



CHINA ORIENTAL GROUP COMPANY LIMITED 中國東方集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(在百慕達註冊成立的有限公司)

(Stock Code: 581)

(股份代號: 581)



2009
Interim Report
中期報告



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Financial Highlights

財務摘要

FINANCIAL SUMMARY

財務摘要

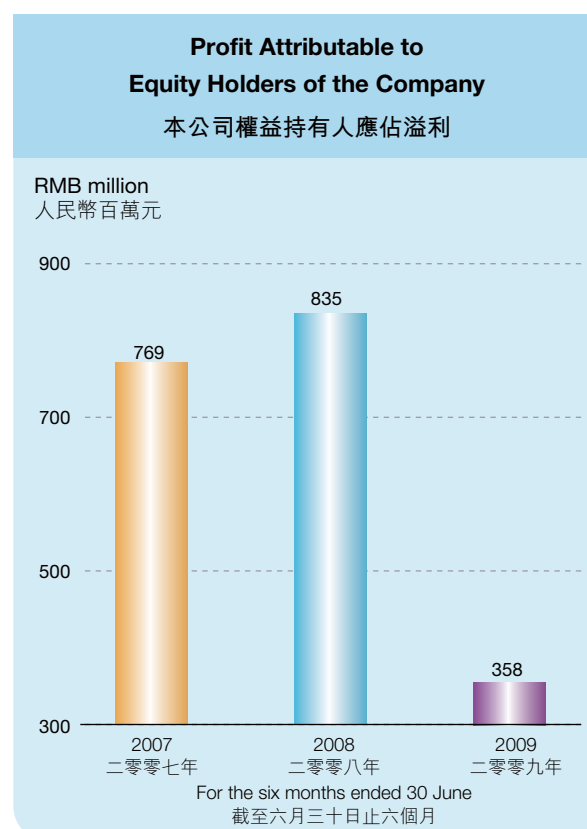
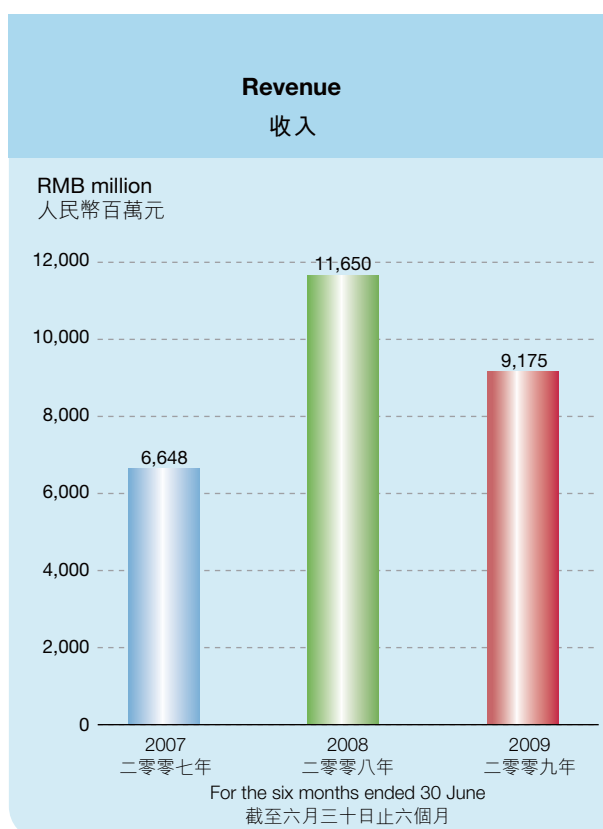
For the six months ended 30 June

Unaudited Consolidated

截至六月三十日止六個月

未經審核綜合

		2007	2008	2009
		二零零七年	二零零八年	二零零九年
		(RMB million)	(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)	(人民幣百萬元)
Revenue	收入	6,648	11,650	9,175
Gross Profit	毛利	1,089	1,351	754
Profit Attributable to Equity Holders of the Company	本公司權益持有人應佔溢利	769	835	358
Basic Earnings per Share (RMB)	每股基本溢利(人民幣元)	0.26	0.29	0.12
Net Assets Value	資產淨值	6,259	7,473	6,895
Total Assets Value	總資產值	9,306	13,693	14,388



SELLING PRICE AND GROSS PROFIT/(LOSS) PER TONNE

每噸銷售價及毛利/(毛虧)

For the six months ended 30 June

Unaudited Consolidated

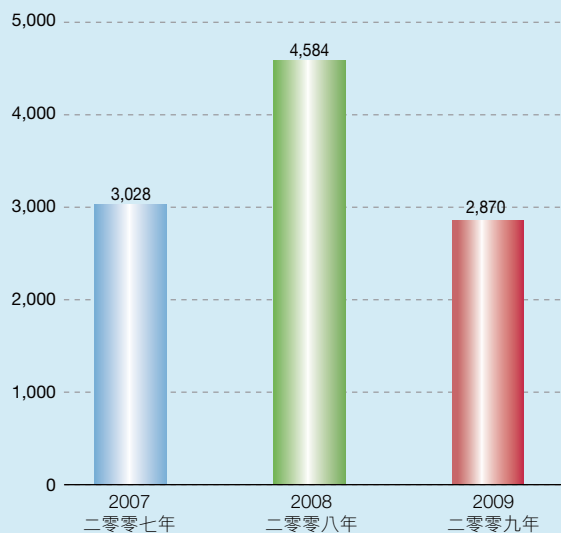
截至六月三十日止六個月

未經審核綜合

		2007	2008	2009
		二零零七年	二零零八年	二零零九年
		(RMB)	(RMB)	(RMB)
		(人民幣元)	(人民幣元)	(人民幣元)
Selling Price per Tonne	每噸銷售價	3,028	4,584	2,870
Gross Profit/(Loss) per Tonne	每噸毛利/(毛虧)			
Billets	鋼坯	300	449	317
Strips and strip products	帶鋼及帶鋼類產品	430	454	308
H-section steel products	H型鋼產品	724	765	129
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	82	391	(173)
Combined	綜合	496	532	235

Selling price per Tonne
每噸銷售價

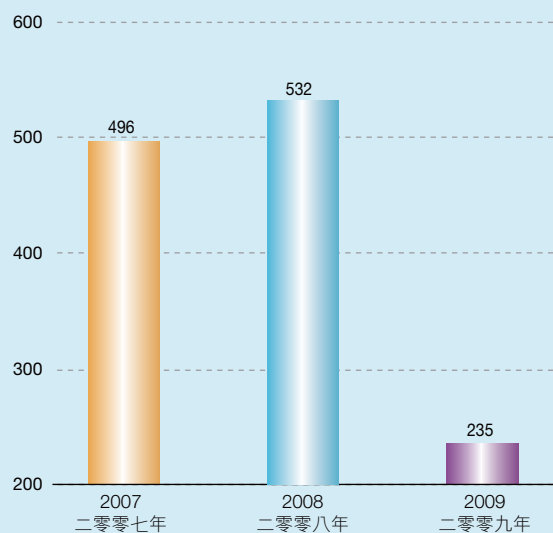
RMB
人民幣元



For the six months ended 30 June
截至六月三十日止六個月

Gross Profit per Tonne
每噸毛利

RMB
人民幣元



For the six months ended 30 June
截至六月三十日止六個月

SALES VOLUME BY PRODUCTS

按產品種類劃分之銷量

For the six months ended 30 June

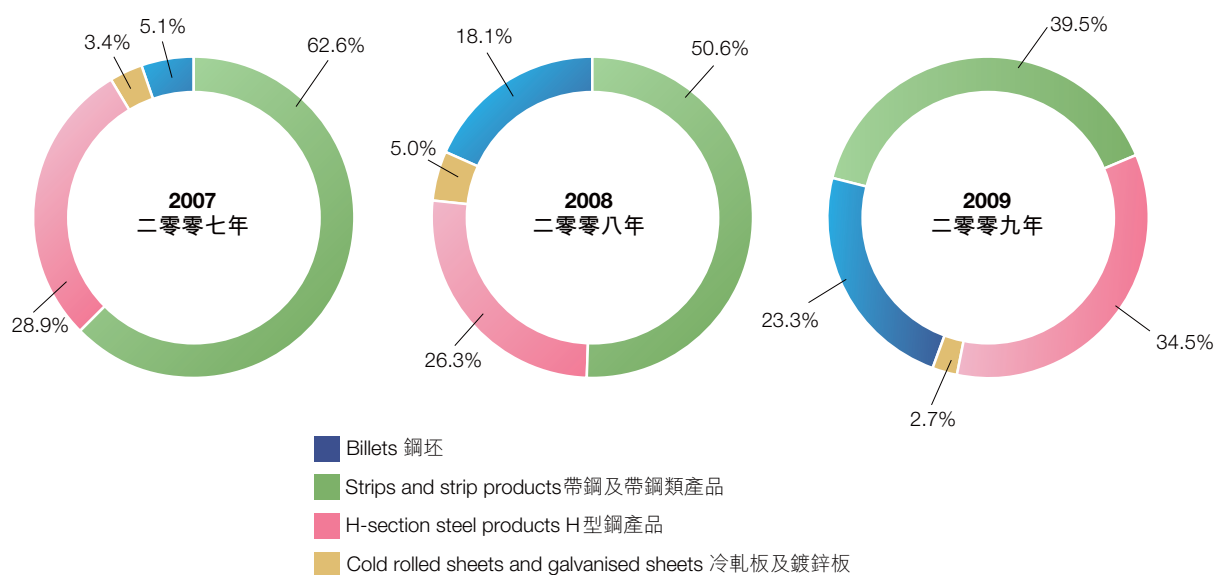
Unaudited Consolidated

截至六月三十日止六個月

未經審核綜合

		2007	2008	2009
		二零零七年	二零零八年	二零零九年
		('000 tonnes)	('000 tonnes)	('000 tonnes)
		(千噸)	(千噸)	(千噸)
Billets	鋼坯	113	460	743
Strips and strip products	帶鋼及帶鋼類產品	1,373	1,285	1,261
H-section steel products	H型鋼產品	633	668	1,103
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	73	126	87
Combined	綜合	2,192	2,539	3,194

Sales Volume by Products
按產品種類劃分之銷量
For the six months ended 30 June
截至六月三十日止六個月



BOARD OF DIRECTORS

Executive Directors

Mr. Han Jingyuan
(Chairman and Chief Executive Officer)
Mr. Zhu Jun
(Executive Deputy General Manager and Chief Operating Officer)
Mr. Liu Lei (Deputy General Manager)
Mr. Shen Xiaoling
Mr. Zhu Hao
Mr. Muktesh Mukherjee

Non-executive Directors

Mr. Ondra Otradovec
Mr. Jean-Paul Georges Schuler

Independent Non-executive Directors

Mr. Gao Qingju
Mr. Yu Tung Ho
Mr. Wong Man Chung, Francis

Composition of Board Committee

AUDIT COMMITTEE

Mr. Wong Man Chung, Francis (Chairman)
Mr. Gao Qingju
Mr. Yu Tung Ho

REMUNERATION COMMITTEE

Mr. Han Jingyuan (Chairman)
Mr. Gao Qingju
Mr. Yu Tung Ho
Mr. Wong Man Chung, Francis

