企業簡介

CORPORATE PROFILE

中國聯塑是中國塑料管道及管件領先的生產商，
並於聯交所主板上市(股票簡稱：中國聯塑，股份
代號：2128)。本集團擁有位於廣東、貴州、四
膿 主 餘 雯 鹽 疙 錮 櫏 柲 薄 蛅 鍆 狅 檡

產曠櫝櫺榻的濫婈炕中國聯塑趪絡失吳㒵杢瞢膂該絢噓拿的塑料管辟
櫝嗆蕈耘袑靡炕中國聯塑絡菹裔　蚳您鈕蠖瘥杠鑆商、圈缸肅㒵

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五年財務概要

FIVE-YEAR FINANCIAL SUMMARY

		截至12月31日止年度				
		2012年	2011年	2010年	2009年	2008年
		2012	2011	2010	2009	2008
		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
業績		**RMB'000**	RMB'000	RMB'000	RMB'000	RMB'000
收入		**10,891,363**	10,143,296	7,711,532	5,322,244	3,618,526
除稅前溢利		**1,582,279**	1,556,933	1,373,516	799,414	170,741*
所得稅開支	Income tax expense	**(251,008)**	(296,237)	(241,333)	(155,443)	(34,827)*
年內溢利		**1,231,271**	1,260,696	1,132,183	643,971	135,914
以下應佔溢利：	Profit attributable to:					
本公司擁有人	Owners of the Company	**1,238,322**	1,260,758	1,132,183	643,971	135,481
非控制權益	Non-controlling interests	**(7,051)**	(62)	–	–	433
		1,231,271	1,260,696	1,132,183	643,971	135,914

主席報告

CHAIRMAN'S STATEMENT

中國聯塑2012年整體經營環境在歐債危機及中國政府信用緊縮的雙重影響下，面臨來自需求面的挑戰。然而本集團透過充分發揮在銷售網路、新產品及新技術研發、細化及管理目標市場及品牌等方面的優勢，有效掌握並回應市場趨勢，實現業務的穩健增長，持續為股東創造價值。

In 2012, against the backdrop of the Eurozone debt crisis and the Chinese government's credit tightening policies, China Liansu faced a challenging operating environment in terms of market demand. Nevertheless, the Group managed to respond effectively to changing market trends by fully capitalising on its sales network, its research and development capabilities with new products and new technologies, as well as its focused strategy of target marketing and careful brand management. As a result, China Liansu today enjoys steady growth and continues to create value for the Shareholders.

截至2012年12月31日止年度，本集團錄得人民幣108.91億元收入，較2011年度的人民幣101.43億元增加7.4%。本公司2012年的擁有人應佔溢利為人民幣12.38億元，較2011年度的人民幣12.61億元減少1.8%。董事會建議派付截至2012年12月31日止年度的末期股息每股12港仙。

For the year ended 31 December 2012, the Group recorded revenue of RMB10,891 million, an increase of 7.4% from RMB10,143 million in 2011. Profit attributable to owners of the Company was RMB1,238 million in 2012, a decrease of 1.8% from RMB1,261 million in 2011. The Board recommended the payment of a final dividend of HK12 cents per share for the year ended 31 December 2012.

回顧2012年，歐債危機持續影響全球經濟復甦，中國政府亦確立謹慎的平穩增長經濟目標，施行信用緊縮政策，影響固定資產投資，為塑料管道的整體發展帶來壓力。然而中國政府亦於年內出台多項措施積極推動基礎建設，包含保障性住房、城鎮基礎設施、新農村建設及水利建設，為本集團的業務提供穩定的產品需求。

Looking back at 2012, the Eurozone debt crisis continued to be a drag on the global economic recovery, while the Chinese government set a cautious target for steady economic growth. Credit tightening policies were also implemented, which affected the investments in fixed assets, putting pressure on the plastic pipe industry. However, the Chinese government has carried out various supportive measures during the year, to actively promote the construction of infrastructure, including housing units for social security recipients, infrastructure in cities and towns, as well as the development of new villages and water infrastructure. All these will generate steady demand for the Group's products.

面對2012年如此具挑戰性的經營環境，本集團充分利用行業龍頭優勢，強化現有銷售網絡，在三四線城市取得穩健的進展，產能方面亦擴張順利，使得本集團業務能順利推進，為長遠發展打下穩固的基礎。

In light of 2012's challenging business environment, the Group, as an industry leader, has remained dedicated to strengthen its existing sales network, and has further solidified its foothold in third and fourth tier cities. The Group has also continued to enhance its production capacity. All of these initiatives have helped to build a solid foundation for long-term development and success.

本集團亦針對精裝房興起的趨勢，於回顧年內著力發展塑鋼門窗系統、水暖衛浴、整體廚房等一系列家居建材產品。為配合新的家居建材業務和本集團業務國際化的步伐，本集團預計將於2013年優化原有的商標，新商標的主要品牌概念為「傳承、輕鬆、安全、分享、及開放」，並已陸續推出融合品牌概念之產品，成為推動本集團業務的主要動力之一。

Given today's growing popularity with fitted-out properties, the Group placed great efforts in developing a range of home building material products like plastic-steel doors and windows as well as sanitary products and holistic kitchen during the year under review. In order for the Group's new business of home building materials and the internationalisation of its businesses, the Group plans to enhance the brand trademark with essential messages of "Link, Ease, Safe, Share and Open" in 2013. The Group is now gradually launching products that incorporate those brand essences, and these are expected to become its primary revenue drivers.

Looking forward, the Group aims to leverage strategic planning in its market coverage, expand its sales network nationwide, continue the internationalisation of its businesses, initiate the orderly expansion and optimisation of capacity, develop new products and move toward more focused branding. Using these tools, the Group will continue to effectively respond to market demand, enhance brand awareness, fortify its market-leading position and strengthen its international

董事及高級管理人員履歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

黃聯禧先生，50歲，為本集團創辦人兼本公司主席，於2009年11月5日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團的整體戰略策劃及業務管理。黃先生於塑料管道經營及管理方面累積約16年經驗。彼於1996年12月至1999年4月擔任順德聯塑實業的主席，並於2003年獲佛山市順德區人民政府評為「順德優秀民營企業家」。黃先生自2003年任中國人民政治協商會議佛山市順德區委員會委員，並於2006年起任佛山市順德區龍江總商會副會長。黃先生乃左笑萍女士的配偶。

左滿倫先生，40歲，為本集團行政總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。彼主要負責本集團日常業務經營管理。左先生於塑料管道行業累積約13年經驗。左先生於1999年12月加盟本集團，自此於經營管理方面曾擔任不同職位。左先生曾獲多個獎項，包括於2009年獲中國塑料加工工業協會評為「中國塑料行業先進工作者」。左先生乃黃聯禧先生的內弟及左笑萍女士的胞弟。

左笑萍女士，46歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／監事職務。彼主要負責本集團的採購監控及物流管理。左女士於塑料管道行業累積約16年經驗。左女士自1996年12月起擔任順德聯塑實業的董事。於1999年，彼與黃聯禧先生一同成立本集團，出任不同的採購職務。左女士乃黃聯禧先生的配偶及左滿倫先生的胞姐。

EXECUTIVE DIRECTORS

Mr. Wong Luen Hei, aged 50, is the founder of the Group, the chairman of the Company and was appointed as an executive director of the Company on 5 November 2009. He is also a director of various companies in the Group. He is primarily responsible for the Group's overall strategic planning and business management. Mr. Wong has approximately 16 years of experience in plastic pipe operations and management. He served as the chairman in Shunde Liansu Industrial from December 1996 to April 1999 and was awarded "Outstanding Private Entrepreneur of Shunde" by Shunde People's Government of

執行董事(續)

賴志強先生，46歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團的生產及技術管理。賴先生於塑料管道行業累積約16年經驗，並於4[illegible]年2月27

EXECUTIVE DIRECTORS (Continued)

Mr. Lai Zhiqiang, aged 46, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies in the Group. He is primarily responsible for the production and technical management [illegible]. Mr. Lai has approximately 16 years of experience in the plastic pipe industry and served as a workshop manager of Shunde Liansu Industrial from December 1996 to November 1999. Mr. Lai joined the Group in December 1999 and has held various positions in production management since joining the Group.

Mr. Kong Zhaocong, aged 47, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies in the Group. Mr. Kong is primarily responsible for the China's sales of the Group and has approximately 19 years of experience in the plastic pipe industry. Mr. Kong joined the Group in December 1999 and has held various positions in production management and sales since joining the Group. Prior to joining the Group, Mr. Kong served as a factory manager at Foshan City Dongjian Plastic Materials Factory from March 1993 to January 1999 and served as a manager in the production department of Shunde Liansu Industrial from January 1999 to November 1999.

appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies in the Group. He is primarily responsible for the management of the quality control of

has held various positions in production management and engineering since joining the Group. Prior to joining the Group, Mr. Fuen was a manufacturing engineer in the technology department at Guangdong Province Zhaoqing Gaojiang Plastic Products Co., Limited from July 1989 to July 1993. From July 1993 to September 1999, he was a deputy factory manager at Foshan City Dongjian Plastic Materials Factory. Mr. Fuen served as a production manager of Shunde Liansu Industrial from September 1999 to November 1999. Mr. Fuen has been a deputy secretary general of Plastic Pipe Special Committee of China Plastics Processing Industry Association since 2005. Mr. Fuen obtained a bachelor degree in polymer chemical from South China University of Technology in July 1989.

執行董事(續)

林少全博士，37歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。林博士主要負責本集團的研發及海外銷售工作。林博士於塑料管道行業擁有約10年經驗。彼於2002年7月加盟本集團，自此於研發及海外銷售方面曾擔任不同職務。林博士多年來曾獲多個獎項，包括於2006年獲中華全國總工會頒授「全國五一勞動獎章」。林博士於2002年6月在中山大學取得高分子化學與物理博士學位。

黃貴榮先生，37歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。黃先生主要負責本集團工廠及生產設備的整體管理，並於塑料管道行業擁有約16年經驗。黃先生於1999年12月加盟本集團，自此於生產管理方面曾擔任不同職務。於加盟本集團之前，黃先生於1996年至1999年擔任佛山市東建塑料廠的副廠長，並於1999年6月至1999年11月擔任順德聯

EXECUTIVE DIRECTORS (Continued)

Dr. Lin Shaoquan, aged 37, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies in the Group. Dr. Lin is primarily responsible for the research and development and overseas sales of the Group. Dr. Lin has approximately 10 years of experience in the plastic pipe industry. Dr. Lin joined the Group in July 2002 and has held various positions in research and development and overseas sales since joining the Group. Over the years, Dr. Lin has won various awards including "National May First Labor Medal" by All China Federation of Trade Unions in 2006. Dr. Lin received a doctorate degree in polymer chemical and physics from Sun Yat-sen University in June 2002.

Mr. Huang Guirong, aged 37, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies in the Group. Mr. Huang is primarily responsible for the overall management of the factories and production facilities of the Group and has approximately 16 years of experience in the plastic pipe industry. Mr. Huang joined the Group in December 1999 and has held various positions in production management since joining the Group. Prior to joining the Group, Mr. Huang served as a deputy factory manager at Foshan City Dongjian Plastic Materials Factory from 1996 until 1999 and served as a deputy manager of the plastic production department of Shunde Liansu Industrial from June 1999 to November 1999. Mr. Huang completed a program of marketing from Hubei University of Technology from September 2001 to July 2005.

Mr. Luo Jianfeng, aged 41, was appointed as an executive director of the Company on 2 April 2010. He is also a supervisor of various companies in the Group. Mr. Luo has approximately 19 years of experience in accounting and worked at Shunde City Accounting Firm from July 1993 to March 1996, Guangdong Dezheng Accounting Firm with Limited Liability from April 1996 to December 2001 and Guangdong Gongcheng Accounting Firm from January 2002 to December 2007. Since January 2008, Mr. Luo has been working for Foshan City Zhongzhengcheng Accounting Firm Co., Limited as a certified public accountant. Mr. Luo is a member of The Chinese Institute of Certified Public Accountants and is currently an independent director of Winowner Group Co., Ltd. (stock code: 600681), which is listed on the Shanghai Stock Exchange. Mr. Luo obtained a bachelor degree in economics from Guangdong University of Business Studies in June 1993.

NON-EXECUTIVE DIRECTOR

Mr. Lin Dewei, aged 52, was appointed as a non-executive director of the Company on 27 February 2010. Mr. Lin has approximately 18 years of experience in the legal field and worked as a part-time lawyer at various PRC law firms between 1995 and 2001. Since 2001, Mr. Lin had been practising as a lawyer at Guangdong Everwin Law Office and became a partner at the firm in 2004. Mr. Lin was an arbitrator of the Guangzhou City Arbitration Commission in 2003.

Mr. Lin Dewei is currently a director and shareholder of Guangzhou Yuegao Patent Trademark Agency Co., Ltd. ("Yuegao Patent") and Guangzhou Yuegao Trademark Agency Co., Ltd. (collectively known as "Yuegao"). As the Group has entered into various agency agreements with Yuegao for it to carry out trademark registrations, patent applications and other related matters, Mr. Lin is not independent from the Group. The reasons for his appointment as a non-executive director are due to his professional qualifications and knowledge of PRC laws, as well as his practical experience in the legal field.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Bai Chongen, aged 49, was appointed as an independent non-executive director of the Company on 27 February 2010. Dr. Bai is currently a Mansfield Freeman professor of economics, an associate dean and chairman of the department of Economics in the School of Economics and Management of Tsinghua University. Dr. Bai is a director of the National Institute for Fiscal Studies at Tsinghua University. Dr. Bai serves as an independent director of China-Singapore Suzhou Industrial Park Development Group Co., Ltd. and New China Trust Co., Ltd.. Dr. Bai had been an independent non-executive director of China CITIC Bank Corporation Limited (stock code: 998), which is listed on the Stock Exchange, from December 2006 to October 2012. Dr. Bai obtained a doctorate degree in mathematics from University

INDEPENDENT NON-EXECUTIVE DIRECTORS
(Continued)

Mr. Fung Pui Cheung, aged 64, was appointed as an independent non-executive director of the Company on 27 February 2010. Mr. Fung is currently practising as a sole proprietor in the name of P C Fung

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. Gao Lixin, aged 49, was appointed an independent non-executive director and a member of the nomination committee of the Company on 31 December 2012. Mr. Gao, a senior engineer, obtained a bachelor degree in urban gas energy supply engineering from Chongqing Institute of Architectural Engineering in July 1985. Mr. Gao is currently the head of The Technology Development Promotion Centre of Ministry of Housing and Urban-Rural Development, mainly responsible for technology policies, standards and specifications, research in applied technology in the areas of housing and urban-rural development as well as the assessment of new technology and new product and its promotion.

Mr. Gao is the deputy head of The Plastic Pipe Experts Team for National Chemical Building Material's Coordination Group, a member of Applied Technology Advisory Committee for New-Type Building Material Products of Ministry of Housing and Urban-Rural Development, deputy secretary-general of Municipal Water Supply and Drainage Standardisation Technical Committee for Ministry of Housing and Urban-Rural Development, a member of Gas Standardisation Technical Committee for Ministry of Housing and Urban-Rural Development, and a member of National Standardisation Technical Committee of Plastic Products.

Mr. Gao has taken part in 6 national programs for science and technology development and key projects in the national science & technology pillar programs such as "Key technology research on new type of pipe network system in the city". He also served as the editor in chief of 7 national and industrial standards, namely "Buried polyethylene piping systems for the supply of gaseous fuels-Part 1: Pipes" (GB 15558.1-2003), "Technical specification for polyethylene fuel gas pipeline engineering" (CJJ 63-2008), "Technical specification

SENIOR MANAGEMENT

Mr. Liu Guanggen, aged 31, is a chief financial officer of the Group and is responsible for the Group's overall financial and accounting affairs. Mr. Liu joined the Group in November 2008. Prior to this, he worked as a finance manager in The Industrial and Commercial Bank of China, Shunde Branch from 2004 to 2006, and was a sub-branch manager of The Industrial and Commercial Bank of China, Foshan Shunde Haiqinwan Sub-Branch from 2007 to 2008. Mr. Liu completed a diploma in finance from Southwestern University of Finance and Economics in September 2005 as well as a program in laws at Guangdong University of Business Studies from March 2007 to January 2010.

Mr. Kwan Chi Wai Samuel, aged 35, is a joint company secretary of the Company. Mr. Kwan has more than 10 years of experience in accounting, auditing and finance. Mr. Kwan joined the Group in June 2010 as secretary on a full time basis. Prior to joining the Group, Mr. Kwan worked in CWCC Certified Public Accountants from March 2000 to November 2004, PricewaterhouseCoopers from November 2004 to October 2007 and Deloitte Touche Tohmatsu from November 2007 to September 2009. The latter two firms are amongst the biggest international accounting firms. Mr. Kwan graduated with a bachelor degree in Commerce from Deakin University of Australia in September 2000 and obtained a master degree in business administration from University of South Australia in August 2012. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of the CPA Australia.

BOARD (Continued)

THE COMPOSITION OF THE BOARD (Continued)

Pursuant to the articles of association of the Company (the "Articles"), any director appointed to fill a casual vacancy or as an addition to the existing directors shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election at that meeting. In addition, at every annual general meeting of the Company, not less than one-third of the directors for the time being shall retire from office by rotation provided that every director shall be subject to retirement by rotation at least once every three years. If there exists any relationship among the members of the Board, including financial, business, family or other material/relevant relationship, the disclosure has been published in the section headed "Biographical Details of Directors and Senior Management" and "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares

董事會(續)

獨立非執行董事

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性而作出的年度確認函。本公司根據上市規則第3.13條所載獨立指引條款視全體獨立非執行董事為獨立人士。

董事會職責

董事會肩負向本集團提供有效及負責可靠的領導責任。董事會在本公司發展戰略、管理架構、投資及融資、計劃、財務監控、人事等方面依照守則的規定行使管理決策權。

本公司已經聘請安永會計師事務所為本公司獨立核數師，就截至2012年6月30日止6個月的中期業績進行審閱，及就截至2012年12月31日止年度的全年業績進行審核。本公司董事承認彼等有編製年報及中期報告的財務報表的責任。在編製截至2012年12月31日止年度財務報表時，董事已根據香港財務報告準則揀選及運用合適的會計政策及作出審慎合理的判斷和估計。

本公司外聘核數師就本公司財務報表作出的匯報責任聲明刊載於第52至53頁的獨立核數師報告內。

董事會會議及股東大會

截至2012年12月31日止年度，本公司董事會召開五次會議，以審閱營運表現、資金需求及最近市況，以考慮和批准本集團之整體策略、截至2011年12月31日止年度的經審核全年業績及截至2012年6月30日止6個月的經審閱中期業績。

董事會主席及審核委員會、提名委員會及薪酬委員會的主席均有出席本公司於2012年5月31日舉行的股東週年大會「股東週年大會」)。

BOARD (Continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmations made by each of the independent non-executive directors under Rule 3.13 of the Listing Rules regarding their independence. The Company regarded all independent non-executive directors as independent parties in accordance with the terms of the independence guidelines set out in Rule 3.13 of the Listing Rules.

DUTIES OF THE BOARD

The Board shoulders the responsibility of providing effective, responsible and reliable leadership to the Group. The Board exercises its rights in management decision on the aspects of the Company's development strategy, management structure, investment and financing, planning, financial and control and personnel in accordance with the requirements of the Code.

The Company appointed Ernst & Young as the Company's independent auditor to review the interim results for the six months ended 30 June 2012 and to audit the annual results for the year ended 31 December 2012. The directors of the Company acknowledge their responsibility for preparing the financial statements of the annual report and the interim report. In preparing the financial statements for the year ended 31 December 2012, the directors have selected and applied appropriate accounting policies and have made prudent and reasonable judgements and estimates in accordance with Hong Kong Financial Reporting Standards.

The declaration of reporting responsibility issued by the external auditor of the Company on the Company's financial statements is set out in the Independent Auditors' Report on pages 52 to 53.

