease (increase) in bills receivable	應收票據減少(增加)	14,083	(7,222)
(Increase) decrease in other receivables, deposits and prepayments	其他應收款項、按金及預付款項(增加)減少	(1,569)	3
Increase in trade payables	貿易應付款項增加	6,175	1,530
(Decrease) increase in other payables and accruals	其他應付款項及應計費用(減少)增加	(11,491)	21
<b>Net cash (used in) from operations</b>	<b>經營(所用)所得現金淨額</b>	<b>(52,677)</b>	103,408
PRC income tax refunded (paid)	已退還(已付)中國所得稅	605	(25,699)
<b>Net cash (used in) from operating activities</b>	<b>經營活動(所用)所得現金淨額</b>	<b>(52,072)</b>	77,709
<b>Investing activities</b>	<b>投資活動</b>		
Interest received	已收利息	1,300	1,399
Purchase of property, plant and equipment	購買物業、廠房及設備	(6,711)	(5,035)
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(5,411)</b>	(3,636)
<b>Cash used in financing activity</b>	<b>融資活動所用現金</b>		
Dividends paid	已付股息	-	(9,840)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>現金及現金等值物(減少)增加淨額</b>	<b>(57,483)</b>	64,233
<b>Cash and cash equivalents at beginning of the year</b>	<b>年初現金及現金等值物</b>	<b>369,805</b>	305,572
<b>Cash and cash equivalents at end of the year, representing bank balances and cash</b>	<b>年終現金及現金等值物，以銀行結餘及現金列示</b>	<b>312,322</b>	369,805

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 30.

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

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements

### 1. 一般資料

本公司在開曼群島註冊成立為獲豁免有限公司及本公司股份在聯交所上市。本公司之註冊辦事處及主要營業地點之地址在本年報「公司資料」一節內披露。

本公司為一家投資控股公司。本公司的附屬公司之主要業務載於附註30。

綜合財務報表以人民幣呈列，而人民幣亦為本公司之功能貨幣。

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂及經修訂香港財務報告準則。

香港財務報告準則之修訂	香港財務報告準則二零零九年至二零一一年週期之年度改進
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
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂	綜合財務報表、共同安排及披露於其他實體之權益：過渡指引
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	共同安排
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	公平值計量
香港會計準則第19號（於二零一一年經修訂）	僱員福利
香港會計準則第27號（於二零一一年經修訂）	獨立財務報表

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 “Consolidated financial statements”, HKFRS 11 “Joint arrangements”, HKFRS 12 “Disclosure of interests in other entities”, HKAS 27 (as revised in 2011) “Separate financial statements” and HKAS 28 (as revised in 2011) “Investments in associates and joint ventures”, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The application of these five standards effective for annual period beginning 1 January 2013 will not have significant impact on the results and financial position of the Group as the Group owns 100% equity interest in all of its subsidiaries and does not have any associates or joint ventures at 31 December 2013.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第28號（於二零一一年經修訂）	於聯營公司及合營企業之投資
香港會計準則第1號之修訂	呈列其他全面收益項目
香港（國際財務報告詮釋委員會）— 詮釋第20號	露天礦場生產期之剝除成本

除下文所述者外，年內應用新訂及經修訂香港財務報告準則不會對本年度及過往年度及／或於該等綜合財務報表中披露之本集團財務表現及財務狀況造成重大影響。

#### 綜合、共同安排、聯營公司及披露之新訂及經修訂準則

於本年度，本集團首次應用有關綜合、共同安排、聯營公司及披露之五項準則組合，包括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「共同安排」、香港財務報告準則第12號「披露於其他實體之權益」、香港會計準則第27號（於二零一一年經修訂）「獨立財務報表」及香港會計準則第28號（於二零一一年經修訂）「於聯營公司及合營企業之投資」，連同關於過渡指引的香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂。

香港會計準則第27號（於二零一一年經修訂）並不適用於本集團，因其僅涉及獨立財務報表。

應用於二零一三年一月一日年度期間開始生效之該等五項準則將不會對本集團之業績及財務狀況造成重大影響，此乃由於於二零一三年十二月三十一日本集團全資擁有其附屬公司且並無任何聯營公司或合營企業。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

### HKFRS 13 “Fair value measurement”

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. The application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第13號「公平值計量」

本集團已於本年度首次應用香港財務報告準則第13號。香港財務報告準則第13號確立對公平值計量及公平值計量披露之單一指引。香港財務報告準則第13號之範圍廣泛：香港財務報告準則第13號之公平值計量規定，適用於其他香港財務報告準則規定或准許以公平值計量及披露公平值計量之金融工具項目及非金融工具項目，惟屬於香港財務報告準則第2號「以股份為基礎付款」範圍內的以股份為基礎付款交易、屬於香港會計準則第17號「租賃」範圍內的租賃交易，以及與公平值存在若干相似之處但並非公平值（例如用於計量存貨之可變現淨值或用於減值評估之使用價值）的計量除外。

香港財務報告準則第13號對資產之公平值定義為，在現行市況下於主要（或最具優勢）市場按有序交易於計量日期出售資產所收取（或在釐定負債之公平值時轉移負債所支付）之價格。香港財務報告準則第13號所界定之公平值為退出價格，不論該價格為直接觀察或使用其他估值技術估計得出。此外，香港財務報告準則第13號包括廣泛的披露規定。

香港財務報告準則第13號規定按未來適用基準應用。應用香港財務報告準則第13號並無對於綜合財務報表已確認之金額造成任何重大影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### Amendments to HKAS 1 “Presentation of items of other comprehensive income”

The Group has applied the amendments to HKAS 1 “Presentation of items of other comprehensive income”. Upon the adoption of the amendments to HKAS 1, the Group’s “statement of comprehensive income” is renamed as the “statement of profit or loss and other comprehensive income”. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港會計準則第1號「其他全面收益項目之呈列」之修訂

本集團已應用香港會計準則第1號「其他全面收益項目之呈列」之修訂。於採納香港會計準則第1號之修訂後，本集團之「全面收益表」更名為「損益及其他全面收益表」。香港會計準則第1號之修訂保留可以單一報表或以兩個分開但連續之報表呈列損益及其他全面收益之選擇。此外，香港會計準則第1號之修訂規定須於其他全面收益部份中作出額外披露，致使其他全面收益項目分成兩個類別：(a)其後將不會重新分類至損益之項目；及(b)當符合特定條件時，其後可能會重新分類至損益之項目。其他全面收益項目之所得稅須按相同基準分配－該等修訂並無更改以除稅前或扣除稅項後之方式呈列其他全面收益項目之選擇。此等修訂已追溯應用，故其他全面收益項目之呈列乃經修訂以反映變動。除上述呈列方式之變動外，應用香港會計準則第1號之修訂並無對損益、其他全面收益及全面收益總額構成任何影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle <sup>4</sup>
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle <sup>2</sup>
HKFRS 9	Financial instruments <sup>3</sup>
HKFRS 14	Regulatory deferral accounts <sup>5</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures <sup>3</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities <sup>1</sup>
Amendments to HKAS 19	Defined benefit plans: Employee contributions <sup>2</sup>
Amendments to HKAS 32	Offsetting financial assets and financial liabilities <sup>1</sup>
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets <sup>1</sup>
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting <sup>1</sup>
HK(IFRIC) – INT 21	Levies <sup>1</sup>

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則之修訂	香港財務報告準則二零一零年至二零一二年週期之年度改進 <sup>4</sup>
香港財務報告準則之修訂	香港財務報告準則二零一一年至二零一三年週期之年度改進 <sup>2</sup>
香港財務報告準則第9號	金融工具 <sup>3</sup>
香港財務報告準則第14號	規管遞延賬戶 <sup>5</sup>
香港財務報告準則第9號及香港財務報告準則第7號之修訂	香港財務報告準則第9號之強制生效日期及過渡披露 <sup>3</sup>
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂	投資實體 <sup>1</sup>
香港會計準則第19號之修訂	界定福利計劃：僱員供款 <sup>2</sup>
香港會計準則第32號之修訂	抵銷金融資產及金融負債 <sup>1</sup>
香港會計準則第36號之修訂	非金融資產之可收回金額披露 <sup>1</sup>
香港會計準則第39號之修訂	衍生工具更替及對沖會計法之延續 <sup>1</sup>
香港（國際財務報告詮釋委員會）— 詮釋第21號	徵費 <sup>1</sup>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- 1 Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.
- 2 Effective for annual periods beginning on or after 1 July 2014, except as disclosed below. Early application is permitted.
- 3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
- 4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
- 5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- 1 於二零一四年一月一日或之後開始之年度期間生效，可提早應用。
- 2 於二零一四年七月一日或之後開始之年度期間生效，下文所披露者除外。可提早應用。
- 3 可供應用 – 強制生效日期將於落實香港財務報告準則第9號之未完成階段後釐定。
- 4 於二零一四年七月一日或之後開始之年度期間生效，只有少數情況例外。
- 5 於二零一六年一月一日或之後開始之首個年度香港財務報告準則財務報表生效。

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

### 3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例所規定之適用披露。

歷史成本一般是基於就交換貨品所給予代價之公平值而釐定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3. 主要會計政策 (續)