AUTHORISED REPRESENTATIVES

Mr. Liu Lei
Mr. Chan Siu Kay

FINANCIAL CONTROLLER

Mr. Chan Siu Kay

COMPANY SECRETARY

Mr. Chan Siu Kay

董事局

執行董事

韓敬遠先生
(董事局主席兼首席執行官)
朱軍先生
(常務副總經理兼首席運營管)
劉磊先生(副總經理)
沈曉玲先生
朱浩先生
Muktesh Mukherjee 先生

非執行董事

Ondra Otradovec 先生
Jean-Paul Georges Schuler 先生

獨立非執行董事

高清舉先生
余統浩先生
黃文宗先生

董事委員會

審核委員會

黃文宗先生(主席)
高清舉先生
余統浩先生

薪酬委員會

韓敬遠先生(主席)
高清舉先生
余統浩先生
黃文宗先生

授權代表

劉磊先生
陳紹基先生

財務總監

陳紹基先生

公司秘書

陳紹基先生

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 901-2 & 10, 9th Floor, Great Eagle Centre
23 Harbour Road
Wanchai, Hong Kong

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

AUDITORS

PricewaterhouseCoopers

COMPANY'S WEBSITE

www.chinaorientalgroup.com

PRINCIPAL BANKERS

China Construction Bank
Agricultural Bank of China
Bank of China
China Minsheng Bank
ICBC (Asia)
DBS Bank

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港主要營業地點

香港灣仔
港灣道23號
鷹君中心9樓901-2及10室

百慕達主要股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited

香港股份過戶登記分處

卓佳證券登記有限公司

核數師

羅兵咸永道會計師事務所

公司網址

www.chinaorientalgroup.com

主要往來銀行

中國建設銀行
中國農業銀行
中國銀行
中國民生銀行
中國工商銀行(亞洲)
星展銀行



The Group saw a turnaround in its results for the first half of 2009 as compared with that of the second half of 2008, and reported a reasonable profit for the period under review.

本集團二零零九年上半年的業績扭轉了二零零八年下半年的頹勢，並錄得合理利潤。

The global economy in 2009 remained volatile under the shadow of the financial crisis. However, entering the second quarter, the world economy showed signs of stability as the stimulus packages rolled out by various governments began to take effect. To China, the financial turmoil had wreaked damage of a lesser magnitude when compared with the developed nations in Europe and America. This, together with the central government's economic stimulus plans, has helped to sustain stable development of the local economy. With the improving industrial environment in China and the gradual decline in inventory level, the market demand for various types of raw material has recovered. Since the second quarter, steel prices in China have been rising steadily from rock bottom at the beginning of the year. The Group saw a turnaround in its results for the first half of 2009 as compared with that of the second half of 2008, and reported a reasonable profit for the period under review.

The Group's total sales volume reached approximately 3.19 million tonnes for the six months ended 30 June 2009, which had increased by 26% as compared with the sales volume of 2.54 million tonnes in the previous corresponding period. The revenue for the period under review was approximately RMB 9.17 billion. As the steel prices during the same period last year were at a record high, the revenue for the first half of 2009 decreased by approximately 21% as compared with the same period last year.

二零零九年全球經濟繼續受到金融危機影響反覆波動。但在踏入第二季度，在各國政府的經濟刺激措施下，環球經濟出現回穩跡象。相對歐美工業發達國家，中國經濟受到金融風暴衝擊較小，加上中央政府推出一系列的刺激經濟措施，令國內經濟維持穩定發展。在國內工業環境改善，和存貨逐漸減少的情況下，市場對各類原材料需求復甦。中國的鋼材價格也於第二季度由年初的低位，穩步上揚，令本集團二零零九年上半年的業績扭轉了二零零八年下半年的頹勢，並錄得合理利潤。

於截至二零零九年六月三十日止的六個月期間，本集團的總銷量達到319萬噸，與去年同期的254萬噸增長為26%，而同期收入約為人民幣91.7億元。由於去年同期鋼材價格處於歷史高位，故二零零九年上半年收入與去年同比下調約為21%。

Management Discussion and Analysis 管理層討論與分析



The gross profit of the Group's steel products was approximately RMB 235 per tonne during the first half of 2009. The total gross profit for the period under review was RMB 754 million, with a gross margin of approximately 8%. Since the steel prices during the previous corresponding period were relatively high, there was a downward adjustment in the gross margin for the first half of 2009 as compared with that of the same period last year. However, when comparing with the second half of last year, the gross margin for the first half of 2009 showed significant improvement.

The Group's net profit (profit attributable to the equity holders of the Company) reached RMB 358 million during the first half of the year. Although the net profit for the period under review was far lower than that of the previous corresponding period due to a sharp decline in unit price over the same period, it was a turnaround when compared with a loss during the second half of last year. This reflects the Group's ability to make swift response to changes.

二零零九年上半年度本集團的每噸鋼材產品銷售毛利約為人民幣235元，總體毛利為人民幣7.54億元，毛利率約為8%，由於去年同期，鋼材價格處於較高水平，相比之下，今年上半年毛利率有所下調。但若與去年下半年比較，則毛利率有明顯的改善。

本集團今年上半年的純利(公司權益持有人應佔溢利)達到人民幣3.58億元。雖然由於單位售價同比明顯下調，令純利相較去年同期有一定的差距，但與去年下半年度的虧損狀態相比已有明顯好轉，突顯本集團的應變能力。

In response to significant decline in product prices and high costs of raw material, which was purchased at a relatively high price in previous periods, the Group had adopted a series of decisive cost-reduction measures to enhance profitability. To overcome the severe market challenges, the Group introduced at the end of last year a stringent cost control mechanism, including control of construction investment and production through strengthening audit of individual projects, as well as the costs of capital and procurement. In addition, during the period under review, the Group rationalised its corporate structure and downsized workforce so as to meet the target of 10% reduction in staff. The above-mentioned measures effectively enhanced the operation efficiency and contributed to the Group's return to black.

The subsidiary of Group, Tangshan Fengrun Qu Zhengda Iron and Steel Company Limited ("Zhengda Iron and Steel"), successfully completed the acquisition of a portion of plants, equipments and factory of Tangshan Fengrun Qu Hengfeng Iron and Steel Company Limited ("Hengfeng Iron and Steel") to produce steel products and leased the remaining portion of production facilities. As the annual production capacity of all plants and equipments is approximately 1,000,000 tonnes, thus increasing the Group's overall capacity to 7,000,000 tonnes.

The major products of Zhengda Iron and Steel are billets. This year, after the recovery of the market, the demand for crude steel from the rolled iron factories neighbouring Zhengda Iron and Steel has been robust. The facilities therefore achieved satisfactory sales. The production line had started to provide profit contribution to the Group for the first half of 2009.

面對產品價格大幅下滑和原材料成本受制於較高價購入的存貨，本集團採取了一系列果斷的節流措施，積極應對以提升盈利能力。本集團為應對市場的嚴峻挑戰，於去年底引進了嚴格的成本控制機制，包括通過加強專項審計，控制工程投資、產品生產；資金和採購成本。同時，本集團在回顧期內又整頓企業架構，精簡編制，以達到減員百分之十的目標。上述措施有效提升經營效率，有利集團重上盈利的軌道。

本集團附屬公司唐山市豐潤區正達鋼鐵有限公司（「正達鋼鐵」）於今年三月完成收購唐山市豐潤區恒豐鋼鐵有限公司（「恒豐鋼鐵」）的部份生產鋼鐵的機器、設備及廠房，並租用餘下的生產設備，由於所有生產設備年產能為100萬噸，使集團整體產能提升至700萬噸。

正達鋼鐵目前的產品以鋼坯為主。在今年市場開始回暖後，正達鋼鐵周邊的軋鐵工廠對粗鋼需求暢旺，令該設施錄得可觀的銷售。該條生產線於二零零九年上半年度已開始為本集團提供盈利貢獻。

Business and Financial Review

業務和財務概覽

SALES VOLUME

During the first half of 2009, the Group's total sales volume was 3,194,000 tonnes (2008 corresponding period: 2,539,000), representing an increase of approximately 26%.

The Group's sales volume breakdown was as follows:

銷售量

二零零九年上半年本集團總銷售量為3,194,000噸(二零零八年同期: 2,539,000噸), 上升約26%。

本集團於有關期間銷售量如下:

		For the six months ended 30 June				
		2009		2008		Changes in sales volume 銷量變化
		截至六月三十日止六個月				
		二零零九年		二零零八年		
		Sales volume 銷量 (^{'000} tonnes) (千噸)	Percentage 比例	Sales volume 銷量 (^{'000} tonnes) (千噸)	Percentage 比例	
Billets	鋼坯	743	23.3%	460	18.1%	61.5%
Strips and strip products	帶鋼及帶鋼類產品	1,261	39.5%	1,285	50.6%	(1.9%)
H-section steel products	H型鋼產品	1,103	34.5%	668	26.3%	65.1%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	87	2.7%	126	5.0%	(31.0%)
Total	合計	3,194	100.0%	2,539	100.0%	25.8%

In the first quarter of the year, affected by the financial crisis, the global economy slowed down and market demand for iron and steel dropped. The Group's average capacity utilisation rate in the first quarter of 2009 still sustained at approximately above 90%. Entering the second quarter, the market situation improved and demand for various products increased steadily. The Group's capacity utilisation rate in the second quarter reached 100%, while the overall sales volume in the first half of 2009 increased by approximately 26% as compared with the previous corresponding period.

上半年第一季度, 由於受到金融危機影響, 全球經濟放緩, 令市場對鋼鐵需求下降。本集團二零零九年第一季度的整體產能平均利用率仍維持在約90%以上, 踏入第二季度市場回暖, 各類產品的需求亦穩步上揚, 產能利用率在第二季度基本達至滿負荷生產, 而上半年的整體銷量亦較去年同期上升約26%。

REVENUE

Revenue of the Group in the first half of 2009 was RMB 9.17 billion (2008 corresponding period: RMB 11.65 billion), representing a decrease of approximately 21%.

The Group's sales breakdown and average selling price by product (excluding value-added tax) are as follows:

銷售額

二零零九年上半年本集團總銷售額為人民幣91.7億元(二零零八年同期：人民幣116.5億元)，下跌約21%。

本集團於有關期間銷售額及不含增值稅之產品平均銷售單價如下：

		For the six months ended 30 June					
		2009		2008		Changes in	
		截至六月三十日止六個月					
		二零零九年		二零零八年		變化	
		Revenue	Average selling price	Revenue	Average selling price	Revenue	Average selling price
		銷售額	平均銷售單價	銷售額	平均銷售單價	銷售額	平均銷售單價
		(RMB million)	(RMB/tonne)	(RMB million)	(RMB/tonne)		
		(人民幣百萬元)	(人民幣元/噸)	(人民幣百萬元)	(人民幣元/噸)		
Billets	鋼坯	1,950	2,624	2,011	4,369	(3.0%)	(39.9%)
Strips and strip products	帶鋼及帶鋼類產品	3,593	2,850	5,663	4,407	(36.6%)	(35.3%)
H-section steel products	H型鋼產品	3,281	2,974	3,242	4,856	1.2%	(38.8%)
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	344	3,952	723	5,735	(52.4%)	(31.1%)
Others	其他	7	N/A	11	N/A	N/A	N/A
			不適用		不適用	不適用	不適用
Total	合計	9,175	2,870	11,650	4,584	(21.2%)	(37.4%)

Steel prices hovered around low levels from January to March of the first half of the year, and starting from the second quarter, began to rise slowly. However, the Group's revenue declined from that of the same period last year.