BOARD AND GENERAL MEETINGS

For the year ended 31 December 2012, the Board convened five meetings to review operating performance and funding requirement, recent market conditions, considered and approved the Group's overall strategy, audited annual results for the year ended 31 December 2011 and reviewed interim results for the six months ended 30 June 2012.

The chairman of the Board and the chairman of the audit committee, the nomination committee and the remuneration committee, attended the annual general meeting ("AGM") of the Company held on 31 May 2012.

董事會(續)

董事會會議(續)

下表載列2012年董事會各成員的出席會議情況：

BOARD (Continued)

BOARD MEETINGS (Continued)

The table below sets out the attendance of all members of the Board at the meetings held in 2012:

		出席次數／合資格出席的次數[1]				
		股東週年大會	董事會	審核委員會	提名委員會	薪酬委員會
董事		A	B	C	C	C
執行董事						
黃聯禧	Wong Luen Hei	1/1	5/5	–	1/1	2/2
左滿倫	Zuo Manlun	1/1	5/5	–	1/1	2/2
左笑萍	Zuo Xiaoping	1/1	3/5	–	–	–
賴志強	Lai Zhiqiang	1/1	4/5	–	–	–
孔兆聰	Kong Zhaocong	1/1	4/5	–	–	–
陳國南	Chen Guonan	1/1	5/5	–	–	–
林少全	Lin Shaoquan	1/1	5/5	–	–	–
黃貴榮	Huang Guirong	0/1	5/5	–	–	–
羅建峰	Luo Jianfeng	1/1	5/5	–	–	–
非執行董事						
林德緯	Lin Dewei	1/1	5/5	2/2	–	–
獨立非執行董事						
白重恩	Bai Chongen	0/1	3/5	–	0/1	1/2
馮培漳	Fung Pui Cheung	1/1	5/5	2/2	1/1	2/2
王國豪	Wong Kwok Ho Jonathan	1/1	2/5[3]	1/2[3]	1/1	1/2
張文宇[2]	Cheung Man Yu[2]	–	1/1	1/1	–	–
高立新[2]	Gao Lixin[2]	–	1/1	–	0/0	–

附註：

1. 根據章程細則規定，董事均可親身、透過電話或其他視像會議途徑出席大會。
2. 於2012年12月31日獲委任為董事。
3. 其中一次由受委代表出席。
4. 於2012年內，概無其他股東大會舉行。

Notes:

1. Directors may attend meetings in person, by phone or through other means of video conference in accordance with the Articles.
2. Directors who were appointed with effect from 31 December 2012.
3. One of which by proxy.
4. There was no other general meeting held in 2012.

BOARD (Continued)

BOARD MEETINGS (Continued)

The Company gives proper notices of Board meeting to directors and the procedure of Board meetings is in compliance with the Articles and the relevant rules and regulations. The agenda and the relevant documents will be provided to all directors in a timely manner. The chairman will give a proper briefing to all directors on items to be put forward at a Board meeting. To ensure compliance with the procedure of Board meetings and all applicable rules and regulations, all directors may gain a full understanding of all relevant data in a timely manner and may receive advice and services from the joint company secretaries. The minutes of Board meetings are kept by the joint company secretaries and are available for inspection by directors and the auditor of the Company.

TRAINING AND SUPPORT FOR DIRECTORS

The directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive induction package covering the summary of the responsibilities and obligations of a director of a Hong Kong listed company, the Company's constitutional documents and the Guides on Directors' Duties issued by the Hong Kong Companies Registry to each newly appointed director to ensure his/her sufficient awareness of good corporate governance practices.

The joint company secretaries report from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the directors with written materials, as well as organise seminars on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities.

During the year of 2012, there was an in-house seminar conducted covering the topic of compliance to the Indenture of the Senior Notes for the directors. Briefings on the directors' duties were also given to the newly appointed independent non-executive directors.

RESPONSIBILITY OF JOINT COMPANY SECRETARIES

The joint company secretaries report to the Board so as to ensure compliance with the procedure of the Board and ensure the Board is

BOARD COMMITTEES (Continued)

AUDIT COMMITTEE (Continued)

董事委員會(續)

薪酬委員會(續)

薪酬委員會的主要職責是負責研究與制訂公司的薪酬政策和激勵機制，以及負責制訂公司董事與高級管理人員的考核標準並進行考核。

釐定董事會成員的薪酬及袍金水平時，本公司會將市場水平及每位董事的工作量、職責及工作複雜程度等因素一併考慮。釐定董事及高級管理人員薪酬時乃考慮下列因素：

- 業務需要；
- 個別董事的表現及對業績的貢獻；
- 公司業績與盈利；
- 留任因素與個人潛能；
- 有關市場上供求波動及競爭環境轉變等變動；及
- 整體經濟環境。

董事概不會在檢討過程中參與釐定本身的酬金。

薪酬委員會須每年至少召開會議一次。於2012年，薪酬委員會召開了兩次會議並向董事會就董事及高級管理層的薪酬方案提出推薦建議。該等會議之出席記錄(以列名形式)載列於第16頁。

有關董事薪酬及五名最高薪酬僱員的詳情載於財務報表附註8。此外，三名高級管理層之酬金範圍為少於人民幣100萬元。

BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE (Continued)

The Remuneration Committee is mainly responsible for studying and formulating the Company's remuneration policy and incentive mechanism and is responsible for formulating the standards for the appraisal of the Company's directors and senior management and conducting appraisals.

In order to determine the level of remuneration and fees paid to members of the Board, market rates and factors such as each director's workload, responsibility and job complexity are taken into account. The following factors are considered when determining the remuneration packages of directors and senior management:

- business requirements;
- individual performance and contribution to results;
- company performance and profitability;
- retention considerations and the potential of individuals;
- changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and
- general economic situation.

During the review process, no individual director is involved in decisions relating to his/her own remuneration.

The Remuneration Committee shall convene at least one meeting each year. In 2012, the Remuneration Committee convened two meetings and made the recommendation of the remuneration packages for directors and senior management to the Board. The attendance record of the meetings is set out on a named basis on page 16.

Details of directors' remuneration and five highest paid employees are set out in note 8 to the financial statements. In addition, the remuneration of the three senior management fell within the band of less than RMB1 million.

董事委員會(續)

提名委員會

提名委員會由六名成員組成，即黃聯禧先生(提名委員會主席兼執行董事)、左滿倫先生(執行董事)、馮培漳先生、白重恩博士、王國豪先生及於2012年12月31日獲委任為成員之高立新先生(均為獨立非執行董事)。提名委員會的主要職責是就本公司董事及高級管理人員的建議人選、選擇標準及程序進行研究並提出推薦建議。

本公司遵循一套正式、公平及透明的程序委任新董事加入董事會。提名委員會審閱董事會的架構、規模及組成，物色適合的人選; 酷篢皐適铁鑽兔[illegible]

董；委員會由六名[illegible]

；遺桉烫兔椐晲讒[illegible]

BOARD COMMITTEES (Continued)

NOMINATION COMMITTEE

The Nomination Committee comprises six members, namely Mr. Wong Luen Hei (chairman of the Nomination Committee and executive director), Mr. Zuo Manlun (executive director), Mr. Fung Pui Cheung, Dr. Bai Chongen, Mr. Wong Kwok Ho Jonathan and Mr. Gao Lixin who was appointed with effect from 31 December 2012 (all of them are independent non-executive directors). The major duty of the Nomination Committee is to study and make recommendations on the candidates, selection criteria and procedure in respect of the Company's directors and senior management.

The Company follows a formal, fair and transparent procedure for the appointment of new directors to the Board. The Nomination Committee reviews the structure and composition of the Board, identifies suitable candidates if necessary and makes recommendations to the Board.

The Nomination Committee meets at least once a year. In 2012, the Nomination Committee convened one meetings. The Nomination Committee reviewed the structure, size and composition of the Board, recommended the Board on the list of retiring directors for re-election at the annual general meeting on 31 May 2012, and reviewed the independence of all independent non-executive directors. The Nomination Committee recommended the Board on the appointments of two independent non-executive directors. The attendance record of the meetings is set out on a named basis on page 16.

INTERNAL CONTROL

The Board is solely responsible for maintaining sound and effective internal control of the Group. For the year ended 31 December 2012, the Board has reviewed the effectiveness of the internal control system in the aspects of finance, operation, compliance control and risk management functions with the assistance of the Audit Committee. The Group's internal control includes the establishment of a management structure that defines the authority to help the Group achieve its business targets, protect assets to prevent unauthorised embezzlement or handling, ensuring maintaining proper accounting records as reliable financial data for internal use and publication and ensuring compliance with the relevant laws and regulations. The system aims to provide reasonable (but not absolute) assurance that there are no material misstatements or losses and manage (but not completely eliminate) the risks of the Group's operating system failure and failure to achieve business objectives. Having reviewed the Group's internal control report, the Board considers the internal control system effective and appropriate.

內部控制(續)

本集團制訂「舉報政策」，據此，僱員可發送電子郵件至指定電郵地址或以電話方式秘密向主席或審核委員會舉報任何事項，包括財務事宜及會計實務方面之行為失當、不正當行為或欺詐，而無需擔心被指責。任何股東或權益持有人亦可秘密以書面或口頭方式向審核委員會舉報類似事宜。

INTERNAL CONTROL (Continued)

The Group has formulated a "whistleblowing policy" whereby employees can report any matters to the Chairman or the Audit Committee secretly by sending electronic mails to the designated address or by phone. Such matters may include misconduct, irregular conduct or fraud regarding financial matters and accounting practices without fear of being accused. Any Shareholder or stakeholder can also report similar concerns in writing or verbally in confidence to the Audit Committee.

股東之權利

由股東請求召開股東特別大會

根據章程細則，股東可通過下列程序請求召開股東特別大會：

- 任何兩名或以上的股東，或任何一名身為認可結算所(或其代名人)的股東可提交書面請求書要求召開股東特別大會，請求書須遞交至本公司的香港主要辦事處，或倘本公司不再設立該主要辦事處，則遞交至註冊辦事處。請求書須註明會議目的，並由請求人簽署，而該一名或多名請求人於遞交請求書當日，須持有有權於本公司股東大會上投票之本公司足繳股本不少於十分之一。

- 請求書遞交日期起21天內，董事會應召開股東特別大會。

- 本公司求書遞交日期起21天內，董事會未能妥善召開該大會，則該請求人或佔彼等全部投票權總數一半以上之任何請求人可以盡可能與董事會召開大會之相同方式召開股東特別大會，惟任何如此召開之大會不得於遞交該請求書日期後三個月屆滿後舉行。請求人因董事會未能召開大會而合理產生之所有開支須由本公司償還予請求人。

THE SHAREHOLDERS' RIGHTS

CONVENING OF EXTRAORDINARY GENERAL MEETINGS ON REQUISITION BY THE SHAREHOLDERS

Pursuant to the Articles, the Shareholder(s) may request for the convening of extraordinary general meetings following the procedures below:

- Any two or more Shareholder(s) or any one Shareholder which is a recognised clearing house (or its nominee(s)) may request for the convening of extraordinary general meetings by written requisition deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office. The requisition shall specify the object of the meeting and be signed by the requisitionist(s), and such requisitionist(s) must hold as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at the general meeting of the Company.

- The Board shall proceed to convene the extraordinary general meeting within 21 days from the date of deposit of the requisition.

- If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which the meeting may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition. All reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

THE SHAREHOLDERS' RIGHTS

與投資者及股東的關係(續)

未來在投資者關係上，本公司將積極舉辦投資者關係的相關活動，強化企業責任，務求使全球投資者對本公司的經營戰略、財務表現及發展前景具備充分的認識及瞭解。本公司將積極發展及維護與投資者、分析師及媒體之間的緊密關係，做好投資者關係管理。

本公司於其投資者關係溝通採取緘默期原則。緘默期期間，本公司不會就市場前景或影響業務及表現的因素發表意見，亦不會就與報告期相關的事項或趨勢進行討論。本公司將不會與公眾開展任何討論該等事宜的大會或電話會議。緘默期分別於年度業績或中期業績披露前60日或30日前開始，至年度業績或中期業績公告為止。

RELATIONSHIP WITH INVESTORS AND THE SHAREHOLDERS (Continued)

As regards investor relations, the Group will actively conduct activities related to investor relations in the future to strengthen its corporate responsibility so that global investors can have an adequate knowledge and understanding of the Company's operating strategy, financial performance and development prospects. The Company will actively develop and maintain close relationship with investors, analysts and media to achieve sound investor relations management.

The Company applies the principle of a quiet period in its investor relations communications. During a quiet period, the Company does not comment on market prospects or factors affecting business and performance, nor does the company engage in discussion on events or trends related to the reporting period. The Company will not initiate any meeting or conference call with public in which these matters are discussed. A quiet period starts at 60 days or 30 days prior to the disclosure of annual results or interim results respectively, and lasts until the announcement of the annual results or the interim results.

業務回顧與分析

概覽

作為塑料管道及管件生產商的國內龍頭企業，本集團一直致力於透過旗下覆蓋全國的龐大銷售網路及生產基地，向客戶提供種類齊全高品質的塑料管道及管件。本集團的產品廣泛應用於給水、排水、電力通訊、燃氣、農用、地暖和消防等七大領域。為迎合市場需求，發揮協同效應，集團夠

BUSINESS REVIEW AND ANALYSIS

OVERVIEW

As a leading domestic manufacturer of plastic pipes and pipe fittings, the Group has dedicated itself to providing a full range of high quality products to customers through its extensive sales network and production bases throughout the nation. The Group's product line covers seven major areas, including: water supply, drainage, power supply and telecommunications, gas supply, agriculture, floor heating and fire prevention. To meet market demand and realise synergies among different segments, the Group has expanded into new home building material product segments, such as sanitary products, holistic kitchens, and plastic-steel doors and windows in order to nurture growth drivers through product diversification. Headquartered in Shunde, Guangdong Province, the Group has built a strategic network of sales and various production bases that cover the entire nation, comprising primarily 14 production bases located in 11 provinces across China. As of 31 December 2012, the Group's design production capacity was 1.75 million tonnes. With expansion and planning of production capacity serving as the Group's principal objectives for strategic development, the Group aims to carry out capacity expansion plans for its existing production bases in Guangdong, Wuhan and Guiyang, while new bases in Hainan, Yunnan and Shandong remain under construction.

ANALYSIS OF MARKET CONDITIONS

Looking back at 2012, the Eurozone debt crisis continued to affect the recovery of the global economy, and the Chinese government set a cautious target for steady economic growth with credit tightening policies. This has affected the investments in fixed assets and put pressure on general demand for the plastic pipe industry. Faced with the challenges of today's general business environment, the plastic pipe industry, with the help of support policies implemented by the Chinese government, has built a solid foundation upon which demand for plastic pipe has been maintained through on going urbanisation, construction of housing units for social security recipients as well as expanding investments in hydraulic engineering and outdated pipe network replacement.

業務回顧與分析(續)

市場環境分析(續)

作為國內行業龍頭，集團充分發揮在銷售網路、新產品及新技術研發及品牌等方面的優勢，有效掌握並回應市場趨勢，持續致力於細化及完善目標市場，實現核心業務的穩健增長。

回顧年內，本集團之經營及財務表現穩健。收入為人民幣108.91億元，較2011年全年增加人民幣7.48億元或7.4%。截至2012年12月31日止年度之毛利為人民幣26.49億元，較2011年增加8.0%。2012年的每股基本盈利則為人民幣0.41元。

下表載列2012年及2011年塑料管道及管件收入按產品劃分的詳情：

BUSINESS REVIEW AND ANALYSIS (Continued)

ANALYSIS OF MARKET CONDITIONS (Continued)

As a key industry leader, the Group has been optimising its sales network, strengthening efforts on research and development, investing in new products and technologies, and enhancing its brand name. By effectively isolating and addressing market trends as well as refining and developing target markets, the Group has been able to realise steady growth in its core business operations.

During the year under review, the Group achieved healthy operating and financial performance results. Revenue was RMB10,891 million, an increase of RMB748 million or 7.4% over 2011. Gross profit for the year ended 31 December 2012 came to RMB2,649 million, an increase of 8.0% over 2011. Basic earnings per share was RMB0.41 in 2012.

The table below sets out the breakdown of revenue from plastic pipes and pipe fittings by product for 2012 and 2011:

		2012年 2012		2011年 2011	
		人民幣百萬元	佔總收入百分比 %	人民幣百萬元 RMB million	佔總收入百分比 % of total revenue
供水	Water supply	1,9	39.7%	3,881	39.1%
排水	Drainage	3,9_1	37.7%	3,590	36.2%
電力供應及通訊	Power supply and telecommunications	1,870	17.9%	1,816	18.3%
燃氣供應	Gas supply	130	1.3%	99	1.0%
其他[1]	Others[1]	358	3._%	535	5.4%
總計	Total	10,_8	100.0%	9,921	100.0%

附註[1] 「其他」包括農用、地暖及消防。

Note[1] "Others" include agricultural use, floor heating and fire prevention.

業務回顧與分析(續)

業務動向

2012年，中國政府雖持續對房地產市場進行調控，惟仍以穩增長為主。保障房於2012年年底亦因集中入市的關係，進一步帶動中國房地產市場於2012年下半年的發展，並提振塑料管道的需求。中國住房和城鄉建設部公佈，截至2012年底，全國累計開工建設城鎮保障性安居工程約3,400萬套，基本建成約2,100萬套，全國保障性安居工程財政支出人民幣3,800.4億元，比2011年增加人民幣457.5億元或13.7%。

2012年6月份，國家發改委發佈了由國務院批准的《水利發展規劃(2011-2015年)》，該規劃對未來幾年中國水利發展作出了詳細規劃。根據財政部介紹，從2012年開始到2015年，中央財政將統籌安排小型農田水利、農業綜合開發、現代農業生產發展、農業科技推廣四項資金人民幣228億元，支持黑龍江、吉林、遼寧、內蒙古東北四省(區)實施節水增糧行動。其中，2012年中央財政補助人民幣48億元，支持發展高效節水灌溉面積800萬畝。

有效擴充產能迅速回應市場需求

隨著中國經濟的持續穩增長、城鎮化的推進、及隨著云申嬸中幾ㄔ 儷迓宸癸毛楫

BUSINESS REVIEW AND ANALYSIS (Continued)

BUSINESS DEVELOPMENT (Continued)

Effective capacity expansion with rapid response to market demands (Continued)

During the year under review, the Group spent RMB1,422 million to complete its capacity expansion plans of which investments in new home building material product machineries accounted for RMB75 million. The Group's new production base in Shaanxi began production in 2012 as scheduled to meet the demand from local markets and further increase the Group's market share in the surrounding regions.

Effective enhancement and development of sales networks and further consolidation of industry leadership

The general overall business environment was materially affected by the slowdown of the global economic recovery in 2012, and the plastic pipe industry was not immune to the effects. The Group, however, has actively focused on business development within the plastic pipe industry boosted by its cutting-edge technologies and products. As a market leader, the Group continues to leverage its core



BUSINESS REVIEW AND ANALYSIS (Continued)

BUSINESS DEVELOPMENT (Continued)

Diversifying the product portfolio and providing high quality products (Continued)

Plastic-steel doors and windows

The Group supplies integrated door and window system solutions. Currently, there are 3 production bases for door and window assembly in Guangdong Heshan, Jilin Changchun and North America, which offer a variety of products to the market.

Sanitary products

The Group has a dedicated professional sanitary product design and R&D team as well as independent sanitary production plants. Both are at the cutting edge of the industry in terms of the quality and style of the products. Marketed items include sanitary hardware, sanitary ware and sanitary furniture.