公平值為於計量日期市場參與者之間按有序交易出售一項資產將收取之價格或轉讓負債時將支付之價格，而不論該價格是否可直接觀察或使用另一項估值方法估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟香港財務報告準則第2號範圍內之以股份為基礎付款交易、香港會計準則第17號範圍內之租賃交易，以及與公平值類似但並非公平值（例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值）之計量除外。

此外，就財務申報而言，公平值計量分為第一、第二或第三級別，此等級別之劃分乃根據公平值計量之輸入數據之可觀察程度及該等數據對公平值計量之整體重要性，概述如下：

- 第一級輸入數據指實體於計量日期就相同資產或負債於活躍市場上獲得之報價（未經調整）；
- 第二級輸入數據指就資產或負債直接或間接地可觀察之輸入數據（不包括第一級之報價）；及
- 第三級輸入數據指資產或負債之不可觀察輸入數據。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 3. 主要會計政策（續）

主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司以及本公司及其附屬公司所控制實體之財務報表。倘屬以下情況，則本公司取得控制權：

- 對被投資方行使權力；
- 因藉參與被投資方的業務而可或有權獲得可變回報；及
- 有能力行使其權力而影響其回報。

倘事實及情況表明上文所列三項控制因素中有一項或多項改變，則本集團重新評估其是否控制被投資方。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，年內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

附屬公司之財務報表於有需要情況下作出調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、支出及現金流（與本集團成員公司間之交易有關）均於綜合賬目時全數對銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

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

Revenue from sales of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

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

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

### 3. 主要會計政策 (續)

#### 收入確認

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

銷售貨品之收入乃在貨品交付客戶及貨品擁有權已轉移，並符合下列條件時予以確認：

- 本集團已向買家轉讓貨品擁有權之重大風險及回報；
- 本集團不再繼續涉及某程度上一般與擁有權相關之管理，而對已出售貨品亦無實質控制權；
- 收入金額能可靠地計量；
- 與交易相關之經濟利益有可能會流入本集團；及
- 就交易產生或將產生之成本能夠可靠地計量。

當經濟利益有可能流向本集團而收入金額能可靠地估計時，則會確認來自金融資產之利息收入。金融資產之利息收入乃按時間基準參考未償還之本金及適用實際息率累計，實際息率指將金融資產之估計未來所收現金於初始確認時在估計可使用期內折現至資產賬面淨值之息率。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purpose are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

#### Leasing

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

#### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 3. 主要會計政策（續）

#### 物業、廠房及設備

物業、廠房及設備（包括用作生產或供應貨品或服務或作行政用途之樓宇）乃按成本減其後累計折舊及累計減值虧損（如有）於綜合財務狀況表列賬。

折舊乃按估計可使用年期採用直線法確認，以撇銷資產成本並扣減其剩餘價值。估計可使用年期、估計剩餘價值和折舊方法會於每個申報期末作檢核，並採用未來適用法對估計變動之影響入賬處理。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生之任何收益或虧損（根據銷售所得款項與資產賬面值之間的差額計算）於損益中確認。

#### 租賃

倘租賃條款將所有權絕大部份風險及收益轉讓予承租人，則租賃被分類為融資租賃。所有其他租賃被分類為經營租賃。

#### *本集團為承租人*

經營租賃應付租金按有關租期以直線法確認為開支，除非另有系統基準更能代表租賃資產使用經濟利益之時間模式則除外。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing (continued)

##### *The Group as lessee (continued)*

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

##### *Leasehold land and building*

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

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

### 3. 主要會計政策 (續)

#### 租賃 (續)

##### *本集團為承租人 (續)*

倘若獲取租賃優惠以達成經營租賃，則有關優惠被確認為負債。優惠的合計利益以直接法確認為租賃開支之扣減。

##### *租賃土地及樓宇*

倘租約包括土地及樓宇部份，則本集團根據對各部份的擁有權所附帶之絕大部份風險及回報是否已轉讓予本集團之評估，獨立將各部份分類評估為融資或經營租賃，除非明顯兩個部份均為經營租賃則例外，在此情況下，整份租約分類為經營租賃。具體而言，最低租賃付款（包括任何一次過預付款項）乃按租賃土地部份及樓宇部份於租約開始時的租賃權益相對公平值比例於土地及樓宇部份之間分配。

倘能可靠分配租賃款項，作為經營租賃入賬之租賃土地權益於綜合財務狀況表內列為「預付租賃款項」，並按直線法於租賃期內攤銷。當租賃付款不能可靠地在土地及樓宇部份之間分配時，整份租約一般分類為融資租賃，並當作物業、廠房及設備入賬。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### Retirement benefits costs

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

#### Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### 3. 主要會計政策 (續)

#### 外幣

各獨立集團實體在編製財務報表時，以該實體功能貨幣以外的貨幣（「外幣」）所進行的交易按交易當日匯率確認。於申報期末，以外幣結算的貨幣項目按申報期末的匯率重新換算。以外幣計值之過往成本計算之非貨幣項目不予重新換算。

貨幣項目所產生之匯兌差額於其產生期間在損益內確認。

#### 退休福利成本

向國家管理的退休福利計劃及強制性公積金計劃所作供款於僱員已提供服務而有權獲得供款時確認為開支。

#### 稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所報「除稅前溢利」不同，乃由於在其他年度應課稅收入或可扣稅開支以及從未課稅或扣稅之項目。本集團即期稅項負債乃按申報期末頒佈或已實際頒佈之稅率計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

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

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

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

### 3. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項就綜合財務報表內的資產及負債賬面值與計算應課稅溢利所採用相應稅基之間的暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產一般於可能有應課稅溢利可用於對銷可扣減暫時差額時就所有可扣減暫時差額確認。若於一項交易中，因首次確認資產及負債而引致之暫時差額既不影響應課稅溢利、亦不影響會計溢利，則不會確認該等資產及負債。

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

遞延稅項資產之賬面值於申報期末作檢討，並在再無可能會有足夠應課稅溢利用於恢復全部或部份資產價值時作調減。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

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

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

Current and deferred tax are recognised in profit or loss.

#### Inventories

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

#### Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;

### 3. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項資產及負債乃按償還負債或變現資產之期間內所預期之適用稅率，根據申報期末已實施或實際實施之稅率（及稅法）計算。

遞延稅項負債及資產之計量反映按照本集團預期於申報期末可收回或結算其資產及負債之賬面值方式計算而得出之稅務結果。

即期及遞延稅項乃於損益中確認。

#### 存貨

存貨乃按成本及可變現淨值兩者中之較低值列值。存貨成本乃按加權平均法計算。可變現淨值指存貨之估計售價減所有完成所需估計成本及進行銷售所需成本。

#### 研發成本

研究活動的開支在產生期間確認為支出。

開發活動（或內部項目開發階段）的內部產生無形資產僅於以下所有各項均得到證明時確認：

- 完成該無形資產的技術可行性，從而使其可予使用或銷售；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Research and development costs (continued)

- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

### 3. 主要會計政策 (續)

#### 研發成本 (續)

- 完成及使用或出售該無形資產的意圖；
- 使用或出售該無形資產的能力；
- 該無形資產將有可能產生未來經濟效益的方式；
- 有充足的技術、財務及其他資源以完成開發及使用或出售該無形資產；及
- 能可靠地計量無形資產於其開發期間所用的開支。

內部產生無形資產的初步確認金額乃無形資產首次符合上述確認標準之日產生的開支總額。如並無內部產生無形資產可予確認，開發開支則在其產生期間內於損益中確認。

初步確認後，內部產生無形資產將按成本減累計攤銷及累計減值虧損（如有）呈報，其基準與獨立收購的無形資產的呈報基準相同。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment loss on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 主要會計政策 (續)

#### 有形資產減值虧損

於申報期末，本集團審閱其有限使用年期之有形資產之賬面值，以釐定該等資產是否有減值虧損之跡象。倘出現任何該等跡象，將作出資產之可收回金額估計，以釐定減值虧損（如有）程度。當不可能估計個別資產之可收回金額時，本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理及穩定的分配基準，則企業資產亦分配至個別現金產生單位，或分配至可識別合理及穩定的分配基準之最小組別之現金產生單位。

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，乃使用可反映現時市場對貨幣時間值的評估及該資產特有之風險（未來現金流量之估計並無就此作調整）之稅前貼現率，將估計未來現金流量貼現至其現值。

倘一項資產（或現金產生單位）之可收回金額估計少於其賬面值，該資產（或現金產生單位）之賬面值將減少至其可收回金額。減值虧損即時於損益中確認。

倘減值虧損於其後撥回，該資產（或現金產生單位）之賬面值將增加至其經修訂估計可收回金額，但因此增加的賬面值不會超過資產（或現金產生單位）於過往年度如無確認減值虧損而應釐定之賬面值。撥回減值虧損即時於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### Financial assets

The Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### Effective interest method

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

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

### 3. 主要會計政策 (續)

#### 金融工具

當集團實體成為工具合約條款的一方時確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債的直接應佔交易成本，於初步確認時加入或從金融資產或金融負債的公平值中扣減（如適用）。

#### 金融資產

本集團之金融資產為貸款及應收款項。分類視乎金融資產之性質及目的而定，並於初步確認時釐定。

#### 實際利率法

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

利息收入乃按債務工具實際利率基準確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Loans and receivables

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

##### Impairment of financial assets

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

Objective evidence of impairment could include:

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

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 貸款及應收款項

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

##### 金融資產減值

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

客觀減值證據可包括：

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial assets (continued)*

##### Impairment of financial assets (continued)

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

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

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

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

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 金融資產減值 (續)