由於上半年一至三月，鋼價一直在低位徘徊。雖至第二季價格緩慢回升，但本集團的銷售額較去年同期仍錄得下滑。

Business and Financial Review

業務和財務概覽

COST OF GOODS SOLD AND GROSS PROFIT

The consolidated gross profit for the first half of 2009 amounted to RMB 754 million (2008 corresponding period: RMB 1,351 million), representing a decrease of 44%. Gross margin was approximately 8.2% (2008 corresponding period: 11.6%).

The Group's average cost and gross profit/(loss) per tonne during the period are as follows:

成本及毛利

二零零九年上半年的綜合毛利為人民幣7.54億元(二零零八年同期：人民幣13.51億元)，下降44%。毛利率約為8.2%(二零零八年同期：11.6%)。

本集團於有關期間每噸平均成本單價及毛利/(毛虧)如下：

		For the six months ended 30 June					
		2009			2008		
		截至六月三十日止六個月					
		二零零九年			二零零八年		
		Average cost	Gross profit/(loss)	Gross profit/(loss)	Average cost	Gross profit	Gross profit margin
		per tonne	per tonne	margin	per tonne	per tonne	
		每噸平均	每噸毛利/	毛利/	每噸平均	每噸毛利	毛利率
		成本單價	(毛虧)	(毛虧)率	成本單價	每噸毛利	毛利率
		(RMB)	(RMB)		(RMB)	(RMB)	
		(人民幣元)	(人民幣元)		(人民幣元)	(人民幣元)	
Billets	鋼坯	2,307	317	12.1%	3,920	449	10.3%
Strips and strip products	帶鋼及帶鋼類產品	2,542	308	10.8%	3,953	454	10.3%
H-section steel products	H型鋼產品	2,845	129	4.3%	4,091	765	15.8%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	4,125	(173)	(4.4%)	5,344	391	6.8%
Combined	綜合	2,635	235	8.2%	4,052	532	11.6%

The decrease in the Group's cost for the first half of the year was mainly attributable to the Group's strict cost-control measures and decline in the prices of iron powder and coke, which were the main raw materials and the fuel used for production.

本集團今年上半年成本的降低主要得益於本集團的嚴格成本控制措施和主要原材料鐵粉及燃料焦炭價格的下調。

DIVIDEND POLICY

Contained in the listing prospectus in March 2004, the Company plans to distribute not less than 20% of the Group's distributable profit as dividend after its listing. However, the actual amount of dividend and its percentage of the profit will be at the discretion of the Board and will depend upon the Company's future operation and earnings, capital requirement and surplus, general financial condition, contractual restrictions, and other factors that the Board finds relevant. In addition, pursuant to the relevant PRC laws, Jinxi Limited's distributable profit should not be higher than its net profit, after appropriation to the statutory reserve as determined by the generally accepted accounting principles in the PRC.

FINANCIAL REVIEW

Capital Structure

The cash and cash equivalents of the Group as at 30 June 2009 was RMB 622 million (31 December 2008: RMB 729 million). After deducting the cash and cash equivalents and relevant restricted bank balances, the Group's net borrowings amounted to RMB 1,579 million (31 December 2008: RMB 1,257 million), accounting for 24% (31 December 2008: 20%) of the Group's consolidated net assets after deducting minority interests of RMB 6,634 million (31 December 2008: RMB 6,265 million).

The Group's current ratio (current assets divided by current liabilities) was 0.81 as at 30 June 2009 (31 December 2008: 0.88). As at 30 June 2009, the ratio between total liabilities and total assets of the Group was 52% (31 December 2008: 54%).

The net asset value per share of the Group as at 30 June 2009 was RMB 2.26 (31 December 2008: RMB 2.14), representing an increase of 5.6%.

股息政策

根據本公司於二零零四年三月上市時的招股書所轉載，上市後本公司計劃分派不少於本集團20%的可分派溢利作為股息，惟派息的實際金額及應佔溢利的百分比，董事局將按公司的實際營運及盈利、資本需求及盈餘、一般財務狀況、合約限制及董事局認為有關的其他因素而酌情釐定。此外，根據相關的中國法律，津西鋼鐵的可分派溢利不得高於經分配法定公積金後按照中國公認會計準則釐定的純利。

財務回顧

資本結構

本集團於二零零九年六月三十日的現金及現金等價物為人民幣6.22億元(二零零八年十二月三十一日：人民幣7.29億元)。扣除現金及現金等價物和相關受限制銀行結餘，本集團的借款淨額為人民幣15.79億元(二零零八年十二月三十一日：人民幣12.57億元)，佔本集團扣除少數股東權益後綜合資產淨值66.34億元(二零零八年十二月三十一日：人民幣62.65億元)的24%(二零零八年十二月三十一日：20%)。

於二零零九年六月三十日，本集團的流動比率(流動資產除以流動負債)為0.81(二零零八年十二月三十一日：0.88)。於二零零九年六月三十日，本集團的總負債與總資產比率為52%(二零零八年十二月三十一日：54%)。

本集團於二零零九年六月三十日的每股資產淨值為人民幣2.26元(二零零八年十二月三十一日：人民幣2.14元)，較去年上升5.6%。

FINANCIAL REVIEW (continued)

Capital Structure (continued)

The consolidated interest expenses (including capitalised interest expenses) in the first half of 2009 amounted to RMB 93.12 million (2008 corresponding period: RMB 48.89 million). The interest coverage (earnings before interest expenses and tax divided by interest expenses) was 6.6 times (2008 corresponding period: 25.0 times).

Capital Commitments

As at 30 June 2009, the Group's capital commitments amounted to RMB 3,266 million (31 December 2008: RMB 3,298 million), which mainly consisted of the capital commitments to the construction of coking coal project and rolled sheets project and other ancillary projects. It is estimated the capital commitments will be financed by the Group's internal resources and borrowings.

Financial Guarantee Contracts

As at 30 June 2009, the Group's financial guarantee contracts amounted to RMB 141 million (31 December 2008: RMB 61 million) which was the provision of guarantee for bank borrowings in favour of third parties.

Pledge of Assets

As at 30 June 2009, the net book value of the Group's property, plant and equipment amounting to RMB 1,432 million (31 December 2008: RMB 1,406 million), land use rights amounting to RMB 62 million (31 December 2008: RMB 62 million), inventories amounting to approximately RMB 506 million (31 December 2008: RMB 390 million), notes receivable amounting to RMB 4 million (31 December 2008: approximately RMB 251 million) and restricted bank balances amounting to approximately RMB 437 million (31 December 2008: approximately RMB 362 million) had been pledged as security for the Group's banking facilities.

財務回顧 (續)

資本結構 (續)

二零零九年上半年綜合利息支出(含資本化利息支出)共人民幣9,312萬元(二零零八年同期:人民幣4,889萬元)。利息盈利倍數(扣除利息支出前之稅前溢利除以利息支出)為6.6倍(二零零八年同期:25.0倍)。

資本性承擔

於二零零九年六月三十日,本集團的資本性承擔為人民幣32.66億元(二零零八年十二月三十一日:人民幣32.98億元),主要為中厚板軋綫及焦化工程和其他配套工程項目的資本性承擔。預計將由本集團自有資金及銀行借款所融資。

財務擔保合同

於二零零九年六月三十日,本集團的財務擔保合同為人民幣1.41億元(二零零八年十二月三十一日:人民幣0.61億元),為替第三方作銀行借款作擔保。

資產抵押

於二零零九年六月三十日,本集團帳面淨值人民幣14.32億元(二零零八年十二月三十一日:人民幣14.06億元)的物業、廠房及設備、人民幣0.62億元(二零零八年十二月三十一日:人民幣0.62億元)的土地使用權、約人民幣5.06億元(二零零八年十二月三十一日:人民幣3.90億元)的存貨、人民幣400萬元(二零零八年十二月三十一日:約人民幣2.51億元)的應收票據及約人民幣4.37億元(二零零八年十二月三十一日:約人民幣3.62億元)的受限銀行結餘,已作為本集團獲銀行融資的抵押品。

FINANCIAL REVIEW (continued)

Exchange Risks

As at 30 June 2009, Renminbi, US dollar, HK dollar and Euro accounted for 93.7%, 6.2%, 0.1% and 0.002% of the Group's total bank balances (including restricted bank balances) respectively (31 December 2008: 93.8%, 5.7%, 0.2% and 0.3% respectively). As the majority of the sales, purchases of raw materials and bank borrowings committed by the Group were denominated in RMB during the first half of 2009 and 2008, the Group's exposure to foreign exchange risk remained relatively low.

Interest Rates Risk

The interest rates of the Group's certain borrowings are subject to variations. The risk of increasing interest rate will increase the interest costs of both new borrowings and existing borrowings. At present, the Group does not use any derivatives to hedge its interest rate risk exposure.

Post Balance Sheet Events

There have been no events to cause material impact on the Group from the balance sheet date to the date of this report which should be disclosed.

FUTURE PROSPECTS

Driven by the central government's active economic stimulus policy, the downstream sectors of the iron and steel industry have recovered earlier and quicker than expected. Increase in construction in progress in the real estate industry and the successive commencement of large infrastructure projects will spur demand for iron and steel to further growth. Owing to these factors, we are optimistic about the prospects of iron and steel industry for the second half of the year.

The Group expects steel demand will rise further in the second half of 2009. With iron and steel producers gradually restoring their capacities, substantial rise in the price of steel products will not occur, though prices fluctuating around an upward trend are expected.

財務回顧(續)

匯率風險

本集團於二零零九年六月三十日的總銀行存款結餘(包括受限制銀行結餘)中，人民幣、美元、港元及歐元分別佔93.7%、6.2%、0.1%及0.002%(二零零八年十二月三十一日：分別佔93.8%、5.7%、0.2%及0.3%)。由於本集團於二零零九上半年及二零零八年的大部份銷售、原材料採購及銀行借款均以人民幣為主，因此本集團所承受的外匯風險相對較低。

利率風險

本集團若干借款的利率為可變動的。利率向上的風險將增加新借款及現有借款的利息成本。本集團目前並無使用任何衍生工具，以對沖其利率風險。

結算日後事項

自結算日後至本報告日期止期間，並無發生重大影響本集團的事情需要披露。

未來展望

在中國政府積極的刺激經濟政策帶動下，鋼鐵行業的下游產業獲得了比預期更早及更迅速的復甦；而房地產行業在建項目的增加和大型基建項目陸續啟動，也將進一步帶動鋼鐵需求的上升，這些因素使得我們對鋼鐵行業在下半年的前景感到樂觀。

本集團預計，在二零零九年下半年鋼材需求將會進一步擴大，而隨著各鋼鐵生產商產能的逐步恢復，鋼材價格不會出現大幅上升的情況，但仍將呈現波動上揚的態勢。

FUTURE PROSPECTS *(continued)*

In the face of a changing market environment, the Group will maintain a prudent operational strategy and stringent cost control policy. With respect to product mix, we will leverage the opportunities arising from the recovery of the construction and manufacturing industries to increase the sales proportion of products with higher gross margin such as billets.