Holistic kitchen

The Group has professional international design as well as R&D team to support the Group's holistic kitchen operations. The Group adopts standardised development models and utilise its advantages of mass production. In addition, the Group is supplied with kitchen appliances

財務表現回顧

其他收入、收益及利益

2012年的其他收入、收益及利益為人民幣1.16億元，較2011年減少21.9%。這主要是由於2012年沒有匯兌利益和購回及註銷優先票據的利益減少所致。

銷售及分銷成本

2012年的銷售及分銷成本較2011年上升19.9%至人民幣5.44億元，主要是由於支付給銷售人員的薪金及福利、市場推廣相關的費用增加及銷售額增長導致包裝成本上升所致。

行政開支

2012年的行政開支較2011年增加21.0%至人民幣3.81億元，主要是由於行政人員的薪酬及福利和辦公樓及相關設備折舊增加所致。

其他開支

2012年的其他開支較2011年上升29.0%至人民幣2.12億元，主要由於貿易應收款減值撥備及研發費用增加所致。

融資成本

2012年的融資成本為人民幣1.46億元，較2011年上升32.3%，主要是來自優先票據的利息增加。

所得稅開支

本集團的實際稅率由2011年的19.0%減至2012年的16.9%，主要是由於2011年的中國企業所得稅過度撥備及2012年減少遞延稅項負債。

本公司擁有人應佔溢利

2012年的本公司擁有人應佔溢利達人民幣12.38億元，較2011年的人民幣12.61億元減少1.8%。

本公司首次公開發售(「首次公開發售」)所得款項的用途

本公司在2010年6月首次公開發售所得款項扣除相關開支後的淨額約18.60億港元(約等於人民幣16.29億元)。

直至2012年12月31日，本公司已按照日期為2010年6月22日的分配結果公告(「該公告」)動用首次公開發售所得款項淨額約16.86億港元。尚未動用餘額已存放於金融機構，日後將按照該公告所述方式使用。

REVIEW OF FINANCIAL PERFORMANCE

OTHER REVENUE, INCOME AND GAINS

Other revenue, income and gains amounted to RMB116 million for 2012, representing a decrease of 21.9% over 2011. The decrease was primarily attributable to no exchange gain and less gain on the repurchase and cancellation of the Senior Notes in 2012.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for 2012 rose by 19.9% to RMB544 million as compared with 2011 due to an increase in salaries and benefits paid to sales staff, marketing related expenses and packaging costs from the growth in sales.

ADMINISTRATIVE EXPENSES

Administrative expenses for 2012 rose by 21.0% to RMB381 million as compared with 2011, primarily due to increase in salaries and benefits of administrative staff and depreciation on office premises and related equipment.

OTHER EXPENSES

Other expenses for 2012 rose by 29.0% to RMB212 million as compared with 2011, primarily due to increase in impairment of trade receivables and research and development expenditures.

FINANCE COSTS

Finance costs for 2012 amounted to RMB146 million, representing an increase of 32.3% as compared with 2011, primarily due to increase in interest on the Senior Notes.

INCOME TAX EXPENSE

The Group's effective tax rate decreased from 19.0% in 2011 to 16.9% in 2012 mainly because the PRC CIT was over provided in 2011 and the reduction of the deferred tax liabilities in 2012.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company amounted to RMB1,238 million for 2012 representing a decrease of 1.8% from RMB1,261 million for 2011.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING ("IPO")

The net proceeds from the Company's IPO in June 2010 after deducting the relevant expenses were approximately HK$1,860 million (approximately RMB1,629 million equivalent).

Up to 31 December 2012, approximately HK$1,686 million of the net proceeds from the IPO has been applied in accordance with the results of allocation announcement of the Company dated 22 June 2010 (the "Announcement"). The unutilised balance has been deposited with financial institutions and will be applied in the manner as stated in the Announcement.

本公司擴展計劃的最新情況

本集團直至2012年12月31日於招股章程「業務－生產基地及生產工序」一節所述的生產基地擴展計劃已耗資共人民幣32.22億元。到2012年12月底，本集團的設計年產能達175萬噸。

UPDATES ON THE STATUS OF THE COMPANY'S EXPANSION PLANS

Up to 31 December 2012, the Group has totally spent RMB3,222 million on its expansion plans, as described in the Prospectus under the section headed "Business – Production Facilities and Production Process". The design annual production capacity of the Group reached 1.75 million tonnes at the end of December 2012.

流動資金、財務資源及資本架構

本集團持續採納審慎的財務政策，實行有效的財務、資金運用和融資中央管理及監察模式，保持了合理的資產負債水平及合適的流動資金。

於2012年12月31日，本集團的債務總額約為人民幣22.25億元(2011年：人民幣17.45億元)。其中約6.9%以人民幣計值、80.0%以美元計值而餘下13.1%則以港元計值。除了於2016年到期的約2.59億美元未償還優先票據外，本集團的借款按浮息計息，年息介乎1.33%至5.50%，餘下到期期間由一年內至三年不等。

於2012年12月31日，本集團的流動資產及流動負債分別約為人民幣51.13億元及人民幣20.39億元。本集團的流動比率(即流動資產除以流動負債的比率)及速動比率(即流動資產減存貨再除以流動負債的比率)從2011年的4.36及3.11分別降至2.51及1.64。本集團的權益總額增至約人民幣60.28億元(2011年：人民幣49.87億元)。由於年內獲得新銀行貸款，本集團的資產負債率(按債務總額，即銀行貸款及其他借款總額，除以債務總額加上權益總額的總和計算)與2011年的25.9%相比，仍處於27.0%的健康水平。

於2012年12月31日，現金及銀行存款(包括受限制現金)約為人民幣19.22億元(2011年：人民幣21.17億元)，再加上尚未使用之銀行融資額度，董事認為本集團擁有足夠的營運資金用於經營及未來發展。

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group continued to adopt prudent financial policies. Finance, fund utilisation and fund raising activities are subject to effective centralised management and supervision. The Group maintains reasonable gearing level and adequate liquidity.

As at 31 December 2012, the Group had total debts of approximately RMB2,225 million (2011: RMB1,745 million), of which 6.9% was denominated in Renminbi, 80.0% was denominated in US dollars and 13.1% was denominated in HK dollars. Other than approximately US$259 million of the outstanding Senior Notes due in 2016, the Group's borrowings are subject to floating rates ranging from 1.33% to 5.50% per annum with maturity periods ranging from within one year to three years.

As at 31 December 2012, the Group's current assets and current liabilities were approximately RMB5,113 million and RMB2,039 million respectively. The Group's current ratio (that is, the ratio of current assets over current liabilities) and the quick ratio (that is, the ratio of current assets less inventories over current liabilities) reduced to 2.51 and 1.64 from 4.36 and 3.11 in 2011, respectively. The Group's total equity increased to approximately RMB6,028 million (2011: RMB4,987 million). The Group's gearing ratio (calculated based on the basis of the total debts, i.e. total bank loans and other borrowings, divided by the sum of total debts and total equity) stood at a healthy level of 27.0% as compared to 25.9% in 2011 due to the drawing of new bank loans during the year.

With cash and bank deposits, including restricted cash, of approximately RMB1,922 million as at 31 December 2012 (2011: RMB2,117 million) as well as unutilised banking facilities, the directors consider that the Group has sufficient working capital for its operation and future development.

CHARGE ON ASSETS

As at 31 December 2012, certain of the Group's inventories with an aggregate net carrying amount of approximately RMB26 million (2011: certain of the Group's property, plant and equipment and prepaid land lease payments with an aggregate carrying amount of approximately RMB156 million) were pledged to certain banks to secure bank borrowings granted to the Group. The shares of certain subsidiaries of the Company incorporated outside the PRC were pledged as securities for issuance of the Senior Notes.

FOREIGN EXCHANGE EXPOSURE

The Group's borrowings are mainly denominated in US dollars but its cash flow is generated from operations whose revenue was denominated principally in Renminbi. As a /Ffdt, the depreciation of Renminbi affected to the Group's /Ffdts for 2012. Save for the aforesaid, the Group has no significant exposure to foreign exchange risk and no hedging has been arranged on the abovementioned exposure.

CONTINGENT LIABILITIES

As at 31 December 2012, the Group did not have any significant contingent liabilities.

HUMAN RESOURCES

As at 31 December 2012, the Group employed a total of approximately 7,100 employees including directors. Total staff costs were RMB435 million for the year. Employees are /munerated based on their work performance, professional experience and the prevailing industry practice. The Group also made contributions to the statutory pension scheme for its employees in accordance with the /levant laws and regulations.

PROSPECTS

While the overall demand for plastic pipes and pipe fittings is still being affected by the slow global economic /covery and the Eurozone debt crisis, stable growth in domestic demand will be sustained by further advancement of China's industrialisation, urbanisation and information technology expansion. It has also been stated in the report of the 18th CPC National Congress that growth targets in gross domestic product and per capita income for both urban and rural /Fidents will be realised by 2020. Ongoing implementation of major housing unit construction for social security recipients, as well as for urban infrastructure and new agricfdtural villages, is expected to provide plastic pipe and pipe fitting markets with steady growth prospects. For this reason, the Group is confident about looking forward to sound and stable business development in 2013. The Group will, therefore, continue to focus on the implementation of its core strategies and business development. Moreover, the Group will also look to further enhance market planning

PROSPECTS (Continued)

The Group will continue to forge ahead on its business growth path by adopting these three major developmental strategies:

1. Expand the Group's nationwide sales network and tap international markets: In the future, the Group will continue to actively expand its sales networks, refine target market segments and enhance the strategic distribution of sales channels in response to market changes. In addition to consolidating the Group's position in southern China, a primary geographic market, it will also strive to increase market share elsewhere. While pursuing organic sales network expansion, the Group will also increase its marketing efforts in order to further enhance brand recognition and expand the Group's customer base with a view to gain new market share.

2. Progressive expansion of production capacity to meet market demand: Given China's ongoing urbanisation and the implementation of various policies in agricultural development and hydraulic engineering, China's plastic pipe industry is

董事會報告

DIRECTORS' REPORT

以下為董事會提呈的年度報告連同本集團截至2012年12月31日止年度的經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。其主要附屬公司及共同控制實體的業務詳情分別載於財務報表附註14及15。

業績及分配

本集團截至2012年12月31日止年度的溢利及本公司與本集團於該日的財務狀況載於第54至134頁的財務報表內。

CLOSURE OF REGISTER OF MEMBERS (Continued)

(II) FOR DETERMINING THE ENTITLEMENT TO THE PROPOSED FINAL DIVIDEND

The register of members of the Company will be closed from Friday, 7 June 2013 to Tuesday, 11 June 2013, both dates inclusive, during this period no transfer of shares of the Company will be registered. In order to be eligible to receive the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services

股本

本公司於年內的股本變動詳情載於財務報表附註27。

SHARE CAPITAL

The details of the changes in the Company's share capital during the year are set out in note 27 to the financial statements.

可供分派儲備

於2012年12月31日，根據開曼群島法律第22章公司法(1961年第3部法律，經綜合及修訂)計算的本公司可供分派儲備為人民幣21.25億元(2011年：人民幣20.52億元)褥蔆龘恀薦軌20.52侹裖榣。恛会ㄑ醆≒莗攘為款窖琢人民幣褉甚笔僓蚡可供分派儲備。

DISTRIBUTABLE RESERVE

At 31 December 2012, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB2,125 million (2011: RMB2,052 million). The amount of RMB1,748 million (2011: RMB1,684 million) represented the Company's share premium which may be distributable provided that immediately following the date on which the divided is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2012, the total turnover attributable to the Group's five largest customers was less than 30% of the Group's total turnover. The total purchase attributable to the Group's five largest suppliers was less than 30% of the Group's total purchases.

At no time during the year did the directors, their associates or any Shareholder (which to the knowledge of the directors own more than 5% of the Company's issued share capital) have any beneficial interests in these suppliers or customers referred to above.

董事

於年內並截至本報告日期止在任的董事如下：

執行董事
黃聯禧先生*(主席)*
左滿倫先生*(行政總裁)*
左笑萍女士
賴志強先生
孔兆聰先生
陳國南先生
林少全博士
黃貴榮先生
羅建峰先生

非執行董事
林德緯先生

獨立非執行董事
白重恩博士
馮培漳先生
王國豪先生
張文宇先生*(於2012年12月31日獲委任)*
高立新先生*(於2012年12月31日獲委任)*

根據本公司的組織章程細則第16.18條，黃聯禧先生、孔兆聰先生、白重恩博士、馮培漳先生、王國豪先生、張文宇先生和高立新先生須於2013年股東週年大會上輪席告退，惟合資格並願膺選連任。

董事服務合約

擬於2013蜈婈閉舒刨楨涕离耦奢涴€漱婂

DIRECTORS

Directors in office during the year and up to the date of this report are as follows:

EXECUTIVE DIRECTORS
Mr. Wong Luen Hei *(Chairman)*
Mr. Zuo Manlun *(Chief executive)*
Ms. Zuo Xiaoping
Mr. Lai Zhiqiang
Mr. Kong Zhaocong
Mr. Chen Guonan
Dr. Lin Shaoquan
Mr. Huang Guirong
Mr. Luo Jianfeng

NON-EXECUTIVE DIRECTOR
Mr. Lin Dewei

INDEPENDENT NON-EXECUTIVE DIRECTORS
Dr. Bai Chongen
Mr. Fung Pui Cheung
Mr. Wong Kwok Ho Jonathan
Mr. Cheung Man Yu *(appointed on 31 December 2012)*
Mr. Gao Lixin *(appointed on 31 December 2012)*

Pursuant to Article 16.18 of the Articles of Association of the Company, Mr. Wong Luen Hei, Mr. Kong Zhaocong, Dr. Bai Chongen, Mr. Fung Pui Cheung, Mr. Wong Kwok Ho Jonathan, Mr. Cheung Man Yu and Mr. Gao Lixin are subject to retirement by rotation at the 2013 AGM and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the 2013 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2012, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

姓名	身份	持有的已發行普通股數目[1]	購股權獲行使時將予配發的相關股份數目[1]	佔本公司已發行股本的百分比
黃聯禧先生 Mr. Wong Luen Hei	由受控法團持有[2] Held by controlled corporation[2]	2,112,229,000 (L)	–	69.63%
	由配偶持有[3] Held by spouse[3]	384,800 (L)	1,923,200 (L)	0.07%
		2,112,613,800 (L)	1,923,200 (L)	69.70%
左笑萍女士 Ms. Zuo Xiaoping	由配偶持有[2] Held by spouse[2]	2,112,229,000 (L)	–	69.63%
	實益擁有人[3] Beneficial owner[3]	384,800 (L)	1,923,200 (L)	0.07%
		2,112,613,800 (L)	1,923,200 (L)	69.70%
左滿倫先生 Mr. Zuo Manlun	實益擁有人[4] Beneficial owner[4]	–	3,842,000 (L)	0.13%

賴志冕◤蘊圣舀襯 4 玲鄡蓆㎜滕秖洇遝銙綃 E 詁漲耛娛　芍犄祤魕臏玨柔鞠顟恰抪柷琯抨 A 斛﹏亂鈖寧む辦釀遽嫦樞魒拗煽唁詐瘨㠯僵枒黿鸆愎颼灣 E 詁漲耛娛度

董事及行政總裁於股份、相關股份及債權證的權益及淡倉(續)

附註：

1. 字母「L」指該人士於該等證券的好倉。

2. 該等本公司股份由新富星所持有，該公司由黃聯禧先生(「黃先生」)全資擁有。左笑萍女士為黃先生的配偶，因此根據證券及期貨條例，左笑萍女士被視為於黃先生擁有的所有本公司股份中擁有權益。

3. 左笑萍女士直接持有本公司的384,800股股份及根據本公司採納於2010年5月14日起生效的首次公開發售前購股權計劃(「首次公開發售前購股權計劃」)獲授購股權，可按每股行使價1.82港元認購本公司的1,923,200股股份。黃先生為左笑萍女士的配偶，因此根據證券及期貨條例，黃先生被視為於左笑萍女士擁有的所有本公司股份中擁有權益。

4. 所有其他董事的權益指彼等按每股行使價1.82港元悉數行使根據首次公開發售前購股權計劃獲授的購股權後所發行的股份數目。

除上文所披露者外，於2012年12月31日，本公司董事及行政總裁概無於本公司或其任何相聯法團的任何股份、相關股份及債權證中擁有任何根據證券及期貨條例第352條須載於登記冊，或根據標準守則須通知本公司及聯交所的權益或淡倉。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes:

1. The letter "L" denotes the person's long position in such securities.

2. These shares of the Company are held by New Fortune, which is wholly-owned by Mr. Wong Luen Hei ("Mr. Wong"). Ms. Zuo Xiaoping is the spouse of Mr. Wong, and therefore Ms. Zuo Xiaoping is deemed to be interested in all the shares of the Company in which Mr. Wong is interested by virtue of the SFO.

3. Ms. Zuo Xiaoping is directly holding of 384,800 shares of the Company and was granted with options to subscribe for 1,923,200 shares of the Company with an exercise price of HK$1.82 per share under the Pre-IPO share option scheme ("Pre-IPO Share Option Scheme") adopted by the Company with effect from 14 May 2010. Mr. Wong is the spouse of Ms. Zuo Xiaoping, and therefore Mr. Wong is deemed to be interested in all the shares of the Company in which Ms. Zuo Xiaoping is interested by virtue of the SFO.

4. All other directors' interests represent the number of shares to be issued upon the exercise in full of the options granted to them with an exercise price of HK$1.82 per share under the Pre-IPO Share Option Scheme.

Save as disclosed above, as at 31 December 2012, none of the directors, chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

主要股東的權益及淡倉

於2012年12月31日，於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊中記錄的權益及淡倉的人士(本公司董事及行政總裁除外)如下：

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2012, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

股東名稱	身份	持有的已發行普通股數目[1]	佔本公司已發行股本的百分比
新富星 New Fortune	實益擁有人[2] Beneficial owner[2]	2,112,229,000 (L)	69.63%

附註：

1. 字母「L」指該人士於該等證券的好倉。

2. 黃先生為新富星之最終實益擁有人，根據證券及期貨條例第XV部，黃先生被視作擁有該等股份之權益，誠如上文「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」一節所披露者。

Notes:

1. The letter "L" denotes the person's long position in such securities.

2. Mr. Wong is the ultimate beneficial owner of New Fortune. Under Part XV of the SFO, Mr. Wong is deemed to have an interest in these shares, as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS (Continued)

The above shares were the same shares as set out under the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above. Save as disclosed above, as at 31 December 2012, the directors of the Company were not aware of any person or corporation (other than the directors and chief executive of the Company) who had any interests or short positions in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEMES

The Company has adopted two share option schemes on 14 May 2010, 07mdlant to which the Company is entitled to grant options prior to and after the IPO. The details of both share option schemes are as follows:

1. SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was conditionally approved by resolutions of the Shareholders on 14 May 2010 and the summary of terms of such Share Option Scheme are disclosed in the Prospectus. No share options were granted, exercised or cancelled by the Company under the Share Option Scheme during the year and there were no outstanding share options under the Share Option Scheme as at 31 December 2012.

購股權計劃(續)

SHARE OPTION SCHEMES (Continued)

2. 首次公開發售前購股權計劃(續)

2. PRE-IPO SHARE OPTION SCHEME (Continued)

(b) 已授出但尚未行使的購股權(續)

(b) Outstanding options granted (Continued)

參與者姓名或類別	授出日期[1]	購股權可行使期[1]	行使價港元	於01/01/2012尚未行使	購股權數目 於年內行使[4]	於年內失效／沒收	於31/12/2012尚未行使
				01/01/2012			31/12/2012
黃貴榮先生 Mr. Huang Guirong	21/05/2010	23/06/2011 to 22/06/2014[3]	1.82	1,927,000	–	–	1,927,000
羅建峰先生 Mr. Luo Jianfeng	21/05/2010	23/06/2011 to 22/06/2014[3]	1.82	1,927,000	–	–	1,927,000
林德緯先生 Mr. Lin Dewei	21/05/2010	23/06/2011 to 22/06/2014[3]	1.82	692,000	–	–	692,000
董事小計				15,024,000	(659,800)	–	14,364,200
董事及行政總裁小計				18,866,000	(659,800)	–	18,206,200
僱員[2] E [2] 合共 In aggregate	21/05/2010	23/06/2011 to 22/06/2014[3]	1.82	88,357,800	(27,035,600)	(1,640,150)	59,682,050
總計				107,223,800	(27,695,400)	(1,640,150)	77,888,250

附註：

1. 所示日期的格式均為日／月／年。
2. 該等承授人均並非本公司的關連人士。

Notes:

1. All dates are shown in the format of day/month/year.
2. None of such grantees is a connected person of the Company.

SHARE OPTION SCHEMES (Continued)

2. PRE-IPO SHARE OPTION SCHEME (Continued)

(b) Outstanding options granted (Continued)

Notes: (Continued)

3. The options are exercisable from 23 June 2011 to 22 June 2014 (both days inclusive) subject to the following vesting periods:

   (i) up to 25% of the options commencing on 23 June 2011;

   (ii) up to 60% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing on 23 June 2012; and

   (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing on 23 June 2013.