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

就按攤銷成本計量之金融資產而言, 減值虧損之金額按該項資產之賬面值與估計未來現金流量按金融資產的原實際利率折算之現值之差額計量。

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

就按攤銷成本計量之金融資產而言, 倘若在往後期間, 減值虧損金額減少且此減少可客觀聯繫到一項發生在減值確認後之事件上, 則之前確認之減值虧損將透過損益撥回, 但減值撥回當日之投資賬面值不應超過假若減值不曾被確認下的已攤銷成本。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial liabilities and equity instruments*

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

##### Equity instruments

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

##### Financial liabilities

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

##### Effective interest method

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

Interest expense is recognised on an effective interest basis.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及股本工具

由集團實體發行之債務及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類為金融負債或權益。

##### 股本工具

股本工具為有證據顯示本集團於資產中扣減所有負債後有剩餘資產權益之任何合約。本公司發行之股本工具按所收取所得款項扣除直接發行成本確認。

##### 金融負債

金融負債包括貿易應付款項及其他應付款項，其後以實際利率法按攤銷成本計量。

##### 實際利率法

實際利率法乃計算金融負債之攤銷成本及於相關期間分攤利息開支之方法。實際利率指按金融負債之預期可使用年期或較短期間內（如適用）實際折現估計未來現金付款（包括組成實際利率、交易成本及其他溢價或折讓的不可缺少部份之所有已付或已收費用）至初始確認時的賬面淨值之利率。

利息開支按實際利率法確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Derecognition*

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

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

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

### 3. 主要會計政策（續）

#### 金融工具（續）

##### *終止確認*

本集團僅於從金融資產收取現金流量的合約權利到期，或轉讓金融資產及金融資產所有權的絕大部份風險及回報予另一實體時終止確認金融資產。倘本集團並無轉讓或保留所有權的絕大部份風險及回報並繼續控制所轉讓資產，則本集團繼續確認其在資產中的保留權益，並確認相關負債。倘本集團保留所轉讓金融資產所有權的絕大部份風險及回報，則本集團繼續確認該金融資產，亦就已收取的所得款項確認有抵押借貸。

於終止確認全部金融資產時，該項資產賬面值與已收及應收代價及經已在其他全面收益中確認並在權益中累計的累積損益總和之間的差額於損益內確認。

只有當本集團之責任獲解除、取消或到期時，才會終止確認金融負債。終止確認的金融負債賬面值與已付或應付代價的差額於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Equity-settled share-based payment transactions*

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

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

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### *股本結算以股份為基礎付款交易*

就須滿足特定歸屬條件方可授予之購股權而言，所獲服務之公平值乃參考所授購股權於授出日期之公平值釐定，在權益歸屬期間以直線法列作開支，並於權益（購股權儲備）作出相應增加。

本集團於申報期末修訂對預期最終將歸屬的購股權數目之估計。修訂原先估計之影響（如有）於損益確認，使累計開支反映經修訂之估計，並對購股權儲備作出相應調整。

於購股權獲行使時，早前在購股權儲備確認的金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未行使，早前在購股權儲備確認的金額將轉撥至保留溢利。

### 4. 估計涉及不確定性之主要來源

於應用附註3所述的本集團會計政策時，本公司董事須對尚無法從其他渠道確認的資產及負債賬面值作出估計及假設。該等估計及相關假設乃基於過往經驗及其他視作相關的因素作出。實際結果或會有別於該等估計。

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#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

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

##### Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of property, plant and equipment are less than the original estimated useful lives due to changes in commercial and technological environment, such difference will impact the depreciation charge for the remaining periods. At 31 December 2013, the carrying amount of property, plant and equipment is RMB73,475,000 (2012: RMB111,604,000).

#### 4. 估計涉及不確定性之主要來源 (續)

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

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

##### 物業、廠房及設備的可使用年期

於採用有關物業、廠房及設備折舊的會計政策時，管理層乃根據物業、廠房及設備用途之行業經驗並參考有關行業規範來估計各類物業、廠房及設備之可使用年期。倘物業、廠房及設備的實際可使用年期，由於商業及技術環境改變以致少於原本估計之可使用年期，有關差額將影響餘下期間之折舊開支。於二零一三年十二月三十一日，物業、廠房及設備之賬面值為人民幣73,475,000元（二零一二年：人民幣111,604,000元）。

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## 綜合財務報表附註

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#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2013, the carrying amount of trade receivables is RMB172,365,000 (2012: RMB131,151,000), net of allowance for doubtful debts of nil (2012: nil).

##### Estimated impairment loss recognised in respect of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating units to which the property, plant and equipment has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of property, plant and equipment at 31 December 2013 is RMB73,475,000 (net of accumulated impairment loss recognised in respect of property, plant and equipment of RMB29,131,000) (2012: RMB111,604,000 (net of accumulated impairment loss recognised in respect of property, plant and equipment of nil)).

#### 4. 估計涉及不確定性之主要來源 (續)

##### 貿易應收款項的估計減值

倘出現減值虧損的客觀證據，則本集團會考慮對未來現金流量之估計。減值虧損數額乃按資產賬面值與估計未來現金流量（不包括尚未發生之未來信貸虧損）按金融資產之原實際利率（即初始確認時用於計算之實際利率）貼現的現值間之差額計算。倘實際的未來現金流量低於預期，則可能會出現重大減值虧損。於二零一三年十二月三十一日，貿易應收款項之賬面值為人民幣172,365,000元（二零一二年：人民幣131,151,000元），扣除壞賬撥備零元（二零一二年：無）。

##### 就物業、廠房及設備確認之估計減值虧損

釐定物業、廠房及設備是否減值須對獲分派物業、廠房及設備之現金產生單位之使用價值作出估計。使用價值計算要求本集團估計預期產生自現金產生單位之未來現金流量及合適之貼現率以計算現值。

倘實際未來現金流量低於預期，則可能會出現重大減值虧損。於二零一三年十二月三十一日，物業、廠房及設備之賬面值為人民幣73,475,000元（扣除已確認的物業、廠房及設備之累計減值虧損人民幣29,131,000元）（二零一二年：人民幣111,604,000元（扣除已確認的物業、廠房及設備之累計減值虧損零元））。

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## 綜合財務報表附註

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### 5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, reserves and retained profits.

The directors of the Group review the capital structure on a continuous basis taking into account the cost of capital and the risks associate with the capital. The Group will balance its overall capital structure through payment of dividends, new share issues as well as the issue of new debt, if necessary.

### 6. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

#### Financial assets

Loans and receivables (including cash and cash equivalents)

#### Financial liabilities

Amortised cost

#### 金融資產

貸款及應收款項(包括現金及現金等值物)

#### 金融負債

攤銷成本

### 5. 資本風險管理

本集團之資本管理旨在確保本集團內實體均可持續經營，同時透過優化債務及權益，盡量為股東帶來最大回報。本集團之整體策略與往年度一樣保持不變。

本集團的資本架構包括現金及現金等值物與本公司擁有人應佔權益(即股本、儲備及保留溢利)。

本集團董事持續檢討資本結構，當中涉及考慮資本成本及與資本相關之風險。如有必要，本集團將透過支付股息、發行新股份以及發行新債務，以平衡其整體資本結構。

### 6. 金融工具

#### (a) 金融工具之類別

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
<b>517,722</b>	548,163
<b>29,708</b>	26,809

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## 綜合財務報表附註

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### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, bills receivables, bank balances and cash, trade payables and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Market risk

##### Currency risk

Certain transactions of the Group are denominated in Hong Kong dollars ("HKD"), Euro dollars ("EUR") and US dollars ("USD") which are other than the functional currency of the relevant group entities (i.e. RMB), which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated financial assets and liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
HKD	港元	12,589	630	-	135
EUR	歐元	6,537	2,904	-	-
USD	美元	965	64	-	-
		<b>19,091</b>	<b>3,604</b>	<b>-</b>	<b>-</b>

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策

本集團主要金融工具包括貿易應收款項、其他應收款項、應收票據、銀行結餘及現金、貿易應付款項及其他應付款項。此等金融工具之詳情於各自之附註披露。此等金融工具所附帶之風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何減輕此等風險之政策載列如下。管理層確保適時及有效地採取適當措施管理及監控此等風險。

##### 市場風險

##### 貨幣風險

本集團若干交易以港元、歐元及美元計值，而港元、歐元及美元為有關集團實體的功能貨幣(即人民幣)以外的貨幣，令本集團面對外幣風險。本集團並無外幣對沖政策。然而，管理層監控外匯風險，並於有需要時考慮對沖重大外幣風險。

本集團於申報期末以外幣計值之金融資產及金融負債如下：

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For the year ended 31 December 2013  
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### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Market risk (continued)

##### Currency risk (continued)

The financial assets subject to foreign currency risk represent the bank balances denominated in HKD and trade receivables denominated in EUR and USD held by the Group.

The following table details the Group's sensitivity to a 5% appreciation or depreciation of the HKD, EUR and USD against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A positive number indicates an (decrease) increase in post-tax (loss) profit for the year where HKD, EUR and USD strengthens 5% against the RMB. For a 5% weakening of HKD, EUR and USD against RMB, there would be an equal but opposite impact on the post-tax (loss) profit for the year.