The Group's second largest shareholder, ArcelorMittal, is the world's largest steel corporation. Last year, ArcelorMittal appointed certain senior management executives to the Board of the Company, to actively participate in decision making in the Group's operations. The Group is currently exploring the possibilities of business cooperation with ArcelorMittal in China.

The Group will continue to implement the vertical integration and operation efficiency enhancement strategies. In the near future, the Group will continue to work on further vertical integration and on enhancing operational efficiency at its facilities. The Group plans to reach an annual capacity of 10 million tons in 2010 mainly through M&A activity keeping in line with the objective of the Central Government to further consolidate the steel industry in China. Meanwhile, the Group continues to explore the development of high value added production downstream (e.g. Sheet Piles, Rails, Special Sections) in order to further achieve its goal of being the largest section steel producer in China.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2009, the Group had a workforce of 12,800 and temporary staff of 640. The staff cost included basic salaries and benefits. Staff cost included discretionary bonus, medical insurance plans, pension scheme, unemployment insurance plan, maternity insurance plan and the fair value of the share options, etc. The Group's remuneration policies are to tie its employees' income to their productivity and/or sales volume, as well as to the extent that they meet the Company's quality control and cost control targets.

未來展望 *(續)*

面對多變的市場環境，本集團將保持穩健的經營策略，和嚴格控制成本措施。在產品結構方面，我們將掌握建築及製造業復甦的機遇，增加毛利率較高的鋼坯產品的銷售比重。

本集團的第二大股東ArcelorMittal是全球最大的鋼鐵企業。ArcelorMittal在去年委派了若干高級管理人員加入本公司董事局，積極參與本集團的營運決策。本集團正探討與ArcelorMittal在國內進行業務合作的可行性。

本集團將繼續落實其綜合一體化和提升營運效益的措施。於不久將來，本集團將持續進行垂直整合及提升設備的營運效能。本集團將按照國家產業政策整合中國鋼鐵工業，積極參與兼併重組，使其實現二零一零年達至年產能1,000萬噸。同時，本集團繼續研究高增值下游產品（例如鋼板樁、鐵路路軌、特別型鋼），打造全國最大的型鋼生產基地目標。

人力資源及薪酬政策

於二零零九年六月三十日，本集團僱用員工12,800人及臨時工人640人。職工成本包括基本薪金及福利，僱員福利包括酌情發放的花紅、醫療保險計劃、養老金計劃、失業保險計劃、生育保險計劃及購股權的公平值等。本集團的薪酬政策是將僱員的收入與生產力及／或銷量掛鉤，並視乎彼等符合本集團品質控制及成本控制目標的程度而定。

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

At 30 June 2009, the long and short positions of the Directors, chief executives and their associates of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Number of shares held and nature of interests in the Company:

	Corporate Interest	Personal Interest	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比	Long/Short Position 好/淡倉
	公司權益	個人權益		
Mr. Han Jingyuan (Note 1) 韓敬遠先生(備註一)	1,317,502,849	–	44.98%	Long 好倉
	–	2,800,000	0.10%	Long 好倉
Mr. Zhu Jun 朱軍先生	–	2,400,000	0.08%	Long 好倉
Mr. Liu Lei 劉磊先生	–	2,400,000	0.08%	Long 好倉
Mr. Shen Xiaoling 沈曉玲先生	–	2,400,000	0.08%	Long 好倉
Mr. Gao Qingju 高清舉先生	–	1,686,000	0.06%	Long 好倉

董事及行政總裁之權益

於二零零九年六月三十日，根據證券及期貨條例(「證券及期貨條例」)第352條所存置的股東名冊所記錄，或根據上市公司董事進行證券交易的標準守則本公司及聯交所獲知會，本公司董事、主要行政人員及其聯繫人士於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券擁有以下權益及淡倉：

持有本公司股份數目及於本公司的權益性質：

Other Information 其他資料

Notes:

1. At 30 June 2009 Mr. Han Jingyuan beneficially owned 63.15% of the issued share capital of Wellbeing Holdings Limited ("Wellbeing Holdings") and held 16.09% of the issued share capital of Wellbeing Holdings on trust for the benefit of certain employees of a subsidiary of the Company. Wellbeing Holdings beneficially owned 1,255,849,124 shares representing approximately 42.88% of the issued share capital of the Company. Mr. Han is also beneficially owner of 100% of the issued share capital of Chingford Holdings Limited ("Chingford Holdings") which beneficially owned 61,653,725 shares representing approximately 2.10% of the issued shares of the Company at 30 June 2009.

At 30 June 2009, Mr. Han Jingyuan beneficially owns 2,800,000 shares representing approximately 0.10% of the issued share capital of the Company.

Save as disclosed above and in the section of "Equity-settled share option scheme" below, at 30 June 2009, none of the directors and chief executives and their associates had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors adopted by the Company.

EQUITY-SETTLED SHARE OPTION SCHEME

The Company had a share option scheme for all directors and any employees of any company in the Group or any entity in which any member of the Group holds an equity interest.

備註：

1. 於二零零九年六月三十日，韓敬遠先生實益擁有 Wellbeing Holdings Limited (「Wellbeing Holdings」) 已發行股本 63.15% 的權益，並以信託方式為本公司附屬公司若干僱員的利益持有 Wellbeing Holdings 已發行股本 16.09% 的權益。Wellbeing Holdings 實益持有 1,255,849,124 股，約佔本公司已發行股本 42.88% 權益。彼於二零零九年六月三十日亦實益持有 Chingford Holdings Limited (「Chingford Holdings」) 全部已發行股本，而 Chingford Holdings 持有本公司 61,653,725 股，約佔本公司已發行股本 2.10% 權益。

於二零零九年六月三十日，韓敬遠先生私人實益持有 2,800,000 股，約佔本公司已發行股本 0.10% 權益。

除上文所披露者和下述「以股權結算的購股權計劃」部分外，於二零零九年六月三十日，根據證券及期貨條例第 352 條所存置的股東名冊所記錄，或根據上市公司董事進行證券交易的標準守則本公司及聯交所獲知會，本公司董事、主要行政人員及其聯繫人士概無於本公司或任何相聯法團（定義見證券及期貨條例）的股份、相關股份及債券擁有任何權益及淡倉。

以股權結算的購股權計劃

本公司為本集團內任何公司或任何本集團成員所投資實體的所有董事及任何僱員提供購股權計劃。

The subscription price shall be such price determined by the directors of the Company at its absolute discretion and shall be no less than the highest of: (a) the closing price of shares of the Company on the date of grant; (b) the average closing price of the shares of the Company for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a share on the date of grant.

On 24 February 2009, 21,200,000 options were granted to Directors and Senior Management and on 11 May 2009, 6,600,000 options were granted to Directors as follows:

行使價乃由本公司董事局全權酌情釐定，並不會低於以下三者中最高者：(a) 本公司股份於授予日期的收市價；(b) 股份於緊接授予日期前五個營業日的平均收市價；及(c) 本公司股份的面值。

於二零零九年二月二十四日，21,200,000份購股權已授予董事和高級管理人員，及於二零零九年五月十一日，6,600,000份購股權已授予董事，詳情如下：

Date of grant	Exercisable period	Exercise price per share	Closing price per share immediately before the date of grant	No. of options outstanding at 1 Jan 2009	No. of options granted during the current period	No. of options exercised/ cancelled/ lapsed during the current period	No. of option outstanding at 30 June 2009	Approximate shareholding percentage of the underlying shares for the options in the share capital of the Company
授予日	可行使期間	每股行使價 HK\$ 港元	每股收市價 HK\$ 港元	購股權數目	購股權數目	購股權數目	購股權數目	購股權相關股份佔本公司股本的股權概約百分比
Mr. Han Jingyuan 韓敬遠先生	2009/2/24 to 2019/2/23	1.39	1.24	-	2,900,000	-	2,900,000	0.10%
Mr. Zhu Jun 朱軍先生	2009/2/24 to 2019/2/23	1.39	1.24	-	2,600,000	-	2,600,000	0.09%
Mr. Liu Lei 劉磊先生	2009/2/24 to 2019/2/23	1.39	1.24	-	2,600,000	-	2,600,000	0.09%
Mr. Shen Xiaoling 沈曉玲先生	2009/2/24 to 2019/2/23	1.39	1.24	-	2,600,000	-	2,600,000	0.09%
Mr. Zhu Hao 朱浩先生	2009/2/24 to 2019/2/23	1.39	1.24	-	2,600,000	-	2,600,000	0.09%

Other Information 其他資料

	Date of grant	Exercisable period	Exercise price per share	Closing price per share	No. of options outstanding at 1 Jan 2009	No. of options granted during the current period	No. of options exercised/ cancelled/	No. of option outstanding at 30 June 2009	Approximate shareholding percentage of the underlying shares for the options in the share capital of the Company
				immediately before the date of grant			lapsed during the current period		
	授予日	可行使期間	每股行使價 HK\$ 港元	緊接購股權 授予日前的 每股收市價 HK\$ 港元	於二零零九年 一月一日 未行使的 購股權數目	於本期間內 授予的 購股權數目	於本期間內 已行使/註銷/ 失效的 購股權數目	於二零零九年 六月三十日 未行使的 購股權數目	購股權相關 股份佔本公司 股本的股權 概約百分比
Mr. Muktesh Mukherjee Muktesh Mukherjee 先生	2009/5/11	2009/5/11 to 至 2019/5/10	1.50	1.49	-	2,600,000	-	2,600,000	0.09%
Mr. Jean-Paul Georges Schuler Jean-Paul Georges Schuler 先生	2009/5/11	2009/5/11 to 至 2019/5/10	1.50	1.49	-	2,000,000	-	2,000,000	0.07%
Mr. Ondra Otradovec Ondra Otradovec 先生	2009/5/11	2009/5/11 to 至 2019/5/10	1.50	1.49	-	2,000,000	-	2,000,000	0.07%
Mr. Gao Qingju 高清舉先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	-	2,000,000	-	2,000,000	0.07%
Mr. Yu Tung Ho 余統浩先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	-	2,000,000	-	2,000,000	0.07%
Mr. Wong Man Chung, Francis 黃文宗先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	-	2,000,000	-	2,000,000	0.07%
Employees 僱員	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	-	1,900,000	-	1,900,000	0.06%
Total 合計						27,800,000		27,800,000	0.95%