4. The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK$4.73.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under paragraph headed "Connected Transactions", no contract of significance to which the Company, its holding company and any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETE UNDERTAKINGS FROM

慈善捐款

年內，本集團的慈善捐款約為人民幣478,000元(2011年：人民幣1,665,000元)。

CHARITABLE DONATIONS

During the year, the Group's charitable donations were approximately RMB478,000 (2011: RMB1,665,000).

優先票據

於2012年12月31日，優先票據的未償還本金額為258,880,000美元。優先票據詳情載於財務報表附註24。

SENIOR NOTES

As at 31 December 2012, the outstanding principal amount of the Senior Notes was US$258,880,000. The details of the Senior Notes are set out in note 24 to the financial statements.

購買、出售或贖回上市證券

截至2012年12月31日止年度，除本公司於2012年6月27日在新加坡證券交易所有限公司公告以總代價約8,880,000美元(含應計利息)購回及註銷9,820,000美元本金的優先票據外，本公司或其任何附屬公司概無購買、出售或贖回任何本公司的上市證券。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For year ended 31 December 2012, save for the Company's repurchase and cancellation of the Senior Notes in the principal amount of US$9,820,000 at the aggregate consideration of approximately US$8,880,000 (including accrued interest), which was announced on the Singapore Exchange Securities Trading Limited on 27 June 2012, the Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

報告期後事項

於2013年1月15日，星俊投資有限公司(「賣方」)、黃聯禧先生(「黃先生」)

EVENTS AFTER THE REPORTING PERIOD

On 15 January 2013, Star Excel Investment Limited (the "Vendor"), Mr. Wong Luen Hei, ("Mr. Wong") as guarantor of the obligations of the Vendor (the "Guarantor") and Liansu Group Company Limited (the "Purchaser"), being an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement (the "Sale and Purchase Agreement") to acquire the entire equity interest of Guangdong Liansu Valve Co., Ltd. at the consideration of RMB116 million (the "Acquisition"). For further details, please refer to the Company's announcement dated 15 January 2013.

As the Vendor is wholly-owned by Mr. Wong, an executive director and the ultimate controlling Shareholder, the Vendor and the Guarantor are regarded as connected persons of the Company under the Listing Rules. Accordingly, the Acquisition constituted a connected transaction of the Company which was only subject to the reporting and announcement requirements but was exempt from the independent Shareholders' approval requirement under Rule 14.32 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD (Continued)

The directors of the Company (including the independent non-executive directors), having received the opinion on the fairness in relation to the Acquisition from Investec Capital Asia Limited, an independent financial adviser to the Company appointed pursuant to the indenture dated 13 May 2011 entered into between, among others, the Company and the Bank of New York Mellon in relation to the Senior Notes, were of the view that the terms of the Sale and Purchase Agreement were fair and reasonable and the entering into of the Sale and Purchase Agreement was in the interests of the Group and the Shareholders (other than Mr. Wong and his associates) as a whole. The Acquisition was completed in January 2013.

Save as disclosed above, no significant event took place subsequent to 31 December 2012.

CONNECTED TRANSACTIONS

The related party transactions as disclosed in note 35 to the financial statements also constitute connected transactions or continuing connected transactions within the meaning of the Listing Rules and satisfied relevant disclosure requirements thereof. Details of such non-exempt continuing connected transactions are summarised below:

(A) PURCHASE OF EQUIPMENT FOR PLASTIC PIPE MANUFACTURING

Background: On 20 December

CONNECTED TRANSACTIONS (Continued)

(B) RENTAL AND UTIL/F1 1 Tf12 0 0 7ES EXPENSES

條款件起膩膩 租 蠖藜件 Terms:	The Lease is for 32 months commencing on 1 May 2012 and expiring on 31 December 2014. The related rents payable by the Lessee to the Lessor is RMB276,300 per month. The reimbursable amount of utilities costs was equal to the amount charged by the relevant government authorities on the Lessor.
Annual Cap:	RMB2.2 million (Leasing agreement) RMB8.5 million (Utilities agreement)
Total consideration for the year:	RMB2.2 million (Leasing agreement) RMB5.6 million (Utilities agreement)

(C) CONNECTED TRANSACTIONS NOT YET EFFECTIVE

(i) Purchase of Equipment for Plastic Pipe Manufacturing

Background:	On 31 December 2012, the Company entered into a framework equipment purchase agreement (the "Framework Agreement") with Guangdong Liansu Machinery for 1 year commencing from 1 January 2013 and ending on 31 December 2013. For details, please refer to the announcement made by the Company on 31 December 2012. Particulars of the Framework Agreement are disclosed below as required under the Listing Rules:
Nature of transactions:	Purchase of equipment for plastic pipe manufacturing from Guangdong Liansu Machinery.
Terms:	The purchase price to be agreed between the parties which shall not exceed the prevailing market price.
Annual Cap:	RMB97.5 million (for the year ending 31 December 2013)

CONNECTED TRANSACTIONS (Continued)

(C) CONNECTED TRANSACTIONS NOT YET EFFECTIVE (CONTINUED)

(ii) Purchase of Electronic Accessories

Background:	On 31 December 2012, the Company entered into the original design manufacturing (the "ODM") co-operation agreement with Guangdong Liansu Electric in relation to the ODM production co-operation as regards manufacturing of electronic accessories by Guangdong Liansu Electric for the Group commencing from 1 January 2013 and ending on 31 December 2013. For details, please refer to the announcement made by the Company on 31 December 2012. Particulars of the agreement are disclosed below as required under the Listing Rules:
Nature of transactions:	Purchase of electronic accessories from Guangdong Liansu Electric.
Terms:	The purchase price to be agreed between the parties which shall not exceed the prevailing market price.
Annual Cap:	RMB30 million (for the year ending 31 December 2013)

The independent non-executive directors have, for the purpose of Rule 14A.37 of the Listing Rules, reviewed all continuing connected transactions and have confirmed that all continuing connected transactions have been entered into by the Group (i) in the ordinary and usual course of its business; (ii) on normal conmenrciili\
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關聯人士交易

關聯人士交易的詳情載於財務報表附註35。

RELATED PARTY TRANSACTIONS

The details of the related party transactions are set out in note 35 to the financial statements.

稅務減免

董事並不知悉任何股東因持有本公司的證券而可享有任何稅務減免。

TAX RELIEF AND EXEMPTION

The directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding the Company's securities.

優先購買權

本公司的組織章程細則或開曼群島的法例並無有關本公司須按比例向現有股東發售新股份的優先購買權規定。

PRE-EMPTIVE RIGHTS

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

公眾持股量

根據本公司以公開途徑取得的資料及據董事所深知，於本報告日期，本公司一直維持上市規則所訂明的公眾持股量。

PUBLIC FLOAT

Based on the publicly available information obtained by the Company and to the best knowledge of the directors, as at the date of this report, the Company has maintained the public float stipulated in the Listing Rules.

核數師

本公司將於股東週年大會上提呈決議案，以續聘安永會計師事務所為本公司的核數師。

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Ernst & Young as auditor of the Company.

承董事會命

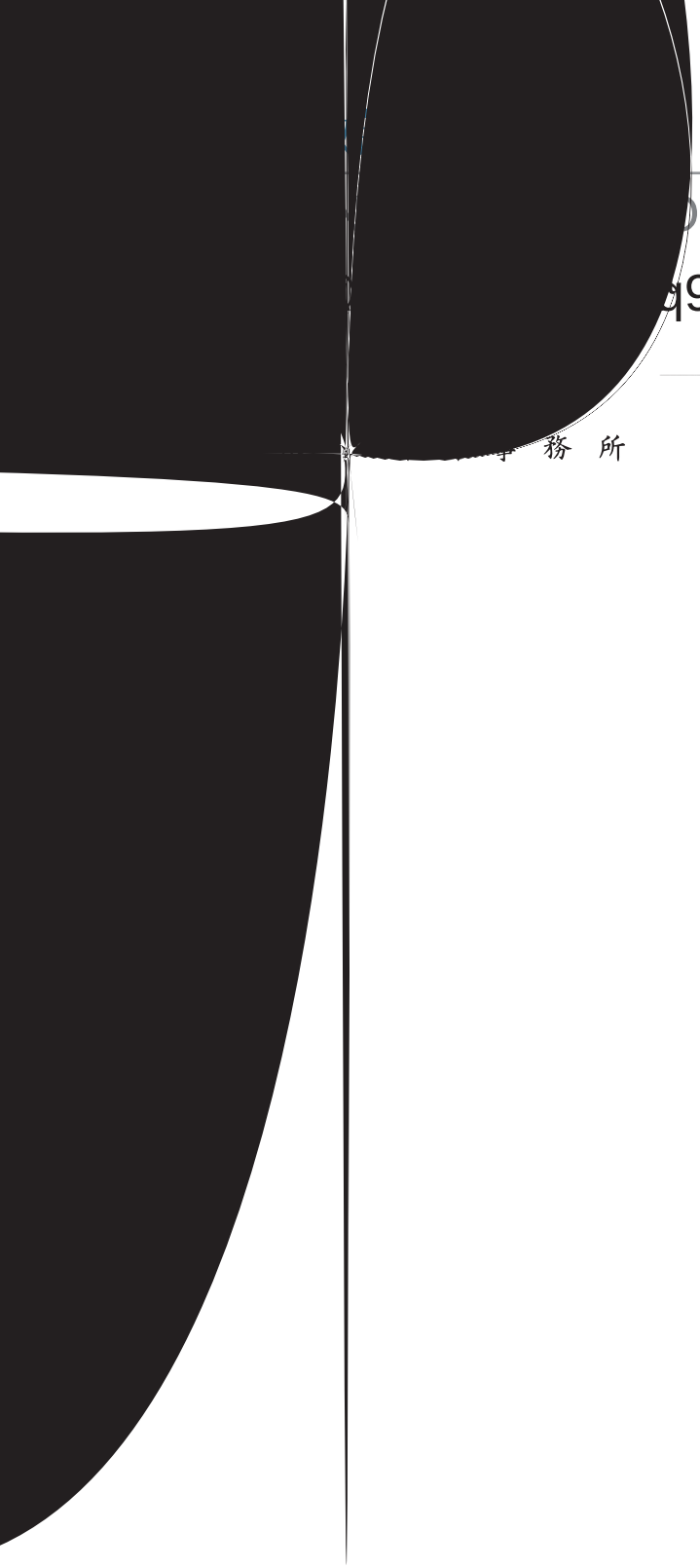
By order of the Board

行政總裁
左滿倫

Zuo Manlun
Chief Executive

中國順德，2013年3月18日

Shunde, the PRC, 18 March 2013



核數師的責任(續)

審核涉及執行程序以獲取綜合財務報表所載金額及披露資料的審核證據。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

AUDITORS' RESPONSIBILITY (Continued)

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 auditors' judgement, 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 auditors consider 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 Company and of the Group as at 31 December 2012, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong
18 March 2013

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2012年12月31日止年度
Year ended 31 December 2012

		附註 Notes	**2012年** **2012** 人民幣千元 **RMB'000**	2011年 2011 人民幣千元 RMB'000
收入	**E E E**	5	**10,891,363**	10,143,296
銷售成本	Cost of sales		**(8,2 2,055)**	(7,691,274)
毛利	Gross profit		**2,6 9,308**	2,452,022

綜合財務狀況表

於2012年12月31日
31 December 2012

		附註 Notes	**2012年 2012 人民幣千元 B'000**	2011年 2011 人民幣千元 RMB'000
權益	[illegible]			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
已發行股本	Issued capital	27	**132,660**	131,537
儲備	Reserves	28(A)	**5,877,373**	4,855,438
			6,010,033	4,986,975
非控制權益	Non-controlling interests		**17,885**	390
權益總額	[illegible]		**6,027,918**	4,987,365

黃聯禧
Wong Luen Hei
董事
Director

羅建峰
Luo Jianfeng
董事
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2012年12月31日止年度
Year ended 31 December 2012

		本公司擁有人應佔											
		已發行股本	股份溢價	法定儲備[1]	資本儲備[2]	購股權儲備	合併儲備	可供出售投資重估儲備	匯兑波動儲備	保留溢利	總計	非控制權益	權益總額
		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 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 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於2011年1月1日	At 1 January 2011	131,297	1,673,604	274,420	31,645	35,891	5,515	–	22,920	1,829,159	4,004,451	–	4,004,451
年內溢利	Profit for the year	–	–	–	–	–	–	–	–	1,260,758	1,260,758	(62)	1,260,696
年內其他全面虧損	Other comprehensive loss for the year	–	–	–	–	–	–	(20,022)	(2,325)	–	(22,347)	–	(22,347)
年內全面收益總額	Total comprehensive income for the year	–	–	–	–	–	–	(20,022)	(2,325)	1,260,758	1,238,411	(62)	1,238,349
發行股份	Issue of shares	240	13,645	–	–	(5,169)	–	–	–	–	8,716	–	8,716
非控制權益出資	Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	452	452
額外上市費用	Additional listing expenses	–	(3,259)	–	–	–	–	–	–	–	(3,259)	–	(3,259)
以股權結算的購股權安排	Equity-settled share option arrangements	–	–	–	–	41,682	–	–	–	–	41,682	–	41,682
確認向擁有人分派的股息（附註10）	Dividends recognised as distributions to owners (note 10)	–	–	–	–	–	–	–	–	(303,026)	(303,026)	–	(303,026)
轉撥至法定儲備	Appropriation to statutory reserve	–	–	138,542	–	–	–	–	–	(138,542)	–	–	–
於2011年12月31日及2012年1月1日	At 31 December 2011 and 1 January 2012	131,537	1,683,990*	412,962*	31,645*	72,404*	5,515*	(20,022)*	20,595*	2,648,349*	4,986,975	390	4,987,365
年內溢利	Profit for the year	–	–	–	–	–	–	–	–	1,238,322	1,238,322	(7,051)	1,231,271
年內其他全面收益	Other comprehensive income for the year	–	–	–	–	–	–	20,022	(2,509)	–	17,513	318	17,831
年內全面收益總額	Total comprehensive income for the year	–	–	–	–	–	–	20,022	(2,509)	1,238,322	1,255,835	(6,733)	1,249,102
發行股份	Issue of shares	1,123	64,251	–	–	(24,569)	–	–	–	–	40,805	–	40,805
非控制權益出資	Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	24,228	24,228
以股權結算的購股權安排	Equity-settled share option arrangements	–	–	–	–	20,252	–	–	–	–	20,252	–	20,252
確認向擁有人分派的股息（附註10）	Dividends recognised as distributions to owners (note 10)	–	–	–	–	–	–	–	–	(293,834)	(293,834)	–	(293,834)
轉撥至法定儲備	Appropriation to statutory reserve	–	–	133,567	–	–	–	–	–	(133,567)	–	–	–
於2012年12月31日	At 31 December 2012	**132,660**	**1,748,241***	**546,529***	**31,645***	**68,087***	**5,515***	**–***	**18,086***	**3,459,270***	**6,010,033**	**17,885**	**6,027,918**

* 該等儲備賬包括綜合財務狀況表中綜合儲備人民幣5,877,373,000元（2011年：人民幣4,855,438,000元）。

* These reserve accounts comprise the consolidated reserves of RMB5,877,373,000 (2011: RMB4,855,438,000) in the consolidated statement of financial position.

截至2012年12月31日止年度
Year ended 31 December 2012

附註：

1. 根據中國公司法，本公司於中國註冊的各間附屬公司須劃撥根據中國公認會計準則釐定的年度法定除稅後溢利(經扣除任何過往年度虧損後)的10%至法定儲備，直至儲備金結餘達到其註冊資本的50%為止。法定儲備可用於抵銷過往年度虧損或增資，惟法定儲備的餘下結餘不得少於註冊資本的25%。

2. 資本儲備主要指有關收購非控制權益的代價與應佔所收購淨資產賬面值之間的差額。

Notes:

1. In accordance with the Company Law of the PRC, each of the Company's subsidiaries registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory reserve until the balance of the reserve fund reaches 50% of its registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided that the remaining balance of the statutory reserve is not less than 25% of the registered capital.

2. Capital reserve mainly represented the difference between the consideration and the book value of the share of the net assets acquired in respect of the acquisition of non-controlling interests.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至2012年12月31日止年度
Year ended 31 December 2012

		附註 Notes	2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
經營活動	E A AC E			
除稅前溢利：	Profit before tax:		1,582,279	1,556,933
就以下各項作出調整：	Adjustments for:			
利息收益	Interest income	5	(52,516)	(27,219)
已撥入的政府補助	Government grants released		(1,028)	(1,425)
購回優先票據的利益	Gain on repurchase of the Senior Notes	5	(1,259)	(24,662)
出售可供出售投資所得利益	Gain on disposal of available-for-sale investments	5	(1,710)	–
股息收益	Dividend income	5	(32)	–
融資成本	Finance costs	6	116,231	110,536
折舊	Depreciation	7	237,631	166,947
預付土地租賃款攤銷	Amortisation of prepaid land lease payments	7	13,591	6,184
其他無形資產攤銷	Amortisation of other intangible assets	7	1,316	774
出售物業、廠房及設備項目的虧損	Loss on disposal of items of property, plant and equipment	7	120	642
以股權結算的購股權開支	Equity-settled share option expense	7	20,252	41,682
撥回存貨至可變現淨值	Write-back of inventories to net realisable value	7	(88)	(522)
貿易應收款項減值撥備／（減值撥回）淨額	Impairment/(reversal of impairment) of trade receivables, net	7	9,921	(1,222)
分佔一間共同控制實體（溢利）／虧損	Share of (profit)/loss of a jointly-controlled entity	15	(315)	29
			1,837,629	1,828,677
存貨增加	Increase in inventories		(163,165)	(154,044)
貿易應收款項及票據增加	Increase in trade and bills receivables		(271,371)	(65,721)
預付款、按金及其他應收款項增加	Increase in prepayments, deposits and other receivables		(20,912)	(74,149)
貿易應付款項及票據增加／（減少）	Increase/(decrease) in trade and bills payables		316,281	(51,446)
其他應付款項及應計費用增加	Increase in other payables and accruals		137,338	128,972
經營產生的現金	Cash generated from operations		1,535,773	1,612,289
已收銀行利息	Bank interest received		31,128	27,219
已付企業所得稅	Corporate income tax paid		(289,157)	(248,633)
經營活動所得現金流量淨額	Net cash flows from operating activities		1,280,[illegible]	1,390,875

綜合現金流量表(續)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

截至2012年12月31日止年度
Year ended 31 December 2012

	附註	**2012**年 **2012**	2011年 2011

2.2 會計政策及披露事項變動

本集團於本年度的綜合財務報表內首次應用下列經修訂香港財務報告準則：

香港財務報告準則第1號修訂本	香港財務報告準則第1號修訂本*嚴重高通脹及取消首次採納者的固定日期*
香港財務報告準則第7號修訂本	香港財務報告準則第7號修訂本*披露－金融資產轉讓*
香港會計準則第12號修訂本	香港會計準則第12號修訂本*遞延稅項：相關資產之收回*

採納該等經修訂香港財務報告準則對該等綜合財務報表並無重大財務影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's consolidated financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets*

The adoption of these revised HKFRSs has had no significant financial effect on these consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *Government Loans*[2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Disclosures –*

2.3 已頒布但尚未生效的香港財務報告準則(續)

香港財務報告準則第10號取代香港會計準則第27號*綜合及獨立財務報表*中有關綜合財務報表之部分，亦處理香港(國際財務報告詮釋委員會)－詮釋第12號*綜合－特別目的實體*提出的問題。香港財務報告準則第10號載有控制權之新定義，其中包括三項元素：(a)有權控制投資對象，(b)自參與投資對象營運所得可變回報之承擔或權利，及(c)有能力運用其對投資對象之權力影響投資者回報金額。香港財務報告準則第10號內已加入詳盡指引以處理複雜的情況，包括投資者可於持有少於過半數投票權的情況下控制投資對象的情況。總括而言，相對於香港會計準則第27號及香港(國際財務報告詮釋委員會)－詮釋第12號的規定，香港財務報告準則第10號的應用需要進行多項判斷。

香港財務報告準則第11號取代香港會計準則第31號*於合營企業權益*及香港(國際財務報告詮釋委員會)－詮釋第13號*共同控制實體－合資者的非現金投入*。香港財務報告準

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with the accounting for consolidated financial statements. It also addresses the issues raised in HK(SIC) – Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios including cases where an investor may control an investee with less than majority of voting rights. Overall, the application of HKFRS 10 requires extensive use of judgement, compared with the requirements in HKAS 27 and HK(SIC) – Int 12.