HKD	港元
EUR	歐元
USD	美元

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### 市場風險 (續)

##### 貨幣風險 (續)

涉及外幣風險之金融資產是指本集團所持有，以港元計值之銀行結餘及以歐元及美元計值之貿易應收款項。

下表詳列本集團對於港元、歐元及美元兌人民幣升值或貶值5%之敏感度。5%是在內部向主要管理人員匯報外幣風險時所使用之敏感比率，是管理層所評估的外幣匯率的可能變動。敏感度分析僅包括仍有效的以外幣計值的貨幣項目，於申報期末就5%之外幣匯率變動調整其換算。正數顯示當港元、歐元及美元兌人民幣升值5%時之年內除稅後(虧損)溢利(減少)增加。當港元、歐元及美元兌人民幣貶值5%時，將對年內除稅後(虧損)溢利有對等之相反影響。

	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
HKD	629	25
EUR	327	145
USD	48	3



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### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Market risk (continued)*

##### Currency risk (continued)

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

##### Interest rate risk

The Group's exposure to cash flow interest rate risk in relation to bank balances at the end of the reporting period is considered as insignificant. The Group does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

##### *Credit risk*

As at 31 December 2013, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### 市場風險 (續)

##### 貨幣風險 (續)

管理層認為，敏感度分析並不代表內在外匯風險，因為年末時承受的風險並不反映年內面對的風險。

##### 利率風險

本集團於申報期末就銀行結餘面對之現金流利率風險並不重大。本集團並無利率對沖政策。管理層監控利率風險，並於有需要時考慮對沖重大利率風險。

##### 信貸風險

於二零一三年十二月三十一日，倘對手方未能履行責任，本集團面對構成財務虧損之最高信貸風險，相等於綜合財務狀況表所列各項已確認金融資產之賬面值。本集團採納之政策為僅與信譽良好之對手方進行交易，以盡量降低因違約而招致之財務損失風險。

由於交易對手乃多家獲國際評級機構授予高度信貸評級的銀行，因此流動資金之信貸風險有限。

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### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Credit risk (continued)*

At 31 December 2013, the Group has concentration of credit risk as 7% (2012: 13%) and 30% (2012: 37%) of the total trade receivables which was due from the Group's largest customer and the five largest customers, respectively. The customers of the Group operate mainly steel casting plants in the PRC and they are state owned enterprises with sound financial position and good reputation in the industry. The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 96% (2012: 98%) of the total trade receivables as at 31 December 2013. In order to minimise the concentration risk, the management of the Group has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each of individual trade debt regularly to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

##### *Liquidity risk*

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

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### *信貸風險 (續)*

於二零一三年十二月三十一日，由於貿易應收款項總額之7% (二零一二年：13%) 及30% (二零一二年：37%) 分別來自本集團之最大客戶及五大客戶，因此本集團有集中信貸風險。本集團的客戶主要在中國經營鑄鋼廠及彼等為國有企業，財務狀況穩健及業內聲譽良好。本集團按地域劃分的信貸風險主要集中於中國，於二零一三年十二月三十一日佔貿易應收款項總額的96% (二零一二年：98%)。為將集中風險減至最低，本集團之管理層已委派員工負責釐定信貸限額、信貸審批及其他監控程序，以確保可採取跟進行動收回逾期債務。此外，本集團定期審閱各個別應收款項之可收回金額，以確保就不可收回金額作出充足減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

##### *流動資金風險*

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

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## 綜合財務報表附註

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### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

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

		Weighted average effective interest rate 加權平均 實際利率	On demand or less than 3 months 按要求或 少於3個月	Total undiscounted cash flows 未貼現 現金流總額	Carrying amounts 賬面值
		%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>As at 31 December 2013</b>	<b>於二零一三年十二月三十一日</b>				
Trade payables	貿易應付款項	-	28,712	28,712	28,712
Other payables	其他應付款項	-	996	996	996
			<b>29,708</b>	<b>29,708</b>	<b>29,708</b>
<b>As at 31 December 2012</b>	<b>於二零一二年十二月三十一日</b>				
Trade payables	貿易應付款項	-	22,537	22,537	22,537
Other payables	其他應付款項	-	4,272	4,272	4,272
			<b>26,809</b>	<b>26,809</b>	<b>26,809</b>

#### (c) Fair values measurements of financial instruments

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

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### 流動資金風險 (續)

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

#### (c) 金融工具之公平值計量

董事認為於綜合財務報表內確認之金融資產及金融負債之賬面值與其公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 7. REVENUE

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

### 8. OPERATING SEGMENTS

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

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

### 7. 收入

收入指就一般日常業務中之銷售貨品已收及應收的淨額，再減去退貨及折扣。

### 8. 經營分部

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

#### Information about products

The revenue of the major products is analysed as follows:

Manufacture and sale of advanced steel flow control products:	製造及銷售高端鋼水控流產品：
Subentry Nozzle	浸入式水口
Stopper	塞棒
Tundish Nozzle	中間包水口
Ladle Shroud	長水口
Others	其他

#### Information about geographical areas

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

The PRC (country of domicile)	中國（原籍國家）
Europe	歐洲
Asia (other than the PRC)	亞洲（不包括中國）

Over 99% of the Group's non-current assets are located in the PRC.

### 8. 經營分部（續）

#### 產品資料

主要產品收入分析如下：

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
91,073	158,598
50,533	82,476
23,866	62,181
20,175	19,416
789	—
<b>186,436</b>	<b>322,671</b>

#### 地區資料

下表提供本集團按地區市場劃分的收入分析：

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
160,489	309,352
25,941	13,232
6	87
<b>186,436</b>	<b>322,671</b>

本集團逾99%的非流動資產位於中國。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

#### Information about major customers

Revenue from a customer amounting to RMB24,565,000 (2012: RMB36,260,000) individually represents more than 10% of the Group's revenue. Four types of products were sold to that customer.

### 9. TAXATION

Current tax:	即期稅項：
PRC Enterprise Income Tax	中國企業所得稅
	過往年度撥備不足
	(超額撥備)
Under(over)provision in prior years	
Deferred tax (note 23):	遞延稅項(附註23)：
Current year	本年度

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards.

### 8. 經營分部(續)

#### 主要客戶資料

來自一名客戶之收入達人民幣24,565,000元(二零一二年：人民幣36,260,000元)，獨佔本集團總收入超過10%。本集團向該名客戶銷售四類產品。

### 9. 稅項

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
-	16,906
36	(15)
-	4,295
<b>36</b>	<b>21,186</b>

中國企業所得稅撥備乃根據估計應課稅溢利(按適用於本公司中國附屬公司之有關所得稅法及法規計算)作出。

根據《中國企業所得稅法》(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司的稅率由二零零八年一月一日起為25%。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 9. TAXATION (continued)

On 6 August 2012, the PRC subsidiary obtained a Hi-tech certificate which is valid for three years. According to GuoShuiHan [2009] No.203, entities qualifying for the Hi-tech status could enjoy a PRC Enterprise Income Tax preferential treatment starting from the year of obtaining the Hi-tech certificate. As a result, the PRC subsidiary was subject to a PRC Enterprise Income Tax of 15% for three years commencing from 2012.

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 are subject to PRC Enterprise Income Tax which is withheld by the PRC entity at 5% of the dividend distributed. During the year ended 31 December 2013, deferred tax expense amounted to nil (2012: RMB4,295,000) in respect of the undistributed earnings of the Company's PRC subsidiary has been recognised in the consolidated statement of profit or loss and other comprehensive income.

At the end of the reporting period, the Group has unused tax losses of RMB20,668,000 (2012: nil) available for offset against future profits. No deferred tax asset has been recognised in respect of such unused tax losses due to the unpredictability of future profit streams. All the unrecognised tax losses will expire in 2018.

### 9. 稅項 (續)

於二零一二年八月六日，該中國附屬公司已獲得高新技術企業證書，有效期三年。根據國稅函[2009]第203號，符合高新技術企業資格的實體自獲得高新技術企業證書當年起可享受中國企業所得稅優惠待遇。因此，該中國附屬公司自二零一二年起計三年享受15%中國企業所得稅的待遇。

根據由財政部及國家稅務總局聯合發出的通知(財稅2008第1號文件)，於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體按已分派股息的5%預扣。截至二零一三年十二月三十一日止年度，有關本公司的中國附屬公司之未分派盈利之遞延稅項費用為零(二零一二年：人民幣4,295,000元)，經已在綜合損益表及其他全面收益表中確認。

於申報期末，本集團擁有未動用稅項虧損人民幣20,668,000元(二零一二年：零)，可被日後溢利所抵銷。由於無法預測日後溢利流，故並無就該等未動用稅項虧損確認遞延稅項資產。所有未確認稅項虧損將於二零一八年屆滿。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 9. TAXATION (continued)

The tax charge for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

### 9. 稅項 (續)

年內稅項支出與綜合損益及其他全面收益表之除稅前(虧損)溢利對賬如下：

		<b>2013</b> <b>二零一三年</b> <b>RMB'000</b> <b>人民幣千元</b>	2012 二零一二年 RMB'000 人民幣千元
(Loss) profit before taxation	除稅前(虧損)溢利	<b>(56,740)</b>	93,665
Tax at the PRC Enterprise Income Tax rate of 25%	按中國企業所得稅稅率25%計算之稅項	<b>(14,185)</b>	23,416
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	<b>9,018</b>	4,774
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	-	(13)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>5,167</b>	-
Tax effect attributable to preferential rate granted to the PRC subsidiary	給予中國附屬公司優惠稅率之稅務影響	-	(11,271)
Deferred tax on undistributed earnings of the PRC subsidiary	中國附屬公司未分派盈利之遞延稅項	-	4,295
Under(over)provision in prior years	過往年度撥備不足(超額撥備)	<b>36</b>	(15)
Taxation for the year	年內稅項	<b>36</b>	21,186