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or were the Company or any of its holdings companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Company's Directors, their respective spouses or children under 18 years of age to acquire such rights in any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

At 30 June 2009, the interests or short positions of every person, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

董事認購股份或債券的權利

除上文所披露者外，於期內任何時間，概無任何董事或彼等各自的配偶或未滿十八歲的子女獲授可透過購買本公司或任何其他法人團體股份或債券而獲益的權利，或行使任何該等權利；而本公司或其任何控股公司、同系附屬公司及附屬公司概無訂立任何安排，致使本公司董事、彼等各自的配偶或未滿十八歲的子女可自任何其他法人團體購入該等權利。

主要股東之權益

於二零零九年六月三十日，本公司根據證券及期貨條例第336條所存置的股東名冊所記錄，下列人士（本公司董事或主要行政人員除外）於本公司股份及相關股份擁有的權益或淡倉如下：

	Number of Shares held 所持股份數目	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比	Long/ Short Position 好／淡倉
Wellbeing Holdings Wellbeing Holdings	1,255,849,124	42.88%	Long 好倉
Mittal Steel Holdings AG (Note 1) ("Mittal Steel") Mittal Steel Holdings AG (備註一) ("Mittal Steel")	867,711,151	29.62%	Long 好倉
	509,780,740	17.40%	Long 好倉
ING Bank N.V. (Note 2) ING Bank N.V. (備註二)	289,990,800	9.90%	Long 好倉
	289,990,800	9.90%	Short 淡倉
Deutsche Bank Aktiengesellschaft (Note 3) Deutsche Bank Aktiengesellschaft (備註三)	220,934,306	7.54%	Long 好倉
	219,801,940	7.50%	Short 淡倉

Other Information 其他資料

Notes:

1. As at 30 June 2009, Mr. Lakshmi Niwas Mittal and Mrs. Usha Mittal directly own 36.24% and indirectly own 36.24% of the issued share capital of ArcelorMittal, which indirectly holds 75% interest in Mittal Steel that beneficially owns 867,711,151 shares representing approximately 29.62% of the issued share capital of the Company.

On 30 April 2008, Mittal Steel entered into a put option agreement with ING Bank N.V. and Deutsche Bank Aktiengesellschaft and pursuant to the terms and conditions as contained therein, Mittal Steel granted an option to ING Bank N.V. and Deutsche Bank Aktiengesellschaft respectively for an aggregate amount of 509,780,740 shares representing approximately 17.40% of the issued share capital of the Company.

2. On 30 April 2008, Mittal Steel and ING Bank N.V. entered into a put option agreement whereas Mittal Steel granted an option to ING Bank N.V. to sell 289,990,800 shares of the Company in accordance with the terms and conditions contained therein. As at 30 June 2009, ING Bank N.V. owns 289,990,800 shares representing 9.90% of the issued shares capital of the Company.

3. On 30 April 2008, Mittal Steel and Deutsche Bank Aktiengesellschaft entered into a put option agreement whereas Mittal Steel granted an option to Deutsche Bank Aktiengesellschaft to sell 219,789,940 shares of the Company in accordance with the terms and conditions contained therein. As at 30 June 2009, Deutsche Bank Aktiengesellschaft owns 220,934,306 shares representing 7.54% of the issued shares capital of the Company.

Saved as disclosed above and in the "Interests of Directors and Chief Executive" section, at 30 June 2009, no person, other than a director or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

備註：

1. 於二零零九年六月三十日，Lakshmi Niwas Mittal先生和Usha Mittal太太直接擁有ArcelorMittal已發行股份36.24%權益和間接擁有ArcelorMittal已發行股份36.24%權益而ArcelorMittal間接擁有Mittal Steel 75%權益，彼直接持有867,711,151股，約佔本公司已發行股本29.62%權益。

於二零零八年四月三十日，Mittal Steel分別與ING Bank N.V.和Deutsche Bank Aktiengesellschaft簽訂了一份認沽期權協議並根據有關條款，Mittal Steel分別授予ING Bank N.V.和Deutsche Bank Aktiengesellschaft一個認沽期權，合共509,780,740股，約佔本公司已發行股本17.40%權益。

2. 於二零零八年四月三十日，Mittal Steel與ING Bank N.V.簽訂了一份認沽期權協議和根據有關條款，Mittal Steel授予ING Bank N.V.一個認沽期權可出售本公司289,990,800股股份。於二零零九年六月三十日，ING Bank N.V.持有289,990,800股，約佔本公司已發行股本9.90%權益。

3. 於二零零八年四月三十日，Mittal Steel與Deutsche Bank Aktiengesellschaft簽訂了一份認沽期權協議並根據有關條款，Mittal Steel授予Deutsche Bank Aktiengesellschaft一個認沽期權可出售本公司219,789,940股股份。於二零零九年六月三十日，Deutsche Bank AG持有220,934,306股，約佔本公司已發行股本7.54%權益。

除上文所披露者以及「董事及行政總裁之權益」部份外，於二零零九年六月三十日，本公司根據證券及期貨條例第336條規定需要存置的股東名冊，概無任何人士（本公司董事或主要行政人員除外）於本公司股份及相關股份擁有權益或淡倉。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct regarding directors of the Company's securities transactions on terms no less than exacting than the required standard set out in the Model Code of Appendix 10 of the Listing Rules (the "Model Code").

The Company has made specific enquiry of all directors and all directors have confirmed with the Company that they have complied with the required standard set out in the Model Code during the period and its code of conduct regarding directors' securities transactions.

AUDIT COMMITTEE AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has established an Audit Committee comprised all three Independent Non-Executive Directors namely Mr. Gao Qingju, Mr. Yu Tung Ho and Mr. Wong Man Chung, Francis with written term of reference in compliance with the requirement of Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information. The auditors of the Company has conducted their review in accordance with Hong Kong Standard on Review Engagements 2410 issued by the HKICPA. On 27 August 2009, the Committee met with the management to review the unaudited condensed consolidated interim financial information and consider the significant accounting policies.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2009.

上市公司董事進行證券交易的標準守則

本公司已採納有關本公司董事進行證券交易的操作準則，該操守準則的條款不低於上市規則附錄10的標準守則（「標準守則」）所載的規定的標準。

本公司已向全體董事作出個別查詢，而全體董事已向本公司確認，彼等於該期間內已遵守標準守則及本公司有關董事進行證券交易的操守準則。

審核委員會和獨立非執行董事

本公司設有審核委員會，由全部三位獨立非執行董事，即高清舉先生、余統浩先生和黃文宗先生組成，其職責範疇是符合上市規則的要求。

審核委員會已審閱未經審核簡明綜合中期財務資料。本公司核數師之審閱工作是按照香港會計師公會頒佈之香港審閱準則第2410號進行的。委員會已於二零零九年八月二十七日與管理層會面，共同審閱未經審核簡明綜合中期財務資料及評核重大會計政策之選用。

購買、出售或贖回本公司上市證券

於截至二零零九年六月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is always committed to ensuring high standards of corporate governance. The Board believes that good governance practices are particularly important for maintaining and promoting investors' confidence.

Throughout the six months ended 30 June 2009, the Company has adopted and complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the code provision A.2.1, which required the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Currently, Mr. Han Jingyuan is both the Chairman and Chief Executive Officer (the "CEO") of the Company who is responsible for managing the Group's business. The Board considers that vesting the roles of Chairman and CEO in the same person facilitates the executive of the Company's business strategies and maximizes the effectiveness of its operation. Besides, the role of chief executive officer/general manager of the Company's major operating subsidiaries are performed by other capable persons. With the present Board structure and scope of business, the Board considers that there is no imminent need to separate the roles of the Chairman and the CEO of the Company into two individuals. However, the Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether the separation of the position of the Chairman and the CEO of the Company is necessary.

By order of the Board

CHINA ORIENTAL GROUP COMPANY LIMITED

Han Jingyuan

Chairman and Chief Executive Officer

28 August 2009

遵守企業管治常規守則

本公司一直致力維持高水平的企業管治。董事局相信，良好的企業管治對本集團維持和提高投資者的信心特別重要。

截至二零零九年六月三十日止六個月，本公司已採用及符合載於香港聯合交易所有限公司證券上市規則（「上市規則」）附錄 14 所載之企業管治常規守則之條文，惟守則條文第 A.2.1 條除外，此條文要求主席與首席執行官的角色應有區分，並不應由一人同時兼任。

目前，韓敬遠先生為本公司主席兼首席執行官（「首席執行官」），負責管理本集團的業務。董事局認為，主席及首席執行官由同一人士擔任有利於執行本公司之業務策略及可盡量提升經營效率。再且，本公司主要及實際營運的附屬公司的首席執行官／總經理職務已由其他有能力人士擔任。根據現有之董事局架構及業務範圍，董事局認為，並無即時需要將本公司主席及首席執行官職位分開，由兩名人士擔任。但是，董事局將繼續檢討本集團企業管治架構之效益，以評估是否需要分開本公司主席及首席執行官之職位。

承董事局命

中國東方集團控股有限公司

韓敬遠

董事局主席兼首席執行官

二零零九年八月二十八日

Report on Review of Interim Financial Information

中期財務資料的審閱報告

TO THE BOARD OF DIRECTORS OF CHINA ORIENTAL GROUP COMPANY LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information of China Oriental Group Company Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 27 to 76, which comprises the condensed consolidated balance sheet as at 30 June 2009 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

致中國東方集團控股有限公司董事局
(於百慕達註冊成立的有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第27至76頁的中期財務資料，此中期財務資料包括中國東方集團控股有限公司(「貴公司」)及其子公司(合稱「貴集團」)於二零零九年六月三十日的簡明綜合資產負債表與截至該日止六個月期間的相關簡明綜合全面收入報表、權益變動表和現金流量表，以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編制的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」編制及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並按照委聘之條款僅向整體董事局報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不能令我們可保證我們將知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

Report on Review of Interim Financial Information

中期財務資料的審閱報告

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 28 August 2009

結論

按照我們的審閱，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號「中期財務報告」編制。

羅兵咸永道會計師事務所

執業會計師

香港，二零零九年八月二十八日

Condensed Consolidated Interim Balance Sheet

簡明綜合中期資產負債表

(All amounts in Renminbi ("RMB") thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