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HKFRS 11 replaces HKAS 31 *Interest in Joint Ventures* and HK(SIC) – Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint

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should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations, and removes the option to account for joint ventures using proportionate consolidation. The classification in HKFRS 11 is based on parties' rights and obligations under arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

HKFRS 10 and 11 are effective for the Group for annual period beginning on 1 January 2013. The directors anticipate that the application of HKFRS 10 and HKFRS 11 will have no material impact on the Group's results and financial position.

The directors anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's results and financial position.

2.4 主要會計政策概要

附屬公司

附屬公司指本公司可直接或間接控制其財務及經營政策的實體，從而自其業務中獲取利益。

附屬公司業績按已收及應收股息計入本公司全面收益表中。本公司於附屬公司的投資按成本減任何減值虧損列賬。

共同控制實體

共同控制實體指受共同控制的合營企業，令參與各方不會單方面控制共同控制實體的經濟活動。

本集團於一間共同控制實體的投資乃按權益會計法核算，按本集團應佔淨資產扣除任何減值虧損於綜合財務狀況表中呈列。本集團應佔共同控制實體收購後業績和儲備份額分別計入損益及儲備內。本集團與其共同控制實體進行交易而出現的未實現利益及虧損會互相抵銷，金額以本集團於共同控制實體的投資為限，但如果未實現虧損證明所轉讓資產發生減值則除外。

業務合併

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公平值計算，該公平值為本集團轉讓的資產於收購日期的公平值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公平值或被收購方可識別資產淨值的應佔比例，計算於被收購方屬現時擁有權權益並賦予其持有人有權於清盤時按比例分佔實體的淨資產的非控制權益。非控制權益的一切其他成分乃按公平值計量。收購相關成本於產生時列為開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SUBSIDIARIES

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's statement of comprehensive income to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

JOINTLY-CONTROLLED ENTITY

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's investment in a jointly-controlled entity is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of the jointly-controlled entity is included in profit or loss and reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entity are eliminated to the extent of the Group's investment in the jointly-controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred.

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition-date fair value which is the sum of the acquisition-date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RELATED PARTIES

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及使資產處於擬定用途的運作狀況及地點而產生的任何直接成本。物業、廠房及設備項目投入運作後產生的支出，

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	4.5% to 5%
Plant and machinery	9% to 19%
Furniture, fixtures and office equipment	9.5% to 32.3%
Motor vehicles	9.5% to 32.3%
Leasehold improvements	Over the shorter of the lease terms and 20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 主要會計政策概要(續)

經營租賃

資產擁有權的絕大部分回報與風險仍歸於出租人的租賃列作經營租賃。倘本集團為出租人，則本集團根據經營租賃所出租的資產計入非流動資產，而經營租賃的應收租金則按照租期以直線法計入損益內。倘本集團為承租人，則經營租賃的應付租金按照租期以直線法在損益內扣除。

經營租賃下的預付土地租賃款初始按成本入賬，而隨後於租期內按直線法確認。

金融資產

初始確認及計量

香港會計準則第39號所界定的金融資產分類為貸款及應收款項、持有至到期投資以及可供出售金融投資。本集團於初始確認時釐定其金融資產的分類。金融資產於初始確認時以公平值加交易成本計量。

所有以日常買賣的金融資產概於交易日(即本集團承諾購買或出售該資產的日期)確認。日常買賣乃指須根據市場規定或慣例所訂的期間內交付資產的金融資產買賣。

其後計量

貸款及應收款項

貸款及應收款項為有固定或可確定付款額，但在活躍市場中並無報價的非衍生金融資產。於初始計量後，該類資產其後以實際利率法按攤銷成本減任何減值撥備計量。計算攤銷成本時會計及收購所產生的任何折讓或溢價，以及作為實際利率一部分的費用及成本。實際利率攤銷會計入損益內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

OPERATING LEASES

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as loans and receivables, held-to-maturity investments and available-for-sale financial investments. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL ASSETS (Continued)

Subsequent measurement (Continued)

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed equity investments which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss. Dividends earned whilst holding the available-for-sale financial investments are reported as dividend income and are recognised in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL ASSETS (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated nTe]TJT*.0268 Tc.11.8(

2.4 主要會計政策概要(續)

金融資產(續)

金融資產減值

本集團於各報告期末評估有否客觀跡象顯示一項或一組金融資產出現減值。僅在出現客觀減值跡象時，金融資產或一組金融資產會被視為減值，即資產於初始確認後出現一項或多項事件(產生「虧損事件」)，而該虧損事件對該項金融資產或該組金融資產的估計未來現金流量造成影響能夠可靠地估計。減值跡象可能包括一名債務人或一組債務人正在經歷重大財務困難、拖欠利息或本金、可能破產或進行其他財務重組，以及有明顯數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

有關按攤銷成本列賬的金融資產，本集團首先獨立評估單項重大的金融資產有否客觀減值跡象，或共同評估非單項重大的金融資產有否客觀減值跡象。倘本集團釐定個別已評估金融資產為並無客觀減值跡象，則有關資產不論是否重大，會計入一組有相似信貸風險特徵的金融資產，共同作減值評估。對於個別作減值評估的資產，倘其減值虧損被或持續被確認，則不會計入共同減值評估。

倘有客觀跡象顯示出現減值虧損，有關虧損按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)的現值之差額計量。估計未來現金流量的現值會按金融資產的原實際利率(即按初始確認計算的實際利率)折讓。倘貸款有浮動利率，計量任何減值虧損的折讓率為當時的實際利率。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL ASSETS (Continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the 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 yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

2.4 主要會計政策概要(續)

金融資產(續)

金融資產減值(續)

按攤銷成本列賬的金融資產(續)

資產賬面值會透過撥備賬扣減，虧損金額於損益內確認。為計算減值虧損，利息收益會繼續以減少的賬面值及用以折讓未來現金流量的利率累計。如貸款及應收款項預期不大可能收回，而所有抵押品已變現或已轉讓予本集團，則會撇銷該貸款及應收款項連同相關撥備。

倘在其後期間，估計減值虧損因減值確認後發生的事件而增加或減少，過往確認的減值虧損會因調整撥備賬而增減。倘未來撇銷的款項可收回，則收回的款項會計入損益內。

可供出售金融投資

對於可供出售金融投資而言，本集團於各報告期末評估是否有客觀跡象顯示一項投資或一組投資出現減值。

倘一項可供出售資產出現減值，則包括其成本與其當前公平值的差額減以往在其他全面收益內確認的任何減值虧損金額，會自其他全面收益內剔除，並於損益內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL ASSETS (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the other comprehensive income, is removed from other comprehensive income and recognised in profit or loss.

2.4 主要會計政策概要(續)

金融資產(續)

金融資產減值(續)

可供出售金融投資(續)

倘屬分類為可供出售股權投資，則客觀證據包括一項投資的公平值大幅或長期降至低於其成本值。於釐定是否「大幅」或「長期」時需作出判斷。「大幅」是相對初始投資成本作出評估，「長期」是評估公平值低於其初始成本的期間。倘存在減值證據，累計虧損(按收購成本與當前公平值的差額，減以往於其他全面收益內就該投資確認的任何減值虧損計量)會由其他全面收益內剔除，並於損益內確認。分類作可供出售的股權工具的減值虧損不會透過損益內撥回。減值後增加的公平值直接於其他全面收益內確認。

金融負債

初始確認及計量

符合香港會計準則第39號範圍的金融負債分類為貸款及借款。本集團於初始確認時釐定金融負債的分類。

所有金融負債初始按公平值確認，倘為貸款及借款，則減去直接歸屬於該交易的成本。

本集團的金融負債包括貿易應付款項及票據、納入其他應付款項及應計費用的其他金融負債和銀行貸款及其他借款。

其後計量

初始確認後，銀行貸款及其他借款其後會以實際利率法按攤銷成本計量，惟倘折讓影響並不重大，則會按成本列賬。當負債終止確認及已透過實際利率攤銷時，利益及虧損會於損益內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL ASSETS (Continued)

Impairment of financial assets (Continued)

Available-for-sale financial investments (Continued)

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. The determination of what is "significant" or ''prolonged" requires judgement. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in other comprehensive income – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other financial liabilities included in other payables and accruals and bank loans and other borrowings.

Subsequent measurement

After initial recognition, bank loans and other borrowings are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

2.4 主要會計政策概要(續)

金融負債(續)

其後計量(續)

計算攤銷成本時會計及收購所產生的任何折讓或溢價，以及作為實際利率一部分的費用或成本。實際利率攤銷會計入損益內的融資成本。

終止確認金融負債

當負債項下責任已解除、取消，或是期滿時，即會終止確認金融負債。

倘一項現有金融負債被來自同一貸款人且大部分條款都不同的另一項金融負債所取代，或現有負債的條款被大幅修改，則該項取替或修改視作終止確認原有負債並確認新增負債處理，而兩者的賬面值差額於損益內確認。

抵銷金融工具

惟倘若現時存在法律上可強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償還負債，則金融資產及金融負債可互相抵銷，並將淨額於綜合財務狀況表內呈報。

金融工具的公平值

在活躍市場交易的金融工具的公平值乃參照市場報價或交易商報價(好倉買入價及淡倉賣出價)釐定，毋須扣除任何交易成本。就不存在活躍市場的金融工具而言，公平值乃運用適當估值方法釐定。該等方法可能包括利用近期公平市場交易、參照其他大致類似工具的當前市值、現金流量折現分析或其他估值模型。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL LIABILITIES (Continued)

Subsequent measurement (Continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

2.4 主要會計政策概要(續)

存貨

存貨按成本及可變現淨值兩者中的較低者入賬。成本乃以加權平均法釐定，而就在產品及產成品而言，成本包括直接原料、直接工

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

2.4 主要會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。與並非於損益賬確認的項目有關的所得稅會在並非損益賬的其他全面收益內或直接在權益內確認。

即期及過往期間的即期稅項資產及負債按預期獲稅務機構退回或向稅務機構支付的款項計量。計量的基準為報告期末已實行或已實際執行的稅率(及稅法)，亦考慮本集團經營所在國家現行的詮釋及慣例。

遞延稅項乃採用負債法就報告期末資產及負債的稅基與其用作財務呈報的賬面值之間的所有暫時差額作出撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中，初始確認資產或負債時產生的遞延稅項負債；及
- 就與於附屬公司及一間合營企業的投資有關的應課稅暫時差額而言，暫時差額的撥回時間可以控制，且該等暫時差額於可見將來可能不會被撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAX (Continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual installments.

REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) income from the sale of goods, when the significant risks and rewards of ownership have been transferred

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2.4 主要會計政策概要(續)

僱員福利(續)

購股權計劃

本公司已採納兩項購股權計劃。授出購股權以換取的僱員服務的公平值確認為開支及貸入權益項下一項購股權儲備中。就授出購股權而言，於歸屬期將予列支的總額是經參考購股權於其授出當日的公平值採用二項模式釐定，但並無考慮任何服務條件及非市場歸屬情況的影響。非市場歸屬情況包括在有關預期將予歸屬的購股權數目的假設內。從本公司的角度來說，為換取附屬公司的僱員為附屬公司服務，本公司會向附屬公司的僱員授出購股權。因此，於本公司的財務狀況表內，以股權結算的購股權開支乃於綜合財務報表內確認，被視為「於附屬公司的投資」一部分。

於報告期末時，本公司修訂其對預期最終歸屬的購股權數目的估計。原有估計作出修訂(如有)的影響於本集團全面收益表及本公司「於附屬公司的投資」內確認對，並於餘下歸屬期內對權益作出相應調整。所得款項(已扣除任何直接歸屬交易成本)於購股權獲行使時貸入股本(按面值)及股份溢價。

借貸成本

因收購、建築或生產合資格資產(即需要長時間準備作擬定用途或銷售的資產)而直接產生之借貸成本資本化作該等資產成本的一部分。當該等資產大致上可作擬定用途或銷售時，則停止將借貸成本資本化。所有其他借貸成本於其產生期間內列作開支。借貸成本包括一間實體在借入資金時所產生的利息及其他成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EMPLOYEE BENEFITS (Continued)

Share option schemes

The Company adopted two share option schemes. The fair value of the employee services received in exchange for the grant of options is recognised as an expense and credited to share option reserve under equity. For grant of share options, the total amount to be expensed over the vesting period is determined by reference to the fair value of the options at the date on which they are granted by using a binomial model, excluding the impact of any service condition and non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become vested. From the perspective of the Company, the Company grants the share options to its subsidiaries' employees to exchange for their services provided to the subsidiaries. Accordingly, in the Company's statement of financial position, the equity-settled share option expenses, which are recognised in the consolidated financial statements, are treated as part of the "investments in subsidiaries".

At the end of the reporting period, the Company revises its estimates of the number of options that are expected to ultimately vest. It recognises the impact of the revision of original estimates, if any, in the Group's statement of comprehensive income and in the Company's "investments in subsidiaries", and makes a corresponding adjustment to equity over the remaining vesting period. When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (at nominal value) and share premium.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DIVIDENDS

Dividends are recognised as a liability and deducted from equity when they are declared and approved by the Company's shareholders in general meetings. Interim dividends are deducted from equity when they are declared and approved, and no longer at the discretion of the Company.

FOREIGN CURRENCIES

The Company's functional currency is HK$ while the Company's presentation currency for the financial statements is RMB.

3. 重大會計判斷及估計

編製本集團財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設影響收入、開支、資產及負債的呈報金額及相關披露，以及或然負債的披露。此等假設及估計的不明朗因素可引致日後需對受影響的資產或負債的賬面值作出重大調整。

判斷

遞延稅項負債

遞延所得稅負債並無就以股息形式匯出及分派的中國附屬公司若干溢利的應付所得稅及預提所得稅計提，原因是董事認為撥回相關暫時差額的時間可被控制以及有關暫時差額將不會於可見將來撥回。

倘該等中國附屬公司的未分派盈利被視為以股息形式匯出及分派，則遞延所得稅開支及遞延所得稅負債將以相同金額約人民幣115,186,000元(2011年：人民幣45,276,000元)增加。

估計不明朗因素

有關於報告期末估計不明朗因素的未來及其他主要來源的主要假設，存在會導致下一個財政年度內資產及負債賬面值出現重大調整的重大風險，於下文有所載述。

貿易應收款項及其他應收款項的減值

本集團有關呆賬的撥備政策乃基於對未償還應收款項可收回的程度及賬齡分析的持續評估以及管理層的判斷。在評估有關應收款項最終能否變現時，須作出大量判斷，包括各客戶的信用情況及過往還款記錄。如本集團客戶的財務狀況轉壞，導致其支付能力降低，則可能需要作更多減值撥備。於2012年12月31日，人民幣13,085,000元(2011年：人民幣3,309,000元)已獲確認為貿易應收款項之減值虧損。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

JUDGEMENT

Deferred tax liabilities

Deferred income tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of the subsidiaries in the PRC to be repatriated and distributed by way of dividends as the directors consider that the timing of the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future.

If these undistributed earnings of the subsidiaries in the PRC are considered to be repatriated and distributed by way of dividends, the deferred income tax charge and deferred income tax liability would have been increased by the same amount of approximately RMB115,186,000 (2011: RMB45,276,000).

ESTIMATION UNCERTAINTY

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, are described below.

Impairment of trade and other receivables

The Group's provision policy for doubtful debts is based on the ongoing evaluation of the collectability and ageing analysis of the outstanding receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of the Group's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required. As at 31 December 2012, impairment losses of RMB13,085,000 (2011: RMB3,309,000) have been recognised for trade receivables.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

過時存貨撥備

管理層於各報告期末檢討本集團存貨的賬齡分析，並對確認為不宜出售的過時及滯銷存貨項目作出撥備。管理層主要根據最新的發票售價及現時市況估計該等存貨的可變現淨值。於2012年12月31日，概無存貨按可變現淨值(低於成本)計量(2011年：人民幣2,574,000元)。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

ESTIMATION UNCERTAINTY (Continued)

Provision for obsolete inventories

Management reviews the aged analysis of the Group's inventories at the end of each reporting period, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for sale. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. As at 31 December 2012, no inventory was measured at net realisable value (where lower than cost) (2011: RMB2,574,000).

4. 經營分部資料

本集團主要從事製造及銷售塑料管道及管件。就管理目的而言，本集團的業務根據客戶的所在地組成地理分區，且資產按其所在地分配予地域單位。本集團擁有以下八個呈報經營分部：

(a) 華南，包括廣東省、廣西壯族自治區、湖南省、福建省及海南省；

(b) 西南地區，包括重慶市、四川省、貴州省、雲南省及西藏自治區；

(c) 華中，包括湖北省、江西省及河南省；

(d) 華東，包括上海市、江蘇省、浙江省及安徽省；

(e) 華北，包括北京市、天津市、河北省、山東省、內蒙古自治區及山西省；

(f) 西北地區，包括陝西省、寧夏回族自治區、青海省、甘肅省及新疆維吾爾族自治區；

(g) 東北地區，包括遼寧省、吉林省及黑龍江省；及

(h) 中國境外。

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of plastic pipes and pipe fittings. For management purposes, the Group's businesses are organised by geographical area based on the location of the customers and assets are attributable to the geographical unit based on the location of the assets. The Group has eight reportable operating segments as follows:

(a) Southern China, including Guangdong Province, Guangxi Zhuang Autonomous Region, Hunan Province, Fujian Province and Hainan Province;

(b) Southwestern China, including Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province and Xizang (Tibet) Autonomous Region;

(c) Central China, including Hubei Province, Jiangxi Province and Henan Province;

(d) Eastern China, including Shanghai Municipality, Jiangsu Province, Zhejiang Province and Anhui Province;

(e) Northern China, including Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province, Inner Mongolia Autonomous Region and Shanxi Province;

(f) Northwestern China, including Shaanxi Province, Ningxia Hui Autonomous Region, Qinghai Province, Gansu Province and Xinjiang Uygur Autonomous Region;

(g) Northeastern China, including Liaoning Province, Jilin Province and Heilongjiang Province; and

(h) Outside China.