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 10. (LOSS) PROFIT BEFORE TAXATION

### 10. 除稅前（虧損）溢利

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
(Loss) profit before taxation has been arrived at after charging:	除稅前（虧損）溢利經扣除下列項目後達致：		
Auditor's remuneration	核數師酬金	1,031	1,074
Amortisation of prepaid lease payments	預付租賃款項攤銷	234	235
Cost of inventories recognised as an expense	確認為開支之存貨成本	158,836	165,108
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,590	12,635
Minimum lease payments in respect of office premises	有關辦公室物業之最低租賃款項	839	684
Minimum lease payments in respect of an office equipment	有關辦公室設備之最低租賃款項	5	5
Write-off of property, plant and equipment	物業、廠房及設備之撇銷	-	7
Exchange loss, net	匯兌虧損淨額	253	194
Research and development costs	研發費用	14,007	-
Staff costs (including directors' emoluments)	員工成本（包括董事酬金）		
- Salaries and other benefits	- 薪金及其他福利	29,584	35,740
- Retirement benefit scheme contributions	- 退休福利計劃供款	1,189	1,037
- Share-based payments (included in administrative expenses)	- 以股份為基礎付款（包含於行政開支當中）	384	12,245
		<b>31,157</b>	49,022
Less: Staff costs included in research and development costs	減：計入研發費用的員工成本	<b>(853)</b>	-
		<b>30,304</b>	49,022

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 11. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors and the Chief Executive, were as follows:

### 11. 董事及主要行政人員之酬金

已付或應付予各董事及主要行政人員之酬金如下：

		Fees	Salaries and allowances	Performance related bonus	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及津貼	與表現相關之花紅	退休福利計劃供款	以股份為基礎付款	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>For the year ended 31 December 2013:</b>	<b>截至二零一三年十二月三十一日止年度：</b>						
Executive directors:	執行董事：						
Xu Yejun	徐葉君	381	124	-	5	-	510
Zhang Lanyin (designated as non-executive director on 24 June 2013 and resigned as non-executive director on 27 November 2013)	張蘭銀 (於二零一三年六月二十四日調任為非執行董事及於二零一三年十一月二十七日辭任非執行董事)	168	40	-	-	-	208
Gu Aoxing (resigned on 27 November 2013)	顧敖行 (於二零一三年十一月二十七日辭任)	127	73	-	-	-	200
Ho Yuk Hay (appointed on 30 October 2013)	何旭晞 (於二零一三年十月三十日獲委任)	33	-	-	-	-	33
Zhao Ping (appointed on 30 October 2013)	趙平 (於二零一三年十月三十日獲委任)	33	-	-	-	-	33
Non-executive directors:	非執行董事：						
Gao Zhilong (resigned on 27 November 2013)	高志龍 (於二零一三年十一月二十七日辭任)	87	-	-	-	-	87
Chow Chi Wa (appointed on 27 November 2013)	周志華 (於二零一三年十一月二十七日獲委任)	18	-	-	-	-	18
Independent non-executive directors:	獨立非執行董事：						
Yao Enshu	姚恩澍	95	-	-	-	-	95
Yang Fuqiang (resigned on 27 November 2013)	楊富強 (於二零一三年十一月二十七日辭任)	87	-	-	-	-	87
Tsui Siu Hang, Steve	徐紹恒	95	-	-	-	-	95
Wong Kwong Chi (appointed on 27 November 2013)	王幹芝 (於二零一三年十一月二十七日獲委任)	9	-	-	-	-	9
		<b>1,133</b>	<b>237</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>1,375</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 11. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

### 11. 董事及主要行政人員之酬金 (續)

		Fees	Salaries and allowances	Performance related bonus	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及津貼	與表現相關之花紅	退休福利計劃供款	以股份為基礎付款	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>For the year ended</b>	<b>截至二零一二年十二月</b>						
<b>31 December 2012:</b>	<b>三十一日止年度：</b>						
Executive directors:	執行董事：						
Xu Yejun	徐葉君	380	124	-	4	436	944
Zhang Lanyin	張蘭銀	260	240	-	-	962	1,462
Gu Aoxing	顧敖行	140	63	-	2	962	1,167
Non-executive director:	非執行董事：						
Gao Zhilong	高志龍	97	-	-	-	-	97
Independent non-executive directors:	獨立非執行董事：						
Yao Enshu	姚恩澍	97	-	-	-	-	97
Yang Fuqiang	楊富強	97	-	-	-	-	97
Tsui Siu Hang, Steve	徐紹恒	97	-	-	-	-	97
		<u>1,168</u>	<u>427</u>	<u>-</u>	<u>6</u>	<u>2,360</u>	<u>3,961</u>

Mr. Xu Yejun is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive. Mr. Xu also holds shares in the Company which give him significant influence over the Group.

徐葉君先生亦為本公司行政總裁，上文披露彼之酬金包括彼作為行政總裁履行職務所享有之酬金。徐先生亦持有本公司的股份，並據此對本集團具有重大影響力。

The performance related bonus is determined by the performance of individuals.

與表現相關之花紅乃根據個人表現釐定。

None of the directors waived any emoluments for both years.

於該兩個年度，概無董事放棄收取任何酬金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2012: three) were directors and the Chief Executive of the Company whose emoluments are included in the disclosures in note 11 above. The emoluments of the remaining two (2012: two) individuals were as follows:

Salaries and allowances	薪金及津貼
Retirement benefit scheme contributions	退休福利計劃供款
Share-based payments	以股份為基礎付款

### 12. 僱員酬金

本集團五名最高薪人士當中，三名（二零一二年：三名）為本公司之董事及主要行政人員，其酬金已於上文附註11中披露。餘下兩名（二零一二年：兩名）人士之酬金如下：

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
917	922
16	27
384	1,633
<b>1,317</b>	<b>2,582</b>

Their emoluments were within the following bands:

Nil to RMB1,000,000	零元至 人民幣1,000,000元
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至 人民幣1,500,000元
RMB1,500,001 to RMB2,000,000	人民幣1,500,001元至 人民幣2,000,000元

彼等之酬金介乎以下範圍：

2013 二零一三年 Number of employee 僱員人數	2012 二零一二年 Number of employee 僱員人數
1	–
1	1
–	1

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 13. DIVIDENDS

Final dividend paid in respect of the year ended 31 December 2012 of nil cent (2012: for the year ended 31 December 2011 of HK1 cent) per ordinary share

已付截至二零一二年十二月三十一日止年度的末期股息為每股普通股零港仙 (二零一二年：截至二零一一年十二月三十一日止年度：1港仙)

No dividend was paid or proposed by the Company during the years ended 31 December 2013 and 2012, nor has any dividend been proposed since the end of the reporting period.

### 14. (LOSS) EARNINGS PER SHARE

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

**(Loss) earnings**  
(Loss) earnings for the year attributable to the owners of the Company for the purpose of basic and diluted (loss) earnings per share

**(虧損) 盈利**  
就每股基本及攤薄 (虧損) 盈利而言本公司擁有人應佔之年度 (虧損) 盈利

### 13. 股息

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
-	9,840

本公司並無派付或建議派付截至二零一三年及二零一二年十二月三十一日止年度之股息，且自申報期末亦無建議派付任何股息。

### 14. 每股 (虧損) 盈利

本公司擁有人應佔每股基本及攤薄 (虧損) 盈利乃根據以下數據計算：

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
<b>(56,776)</b>	72,479

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 14. (LOSS) EARNINGS PER SHARE (continued)

### 14. 每股(虧損)盈利(續)

Number of shares	股份數目	Number of shares 股份數目 2013 二零一三年 '000 千股	Number of shares 股份數目 2012 二零一二年 '000 千股
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	就計算每股基本及攤薄(虧損)盈利所使用之普通股加權平均數	<b>1,200,000</b>	1,200,000

The calculation of diluted loss per share for the year ended 31 December 2013 had not taken into consideration the assumed exercised of the Company's outstanding share options as it would reduce the loss per share.

During the year ended 31 December 2012, the computation of diluted earnings per share did not assume the exercise of the Company's options because the exercise price of the share options was higher than the average market price of the shares of the Company.