		As at	
		30 June	31 December
		2009	2008
		於	
		二零零九年	二零零八年
		六月三十日	十二月三十一日
		Unaudited	Audited
		未經審核	經審核
		Note	
		附註	
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	5	8,826,655
Leasehold land and land use rights	租賃土地及土地使用權	5	8,286,788
Investment properties	投資物業	5	73,965
Intangible assets	無形資產	5	17,998
Investments in an associate	聯營公司投資	5	7,667
Loan receivable	應收貸款	6	7,913
Available-for-sale financial assets	可供出售財務資產	6	130,000
Deferred income tax assets	遞延所得稅資產		188,100
			13,570
Total non-current assets	非流動資產合計		9,265,868
			8,723,326
Current assets	流動資產		
Inventories	存貨		1,805,247
Trade receivables	應收貿易賬款	7	1,572,801
Other current assets	其他流動資產		16,162
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	8	524,872
Financial assets at fair value through profit or loss	按公平值計量且其變動計入損益的金融資產		142
Amounts due from related parties	應收關聯方款項	22(c)	10,142
Prepaid current income tax	當期預繳所得稅		135,048
Restricted bank balances	受限制銀行結餘		436,526
Cash and cash equivalents	現金及現金等價物		621,625
Total current assets	流動資產合計		5,122,565
			5,412,731
Total assets	總資產		14,388,433
			14,136,057
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Ordinary shares	普通股	9	311,669
Share premium	股份溢價	9	2,189,695
Other reserves	其他儲備	10	1,155,716
Retained earnings	留存收益		2,977,133
			6,634,213
			6,265,229
Minority interest	少數股東權益		260,851
			224,711
Total equity	權益合計		6,895,064
			6,489,940

Condensed Consolidated Interim Balance Sheet (continued)

簡明綜合中期資產負債表(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

		As at	
		30 June 2009	31 December 2008
		於	
		二零零九年 六月三十日	二零零八年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
	Note 附註		
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	13 285,000	489,230
Other long-term payables	其他長期應付款	14 789,626	847,934
Deferred revenues	遞延收入	46,756	62,756
Amounts due to related parties	應付關聯方款項	22(c) 65,055	65,055
Total non-current liabilities	非流動負債合計	1,186,437	1,464,975
Current liabilities	流動負債		
Trade payables	應付貿易賬款	11 1,769,527	2,219,395
Accruals, advances from customers and other current liabilities	預提費用、預收客戶款項及其他流動負債	12 2,143,099	2,034,745
Amounts due to related parties	應付關聯方款項	22(c) 212,865	207,013
Other long term payables – current portion	其他長期應付款 – 流動部份	14 82,987	19,888
Borrowings	借款	13 2,095,595	1,697,230
Dividends payable	應付股息	2,859	2,871
Total current liabilities	流動負債合計	6,306,932	6,181,142
Total liabilities	負債合計	7,493,369	7,646,117
Total equity and liabilities	權益及負債合計	14,388,433	14,136,057
Net current liabilities	流動負債淨額	(1,184,367)	(768,411)
Total assets less current liabilities	總資產減流動負債	8,081,501	7,954,915

The notes on page 32 to 76 form an integral part of this condensed consolidated interim financial information.

第32至76頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Interim Statement of Comprehensive Income

簡明綜合中期全面收入報表

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

		Six months ended 30 June	
		2009	2008
		截至六月三十日止六個月	
		二零零九年	二零零八年
		Unaudited	Unaudited
		未經審核	未經審核
	Note 附註		
Revenue	4	9,174,977	11,649,520
Cost of goods sold		(8,420,775)	(10,298,601)
Gross profit		754,202	1,350,919
Other income		21,780	6,553
Distribution costs		(17,661)	(44,231)
Administrative expenses		(130,954)	(120,980)
Other expenses		(9,716)	(5,391)
Other losses – net		(20,548)	(6,431)
Operating profit	15	597,103	1,180,439
Finance income		17,349	7,594
Finance costs		(72,411)	(17,588)
Share of (loss)/profit of an associate		(2,207)	818
Profit before income tax		539,834	1,171,263
Income tax expense	16	(145,463)	(305,008)
Profit for the period		394,371	866,255
Other comprehensive income		–	–
Total comprehensive income for the period		394,371	866,255
Profit for the period attributable to:	應佔期內溢利：		
– equity holders of the Company	– 本公司權益持有人	358,231	835,440
– minority interest	– 少數股東權益	36,140	30,815
		394,371	866,255
Total comprehensive income attributable to:	應佔全面收入合計：		
– equity holders of the Company	– 本公司權益持有人	358,231	835,440
– minority interest	– 少數股東權益	36,140	30,815
		394,371	866,255
Earnings per share for profit attributable to equity holders of the Company during the period (express in RMB per share)	期內本公司權益持有人應佔溢利的每股溢利 (以每股人民幣元為單位)		
– basic	– 基本	17	0.12
– diluted	– 攤薄	17	0.12
Dividends	股息	18	–
			167,088

The notes on page 32 to 76 form an integral part of this condensed consolidated interim financial information.

第32至76頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Interim Statement of Changes in Equity

簡明綜合中期權益變動表

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

		Unaudited 未經審核					
		Attributable to equity holders of the Company 本公司權益持有人應佔					
Note 附註		Share capital 股本	Other reserves 其他儲備	Retained earnings 留存收益	Total	Minority interest 少數股東權益	Total equity 權益合計
	Balance at 1 January 2008						
	於二零零八年 一月一日的結餘	2,497,408	1,144,182	2,907,100	6,548,690	147,414	6,696,104
	Profit for the period	-	-	835,440	835,440	30,815	866,255
	Employee share options scheme:						
	- Proceeds from exercising share options	9	3,956	-	3,956	-	3,956
	Acquisition from a minority shareholder	-	-	-	-	(25,655)	(25,655)
	Minority shareholder's injection	-	-	-	-	103,314	103,314
	Dividends relating to 2007	18	-	(164,357)	(164,357)	(7,042)	(171,399)
		3,956	-	671,083	675,039	101,432	776,471
	Balance at 30 June 2008	2,501,364	1,144,182	3,578,183	7,223,729	248,846	7,472,575
	Balance at 1 January 2009						
	於二零零九年 一月一日的結餘	2,501,364	1,144,963	2,618,902	6,265,229	224,711	6,489,940
	Profit for the period	-	-	358,231	358,231	36,140	394,371
	Employee share options scheme:						
	- Value of employee services	10	-	10,753	10,753	-	10,753
		-	10,753	358,231	368,984	36,140	405,124
	Balance at 30 June 2009	2,501,364	1,155,716	2,977,133	6,634,213	260,851	6,895,064

The notes on page 32 to 76 form an integral part of this condensed consolidated interim financial information.

第32至76頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Interim Cash Flow Statement

簡明綜合中期現金流量表

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

		Six months ended 30 June		
		2009	2008	
		截至六月三十日止六個月	二零零八年	
		二零零九年	二零零八年	
		Unaudited	Unaudited	
		未經審核	未經審核	
	Note 附註			
Net cash (used in)/generated from operating activities	經營活動(所耗)/產生的現金淨額	19	(9,360)	304,663
Net cash used in investing activities	投資活動所耗的現金淨額		(261,548)	(550,207)
Net cash generated from financing activities	融資活動產生的現金淨額		163,838	210,526
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(107,070)	(35,018)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		728,826	689,591
Effect of foreign exchange rate changes	外幣匯率變動的影響		(131)	(9,368)
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物		621,625	645,205

The notes on page 32 to 76 form an integral part of this condensed consolidated interim financial information.

第32至76頁的附註為本簡明綜合中期財務資料的整體部份。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

1. GENERAL INFORMATION

China Oriental Group Company Limited (the “Company”) was incorporated in Bermuda on 3 November 2003 as an exempted company with limited liability under the Companies Act 1981 of Bermuda as a result of a group reorganisation (the “Reorganisation”).

The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

Following the completion of the global offering, the Company’s shares were listed on The Stock Exchange of Hong Kong Limited on 2 March 2004.

The Company together with its subsidiaries are hereinafter collectively referred to as the Group. The Group is mainly engaged in the manufacture and sales of iron and steel products. The Group has manufacturing plants in Hebei Province and Guangdong Province of the People’s Republic of China (the “PRC”) and sells mainly to customers located in the PRC.

This condensed consolidated interim financial information was approved for issue on 28 August 2009.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with HKAS 34, ‘Interim financial reporting’. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

1. 一般資料

中國東方集團控股有限公司(「本公司」)於二零零三年十一月三日根據百慕達一九八一年公司法在百慕達註冊成立為獲豁免有限責任公司，並因而完成一項集團重組(「重組」)。

本公司的註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

於全球售股完成後，本公司股份於二零零四年三月二日在香港聯合交易所有限公司上市。

本公司及其附屬公司於下文中合稱本集團。本集團主要從事生產及銷售鋼鐵產品。本集團在中華人民共和國(「中國」)河北省及廣東省設有生產廠房，並主要針對位於中國的客戶進行銷售。

本簡明綜合中期財務資料於二零零九年八月二十八日獲准刊發。

本簡明綜合中期財務資料未經審核。

2. 編制基準及會計政策

2.1 編制基準

此截至二零零九年六月三十日止六個月的簡明綜合中期財務資料乃按照香港會計準則第34號「中期財務報告」編製。此簡明綜合中期財務資料應與截至二零零八年十二月三十一日止年度的年度財務報表(乃按照香港財務報告準則(「香港財務報告準則」)編製)一併閱覽。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in the annual financial statements for the year ended 31 December 2008, which has been approved by the Board of Directors (the 'Board') on 3 April 2009.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009:

- HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the consolidated income statement and statement of comprehensive income).

The Group has elected to present one statement (the statement of comprehensive income). The interim financial statements have been prepared under the revised disclosure requirements.

2. 編制基準及會計政策(續)

2.2 會計政策

除下述者外，編製本簡明綜合中期財務資料所採納的會計政策乃與截至二零零八年十二月三十一日止年度的年度財務報表所採納者一致，此等會計政策載述於截至二零零八年十二月三十一日止年度的年度財務報表，已由董事局（「董事局」）於二零零九年四月三日批准。

中期所得稅稅率採用適用於預期全年總溢利之稅率計算。

下列新準則及對現有準則之修訂與本集團有關，須於二零零九年一月一日開始之財政年度強制採納：

- 香港會計準則第1號（經修訂）「財務報表之呈列」。該經修訂準則禁止於權益變動表內呈列收入及開支項目（指「非所有者權益變動」），規定「非所有者權益變動」須與所有者權益變動分開呈列。所有「非所有者權益變動」須於業績報表中呈列。

實體可選擇在一份業績報表（全面收入報表）中，或在兩份報表（綜合損益表及全面收入報表）中呈列。

本集團選擇在一份報表（全面收入報表）中呈列。本集團中期財務報表已經按此經修訂披露要求呈列。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 ACCOUNTING POLICIES (continued)

- HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive committee, which comprises all executive directors and top management.

- HKAS 23 (revised), 'Borrowing costs'. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. It does not anticipate any material impact on the Group's accounts as the Group has already followed the principles of capitalising borrowing costs for qualify assets in accordance with existing HKAS 23.

2. 編制基準及會計政策(續)

2.2 會計政策(續)

- 香港財務報告準則第8號「營運分部」。香港財務報告準則第8號取代香港會計準則第14號「分部呈報」。其規定遵從「管理方法」，即分部資料須按與內部報告所採用的相同基準呈報。

分部資料乃以與首席營運決策人提供之內部報告更為一致之方式呈報。首席營運決策人已獲確認為包括所有執行董事及高級管理層的執行委員會。

- 香港會計準則第23號(經修訂)「借貸成本」。該修訂規定企業將收購、建造或生產合格資產(需要相當長時間才能達到可使用或可銷售狀態的資產)直接應佔借貸成本資本化，作為該項資產成本的一部份。借貸成本可即時確認為費用的選項已被取消。該修訂預期不會對本集團賬目產生任何重大影響，因本集團已採納與現行香港會計準則第23號相符的合格資產借貸成本資本化準則。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 ACCOUNTING POLICIES (continued)

- HKFRS 2 (amendment), 'Share-based payment'. The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group has applied HKFRS 2 (amendment) from 1 January 2009, but it does not have a material impact on the Group's financial statements.
- Amendment to HKFRS 7, 'Financial instruments: Disclosure'. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its financial statements ending 31 December 2009.