4. OPERATING SEGMENT INFORMATION (Continued)

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a

4. OPERATING SEGMENT INFORMATION (Continued)

OPERATING SEGMENT INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011

		華南 Southern China 人民幣千元 RMB'000	西南地區 Southwestern China 人民幣千元 RMB'000	華中 Central China 人民幣千元 RMB'000	華東 Eastern China 人民幣千元 RMB'000	華北 Northern China 人民幣千元 RMB'000	西北地區 Northwestern China 人民幣千元 RMB'000	東北地區 Northeastern China 人民幣千元 RMB'000	中國境外 Outside China 人民幣千元 RMB'000	抵銷 Eliminations 人民幣千元 RMB'000	合併 Consolidated 人民幣千元 RMB'000
分部收入：											
外部客戶銷售	Sales to external customers	6,852,183	915,905	832,613	463,153	581,519	227,725	176,327	93,871	–	10,143,296
分部間銷售	Intersegment sales	886,056	172,638	228,854	48,625	115,916	14,459	52,218	47,855	(1,566,621)	–
合計	Total	7,738,239	1,088,543	1,061,467	511,778	697,435	242,184	228,545	141,726	(1,566,621)	10,143,296
分部業績		1,913,282	208,258	292,762	80,534	112,481	48,444	39,525	17,636	(260,900)	2,452,022
對賬：	Reconciliations:										
匯兌利益	Exchange gain										52,491
融資成本	Finance costs										(110,536)
購回優先票據的利益	Gain on repurchase of the Senior Notes										24,662
利息收益	Interest income										27,219
分佔一間共同控制實體虧損	Share of loss of a jointly-controlled entity										(29)
未分配收益及開支	Unallocated income and expenses										(888,896)
除稅前溢利	Profit before tax										1,556,933
分部資產		3,078,390	409,212	662,071	256,941	449,491	274,408	354,654	26,136	–	5,511,303
對賬：	Reconciliations:										
於一間共同控制實體的投資	Investment in a jointly-controlled entity										4,971
可供出售投資	Available-for-sale investments										156,508
遞延稅項資產	Deferred tax assets										2,112
現金及銀行存款	Cash and bank deposits										2,116,641
資產總額											7,791,535
其他分部資料：											
折舊及攤銷	Depreciation and amortisation	83,878	17,455	27,367	10,422	19,071	6,209	7,251	2,252	–	173,905
貿易應收款項減值回撥淨額	Reversal of impairment of trade receivables, net	(1,222)	–	–	–	–	–	–	–	–	(1,222)
撥回存貨至可變現淨值	Write-back of inventories to net realisable value	–	–	–	–	(522)	–	–	–	–	(522)
資本開支*											

5. REVENUE, OTHER REVENUE, INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts (net of value-added tax) during the year.

An analysis of the Group's revenue, other revenue, income and gains is as follows:

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
收入			
銷售貨品	Sale of goods	10,891,363	10,143,296
其他收入、收益及利益			
銀行利息收益	Bank interest income	3,128	27,219
持有至到期投資的利息收益	Interest income from held-to-maturity investments	18,388	–

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(A) DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		2012年 **2012** 人民幣千元 **RMB'000**	2011年 2011 人民幣千元 RMB'000
袍金	Fees	**1,788**	1,786
其他薪酬：	Other emoluments:		
薪金、津貼及實物福利	Salaries, allowances and benefits in kind	**3,257**	3,294
表現掛鈎花紅	Performance related bonuses	**321**	325

於過往年度，若干董事根據本公司購股權計劃，就彼等向本集團提供的服務獲授購股權。該等購股權的公平值於授予日釐定，並於歸屬期的損益內確認，而列入本年度財務報表的金額載於上文董事薪酬披露內。

8. 董事薪酬及五名最高薪酬僱員(續)

(A) 董事薪酬(續)

各董事於截至2011年12月31日止年度的薪酬載列如下：

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(A) DIRECTORS' REMUNERATION (Continued)

The remuneration of each of the directors for the year ended 31 December 2011 is set out below:

	袍金 Fees	薪金、津貼及實物福利 Salaries, allowances and benefits in kind	表現掛鈎花紅 Performance related bonuses	以股權結算的表現 Equity-settled performance related bonuses	退休福利計劃供款 Retirement benefits scheme contributions	總計 Total
執行董事 Executive directors						
王文銀 Wang Wenyin	50	1,200	1,200	1,200	18	3,668
王文學 Wang Wenxue	50	1,200	1,200	1,200	18	3,668
王文彬 Wang Wenbin	50	1,200	1,200	1,200	18	3,668
王文斌 Wang Wenbin	50	1,200	1,200	1,200	18	3,668
王文銀的配偶 Spouse of Wang Wenyin	50	1,200	1,200	1,200	18	3,668
非執行董事 Non-executive directors						
王文銀的配偶 Spouse of Wang Wenyin	50	1,200	1,200	1,200	18	3,668
獨立非執行董事 Independent non-executive directors						
王文銀的配偶 Spouse of Wang Wenyin	50	1,200	1,200	1,200	18	3,668
王文銀的配偶 Spouse of Wang Wenyin	50	1,200	1,200	1,200	18	3,668
王文銀的配偶 Spouse of Wang Wenyin	50	1,200	1,200	1,200	18	3,668
王文銀的配偶 Spouse of Wang Wenyin	50	1,200	1,200	1,200	18	3,668

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(B) FIVE HIGHEST PAID EMPLOYEES

The Group's five highest paid employees during the year were all directors. Details of the remuneration of these directors during the year are set out in note 8(A) above.

9. INCOME TAX EXPENSE

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
即期－香港	Current – Hong Kong	2,8	–
即期－中國	Current – PRC		
年內稅項	Charge for the year	286,62	276,989
過往年度過度撥備	Overprovision in prior years	(28,37)	(8,830)
		260,509	268,159
遞延(附註25)	Deferred (note 25)	(9,501)	28,078
年內稅項總額	Total tax charge for the year	251,008	296,237

本集團須就本集團成員公司於身處及經營所在的司法權區所產生或所錄得溢利按實體基準繳納所得稅。

香港利得稅

香港利得稅乃根據年內在香港產生的估計應課稅溢利抵銷承前稅項虧損後，以稅率16.5%撥備。

鑒於本集團於上年內並無在香港產生任何應課稅溢利，故並無於上年就香港利得稅撥備。

中國企業所得稅

本集團就中國內地業務的所得稅撥備已根據截至2012年及2011年12月31日止年度的應課稅溢利，以相關的現有法律、詮釋及慣例為基準，按適用稅率計算。

9. INCOME TAX EXPENSE (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the majority of the Company's subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
除稅前溢利	Profit before tax	1,582,279	1,556,933
按中國企業所得稅率25%計算的稅項	Tax at the PRC corporate income tax rate of 25%	370,570	389,233
若干附屬公司的稅項優惠的影響	Effect of tax concessions for certain subsidiaries	(16,600)	(152,900)
分佔一間共同控制實體(溢利)／虧損	Share of (profit)/loss of a jointly-controlled entity	(79)	7
毋須課稅收益	Income not subject to tax	(6,502)	(17,808)
不可扣稅開支	Expenses not deductible for tax	32,058	16,008
所動用的過往年度稅項虧損	Tax losses utilised from prior years	(858)	–
未確認稅項虧損	Tax losses not recognised	16,205	29,726
就過往年度年度報稅作出調整	Adjustments in respect of current tax of prior years	(28,537)	(8,830)
對本公司中國附屬公司可分派溢利按5%徵收預提所得稅的影響	Effect of withholding tax at 5% on the distributable profits of the Company's subsidiaries in the PRC	1,551	40,801
按本集團實際稅率計算的稅項支出	Tax charge at the Group's effective rate	251,008	296,237

10. DIVIDENDS

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
於年內確認分派的股息： 2011年末期股息－每股普通股12港仙(2011年：2010年末期股息－12港仙)	Dividends recognised as distributions during the year: 2011 final – HK12 cents (2011: 2010 final – HK12 cents) per ordinary share		

11. 本公司擁有人應佔每股盈利

11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

根據以下各項計算每股基本及攤薄盈利：

The calculations of basic and diluted earnings per share are based on:

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
盈利	E		
計算每股基本及攤薄盈利時用到的本公司擁有人應佔溢利	Profit attributable to owners of the Company used in the basic and diluted earnings per share calculation	**1,238,322**	1,260,758

		股份數目 2012年 2012	 2011年 2011
股份			
計算每股基本盈利時用到的本公司已發行普通股加權平均數	Weighted average number of ordinary shares of the Company in issue used in the basic earnings per share calculation	**3,011,875,112**	3,002,907,794
攤薄效應－普通股加權平均數：購股權	Effect of dilution – weighted average number of ordinary shares: share options	**57,300,281**	73,937,711
		3,069,175,393	3,076,845,505

用以計算截至2012年12月31日止年度的每股基本盈利的股份加權平均數，包括於2011年12月31日已發行的3,005,906,950股普通股(2011年：於2010年12月31日已發行的3,000,000,000股普通股)及行使購股權後發行的27,695,400股普通股(2011年：5,906,950股普通股)的加權平均數，即5,968,162股(2011年：2,907,794股)股份。

The weighted average number of shares used to calculate the basic earnings per share for the year ended 31 December 2012 includes 3,005,906,950 ordinary shares in issue as at 31 December 2011 (2011: 3,000,000,000 ordinary shares in issue as at 31 December 2010) and 5,968,162 shares (2011: 2,907,794 shares) derived from the weighted average of 27,695,400 ordinary shares (2011: 5,906,950 ordinary shares) issued upon exercise of the share options.

每股攤薄盈利數額乃根據本公司擁有人應佔年內溢利計算。計算所用的普通股加權平均數為年內已發行的普通股數目(與計算每股基本盈利所使者相同)，及假設所有潛在攤薄普通股被視作行使或轉換為普通股而以零代價發行的普通股加權平均數。

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

12. PROPERTY, PLANT AND EQUIPMENT

		土地及樓宇	廠房及機器	家具、裝置及辦公室設備	汽車	租賃物業裝修	在建工程	總計
		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 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
成本：	C ：							
於2011年1月1日	At 1 January 2011	680,240	986,073	29,022	65,373	3,179	257,726	2,021,613
添置	Additions	57,472	361,089	12,885	17,588	243	486,428	935,705
調撥	Transfers	101,439	114,313	–	–	–	(215,752)	–
出售	Disposals	(587)	(1,547)	(2,203)	(633)	–	–	(4,970)
匯兌調整	Exchange realignment	(471)	–	(3)	(340)	–	–	(814)
於2011年12月31日及2012年1月1日	At 31 December 2011 and 1 January 2012	838,093	1,459,928	39,701	81,988	3,422	528,402	2,951,534
添置	Additions	72,642	297,811	14,146	21,106	3,486	598,407	1,007,598
收購附屬公司(附註30)	Acquisitions of subsidiaries (note 30)	54,109	1,072	163	530	–	2,319	58,193
調撥	Transfers	264,992	193,693	250	695	–	(459,630)	–
出售	Disposals	(224)	(11,740)	(1,173)	(53)	–	–	(13,190)
匯兌調整	Exchange realignment	(10)	(215)	(2)	(1)	(3)	(440)	(671)
於2012年12月31日	At 31 December 2012	**1,229,602**	**1,9▼0.5▼9**	**53,085**	**10▼265**	**6,905**	**669,058**	**▼003▼6▼**
累計折舊：	A ：							
於2011年1月1日	At 1 January 2011	(73,445)	(199,139)	(11,101)	(31,027)	(983)	–	(315,695)
本年度提撥	Provided for the year	(33,646)	(115,310)	(5,496)	(10,687)	(1,808)	–	(166,947)
出售	Disposals	179	774	578	168	–	–	1,699
匯兌調整	Exchange realignment	15	–	–	153	–	–	168
於2011年12月31日及2012年1月1日	At 31 December 2011 and 1 January 2012	(106,897)	(313,675)	(16,019)	(41,393)	(2,791)	–	(480,775)
本年度提撥	Provided for the year	(51,784)	(163,516)	(7,382)	(14,150)	(802)	–	(237,634)
出售	Disposals	108	2,188	519	25	–	–	2,840
匯兌調整	Exchange realignment	3	358	–	5	–	–	366
於2012年12月31日	At 31 December 2012	**(158,570)**	**(▼7▼6▼5)**	**(22,882)**	**(55,513)**	**(3,593)**	****	**(715,203)**
賬面淨值：	:							
於2012年12月31日	At 31 December 2012	**1,071,032**	**1▼65,90▼**	**30,203**	**▼8,752**	**3,312**	**669,058**	**3,288,261**

13. 預付土地租賃款

13. PREPAID LAND LEASE PAYMENTS

		附註 Notes	2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
於1月1日	At 1 January		36,162	253,661
添置	Additions		592,976	116,685
收購附屬公司	Acquisitions of subsidiaries	30	31,399	–
於年內確認	Recognised during the year	7	(13,59_)	(6,184)
於12月31日的賬面值	Carrying amount at 31 December		97,9_3	364,162
計入預付款、按金及其他應收款項的流動部分	Current portion included in prepayments, deposits and other receivables	20	(20,66_)	(8,097)
非流動部分	Non-current portion		95,279	356,065

租賃土地位於中國內地，乃以中期租賃持有。

The leasehold land is situated in Mainland China and is held under a medium-term lease.

於2011年12月31日，本集團賬面淨值總額人民幣26,914,000元的若干預付土地租賃款已抵押作本集團銀行貸款的擔保。

As at 31 December 2011, certain of the Group's prepaid land lease payments with an aggregate net carrying amount of RMB26,914,000 were pledged to secure the Group's bank loans.

14. 於附屬公司的投資及與附屬公司結餘

14. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
非上市股份，按成本	Unlisted shares, at cost		–
向附屬公司的墊款	Advances to subsidiaries	2,561,82	2,131,878
以股份為基礎的僱員薪酬的注資	Capital contribution in respect of employee share-based compensation	77,858	61,319
		2,639,3_0	2,193,197

計入上述於附屬公司的投資向附屬公司墊款的人民幣2,561,482,000元(2011年：人民幣2,131,878,000元)為無抵押、免息及無固定還款期。

The advances to subsidiaries of RMB2,561,482,000 (2011: RMB2,131,878,000) included in the investments in subsidiaries above are unsecured, interest-free and have no fixed terms of repayment.

14. 於附屬公司的投資及與附屬公司結餘(續)

向一間附屬公司貸款人民幣1,365,118,000元(2011年：人民幣1,365,073,000元)為無抵押、按中國人民銀行公布所適用的貸款基準利率扣減0.81%計息且須於2016年償還。

於2011年12月31日，計入本公司流動資產的應收一間附屬公司款項人民幣184,938,000元為無抵押、按要求償還，除人民幣2,556,000元免息以外，其餘款項按5.75%的固定年利率計息。

主要附屬公司的詳情如下：

14. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES (Continued)

The loans to a subsidiary of RMB1,365,118,000 (2011: RMB1,365,073,000) are unsecured, bearing interest at 0.81% below the applicable benchmark lending rates announced by the People's Bank of China and are repayable in 2016.

As at 31 December 2011, the amounts due from a subsidiary included in the Company's current assets of RMB184,938,000 were unsecured, repayable on demand and bore interest at a fixed rate of 5.75% per annum except for the amount of RMB2,556,000 which was interest-free.

Particulars of the principal subsidiaries are as follows:

名稱	註冊成立／註冊及經營地點	已發行普通股／註冊股本面值	本公司應佔權益比例 直接	間接	主要業務
星展投資控股有限公司 Starcorp Investment Holdings Ltd.	英屬維爾京群島 BVI	1美元 US$1	100%	–	投資控股 Investment holding
華拓國際控股有限公司 Great China International Holdings Ltd.	英屬維爾京群島 BVI	1美元 US$1	100%	–	投資控股 Investment holding
中國聯塑投資有限公司 China Liansu Investment Limited	英屬維爾京群島 BVI	1美元 US$1	100%	–	投資控股 Investment holding
中國聯塑發展有限公司 China Liansu Development Limited	英屬維爾京群島 BVI	1美元 US$1	100%	–	投資控股 Investment holding
聯塑集團有限公司 Liansu Group Company Limited	香港 Hong Kong	13,000,000港元 HK$13,000,000	–	100%	投資控股並銷售塑料管道及管件 Investment holding and sale of plastic pipes and pipe fittings
廣東聯塑科技實業有限公司* Guangdong Liansu Technology Industrial Co., Ltd.*	中國 PRC	1,903,760,000港元 HK$1,903,760,000	–	100%	製造及銷售塑料管道及管件 Manufacture and sale of plastic pipes and pipe fittings

14. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES (Continued)

The above table lists the Company's subsidiaries which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the Group's net assets. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

15. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
分佔資產淨額	Share of net assets	5,286	4,971

Particulars of the jointly-controlled entity are as follows:

名稱	註冊資本	註冊地點	所佔百分比 擁有人權益	投票權	應佔溢利	主要業務

15. 於一間共同控制實體的投資(續)

下表呈列本集團於共同控制實體權益的財務資料概況：

15. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY (Continued)

The following table illustrates the summarised financial information of the Group's interest in the jointly-controlled entity:

17. AVAILABLE-FOR-SALE INVESTMENTS

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
於香港上市的股權投資，按公平值	Listed equity investments in Hong Kong, at fair value		156,508

The above investments consisted of investments in equity securities which were designated as available-for-sale financial assets. All these investments were disposed of at a cash consideration of approximately RMB191,430,000 during the year.

18. INVENTORIES

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
原材料	Raw materials	885,211	639,363
在產品	Work in progress	78,784	48,691
產成品	Finished goods	802,138	605,964
		1,766,133	1,294,018

As at 31 December 2012, certain of the Group's inventories with

19. 貿易應收款項及票據

19. TRADE AND BILLS RECEIVABLES

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
貿易應收款項	Trade receivables	779,35	718,856
應收票據	Bills receivable	2 3,265	32,811
減：減值撥備	Less: Provision for impairment	(13,085)	(3,309)
		1,009,53	748,358

本集團的主要客戶為中國內地的獨立分銷商、土木工程承建商、房地產開發商、公用事業公司及市政部門。本集團視乎市況、市場策略及與客戶的關係，可將其與獨立分銷商的貿易條款由按預付方式結算更改為授予一般一個月或多個月的信用期(如適當)。本集團並無統一向非分銷商客戶授予標準的信用期限。個別非分銷商客戶的信用期限視個別情況而定，並在銷售合同中列明(如適當)。對小規模、新或短期客戶的銷售一般預期以預付方式或於交貨後短期內結算。本集團並無為小規模、新或短期客戶設立信用期限。

The Group's major customers are independent distributors, civil contractors, property developers, utility companies and municipalities in Mainland China. Depending on the market condition, marketing tactics and relationships with the customers, the Group's trading terms with its independent distributors may change from settlement on an advance receipt basis to giving a credit period of generally one month or more, if appropriate. The Group does not have a standardised and universal credit period granted to the non-distributor customers. The credit period of an individual non-distributor customer is considered on a case-by-case basis and is set out in the sales contracts, as appropriate. Sales to small, new, or short-term customers are normally expected to be settled on an advance receipt basis or shortly after the goods delivery. No credit period is set by the Group for small, new and short-term customers.

貿易應收款項及票據均為無抵押及免息。

Trade and bills receivables are unsecured and interest-free.

於報告期末，本集團的貿易應收款項及票據按發票日期並扣除撥備後的賬齡分析如下：

An aged analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
3個月內	Within 3 months	632,975	580,613
4至6個月	4 to 6 months	179,55	98,441
7至12個月	7 to 12 months	159,689	40,722
1至2年	1 to 2 years	33,72	26,431
2至3年	2 to 3 years	2,705	2,049
3年以上	Over 3 years	887	102
		1,009,53	748,358

19. TRADE AND BILLS RECEIVABLES (Continued)

The movements in the provision for impairment of the Group's trade receivables are as follows:

	2012年

19. TRADE AND BILLS RECEIVABLES (Continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors believe that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

During the year, the Group discounted bills receivable with an aggregate carrying amount of RMB152,084,000 to a bank for cash proceeds of RMB148,738,000. If the bills receivable are not paid at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards, including default risk, relating to such bills receivable, it continues to recognise the full carrying amount of the bills receivable and has recognised the cash received on the transfer as an unsecured bank loan.