計算截至二零一三年十二月三十一日止年度之每股攤薄虧損並無計入假設行使本公司尚未行使之購股權，因其會導致每股虧損減少。

於截至二零一二年十二月三十一日止年度，由於本公司購股權之行使價高於本公司股份之平均市場價格，因此計算每股攤薄盈利時並無假設本公司購股權獲行使。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Buildings	Leasehold improvements	Furniture and fixtures and office equipment	Plant, machinery and equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	傢俱及裝置及辦公室設備	廠房、機器及設備	汽車	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
COST	成本						
At 1 January 2012	於二零一二年一月一日	36,174	159	1,222	103,492	8,071	149,118
Additions	添置	524	-	46	258	98	926
Disposal	出售	-	-	(71)	-	-	(71)
At 31 December 2012	於二零一二年十二月三十一日	36,698	159	1,197	103,750	8,169	149,973
Additions	添置	710	-	40	2,436	406	3,592
<b>At 31 December 2013</b>	<b>於二零一三年十二月三十一日</b>	<b>37,408</b>	<b>159</b>	<b>1,237</b>	<b>106,186</b>	<b>8,575</b>	<b>153,565</b>
DEPRECIATION AND IMPAIRMENT	折舊及減值						
At 1 January 2012	於二零一二年一月一日	4,654	101	845	17,694	2,504	25,798
Provided for the year	年內撥備	1,808	58	90	9,327	1,352	12,635
Eliminated on disposal	出售之對銷	-	-	(64)	-	-	(64)
At 31 December 2012	於二零一二年十二月三十一日	6,462	159	871	27,021	3,856	38,369
Provided for the year	年內撥備	1,835	-	77	9,394	1,284	12,590
Impairment loss recognised in profit or loss	於損益內確認之減值虧損	-	-	-	29,131	-	29,131
<b>At 31 December 2013</b>	<b>於二零一三年十二月三十一日</b>	<b>8,297</b>	<b>159</b>	<b>948</b>	<b>65,546</b>	<b>5,140</b>	<b>80,090</b>
CARRYING VALUES	賬面值						
<b>At 31 December 2013</b>	<b>於二零一三年十二月三十一日</b>	<b>29,111</b>	<b>-</b>	<b>289</b>	<b>40,640</b>	<b>3,435</b>	<b>73,475</b>
At 31 December 2012	於二零一二年十二月三十一日	30,236	-	326	76,729	4,313	111,604

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual value, at the following rates per annum:

Buildings	4.5% – 18%
Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture and fixtures and office equipment	18%
Plant, machinery and equipment	9%
Motor vehicles	18%

The buildings are situated on land in the PRC and are held under medium term leases.

#### Impairment loss recognised in the current year

During the year, as a result of the unexpected decline in the performance of the Group, the Group carried out a review of the recoverable amount of the Group's property, plant and equipment. The review led to the recognition of an impairment loss of RMB29,131,000, which has been recognised in profit or loss. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. The discount rate in measuring the amounts of value in use were 16.50%. No impairment assessment was performed in 2012 as there was no indication of impairment.

### 15. 物業、廠房及設備 (續)

上述物業、廠房及設備使用直線法及經考慮其估計剩餘價值後以下列年率計算於其估計可使用年期計算折舊：

樓宇	4.5% – 18%
租賃物業裝修	20%或按租期， 以較短者為準
傢俱及裝置及 辦公室設備	18%
廠房、機器及 設備	9%
汽車	18%

樓宇位於中國內地，根據中期租約持有。

#### 於本年度確認的減值虧損

年內，由於本集團業績意外下滑，本集團對其物業、廠房及設備的可收回金額進行了審查。審查導致確認減值虧損人民幣29,131,000元，該筆款項已於損益內確認。相關資產的可收回金額已根據其使用價值釐定。計量使用價值金額時的貼現率為16.50%。由於並無減值跡象，故二零一二年並無進行減值評估。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 16. PREPAID LEASE PAYMENTS

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

### 16. 預付租賃款項

本集團預付租賃款項指位於中國並根據中期租約持有之租賃土地，按二零零六年一月起為期50年的租賃期在綜合損益及其他全面收益表中攤銷。

Analysed for reporting purposes as:

就報告而言分析如下：

Non-current asset  
Current asset

非流動資產  
流動資產

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
9,628	9,862
235	235
<b>9,863</b>	<b>10,097</b>

### 17. INVENTORIES

Raw materials  
Work-in-progress  
Finished goods

原材料  
在製品  
製成品

### 17. 存貨

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
9,329	8,845
8,673	6,774
4,937	4,360
<b>22,939</b>	<b>19,979</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 18. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 180 days (2012: 180 days), while other customers are due immediately when goods are delivered. The following is an aged analysis of trade receivables presented based on the goods delivery date at the end of the reporting period, which approximated the respective revenue recognition dates:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
Over 180 days	180日以上

At 31 December 2013, included in the Group's trade receivables balances are debtors with aggregate carrying amount of RMB155,643,000 (2012: RMB111,392,000), which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

### 18. 貿易應收款項

本集團向若干客戶授出之信貸期為180日(二零一二年: 180日)以內, 而其他客戶須於收到貨品時即時付款。以下為於申報期末根據貨品交付日期(與各自的收入確認日期相近)呈列之貿易應收款項賬齡分析:

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
18,802	24,152
16,124	28,579
19,021	30,715
16,301	29,903
24,106	17,802
78,011	–
<b>172,365</b>	<b>131,151</b>

於二零一三年十二月三十一日, 本集團之貿易應收款項結餘包括賬面總值為人民幣155,643,000元(二零一二年: 人民幣111,392,000元)之應收債項, 其於申報期末已逾期惟本集團並未作出減值虧損撥備。本集團並無就此等結餘持有任何抵押品。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 18. TRADE RECEIVABLES (continued)

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

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
Over 180 days	180日以上

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

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

At 31 December 2013, included in the trade receivables is RMB6,537,000 (2012: RMB2,904,000) and RMB883,000 (2012: RMB64,000) that was denominated in EUR and USD, respectively. All the remaining trade receivables are denominated in RMB.

### 18. 貿易應收款項 (續)

已逾期惟未減值之貿易應收款項之賬齡如下：

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
<b>14,631</b>	19,397
<b>12,829</b>	22,238
<b>14,617</b>	26,000
<b>13,732</b>	27,365
<b>21,823</b>	16,392
<b>78,011</b>	–
<b>155,643</b>	111,392

本集團並無就已逾期惟未減值之貿易應收款項作出撥備，乃由於本公司董事根據客戶之良好付款記錄及與該等客戶之長期交易往來認為該等應收款項可予收回。本集團並無就此等結餘持有任何抵押品。

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

於二零一三年十二月三十一日，貿易應收款項包括分別以歐元及美元計值之款項人民幣6,537,000元（二零一二年：人民幣2,904,000元）及人民幣883,000元（二零一二年：人民幣64,000元）。其餘所有貿易應收款項以人民幣計值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 19. BILLS RECEIVABLES

The aged analysis of bills receivables presented based on the goods delivery date at the end of the reporting period are analysed as follows:

121 – 180 days	121至180日
Over 180 days	180日以上

At 31 December 2013, the carrying value of bills receivables include bills endorsed to suppliers on a full recourse basis that are not yet due amounting to RMB17,822,000 (2012: RMB16,844,000). As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables as assets in the consolidated financial statements. The associated trade payables secured over the bills endorsed to the suppliers which were not yet due at the end of the reporting period are recognised as current liabilities in the consolidated statement of financial position.

Bills receivables endorsed to suppliers with full recourse:	按全面追索基準向供應商背書的應收票據：
Carrying amount of transferred assets	已轉讓資產之賬面值
Carrying amount of associated liabilities	相關負債之賬面值
Net position	持倉淨額

### 19. 應收票據

於申報期末，根據貨品交付日期呈列之應收票據賬齡分析如下：

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
408	–
32,446	46,937
<b>32,854</b>	<b>46,937</b>

於二零一三年十二月三十一日，應收票據的賬面值包括按全面追索基準向供應商背書票據而尚未到還款日的款項人民幣17,822,000元（二零一二年：人民幣16,844,000元）。由於本集團尚未轉讓有關該等應收票據的重大風險及回報，故本集團繼續於綜合財務報表中確認應收票據的全數賬面值為資產。向供應商背書的票據（於申報期末尚未到期的）已保證相關貿易應付款項於綜合財務狀況表中被確認為流動負債。

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
17,822	16,844
(17,822)	(16,844)
–	–

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 19. BILLS RECEIVABLES (continued)

All the bills receivables are denominated in RMB.

The maturity dates of endorsed bills were less than six months from the end of the reporting period.

### 20. BANK BALANCES AND CASH

At 31 December 2013, bank balances carried interest at an average interest rate of 0.35% (2012: 0.41%) per annum.

At 31 December 2013, included in the bank balances and cash is RMB12,589,000 (2012: RMB630,000) that was denominated in HKD and RMB82,000 (2012: nil) that was denominated in USD. All the remaining bank balances and cash are denominated in RMB.

### 21. TRADE PAYABLES

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

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上

### 19. 應收票據 (續)

所有應收票據均以人民幣計值。

背書票據自申報期末起計之到期日均少於六個月。

### 20. 銀行結餘及現金

於二零一三年十二月三十一日，銀行結餘按平均年利率0.35% (二零一二年：0.41%) 計息。

於二零一三年十二月三十一日，計入銀行結餘及現金的金額人民幣12,589,000元 (二零一二年：人民幣630,000元) 以港元計值及人民幣82,000元 (二零一二年：零) 以美元計值。所有餘下銀行結餘及現金以人民幣計值。

### 21. 貿易應付款項

以下為貿易應付款項於申報期末根據收取貨品日期呈列之賬齡分析。

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
11,198	10,617
6,160	5,686
2,337	2,776
9,017	3,458
<b>28,712</b>	<b>22,537</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 21. TRADE PAYABLES (continued)

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

At 31 December 2013, included in the trade payables was RMB17,822,000 (2012: RMB16,844,000) secured over bills receivables endorsed to suppliers that were not yet due for payment.