2. 編制基準及會計政策(續)

2.2 會計政策(續)

- 香港財務報告準則第2號(修訂本)「以股份為基礎之支付」。該經修訂準則涉及歸屬條件及註銷。該準則澄清歸屬條件僅為服務條件及表現條件。以股份為基礎之支付之其他特徵並非歸屬條件。因此，該等特徵須計入與僱員及其他提供類似服務之人士訂立之交易於授出當日之公平值內，亦即該等特徵不會對授出日期後預期歸屬之獎勵數目或其估值構成影響。所有註銷(不論由實體或其他人士作出)須按相同之會計處理方法。本集團已自二零零九年一月一日起應用香港財務報告準則第2號(修訂本)，但其對本集團之財務報表並無重大影響。
- 香港財務報告準則第7號(修訂本)「金融工具：披露」。該修訂增加了公平值計量的披露要求以及修訂了對流動性風險的披露要求。該修訂引入了對金融工具公平值計量披露的三個層次，並且要求對歸類於最低層次中的金融工具進行若干特定量披露。此等披露有助實體間公平值計量效果之比對。此外，該修訂闡明及強調現行流動性風險的披露，主要要求對衍生及非衍生金融負債進行單獨的流動性風險分析。其亦要求提供財務資產到期分析的資料以助瞭解流動性風險的性質及背景。本集團將在截至二零零九年十二月三十一日止年度的財務報表增加相關的披露。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 ACCOUNTING POLICIES (continued)

The following new interpretations are mandatory for the first time for the financial year beginning 1 January 2009 but are not currently relevant for the Group:

- HKAS 32 (amendment), 'Financial instruments: presentation'.
- HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HK(IFRIC) 13, 'Customer loyalty programmes'.
- HK(IFRIC) 15, 'Agreements for the construction of real estate'.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.
- HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

2. 編制基準及會計政策(續)

2.2 會計政策(續)

下列新訂詮釋必須於二零零九年一月一日開始的財政年度首次採用，但目前與本集團無關：

- 香港會計準則第32號(修訂本)「金融工具：呈列」。
- 香港(國際財務報告詮釋委員會)－詮釋第9號(修訂本)「嵌入式衍生工具的重新評估」及香港會計準則第39號(修訂本)「金融工具：確認及計量」。
- 香港(國際財務報告詮釋委員會)－詮釋第13號「客戶忠誠度計劃」。
- 香港(國際財務報告詮釋委員會)－詮釋第15號「房地產建築協議」。
- 香港(國際財務報告詮釋委員會)－詮釋第16號「對沖海外業務投資淨額」。
- 香港會計準則第39號(修訂本)「金融工具：確認及計量」。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 ACCOUNTING POLICIES (continued)

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- Amendment to HKAS 39, 'Financial instruments: Recognition and measurement' on eligible hedged items, effective for annual periods beginning on or after 1 July 2009.
- HKFRS 3 (revised), 'Business combinations' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates' and HKAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.
- HK(IFRIC) 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009.
- HK(IFRIC) 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009.

2. 編制基準及會計政策(續)

2.2 會計政策(續)

下列新訂準則、對準則的修訂及詮釋已頒佈，但仍未於二零零九年一月一日開始的財政年度生效及並無提早採納：

- 香港會計準則第39號「金融工具：確認及計量」的修訂本，有關合資格對沖項目，由二零零九年七月一日或之後開始的年度期間起生效。
- 香港財務報告準則第3號（經修訂）「企業合併」和香港會計準則第27號「綜合及獨立財務報表」的其後修訂本，香港會計準則第28號「聯營公司投資」及香港會計準則第31號「合營企業權益」，適用於企業合併的收購日期為二零零九年七月一日或之後開始的首個年度報告期間或之後開始的日期。
- 香港（國際財務報告詮釋委員會）—詮釋第17號「向擁有人分派非現金資產」，由二零零九年七月一日或之後起的年度期間生效。
- 香港（國際財務報告詮釋委員會）—詮釋第18號「自客戶轉讓資產」，適用於二零零九年七月一日或之後收到的資產轉讓。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 ACCOUNTING POLICIES (continued)

HKICPA's improvements to HKFRS published in May 2009:

- Amendment to HKFRS 2 'Share-based payments', effective for periods beginning on or after 1 July 2009.
- Amendment to HKFRS 5 'Non-current Assets held for sale and discontinued operations', effective for periods beginning on or after 1 January 2010.
- Amendment to HKFRS 8 'Operating segments', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 1 'Presentation of financial statements', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 7 'Statement of cash flows', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 17 'Leases', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 36 'Impairment of assets', effective for periods beginning on or after 1 January 2010.

2. 編制基準及會計政策(續)

2.2 會計政策(續)

香港會計師公會在二零零九年五月公佈對香港財務報告準則的改進：

- 香港財務報告準則第2號「以股份為基礎之支付」的修訂本，由二零零九年七月一日或之後開始的期間起生效。
- 香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」的修訂本，由二零一零年一月一日或之後開始的期間起生效。
- 香港財務報告準則第8號「營運分部」的修訂本，由二零一零年一月一日或之後開始的期間起生效。
- 香港會計準則第1號「財務報表的呈報」的修訂本，由二零一零年一月一日或之後開始的期間起生效。
- 香港會計準則第7號「現金流量表」的修訂本，由二零一零年一月一日或之後開始的期間起生效。
- 香港會計準則第17號「租賃」的修訂本，由二零一零年一月一日或之後開始的期間起生效。
- 香港會計準則第36號「資產減值」的修訂本，由二零一零年一月一日或之後開始的期間起生效。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 ACCOUNTING POLICIES (continued)

- Amendment to HKAS 38 'Intangible assets', effective for periods beginning on or after 1 July 2009.
- Amendment to HKAS 39 'Financial instruments: recognition and measurement', effective for periods beginning on or after 1 January 2010.
- Amendment to HK (IFRIC) 9 'Reassessment of embedded derivatives', effective for periods beginning on or after 1 July 2009.
- Amendment to HK (IFRIC) 16 'Hedges of a net investment in a foreign operation', effective for periods beginning on or after 1 July 2009.

2. 編制基準及會計政策(續)

2.2 會計政策(續)

- 香港會計準則第38號「無形資產」的修訂本，由二零零九年七月一日或之後開始的期間起生效。
- 香港會計準則第39號「金融工具：確認和計量」的修訂本，由二零一零年一月一日或之後開始的期間起生效。
- 香港(國際財務報告詮釋委員會)－詮釋第9號「勘入式衍生工具的重新評估」的修訂本，由二零零九年七月一日或之後開始的期間起生效。
- 香港(國際財務報告詮釋委員會)－詮釋第16號「對沖海外業務投資淨額」的修訂本，由二零零九年七月一日或之後開始的期間起生效。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

3. PRINCIPAL SUBSIDIARIES OF THE GROUP

The significant subsidiaries at 30 June 2009 and 31 December 2008 are as follows:

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定實體類別	本集團應佔權益百分比	已發行及繳足股本	法定股本	主要業務
Gold Genesis Development Limited ("Gold Genesis")	British Virgin Islands ("BVI") 英屬維爾京群島 (「英屬維爾京群島」) 21 February 2003 二零零三年 二月二十一日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$1 1美元	US\$50,000 50,000美元	Investment holding 投資控股
Good Lucky Enterprises Limited ("Good Lucky")	BVI 英屬維爾京群島 21 February 2003 二零零三年 二月二十一日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$1 1美元	US\$50,000 50,000美元	Investment holding 投資控股
First Glory Services Limited ("First Glory")	BVI 英屬維爾京群島 16 October 2003 二零零三年 十月十六日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$2 2美元	US\$50,000 50,000美元	Investment holding 投資控股

3. 本集團的主要附屬公司

於二零零九年六月三十日及二零零八年十二月三十一日的主要附屬公司如下：

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

3. PRINCIPAL SUBSIDIARIES OF THE GROUP (continued)

3. 本集團的主要附屬公司(續)

Name 名稱	Place and date of incorporation 註冊成立 地點及日期	Legal status 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比	Issued and fully paid capital 已發行及 繳足股本	Authorised capital 法定股本	Principal activities 主要業務
Accordpower Investments Limited ("Accordpower")	BVI 英屬維爾京群島 30 November 2004 二零零四年 十一月三十日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$2 2美元	US\$50,000 50,000美元	Investment holding 投資控股
Fullhero Investments Limited ("Fullhero")	BVI 英屬維爾京群島 3 May 2005 二零零五年 五月三日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$2 2美元	US\$50,000 50,000美元	Investment holding 投資控股
Hebei Jinxi Iron and Steel Company Limited ("Jinxi Limited") 河北津西鋼鐵股份有限公司 (「津西鋼鐵」)	PRC 中國 24 December 1999 一九九九年 十二月二十四日	Joint stock company with limited liability 股份有限公司	97.6% (Indirectly held) (間接持有)	RMB 228.64 million 人民幣 2.2864億元	RMB 228.64 million 人民幣 2.2864億元	Manufacture and sales of iron and steel products 生產及銷售 鋼鐵產品
Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited ("Jinxi Jinlan") 佛山津西金蘭冷軋板有限公司 (「津西金蘭」)	PRC 中國 26 December 2003 二零零三年 十二月二十六日	Limited liability company 有限責任公司	81.5% (Indirectly held) (間接持有)	US\$55,152,400 55,152,400美元	US\$55,152,400 55,152,400美元	Manufacture and sales of steel products 生產及銷售 鋼鐵產品

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

3. PRINCIPAL SUBSIDIARIES OF THE GROUP (continued)

3. 本集團的主要附屬公司(續)