At the end of the reporting period, the carrying amount of the bills receivable that have been transferred but have not been derecognised and the carrying amount of the associated liability amounted to RMB152,084,000, respectively.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		附註 Note	2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
預付款	Prepayments		231,262	273,385
預付土地租賃款的流動部分	Current portion of prepaid land lease payments	13	20,66	8,097
待抵扣增值稅	Value-added tax recoverable		109,581	52,245
待抵扣企業所得稅	Corporate income tax recoverable		13,157	–
按金	Deposits		10,953	9,413
其他應收款項	Other receivables		19,610	4,492
			05,227	347,632

The financial assets included in the above balances are

21. 現金及銀行存款

21. CASH AND BANK DEPOSITS

24. 銀行貸款及其他借款 24. BANK LOANS AND OTHER BORROWINGS

		2012年 2012			2011年 2011		
		實際利率	到期日		實際利率 Effective	到期日	
本集團		(%)		人民幣千元 B'000	interest rate (%)	Maturity	人民幣千元 RMB'000
流動							
有抵押銀行貸款	Secured bank loans	1.33-2.0	2013	26,332	2.90-5.40	2012	70,004
無抵押銀行貸款	Unsecured bank loans	2.3-5.50	2013	569,467			–
				595,799			70,004
非流動							
有抵押銀行貸款	Secured bank loans				5.40	2013	16,400
無抵押銀行貸款	Unsecured bank loans	2.71	2015	2,873			–
優先票據	The Senior Notes	8.63	2016	1,585,910	8.63	2016	1,658,304
				1,628,783			1,674,704
				2,224,582			1,744,708

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
須償還銀行貸款：	Analysed into bank loans repayable:		
一年內或於要求時	Within one year or on demand	595,799	70,004
第二年內	In the second year	21,437	16,400
第三年至第五年內(包括首尾兩年)	In the third to fifth years, inclusive	21,436	–
		638,672	86,404
須償還其他借款：	Analysed into other borrowings repayable:		
第三年至第五年內(包括首尾兩年)	In the third to fifth years, inclusive	1,585,910	1,658,304
		2,224,582	1,744,708

24. 銀行貸款及其他借款(續)

24. BANK LOANS AND OTHER BORROWINGS (Continued)

		2012年 2012			2011年 2011		
本公司	C	實際利率 E (%)	到期日	人民幣千元 B'000	實際利率 Effective interest rate (%)	到期日 Maturity	人民幣千元 RMB'000
流動	C						
無抵押銀行貸款	Unsecured bank loans	2.3	2013	291,906			–
非流動							
優先票據	The Senior Notes	8.63	2016	1,585,910	8.63	2016	1,658,304
				1,877,816			1,658,304

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
須償還銀行貸款：	Analysed into bank loans repayable:		
一年內或於要求時	Within one year or on demand	291,906	–
須償還其他借款：	Analysed into other borrowings repayable:		
第三年至第五年內(包括首尾兩年)	In the third to fifth years, inclusive	1,585,910	1,658,304
		1,877,816	1,658,304

Notes:

1. As at 31 December 2012, the Group's bank loans are denominated in US$, HK$ and RMB at aggregate amounts of RMB194,682,000 (2011: RMB6,004,000), RMB291,906,000 (2011: Nil) and RMB152,084,000 (2011: RMB80,400,000), respectively.

   As at 31 December 2012, the secured bank loans are secured by the Group's inventories with an aggregate net carrying amount of RMB26,332,000 (2011: Nil).

   As at 31 December 2011, the secured bank loans were secured by certain of the Group's buildings and machinery with an aggregate net carrying amount of RMB129,561,000 and certain prepaid land lease payments with an aggregate net carrying amount of RMB26,914,000.

24. 銀行貸款及其他借款(續)

附註：(續)

2. 優先票據於新加坡證券交易所有限公司上市，利息按年利率7.875%計算，並於5月13日及11月13日每半年支付，除非提前贖回，優先票據於2016年5月13日到期。本公司可自行選擇於到期日前任何時間根據購買協議贖回全部或部分優先票據。

優先票據由本公司若干附屬公司保證並以該等提供保證的附屬公司的股份為第一優先固定押項。

於年內，本公司購回及註銷本金總額為9,820,000美元(2011年：31,300,000美元)的優先票據，於損益內確認利益人民幣4,259,000元(2011年：人民幣24,662,000元)。於2012年12月31日，優先票據的未償還本金額為258,880,000美元(2011年：268,700,000美元)。

於2012年12月31日，根據全球領先財經市場資料供應商提供的市場報價，優先票據的公平值為270,530,000美元(約等於人民幣1,706,766,000元)(2011年：227,723,000美元(約等於人民幣1,434,860,000元))。

24. BANK LOANS AND OTHER BORROWINGS (Continued)

Notes: (Continued)

2. The Senior Notes are listed on the Singapore Exchange Securities Trading Limited. They carry interest at 7.875% per annum, payable semi-annually in arrears on 13 May and 13 November, and will mature on 13 May 2016 unless redeemed earlier. The Company can at its option redeem all or a portion of the Senior Notes at any time prior to the maturity date in accordance with the purchase agreement.

The Senior Notes are guaranteed by certain of the Company's subsidiaries and secured by a first-priority fixed charge over the shares of those subsidiaries providing such guarantee.

During the year, the Company repurchased and cancelled the Senior Notes in aggregate principal amount of US$9,820,000 (2011: US$31,300,000) with a gain of RMB4,259,000 (2011: RMB24,662,000) recognised in profit or loss. The outstanding principal amount of the Senior Notes was US$258,880,000 as at 31 December 2012 (2011: US$268,700,000).

As at 31 December 2012, the fair value of the Senior Notes based on the quoted market price provided by a leading global financial market data provider was US$270,530,000 (approximately RMB1,706,766,000 equivalent) (2011: US$227,723,000 (approximately RMB1,434,860,000 equivalent)).

25. 遞延稅項(續)

25. DEFERRED TAX (Continued)

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
於12月31日的綜合財務狀況表內確認的遞延稅項資產總額	Gross deferred tax assets recognised in the consolidated statement of financial position at 31 December	3,575	2,112
於12月31日的綜合財務狀況表內確認的遞延稅項負債總額	Gross deferred tax liabilities recognised in the consolidated statement of financial position at 31 December	(64,635)	(72,673)
		(61,060)	(70,561)

根據中國企業所得稅法，在中國內地成立的外資企業向外國投資者宣派的股息須繳納10%的預提所得稅。該規定自2008年1月1日起生效，適用於自2007年12月31日起獲得的盈利。倘中國內地與該外國投資者所在司法權區有簽訂稅務條約，則可按較低稅率繳納預提所得稅。就本集團而言，適用的預提所得稅稅率為5%。因此，就該等於中國內地成立的附屬公司就2008年1月1日起所得盈利而分派的股息而言，本集團須繳納預提所得稅。

於2012年12月31日，由於本公司控制該等附屬公司的股息政策，且該等溢利於可見將來分派的可能性不大，故本集團並無確認該等附屬公司未分派溢利暫時差異人民幣2,303,729,000元（2011年：人民幣905,534,000元）的遞延稅項負債（須於分派該等保留溢利時支付）人民幣115,186,000元（2011年：人民幣45,276,000元）。

Pursuant to the PRC CIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The applicable rate for the Group is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of their earnings generated from 1 January 2008.

As at 31 December 2012, the Group has not recognised deferred tax liabilities of RMB115,186,000 (2011: RMB45,276,000) in respect of temporary differences relating to the undistributed profits of subsidiaries, amounting to RMB2,303,729,000 (2011: RMB905,534,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

26. 遞延收益

26. DEFERRED INCOME

遞延收益指本集團收取的政府補助，作為其在長春及大慶興建新工廠物業的財政補貼。所收取的補助於有關物業預期可使用年限內按年以等額撥入損益內確認。

Deferred income represented government grants received by the Group as financial subsidies for its construction of new factory premises in Changchun and Daqing. The grants received are released to profit or loss over the expected useful lives of the relevant properties by equal annual installments.

27. 股本 27. SHARE CAPITAL

股份		2012年 2012	2011年 2011
法定：	A[illegible]：		
20,000,000,000(2011年：20,000,000,000)股每股面值0.05港元的普通股	20,000,000,000 (2011: 20,000,000,000) ordinary shares of HK$0.05 each	1,000,000,000港元 $1,000,000,000	1,000,000,000港元 HK$1,000,000,000
已發行及繳足：	[illegible]：		
3,033,602,350(2011年：3,005,906,950)股每股面值0.05港元的普通股	3,033,602,350 (2011: 3,005,906,950) ordinary shares of HK$0.05 each	151,680,118港元 $151,680,118	150,295,348港元 HK$150,295,348
等值於	Equivalent to	人民幣132,660,000元 B132,660,000	人民幣131,537,000元 RMB131,537,000

年內本公司已發行股本變動如下：

The following changes in the Company's issued share capital took place during the year:

		每股面值0.05港元的普通股數目 [illegible] $0.05	普通股面值 [illegible] 千港元 HK$'000	人民幣千元 RMB'000
已發行及繳足：	[illegible]：			
於2011年12月31日及2012年1月1日	As at 31 December 2011 and 1 January 2012	3,005,906,950	150,295	131,537
因行使購股權(附註)	Upon exercise of the share options (note)	27,695,400	1,385	1,123
於2012年12月31日	As at 31 December 2012	**3,033,602,350**	**151,680**	**132,660**

附註：

通過按行使價每股股份1.82港元行使由本公司授出的購股權，本公司於年內發行合共27,695,400股(2011年：5,906,950股)每股面值0.05港元的普通股，總現金代價(未計開支)約50,406,000港元(2011年：10,751,000港元)(約等於人民幣40,872,000元(2011年：人民幣8,716,000元))。該等於年內發行股份在各方面與本公司當時現存股份享有同等權益。

Note:

Pursuant to the exercise of the share options at the exercise price of HK$1.82 each granted by the Company, the Company issued a total of 27,695,400 ordinary shares (2011: 5,906,950 ordinary shares) of HK$0.05 each for a total cash consideration, before expenses, of approximately HK$50,406,000 (2011: HK$10,751,000) (approximately RMB40,872,000 (2011: RMB8,716,000) equivalent) during the year. The shares issued during the year rank pari passu in all respects with the then existing shares of the Company.

28. 儲備

(A) 本集團

本集團本年度及過往年度的儲備金額及其變動已於綜合權益變動表內呈列。

根據適用於中外合營企業的相關法律及法規，本集團在中國成立的附屬公司的部分溢利已轉撥至用途受限制的儲備基金。

(B) 本公司

28. RESERVES

(A) **GROUP**

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries which are established in the PRC has been transferred to reserve funds which are restricted as to use.

(B) **COMPANY**

28. 儲備(續)

(B) 本公司(續)

購股權儲備包括已授予但未行使的購股權的公平值(誠如財務報表附註2.4以股份為基準的付款交易的會計政策所詳述)。有關金額將於相關購股權獲行使時轉撥至股份溢價賬或於相關購股權到期或被沒收時轉撥至保留溢利。

29. 購股權計劃

於2010年5月14日(「採納日期」),本公司就對本集團的成功經營作出貢獻的合資格參與人提供激勵及獎勵而採納一項購股權計劃(「購股權計劃」)及一項首次公開發售前購股權計劃(「首次公開發售前購股權計劃」

29. 購股權計劃(續)

購股權計劃(續)

購股權計劃的有效期自採納日期起計為期10年。提呈授出的購股權可由董事會批准授出購股權之日(「提呈日期」)起計28日期間內供有關合資格人士接納，但在購股權計劃的有效期屆滿後，則不可接納授出的購股權。當本公司於相關合資格人士必須接納提呈購股權當日(即提呈日期後不多於28日)或之前收到一式兩份由承授人正式簽署構成接納提呈購股權的提呈函件連同支付本公司的價款1港元作為授出代價後，則購股權將被視為已授出及獲合資格人士接納及已生效。上述價款在任何情況下均不獲退還。

於2012年12月31日，本公司並無根據購股權計劃授出任何購股權(2011年：無)。

首次公開發售前購股權計劃

首次公開發售前購股權計劃旨在給予僱員於本公司持有個人權益的機會，激勵彼等日後於本集團發揮最佳表現及效率，及／或獎勵彼等於過往的貢獻，以吸納及挽留該等對本集團業績、增長或成功至關重要及／或其貢獻有利於本集團業績、增長或成功的僱員，或與該等僱員維持長遠關係。首次公開發售前購股權計劃的主要條款與購股權計劃的條款大致相同，惟下列者除外：

(i) 首次公開發售前購股權計劃項下的每股認購價較發售價2.6港元折讓30%；及

29. SHARE OPTION SCHEMES (Continued)

SHARE OPTION SCHEME (Continued)

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. An offer of the grant of a share option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the date of the Board approving the grant of the share options (the "Offer Date") provided that no such grant of an option may be accepted after the expiry of the effective period of the Share Option Scheme. An option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of

29. 購股權計劃(續)

首次公開發售前購股權計劃(續)

(ii) 首次公開發售前購股權計劃項下授出的所有購股權將按以下方式歸屬：

歸還期限	可行使購股權的最高百分比
自上市日期第一個週年日起至緊接上市日期第二個週年日前之日止	購股權涉及股份總數的25%
自上市日期第二個週年日起至緊接上市日期第三個週年日前之日止	購股權涉及股份總數的35%
自上市日期第三個週年日起至緊接上市日期第四個週年日前之日止	購股權涉及股份總數的40%

購股權期限將於上市日期第四個週年日屆滿。

首次公開發售前購股權計劃項下的所有購股權已於2010年5月21日授予，各承授人支付的代價為1港元。本公司因行使根據首次公開發售前購股權計劃授出的所有購股權而可能發行的本公司股份總數為115,378,000股。

首次公開發售前購股權計劃並無賦予持有人獲派股息或於股東大會上投票的權利。

29. SHARE OPTION SCHEMES (Continued)

PRE-IPO SHARE OPTION SCHEME (Continued)

(ii) all options granted under the Pre-IPO Share Option Scheme will only be vested in the following manner:

Vesting period	Maximum percentage of options exercisable
From the 1st anniversary of the Listing Date until the day immediately before the 2nd anniversary of the Listing Date	25% of the total number of the shares under options
From the 2nd anniversary of the Listing Date until the day immediately before the 3rd anniversary of the Listing Date	35% of the total number of the shares under options
From the 3rd anniversary of the Listing Date until the day immediately before the 4th anniversary of the Listing Date	40% of the total number of the shares under options

The option period shall be expired on the fourth anniversary of the Listing Date.

All the options under the Pre-IPO Share Option Scheme were granted on 21 May 2010 at a consideration of HK$1 paid by each grantee. The total number of shares of the Company which may be issued upon the exercise of all options granted under the Pre-IPO Share Option Scheme is 115,378,000.

Pre-IPO Share Options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

29. 購股權計劃(續)

首次公開發售前購股權計劃(續)

於2010年5月21日授出的首次公開發售前購股權的公平值估計約為128,071,000港元，此乃經考慮所授出購股權的條款及條件後，使用二項模式得出。下表載列模式所採用的輸入參數：

29. SHARE OPTION SCHEMES (Continued)

PRE-IPO SHARE OPTION SCHEME (Continued)

The fair value of the Pre-IPO Share Options granted on 21 May 2010 was estimated at approximately HK$128,071,000, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

批次	B	1	2	3
派息率(%)	Dividend yield (%)	3.169	3.169	3.169
預期波幅(%)	Expected volatility (%)	56.58	56.58	56.58
無風險息率(%)	Risk-free rate (%)	0.794	0.956	1.126
購股權的估計年期(年)	Expected option period (Years)	2.59	3.09	3.59

年內，首次公開發售前購股權計劃項下尚未行使的購股權載列如下：

The following share options were outstanding under the Pre-IPO Share Option Scheme during the year:

		每股行使價 港元 HK$ per share	購股權數目 千份 '000
於2012年1月1日	At 1 January 2012	1.82	107,224
年內行使	Exercised during the year	1.82	(27,695)
年內沒收	Forfeited during the year	1.82	(1,641)
於2012年12月31日	At 31 December 2012	1.82	**77,888**

年內行使的購股權於行使日期的加權平均股價為每股股份4.81港元(2011年：每股股份6.52港元)。

The weighted average share price at the date of exercise for share options exercised during the year was HK$4.81 per share (2011: HK$6.52 per share).

30. 業務合併

於2012年3月12日、2012年3月29日及2012年11月13日，本集團分別以現金代價人民幣2,650,000元、人民幣1,750,000元及人民幣35,540,000元收購鶴山市立威油漆有限公司(「鶴山立威」)、吉林迪高門窗製造有限公司(「吉林迪高」)及江門市勇邦家具有限公司(「勇邦」)的100%股權。鶴山立威尚未開始製造及銷售建築化工品業務。吉林迪高主要從事製造、銷售及安裝門窗業務。勇邦主要從事家具製造及銷售業務。被本集團收購後，勇邦已更名為廣東聯塑領尚櫥櫃有限公司。

於收購日期，所收購鶴山立威、吉林迪高及勇邦各自的可識別資產及負債公平值如下：

30. BUSINESS COMBINATIONS

On 12 March 2012, 29 March 2012 and 13 November 2012, the Group acquired a 100% equity interest in Heshan Liwei Paint Co., Ltd. ("Heshan Liwei"), Jilin Daco Windows & Doors Profile Manufacture Co., Ltd. ("Jilin Daco") and Jiangmen Yong Bang Furniture Co., Ltd. ("Yong Bang") at a cash consideration of RMB2,650,000, RMB1,750,000 and RMB35,540,000, respectively. Heshan Liwei has not commenced its business of the manufacture and sale of building chemicals. Jilin Daco is principally engaged in the manufacture, sale and installation of doors and windows. Yong Bang is principally engaged in the manufacture and sale of furniture. Yong Bang is renamed as Guangdong Lesso Cabinet Co., Ltd. subsequent to its acquisition by the Group.

The respective fair values of the identifiable assets and liabilities of Heshan Liwei, Jilin Daco and Yong Bang acquired at the dates of acquisition are as follows:

		附註 Notes	鶴山立威 人民幣千元 RMB'000	吉林迪高 人民幣千元 RMB'000	勇邦 人民幣千元 RMB'000	總額 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	12	2,650	1,351	54,192	58,193
預付土地租賃款	Prepaid land lease payments	13	3,267	–	28,132	31,399
存貨	Inventories		–	8,462	–	8,462
貿易應收款項	Trade receivables		–	505	–	505
預付款及其他應收款項	Prepayments and other receivables		196	3,511	–	3,707
現金及銀行存款	Cash and bank deposits		236	82	737	1,055
貿易應付款項	Trade payables		–	(4,541)	–	(4,541)
其他應付款項及應計費用	Other payables and accruals		(3,699)	(7,620)	(47,521)	(58,840)
可識別資產淨值總額(按公平值)	Total identifiable net assets at fair value		2,650	1,750	35,540	39,940
以現金支付	Satisfied by cash		2,650	1,750	35,540	39,940

於收購日期，貿易應收款項及其他應收款項的公平值總額分別為人民幣505,000元及人民幣108,000元，與本集團收購該等相應結餘的合約金額總值相若。於收購日期，管理層認為預期無法收回的合約現金流量並不重大。

The aggregate fair values of the trade receivables and other receivables as at the dates of acquisition amounted to RMB505,000 and RMB108,000, respectively, which approximate to the gross contractual amounts of those corresponding balances acquired by the Group. At the dates of acquisition, the management considered that the contractual cash flows not expected to be collected is insignificant.