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

### 22. OTHER PAYABLES AND ACCRUALS

Other payables	其他應付款項
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備之應付款項
Accrued sales commission	應計銷售佣金
Accrued professional fees	應計專業費用
Accrued staff costs	應計員工成本
Other tax payables	其他應付稅項

### 21. 貿易應付款項 (續)

供應商向本集團授出之信貸期為30日內。

於二零一三年十二月三十一日，計入貿易應付款項的金額中包括向供應商背書的應收票據(尚未到還款日)的已保證款項人民幣17,822,000元(二零一二年：人民幣16,844,000元)。

於申報期末，貿易應付款項之賬面值以人民幣計值。

### 22. 其他應付款項及應計費用

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
996	1,153
–	3,119
11,680	17,440
976	1,004
2,035	1,880
1,769	7,470
<b>17,456</b>	<b>32,066</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 23. DEFERRED TAX LIABILITIES

### 23. 遞延稅項負債

		Undistributed earnings of the PRC subsidiary 中國附屬公司之 未分派盈利 RMB'000 人民幣千元
At 1 January 2012	於二零一二年一月一日	9,425
Charge for the year (note 9)	年內支出(附註9)	<u>4,295</u>
At 31 December 2012 and at 31 December 2013	於二零一二年十二月三十一日及 二零一三年十二月三十一日	<u><u>13,720</u></u>

### 24. SHARE CAPITAL

### 24. 股本

		Number of shares at HK\$0.10 per share 每股面值0.10 港元之股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
At 1 January 2012, 31 December 2012 and 2013	於二零一二年一月一日、 二零一二年及二零一三年 十二月三十一日	<u>3,000,000</u>	<u>300,000</u>
Issued:	已發行：		
At 1 January 2012, 31 December 2012 and 2013	於二零一二年一月一日、 二零一二年及二零一三年 十二月三十一日	<u>1,200,000</u>	<u>120,000</u>
Shown in the consolidated financial statements	綜合財務報表所示		
At 1 January 2012, 31 December 2012 and 2013	於二零一二年一月一日、 二零一二年及二零一三年 十二月三十一日		<u><u>RMB'000 equivalent 104,201</u></u> <u>人民幣千元等值</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 25. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 7 June 2010 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 6 June 2020. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors (excluding non-executive directors) of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2013, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 8,000,000 (2012: 120,000,000), representing 0.67% (2012: 10%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted must be taken up within 20 days from the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from 1 year from the date of grant of the share option to the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

### 25. 以股份為基礎付款交易

本公司根據於二零一零年六月七日通過之決議案採納購股權計劃（「該計劃」），主要目的是向董事及合資格僱員提供獎勵，而該計劃將於二零二零年六月六日屆滿。根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司的董事，不包括非執行董事）授出購股權，以認購本公司股份。

於二零一三年十二月三十一日，根據該計劃已授出而尚未行使之購股權所涉及之股份數目為8,000,000股（二零一二年：120,000,000股），相等於本公司於該日已發行股份之0.67%（二零一二年：10%）。在未經本公司股東事先批准情況下，根據該計劃授出的購股權所涉及之股份總數不得超過本公司於任何時間已發行股份之10%。在未經本公司股東事先批准情況下，任何個別人士於任何一年內獲授及可獲授之購股權所涉及之已發行及將予發行股份數目，不得超過本公司於任何時間已發行股份之1%。

獲授購股權人士須於授出日期起計20日內就每份獲授購股權支付1港元，以接納購股權。購股權可於授出購股權日期起計一年直至授出日期起計滿十週年當日止任何時間行使。行使價由本公司董事釐定，且不低於以下最高者：(i)本公司股份於授出日期之收市價；(ii)本公司股份於緊接授出日期前五個營業日之平均收市價；及(iii)本公司股份面值。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 25. SHARE-BASED PAYMENT TRANSACTIONS (continued)

### 25. 以股份為基礎付款交易 (續)

Date of grant	Vesting period	Exercisable period	Exercise price	Number of share options		
				購股權數目		
授出日期	歸屬期	行使期	行使價	Balance at	Cancelled	Balance at
				31.12.2012 and 1.1.2013 於二零一二年 一月一日、 二零一二年 十二月三十一日及 二零一三年 一月一日之結餘	during the year 年內註銷	31.12.2013 於二零一三年 十二月三十一日 之結餘
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2011 二零一零年十一月二十二日至 二零一一年十一月二十一日	22 November 2011 to 21 November 2020 二零一一年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	18,000,000	(16,800,000)	1,200,000
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2012 二零一零年十一月二十二日至 二零一二年十一月二十一日	22 November 2012 to 21 November 2020 二零一二年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	18,000,000	(16,800,000)	1,200,000
22 November 2010 二零一零年十一月二十二日	22 November 2010 to 21 November 2013 二零一零年十一月二十二日至 二零一三年十一月二十一日	22 November 2013 to 21 November 2020 二零一三年十一月二十二日至 二零二零年十一月二十一日	HK\$1.408 1.408港元	24,000,000	(22,400,000)	1,600,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2012 二零一一年九月二十七日至 二零一二年九月二十六日	27 September 2012 to 26 September 2021 二零一二年九月二十七日至 二零二一年九月二十六日	HK\$0.476 0.476港元	18,000,000	(16,800,000)	1,200,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2013 二零一一年九月二十七日至 二零一三年九月二十六日	27 September 2013 to 26 September 2021 二零一三年九月二十七日至 二零二一年九月二十六日	HK\$0.476 0.476港元	18,000,000	(16,800,000)	1,200,000
27 September 2011 二零一一年九月二十七日	27 September 2011 to 26 September 2014 二零一一年九月二十七日至 二零一四年九月二十六日	27 September 2014 to 26 September 2021 二零一四年九月二十七日至 二零二一年九月二十六日	HK\$0.476 0.476港元	24,000,000	(22,400,000)	1,600,000
				120,000,000	(112,000,000)	8,000,000
Exercisable at 31 December 2013 可於二零一三年十二月三十一日行使						6,400,000
Weighted average exercise price 加權平均行使價						HK\$0.942 0.942港元

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 25. SHARE-BASED PAYMENT TRANSACTIONS (continued)

During the year ended 31 December 2013, the Group cancelled 112,000,000 share options granted to the grantees. The release of share options reserve of approximately RMB30,038,000 was recognised in the consolidated statement of changes in equity and the Group reversed total share-based payment expenses of RMB5,376,000 recognised during the year ended 31 December 2013.

During the year, the Group recognised the total expense of RMB384,000, after adjusting the reversal of total share-based payment expenses of RMB5,376,000 as stated above (2012: RMB12,245,000) in relation to share options granted by the Company.

### 26. OPERATING LEASES

At 31 December 2013, the Group had commitment for minimum lease payment under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)

The commitments represent rentals payable by the Group for its office in Hong Kong and an office equipment with terms of up to five years.

Monthly rental was fixed and recognised over the terms of the lease on a straight-line basis.

### 25. 以股份為基礎付款交易 (續)

截至二零一三年十二月三十一日止年度，本集團註銷了授予承授人的112,000,000份購股權。解除購股權儲備約人民幣30,038,000元乃於綜合權益變動表中確認及本集團撥回了於截至二零一三年十二月三十一日止年度確認的以股份為基礎付款開支總額人民幣5,376,000元。

年內，經調整撥回上述以股份為基礎付款開支總額人民幣5,376,000元後，本集團就本公司授出之購股權確認開支總額人民幣384,000元（二零一二年：人民幣12,245,000元）。

### 26. 經營租賃

於二零一三年十二月三十一日，本集團根據不可撤銷經營租賃有以下最低租賃付款之承擔，其到期情況如下：

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
497	795
4	506
<b>501</b>	<b>1,301</b>

該等承擔指本集團就租期為五年之香港辦公室及辦公室設備應付之租金。

每月租金乃於租期內按直線基準釐定及確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 27. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying Hong Kong employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. Mandatory benefits are provided under the MPF Scheme. The Group contributes the lower of 5% of the relevant payroll costs and HK\$1,250 (HK\$1,000 before 1 June 2012) per employee to the MPF Scheme.

Employees of subsidiary in the PRC are members of the state-sponsored pension schemes operated by the PRC government. The subsidiary is required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the state-sponsored pension schemes is to make the required contributions.

The total contribution to the retirement benefit schemes charged to the consolidated statement of profit or loss and other comprehensive income is RMB1,189,000 (2012: RMB1,037,000).

### 28. RELATED PARTY TRANSACTIONS

#### Compensation of key management personnel

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

Short-term benefits	短期福利
Retirement benefit scheme contributions	退休福利計劃供款
Share-based payments	以股份為基礎付款

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

### 27. 退休福利計劃

本集團為所有合資格香港僱員設有強制性公積金計劃（「強積金計劃」）。此計劃之資產乃與本集團其他資產分開管理，存放於受託人控制之基金。強制性福利根據強積金計劃提供。本集團為每位僱員按有關薪金5%或1,250港元（於二零一二年六月一日前為1,000港元）中之較低者向強積金計劃供款。

中國附屬公司之僱員已參加中國政府營運之國家贊助退休金計劃。該附屬公司須按僱員薪津某個百分比向退休金計劃供款，為此項福利撥付資金。本集團就此等國家贊助退休金計劃之唯一義務乃作出規定供款。

已計入綜合損益及其他全面收益表之退休福利計劃總供款為人民幣1,189,000元（二零一二年：人民幣1,037,000元）。

### 28. 關連方交易

#### 主要管理人員薪酬

董事及其他主要管理層成員於兩個年度之薪酬如下：

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
2,979	3,105
58	64
384	6,998
<b>3,421</b>	<b>10,167</b>

董事及主要行政人員之酬金乃由薪酬委員會參考個人表現及市場趨勢而釐定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 29. 本公司財務狀況表

(a) Financial information of the statement of financial position of the Company

(a) 本公司財務狀況表之財務資料

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司之投資	174	174
Property, plant and equipment	物業、廠房及設備	10	15
Amounts due from subsidiaries	應收附屬公司款項	220,856	229,977
		<b>221,040</b>	<b>230,166</b>
<b>Current asset</b>	<b>流動資產</b>		
Bank balances	銀行結餘	4,583	429
<b>Current liability</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款項及應計費用	(1,622)	(1,796)
<b>Net current assets (liabilities)</b>	<b>流動資產(負債)淨值</b>	<b>2,961</b>	<b>(1,367)</b>
<b>Total assets less current liability</b>	<b>資產總值減流動負債</b>	<b>224,001</b>	<b>228,799</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital (note 24)	股本(附註24)	104,201	104,201
Reserves	儲備	119,800	124,598
<b>Total equity</b>	<b>權益總額</b>	<b>224,001</b>	<b>228,799</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

### 29. 本公司財務狀況表 (續)

#### (b) Movement of capital and reserves of the Company

#### (b) 本公司資本及儲備變動

		Share capital 股本	Share premium 股份溢價	Share options reserve 購股權儲備	Retained profits 保留溢利	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2012	於二零一二年一月一日	104,201	80,442	19,939	37,397	241,979
Loss and total comprehensive expense for the year	年內虧損及年內全面開支總額	-	-	-	(15,585)	(15,585)
Final dividend for year ended 31 December 2011	截至二零一一年十二月三十一日止年度之末期股息	-	-	-	(9,840)	(9,840)
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	12,245	-	12,245
At 31 December 2012	於二零一二年十二月三十一日	104,201	80,442	32,184	11,972	228,799
Loss and total comprehensive expense for the year	年內虧損及年內全面開支總額	-	-	-	(5,182)	(5,182)
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	384	-	384
Release of share options reserve upon cancellation of equity-settled share options arrangement	註銷股本結算購股權安排時解除購股權儲備	-	-	(30,038)	30,038	-
<b>At 31 December 2013</b>	<b>於二零一三年十二月三十一日</b>	<b>104,201</b>	<b>80,442</b>	<b>2,530</b>	<b>36,828</b>	<b>224,001</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 30. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

### 30. 本公司附屬公司詳情

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司持有的 所有權權益比例	Proportion of voting power held by the Company 本公司持有的 投票權比例	Principal activities 主要業務
Sinoref (BVI) Limited	The British Virgin Islands 12 January 2010 英屬處女群島 二零一零年一月十二日	US\$2 2美元	100%	100%	Investment holding 投資控股
Sinoref (Hong Kong) Limited 華耐科技(香港)有限公司	Hong Kong 17 February 2010 香港 二零一零年二月十七日	HK\$1 1港元	100%	100%	Investment holding 投資控股
Sinoref Yixing# 華耐宜興*	The PRC 20 July 2005 中國 二零零五年七月二十日	RMB151,716,600 人民幣151,716,600元	100%	100%	Manufacture and sale of advanced steel flow control products 製造及銷售高端鋼水控流 產品

# Wholly foreign owned enterprise registered in the PRC.

# 於中國註冊之外商獨資企業。

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

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

None of the subsidiaries had issued any debt securities at the end of the year.

年末概無附屬公司發行任何債務證券。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
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### 31. EVENTS AFTER THE REPORTING PERIOD

- (a) On 10 January 2014, the Company entered into a conditional placing and subscription agreement with placing agent and a shareholder of the Company in relation to, among others, the placing of a maximum of 200,000,000 existing ordinary shares of the Company of HK\$0.38 each to not less than six placees who are not acting in concert with connected persons of the Company at HK\$0.38 per placing share, representing a discount of approximately 18.28% to the closing price on 10 January 2014. The whole amount of the net proceeds of approximately HK\$75 million will be used for general working capital and/or to finance potential investment projects. The placing shares to be placed under the placing and subscription agreement will be issued pursuant to a general mandate obtained at the annual general meeting of the Company on 18 June 2013. Details were disclosed in the announcement of the Company dated 10 January 2014.

### 31. 報告期後事項

- (a) 於二零一四年一月十日，本公司與配售代理及本公司股東訂立有條件配售及認購協議，內容有關（其中包括）以每股配售股份0.38港元的價格（較於二零一四年一月十日的收市價折讓約18.28%）配售最多200,000,000股本公司每股面值0.38港元的現有普通股予不少於六名承配人（其並非與本公司關連人士一致行動）。所得款項淨額總數約7,500萬港元將用作一般營運資金及／或為潛在投資項目提供資金。根據配售及認購協議將予配售的配售股份將根據於二零一三年六月十八日之本公司股東週年大會上取得的一般授權發行。有關詳情於本公司日期為二零一四年一月十日的公佈內披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2013  
截至二零一三年十二月三十一日止年度

### 31. EVENTS AFTER THE REPORTING PERIOD (continued)

- (b) On 7 March 2014, the Company entered into a share transfer agreement with Rainbow Phoenix Holdings Limited, an independent third party, to acquire the entire equity interest in Accurate Trade International Limited and its subsidiaries ("Accurate Group") at a consideration of RMB55,000,000 (equivalent to approximately HK\$69,750,000). RMB45,000,000 (equivalent to approximately HK\$57,070,000) of the consideration will be settled by allotting and issuing the 92,052,000 shares of the Company at the issue price on the completion date and the remaining RMB10,000,000 (equivalent to approximately HK\$12,680,000) will be settled by allotting and issuing the 20,456,000 shares of the Company at the issue price within 7 business days upon the fulfillment of the profit guarantee of the Accurate Group for the financial year ending 31 December 2014. Upon the completion of the acquisition, the Accurate Group will become the wholly owned subsidiary of the Company. As at the date of the issuance of this report, the acquisition has not been completed subject to fulfillment of certain terms and conditions and the relevant regulatory approvals. Details were disclosed in the announcement of the Company dated 7 March 2014.

### 31. 報告期後事項 (續)

- (b) 於二零一四年三月七日，本公司與獨立第三方Rainbow Phoenix Holdings Limited訂立股份轉讓協議，以收購Accurate Trade International Limited及其附屬公司（「Accurate Group」）的全部股權，代價為人民幣55,000,000元（相等於約69,750,000港元）。其中代價人民幣45,000,000元（相等於約57,070,000港元）將通過於完成日期按發行價配發及發行92,052,000股本公司股份支付，而餘下人民幣10,000,000元（相等於約12,680,000港元）將通過在Accurate Group截至二零一四年十二月三十一日止財政年度的溢利保證達成後七個營業日內按發行價配發及發行20,456,000股本公司股份支付。待收購事項完成後，Accurate Group將成為本公司的全資附屬公司。於刊發本報告日期，收購事項尚未完成，須待若干條款及條件達成及相關監管機構批准後方可作實。有關詳情於本公司日期為二零一四年三月七日的公佈內披露。



## Summary of Results, Assets and Liabilities

### 業績、資產及負債概要

#### Results of the Group for the year ended 31 December

#### 本集團截至十二月三十一日止年度之業績

		2009	2010	2011	2012	2013
		二零零九年	二零一零年	二零一一年	二零一二年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	營業額	<u>156,896</u>	<u>318,762</u>	<u>323,421</u>	<u>322,671</u>	<b><u>186,436</u></b>
Profit (loss) and total comprehensive income (expense) for the year attributable to owners of the Company	本公司擁有人應佔年內溢利(虧損)及年內全面收入(開支)總額	<u>70,076</u>	<u>130,056</u>	<u>92,011</u>	<u>72,479</u>	<b><u>(56,776)</u></b>
Earnings (loss) per share (RMB)	每股盈利(虧損)(人民幣)					
- Basic	- 基本	<u>0.08</u>	<u>0.12</u>	<u>0.08</u>	<u>0.06</u>	<b><u>(0.05)</u></b>
- Diluted	- 攤薄	<u>N/A不適用</u>	<u>0.12</u>	<u>0.08</u>	<u>0.06</u>	<b><u>(0.05)</u></b>

#### Assets and liabilities of the Group at 31 December

#### 本集團於十二月三十一日之資產及負債

		2009	2010	2011	2012	2013
		二零零九年	二零一零年	二零一一年	二零一二年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總值	189,505	530,547	622,476	694,552	<b>628,753</b>
Less: Total liabilities	減：負債總額	<u>(35,928)</u>	<u>(60,550)</u>	<u>(77,631)</u>	<u>(74,823)</u>	<b><u>(65,416)</u></b>
Total net assets	總資產淨值	<u>153,577</u>	<u>469,997</u>	<u>544,845</u>	<u>619,729</u>	<b><u>563,337</u></b>



**SINOREF**

華耐控股有限公司  
SINOREF HOLDINGS LIMITED