33. 經營租賃安排

(A) 作為出租人

本集團根據經營租賃安排出租若干生產廠房，租期商定為一至八年不等。

於報告期末，根據與租戶訂立的不可撤銷經營租約，本集團到期應收的未來最低租金總額如下：

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
一年內	Within one year	1,20	641
第二至第五年內(包括首尾兩年)	In the second to fifth years, inclusive	602	–
五年後	After five years	26	–
		1,832	641

(B) 作為承租人

本集團根據經營租賃安排，租用若干生產廠房、倉庫及設備。租期商定為一至五年不等。

於報告期末，根據不可撤銷經營租約，本集團到期應付的未來最低租金總額如下：

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
一年內	Within one year	11,208	4,606
第二至第五年內(包括首尾兩年)	In the second to fifth years, inclusive	12,127	13,274
五年後	After five years		6,462
		23,335	24,342

33. OPERATING LEASE ARRANGEMENTS

(A) AS LESSOR

The Group leases certain production plants under operating lease arrangements, with leases negotiated for terms ranging from one to eight years.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

(B) AS LESSEE

The Group leases certain of its production plants, warehouses and equipment under operating lease arrangements. Leases are negotiated for terms ranging from one to five years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

34. 承擔

於報告期末，本集團有以下資本承擔：

34. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
已訂約但尚未撥備：	Contracted, but not provided for:		
土地、物業、廠房及設備	Land, property, plant and equipment	320,969	417,306

35. 關聯人士交易

(A) 本集團年內與關聯人士有以下重大交易：

35. RELATED PARTY TRANSACTIONS

(A) THE GROUP HAD THE FOLLOWING MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:

		附註 Notes	2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
於一位董事同一控制公司：	Companies under the common control of a director:			
提供公用事業	Provision of utilities	(i)	9,8	5,138
耗用公用事業	Consumption of utilities	(i)	5,551	–
租金收益	Rental income	(ii)	6,1	854
租金開支	Rental expenses	(ii)	2,210	–
採購原材料	Purchases of materials	(iii)	5,053	1,689
採購設備	Purchases of equipment	(iv)	55,261	50,849
授予特許商標	Licensing trademarks	(v)	730	583
授予特許專利	Licensing patents	(v)	32	40
一位董事控制的公司提供的代理服務	Agency services from companies under the control of a director	(vi)	,265	2,314
向董事支付的租金開支	Rental expenses paid to directors	(vii)	3,231	3,410

35. 關聯人士交易(續)

(A) 本集團年內與關聯人士有以下重大交易：(續)

附註：

(i) 公用事業按成本提供予關聯公司／由其提供。

(ii) 租金收益／開支乃按雙方協定的條款計算。

(iii) 材料乃根據雙方協定的條款向關聯公司購買。

(iv) 設備乃經參考關聯公司向其第三方客戶提供的價格及條件後向關聯公司購買。

(v) 授予關聯公司的特許商標及專利乃根據雙方協定條款進行。

(vi) 代理服務乃由關聯公司根據雙方協定條款提供。

(vii) 物業包括辦公室、食堂、車間及倉庫，乃根據雙方協定條款租予本集團。

上述項目的關聯人士交易亦構成上市規則第14A章所界定的關連交易或持續關連交易。

(B) 與關聯人士的承諾事項

本集團若干附屬公司為租賃物業作經營用途與董事訂立租賃協議。人民幣9,862,000元(2011年：人民幣23,142,000元)的經營租賃承擔期限為三至九年，包含於財務報表附註33(B)中。

35. RELATED PARTY TRANSACTIONS (Continued)

(A) THE GROUP HAD THE FOLLOWING MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR: (Continued)

Notes:

(i) Utilities were provided to/by related companies at cost.

(ii) Rental income/expenses were based on mutually agreed terms.

(iii) Purchases of materials from related companies were made based on mutually agreed terms.

(iv) Purchases of equipment from related companies were made with reference to the prices and conditions offered by the related companies to their third-party customers.

(v) Licensing trademarks and patents to related companies were conducted based on mutually agreed terms.

(vi) Agency services were provided by related companies based on mutually agreed terms.

(vii) Properties including office premises, cafeteria, workshops and warehouses were leased to the Group based on mutually agreed

35. 關聯人士交易(續)

35. RELATED PARTY TRANSACTIONS (Continued)

(c) 本集團主要管理人員薪酬(包括董事酬金(附註8))

(c) COMPENSATION OF THE GROUP'S KEY MANAGEMENT PERSONNEL (INCLUDING DIRECTORS' REMUNERATION (NOTE 8))

		2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
短期僱員福利	Short-term employee benefits	6,105	6,025
退休後福利	Post-employment benefits	232	208
以股權結算的購股權開支	Equity-settled share option expense	[illegible]039	7,840
		10,376	14,073

36. 金融工具及公平值

36. FINANCIAL INSTRUMENTS AND FAIR VALUE

於報告期末，各類金融工具的賬面值如下：

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

本集團		附註 Notes	2012年 2012 人民幣千元 RMB'000	2011年 2011 人民幣千元 RMB'000
金融資產				
投資				
持有至到期投資	Held-to-maturity investments	16	288,690	–
可供出售投資	Available-for-sale investments	17	[illegible]	156,508
			288,690	156,508
貸款及應收款項				
貿易應收款項及票據	Trade and bills receivables	19	1,009,53[illegible]	748,358
其他應收款項	Other receivables	20	19,610	4,492
現金及銀行存款	Cash and bank deposits	21	1,922,325	2,116,641
			2,951,[illegible]69	2,869,491
			3,2[illegible]0,159	3,025,999
金融負債				
按攤銷成本列賬的金融負債				
貿易應付款項及票據	Trade and bills payables	22	512,05[illegible]	191,314
計入其他應付款項及應計費用的金融負債	Financial liabilities included in other payables and accruals	23	233,582	285,963
銀行貸款及其他借款	Bank loans and other borrowings	24	2,22[illegible],582	1,744,708
			2,970,218	2,221,985

36. 金融工具及公平值(續)

36. FINANCIAL INSTRUMENTS AND FAIR VALUE (Continued)

本公司	C	附註 Notes	2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
金融資產	F			

37. 金融風險管理目標及政策(續)

利率風險

浮動利率工具將導致本集團面臨現金流量利率風險，而固定利率工具將導致本集團面臨公平值利率風險。

下表顯示假設於報告期末尚未償還的浮動利率借款於全年仍未償還，且所有其他變數保持不變，本集團除稅前溢利對合理可能的利率變動之敏感度。

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

INTEREST RATE RISK

In respect of the floating interest rate instruments, the Group is subject to the cash flow interest rate risk, while for the fixed interest rate instruments, the Group is subject to fair value interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax by assuming the floating rate borrowings outstanding at the end of the reporting period were outstanding for the whole year.

		基準點 增加／(減少) / ( ) 人民幣千元 RMB'000	除稅前溢利 增加／(減少) / ( ) 人民幣千元 RMB'000
截至2012年12月31日止年度	Year ended 31 December 2012	**50**	**(2,[illegible]33)**
截至2012年12月31日止年度	Year ended 31 December 2012	**(50)**	**2,[illegible]33**
截至2011年12月31日止年度	Year ended 31 December 2011	50	(432)
截至2011年12月31日止年度	Year ended 31 December 2011	(50)	432

37. 金融風險管理目標及政策(續)

外幣風險

本集團的主要業務均位於中國內地，而大部分交易均以人民幣進行。本集團大部分資產及負債以人民幣計值，惟若干銀行結餘及銀行貸款及其他借款以港元及美元計值。本集團並無為其匯率風險進行對沖。

下表顯示於報告期末，在所有其他變數保持不變的情況下，本集團除稅前溢利對人民幣兌其他有關貨幣匯率的合理可能變動(由於貨幣性資產及貸款的公平值變動所致)之敏感度。

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

FOREIGN CURRENCY RISK

The Group's main businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for certain bank balances and bank loans and other borrowings denominated in HK$ and US$. The Group has not hedged its foreign exchange rate risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB against the relevant currencies, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and loans).

		港元／美元匯率上升／(下跌) / ( ) $/ $ %	除稅前溢利增加／(減少) / ( ) 人民幣千元 RMB'000
2012年	**2012**		
倘人民幣兌港元貶值	If the RMB weakens against the HK$	**5**	**61**
倘人民幣兌港元升值	If the RMB strengthens against the HK$	**(5)**	**(61)**
倘人民幣兌美元貶值	If the RMB weakens against the US$	**5**	**(88,326)**
倘人民幣兌美元升值	If the RMB strengthens against the US$	**(5)**	**88,326**
2011年	2011		
倘人民幣兌港元貶值	If the RMB weakens against the HK$	5	1,419
倘人民幣兌港元升值	If the RMB strengthens against the HK$	(5)	(1,419)
倘人民幣兌美元貶值	If the RMB weakens against the US$	5	(82,697)
倘人民幣兌美元升值	If the RMB strengthens against the US$	(5)	82,697

37. 金融風險管理目標及政策(續)

信貸風險

本集團僅與獲公認及信譽可靠的第三方進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須先通過信貸核實程序。此外，本集團持續監察應收結餘的情況及本集團的壞賬風險並不重大。

本集團的其他金融資產(包括現金及銀行存款及其他應收款項)的信貸風險源自交易對方的潛在違約，最大風險程度等於該等工具的賬面值。

由於本集團僅與獲公認及信譽可靠的第三方進行交易，故不需要抵押品。

流動資金風險

管理層致力維持充裕的現金及現金等價物，並透過不同渠道為本集團承擔獲得資金。

以已訂約未折讓付款為基準，本集團於各報告期末的金融負債到期情況如下：

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CREDIT RISK

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and bank deposits and other receivables, arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

LIQUIDITY RISK

The management aims to maintain sufficient cash and cash

37. 金融風險管理目標及政策(續)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

流動資金風險(續)

LIQUIDITY RISK (Continued)

本集團		2011年 2011 1年內 Within 1 year 人民幣千元 RMB '000	1至2年內 1 to 2 years 人民幣千元 RMB '000	2年以上 More than 2 years 人民幣千元 RMB '000	總計 Total 人民幣千元 RMB '000
貿易應付款項及票據	Trade and bills payables	191,314	–	–	191,314
計入其他應付款項及應計費用的金融負債	Financial liabilities included in other payables and accruals	285,963	–	–	285,963
銀行貸款及其他借款	Bank loans and other borrowings	205,517	149,774	2,026,371	2,381,662
		682,794	149,774	2,026,371	2,858,939

本公司	C	2012年 2012 1年內 1 人民幣千元 B 000	1至2年內 1 2 人民幣千元 B 000	2年以上 2 人民幣千元 B 000	總計 人民幣千元 B 000
銀行貸款及其他借款	Bank loans and other borrowings	23,833	128,620	1,826,199	2,378,652
財務擔保合約	Financial guarantee contracts	116,071	21,437	21,436	158,944
		539,904	150,057	1,847,635	2,537,596

上述財務擔保合約所包含的金額，乃於擔保的對手方作出申索時，本公司根據安排須就授予附屬公司之銀行融資的全數擔保金額償付的最高金額。根據報告期末的預期，本公司認為很大可能毋須根據該等安排支付款項。

The amount included above for financial guarantee contracts are the maximum amounts the Company could be required to settle under the arrangements for the full guaranteed amounts in connection with banking facilities granted to a subsidiary if that amounts are claimed by the counterparties to the guarantees. Based on expectation at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under such arrangements.

37. 金融風險管理目標及政策(續)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

流動資金風險(續)

LIQUIDITY RISK (Continued)

		2011年 2011			
		1年內 Within 1 year	1至2年內 1 to 2 years	2年以上 More than 2 years	總計 Total
本公司	C	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
銀行貸款及其他借款	Bank loans and other borrowings	133,328	133,328	2,026,371	2,293,027

資本管理

本集團資本管理的主要目標為保障本集團繼續以持續基準經營的能力，以及維持合理的資本比率支持其業務，以及將股東的價值提升至最高。

本集團根據經濟狀況變動管理其資本架構及作出調整。為維持及調整資本架構，本集團可調整支付予股東的股息、向股東退回資本或發行新股。年內，管理資本的目標、政策或過程並無變動。

本集團以淨債務對權益比率監控資本，該比率為淨債務除以股本。淨債務包括銀行貸款及其他借款減現金及銀行存款。資本乃指權益總額。

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as going concern and to maintain reasonable capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a net debt to equity ratio, which is net debt divided by capital. Net debt includes bank loans and other borrowings less cash and bank deposits. Capital represents the total equity.

37. 金融風險管理目標及政策(續)

資本管理(續)

於報告期末，本集團的策略為維持淨債務對權益比率在健康水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量需求及支付到期債務的能力，保持可用銀行融資在合理水平及調整投資計劃及融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。於報告期末的淨債務對權益比率如下：

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CAPITAL MANAGEMENT (Continued)

At the end of the reporting period, the Group's strategy was to maintain the net debt to equity ratio at a healthy level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The net debt to equity ratios at the end of the reporting periods are as follows:

		2012年 2012 人民幣千元 B'000	2011年 2011 人民幣千元 RMB'000
銀行貸款及其他借款	Bank loans and other borrowings	**2,22_,582**	1,744,708
減：現金及銀行存款	Less: Cash and bank deposits	**(1,922,325)**	(2,116,641)
淨債務／(淨現金)	Net debt/(net cash)	**302,257**	(371,933)
權益總額	Total equity	**6,027,918**	4,987,365
淨債務對權益比率	Net debt to equity ratio	**5%**	淨現金 Net cash

38. 報告期後事項

於2013年1月15日，本集團訂立買賣協議，以收購廣東聯塑閥門有限公司(本集團執行董事兼最終控股股東黃聯禧先生間接全資擁有的實體)的100%股本權益，現金代價為人民幣116,000,000元。廣東聯塑閥門有限公司主要從事閥門產品製造及銷售業務。該交易於2013年1月完成。

38. EVENT AFTER THE REPORTING PERIOD

On 15 January 2013, the Group entered into a sales and purchase agreement to acquire a 100% equity interest in Guangdong Liansu Valve Co., Ltd., an entity indirectly wholly-owned by Mr. Wong Luen Hei, an executive director and the ultimate controlling shareholder of the Group, at a cash consideration of RMB116,000,000. Guangdong Liansu Valve Co., Ltd. is principally engaged in the manufacture and sale of valve products. This transaction has been completed in January 2013.

39. 批准財務報表

董事會於2013年3月18日批准及授權該等財務報表發布。

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 18 March 2013.

詞彙
GLOSSARY

「董事會」 “Board”	指	本公司董事會 the Board of Directors of the Company
「英屬維爾京群島」 “BVI”	指	英屬維爾京群島 the British Virgin Islands
「企業所得稅」 “CIT”	指	企業所得稅 corporate income tax
「守則」 “Code”	指	企業管治常規守則(截至2012年3月31日)及企業管治守則(由2012年4月1日起) the Code on Corporate Governance Practices (up to 31 March 2012) and the Corporate Governance Code (as from 1 April 2012)
「本公司」或「中國聯塑」 “Company” or “China Liansu”	指	中國聯塑集團控股有限公司 China Liansu Group Holdings Limited
「息稅折攤前利潤」 “EBITDA”	指	利息、所得稅、折舊及攤銷前利潤 earnings before interest, taxes, depreciation and amortisation
「本集團」 “Group”	指	本公司及其附屬公司 the Company and its subsidiaries
「廣東聯塑電氣」 “Guangdong Liansu Electric”	指	廣東聯塑電氣有限公司，黃聯禧先生間接全資擁有的公司，並為本公司的關連人士(定義見上市規則) Guangdong Liansu Electric Co., Ltd., a company indirectly wholly-owned by Mr. Wong Luen Hei and a connected person of the Company as defined under the Listing Rules
「廣東聯塑機器」 “Guangdong Liansu Machinery”	指	廣東聯塑機器製造有限公司，黃聯禧先生間接全資擁有的公司，並為本公司的關連人士(定義見上市規則) Guangdong Liansu Machinery Manufacturing Co., Ltd., a company indirectly wholly-owned by Mr. Wong Luen Hei and a connected person of the Company as defined under the Listing Rules
「廣東聯塑科技」 “Guangdong Liansu Technology”	指	廣東聯塑科技實業有限公司，為本公司的間接全資附屬公司 Guangdong Liansu Technology Industrial Co., Ltd., an indirectly wholly-owned subsidiary of the Company
「香港」 “Hong Kong”/“HK”	指	中國香港特別行政區 Hong Kong Special Administrative Region of the PRC
「港元」 “HK$”	指	香港之法定貨幣－港元 Hong Kong dollar, the lawful currency of Hong Kong
「上市規則」 “Listing Rules”	指	聯交所證券上市規則 the Rules Governing the Listing of Securities on the Stock Exchange

聯席公司秘書
關志偉先生
袁水先先生

JOINT COMPANY SECRETARIES
Mr. Kwan Chi Wai Samuel
Mr. Yuan Shuixian

法定代表
左滿倫先生
關志偉先生

AUTHORISED REPRESENTATIVES
Mr. Zuo Manlun
Mr. Kwan Chi Wai Samuel

註冊辦事處
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

REGISTERED OFFICE
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

中國總部及主要營業地點
中國
廣東省
佛山市
順德區
龍江鎮
聯塑工業村

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA
Liansu Industrial Estate
Longjiang Town
Shunde District
Foshan City
Guangdong Province
PRC

香港主要營業地點
香港九龍
尖沙咀東部
麼地道75號
南洋中心
2座12樓3室

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Unit 3, 12th Floor, Tower 2
South Seas Centre
No. 75 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

上市資料
上市地點：香港聯合交易所有限公司
股份代號：2128

LISTING INFORMATION
Listing: The Stock Exchange of Hong Kong Limited
Stock code: 2128

股份資料
每手買賣單位：1,000股

於2012年12月31日已發行股份數目：
3,033,602,350股

於2012年12月31日市值：
161.08億港元

SHARE INFORMATION
Board lot size: 1,000 shares

Share issued as at 31 December 2012:
3,033,602,350 shares

Market capitalisation as at 31 December 2012:
HK$16,108 million

股息

截至2012年12月31日止年度每股末期股息：
每股普通股12港仙

DIVIDEND

Final dividend per share for the year ended 31 December 2012:
HK12 cents per ordinary share

財務日誌

年度業績公告：
2013年3月18日

暫停辦理股份過戶登記手續

— 確定出席股東週年大會並於會上投票的資格：
2013年5月28至31日(包括首尾兩天)

— 確定收取擬派末期股息的資格：
2013年6月7至11日(包括首尾兩天)

2013年股東週年大會：
2013年5月31日

派付建議的2012年末期股息+：
2013年6月20日或相近日子

FINANCIAL CALENDAR

Annual results announcement:
18 March 2013

CLOSURE OF THE REGISTER OF MEMBERS

– for determining the entitlement to attend and vote at annual general meeting: 28 to 31 May 2013 (both dates inclusive)

– for determining the entitlement to proposed final dividend:
7 to 11 June 2013 (both dates inclusive)

2013 annual general meeting:
31 May 2013

Payment of 2012 proposed final dividend+:
on or around 20 June 2013

股份過戶登記總處

MaplesFS Limited
PO Box 1093
Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

PRINCIPAL SHARE REGISTRAR

MaplesFS Limited
PO Box 1093
Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

股份過戶登記分處

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

BRANCH SHARE REGISTRAR

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

+ 惟須待股東於2013年5月31日舉行的2013年股東週年大會上批准後，方可作實。

+ Subject to approval by the Shareholders at the 2013 annual general meeting to be held on 31 May 2013.

前瞻聲明

本年報載有前瞻聲明。此等前瞻聲明包括但不限於有關收益及盈利的聲明，而「相信」、「計劃」、「預計」、「預期」、「預測」、「估計」、「推測」、「深信」、「抱有信心」及類似詞彙亦擬表示前瞻聲明。前瞻聲明是以中國聯塑董事及管理層根據業務、行業及中國聯塑經營所在的市場而具備或作出的目前信念、假設、期望、估計及預測為基準，而並非歷史事實。

此等前瞻聲明並非就未來的業務表現作出保證，而是會因為風險、不明朗因素及其他因素而受影響，其中有些因素更非本公司所能控制，且難以預料。故此，可導致實際結果與前瞻聲明所明示、暗示或預測的情況有重大差別。

上述前瞻聲明僅反映中國聯塑董事及管理層於本年報發表當日所持的觀點，任何人士一概不應依賴此等前瞻聲明。本公司並無責任公開修訂上述前瞻聲明，以反映本年報編印後所發生的事件或情況。

* 本年報的中英文如有任何歧義，概以英文本為準。

Forward-looking statements

This annual report contains forward-looking statements. These forward-looking statements include, without limitation, statements related to revenues and earnings. The words "believe", "intend", "expect", "anticipate", "forecast", "estimate", "predict", "is confident", "has confidence" and similar expressions are also intended to represent forward-looking statements. These forward-looking statements are not historical facts. Rather, the forward-looking statements are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of China Liansu about the business, industry and markets in which China Liansu operates.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Company's control and are difficult to predict. Consequently, actual results could differ materially from those expressed, implied or forecasted in the forward-looking statements.

Reliance should not be placed on these forward-looking statements, which reflect the views of the directors and management of China Liansu as at the date of this annual report only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after publication of this annual report.