Name 名稱	Place and date of incorporation 註冊成立 地點及日期	Legal status 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比	Issued and fully paid capital 已發行及 繳足股本	Authorised capital 法定股本	Principal activities 主要業務
Oriental Fullhero Leasing Co., Ltd ("Shenzhen Leasing") 東方英豐租賃 有限公司 (「深圳租賃」)	PRC 中國 23 September 2005 二零零五年 九月二十三日	Limited liability company 有限責任公司	100% (Indirectly held) (間接持有)	US\$65,000,000 65,000,000 美元	US\$65,000,000 65,000,000 美元	Leasing and financial leasing 租賃及融資 租賃
Hebei Jinxi Section Steel Company Limited ("Jinxi Section Steel") 河北津西型鋼有限公司 (「津西型鋼」)	PRC 中國 30 May 2008 二零零八年 五月三十日	Limited liability company 有限責任公司	80% (Indirectly held) (間接持有)	RMB 350 million 人民幣 3.5 億元	RMB 350 million 人民幣 3.5 億元	Manufacture and sales of steel products 生產及銷售 鋼鐵產品
Jinxi Hong Kong Trading Company Limited ("HK Trading") 津西香港進出口有限公司 (「津西香港」)	Hong Kong 香港 27 October 2008 二零零八年 十月二十七日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	HK\$ 1 1 港元	HK\$ 10,000 10,000 港元	Import and export of goods 進出口貨物
Suifenhe City Jinyin Trading Co., Ltd. ("Jinyin Trading") 綏芬河市津銀貿易有限公司 (「津銀貿易」)	PRC 中國 24 September 2008 二零零八年 九月二十四日	Limited liability company 有限責任公司	100% (Indirectly held) (間接持有)	RMB 10 million 人民幣 1,000 萬元	RMB 10 million 人民幣 1,000 萬元	Import and export of goods and technology 進出口貨物及技術

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

3. PRINCIPAL SUBSIDIARIES OF THE GROUP (continued)

3. 本集團的主要附屬公司(續)

Name 名稱	Place and date of incorporation 註冊成立 地點及日期	Legal status 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比	Issued and fully paid capital 已發行及 繳足股本	Authorised capital 法定股本	Principal activities 主要業務
Qianxi County Jinxi Yunda Transportation Co., Ltd. ("Yunda Transportation") 遷西縣津西運達運輸 有限公司(「運達運輸」)	PRC 中國 4 September 2008 二零零八年 九月四日	Limited liability company 有限責任公司	100% (Indirectly held) (間接持有)	RMB 0.5 million 人民幣 50萬元	RMB 0.5 million 人民幣 50萬元	Transportation service for goods 運輸貨物服務
Ping Quan County Jinyin Charging Co., Ltd. ("Jinyin Charging") 平泉縣津銀爐料 有限公司(「津銀爐料」)	PRC 中國 8 July 2008 二零零八年 七月八日	Limited liability company 有限責任公司	60% (Indirectly held) (間接持有)	RMB 2 million 人民幣 200萬元	RMB 2 million 人民幣 200萬元	Manufacture and sales of charging products 生產及銷售爐料產品
Tangshan Fengrun Qu Zhengda Iron and Steel Co., Ltd. ("Zhengda Iron and Steel") 唐山市豐潤區正達鋼鐵 有限公司(「正達鋼鐵」)	PRC 中國 19 December 2008 二零零八年 十二月十九日	Limited liability company 有限責任公司	71% (Indirectly held) (間接持有)	RMB 50 million 人民幣 5,000萬元	RMB 50 million 人民幣 5,000萬元	Manufacture and sales of steel products 生產及銷售鋼鐵產品
Tangshan Fengrun Qu Tong Yuan Trading Company Limited ("Tong Yuan Trading") (i) 唐山市豐潤區通遠商貿 有限公司(「通遠商貿」) (i)	PRC 中國 22 May 2009 二零零九年 五月二十二日	Limited liability company 有限責任公司	71% (Indirectly held) (間接持有)	RMB 0.1 million 人民幣 10萬元	RMB 0.1 million 人民幣 10萬元	Purchase and sale of ferrous metal and coke 買賣黑色金屬 及焦炭

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

3. PRINCIPAL SUBSIDIARIES OF THE GROUP (continued)

- (i) Tong Yuan Trading was incorporated on 22 May 2009 by Zhengda Iron and Steel solely. The paid-in capital of Tong Yuan Trading is RMB 0.1 million.

4. SALES AND SEGMENT INFORMATION

(a) Sales

The Group is principally engaged in the manufacture and sales of iron and steel products. Sales recognised for the six months ended 30 June 2009 and 2008 were as follows:

Sales:	銷售額：
Gross sales, less discounts and returns	銷售總額減折扣及退貨
– billets	– 鋼坯
– strips and strip products	– 帶鋼及帶鋼類產品
– H-section steel products	– H型鋼產品
– galvanised sheets	– 鍍鋅板
– cold rolled sheets	– 冷軋板
– others	– 其他
Less: Taxes	減：稅項

3. 本集團的主要附屬公司(續)

- (i) 通遠商貿僅由正達鋼鐵於二零零九年五月二十二日註冊成立。通遠商貿的實收資本為人民幣10萬元。

4. 銷售額和分部資料

(a) 銷售額

本集團主要從事生產及銷售鋼鐵產品。截至二零零九年及二零零八年六月三十日止六個月確認的銷售額如下：

For the six months ended 30 June	
2009	2008
截至六月三十日止六個月	截至六月三十日止六個月
二零零九年	二零零八年
Unaudited	Unaudited
未經審核	未經審核

	1,953,359	2,025,270
	3,592,960	5,663,820
	3,281,568	3,308,699
	249,035	365,535
	95,808	357,789
	7,358	11,156
	9,180,088	11,732,269
	(5,111)	(82,749)
	9,174,977	11,649,520

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

4. SALES AND SEGMENT INFORMATION (continued)

(b) Segment information

The chief operating decision-maker of the Company has been identified as the executive committee, which comprises all executive directors and top management. The decision-maker reviews the Group's internal reporting in order to assess performance and allocate resources.

Based on these reports, the decision-maker has determined that no business segment information is presented as over 90% of the Group's sales and operating profits are derived from the sales of iron and steel products, which is considered as one business segment with similar risks and returns.

The decision-maker has also determined that no geographical segment information is presented as over 90% of the Group's sales and operating profits are derived within the PRC and over 90% operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

4. 銷售額和分部資料(續)

(b) 分部資料

本公司首席營運決策人已獲確認為包括所有執行董事及最高管理層的執行委員會，決策人審閱本集團的內部報告以作評估業績表現及分配資源。

依據這些報告，由於本集團的銷售額及經營溢利超過90%來自銷售鋼鐵產品(被認為有類似風險及回報的同一個業務分部)，故決策人決定並無呈報業務分部資料。

由於本集團的銷售額及經營溢利超過90%源於中國，而本集團超過90%經營資產亦在中國(被認為有類似風險及回報的同一個地區)，故決策人決定並無呈報地區分部資料。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

5. CAPITAL EXPENDITURE

5. 資本開支

		Unaudited 未經審核			
		Property, plant and equipment 物業、廠房 及設備	Leasehold land and land use rights 租賃土地及 土地使用權	Investment properties 投資物業	Intangible assets 無形資產
For the six months ended 30 June 2009	截至二零零九年六月三十日止六個月				
Opening carrying amount as at 1 January 2009	於二零零九年 一月一日的期初賬面值	8,286,788	74,790	18,400	7,667
Additions	添置	942,564	-	-	-
Disposals	處置	(2,736)	-	-	-
Depreciation and amortisation (Note 15)	折舊及攤銷(附註15)	(399,961)	(825)	(402)	-
Closing carrying amount as at 30 June 2009	於二零零九年六月三十日 的期終賬面值	8,826,655	73,965	17,998	7,667
For the six months ended 30 June 2008	截至二零零八年六月三十日止六個月				
Opening carrying amount as at 1 January 2008	於二零零八年 一月一日的期初賬面值	6,405,538	76,441	19,328	-
Additions	添置	1,111,897	-	-	7,667
Disposals	處置	(273)	-	-	-
Depreciation and amortisation (Note 15)	折舊及攤銷(附註15)	(261,185)	(826)	(524)	-
Closing carrying amount as at 30 June 2008	於二零零八年六月三十日 的期終賬面值	7,255,977	75,615	18,804	7,667

As at 30 June 2009, the Group is in the process of applying for or changing registration of the title certificate of certain of its land use right with carrying value of approximately RMB 12 million (31 December 2008: RMB 12 million).

於二零零九年六月三十日，本集團正在申請或變更在用土地的土地使用權證，該土地使用權的賬面值為約人民幣1,200萬元(二零零八年十二月三十一日：人民幣1,200萬元)。

As at 30 June 2009, the carrying amount of the property, plant and equipment located in aforementioned land approximated RMB 1,460 million (31 December 2008: RMB 933 million).

於二零零九年六月三十日，上述土地的物業、廠房及設備的賬面值為約人民幣14.60億元(二零零八年十二月三十一日：人民幣9.33億元)。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

6. LOAN RECEIVABLE

The loan was unsecured, bore interest at a rate of 10% per annum and repayable within three years.

As at 30 June 2009, the fair value of the loan receivable approximated RMB 143 million (31 December 2008: RMB 146 million).

7. TRADE RECEIVABLES

Accounts receivable	應收賬款
Notes receivable – bank acceptance notes (a)	應收票據 – 銀行承兌匯票 (a)

(a) As at 30 June 2009, notes receivable of approximately RMB 4 million were pledged as security for issuing letters of credit.

As at 31 December 2008, notes receivable of approximately RMB 10 million and RMB 241 million were pledged as security for issuing notes payable and the Group's borrowings respectively (Note 11, 13).

As at 30 June 2009 and 31 December 2008, the carrying amount of the Group's trade receivables approximated their fair value.

The credit policy usually adopted by the Group for the sales of products to customers is to deliver goods either upon receipt in cash or upon receipt of bank acceptance notes with maturity dates within six months.

6. 應收貸款

該等貸款無抵押，以10釐的年利率計息，須於三年內償還。

於二零零九年六月三十日，應收貸款的公平值為約人民幣1.43億元(二零零八年十二月三十一日：人民幣1.46億元)。

7. 應收貿易賬款

As at	
30 June 2009	31 December 2008
於	
二零零九年 六月三十日	二零零八年 十二月三十一日
Unaudited 未經審核	Audited 經審核
128,172	29,897
1,444,629	1,704,094
1,572,801	1,733,991

(a) 於二零零九年六月三十日，為開具信用證而抵押的應收票據為約人民幣400萬元。

於二零零八年十二月三十一日，為開具應付票據及本集團借款而抵押的應收票據分別為約人民幣1,000萬元及人民幣2.41億元(附註11、13)。

於二零零九年六月三十日及二零零八年十二月三十一日，本集團應收貿易賬款之賬面值近似於其公平值。

本集團執行的產品銷售信貸政策，通常為於收取現金或到期日在六個月以內的銀行承兌匯票時方會發貨予客戶。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

7. TRADE RECEIVABLES (continued)

As at 30 June 2009 and 31 December 2008, the ageing analysis of trade receivables was as follows:

Within 3 months	3個月內
4-6 months	4至6個月

As at 30 June 2009, accounts receivable pledged by letters of credit issued by the third parties amounted to approximately RMB 72 million (31 December 2008: approximately RMB 0.3 million).

8. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments for purchase of inventories	購買存貨預付款項
Deposits and other receivables	按金及其他應收賬款

As at 30 June 2009 and 31 December 2008, the carrying amount of the Group's deposits and other receivables approximated their fair value.

7. 應收貿易賬款(續)

於二零零九年六月三十日及二零零八年十二月三十一日，應收貿易賬款的賬齡分析如下：

As at	
30 June 2009	31 December 2008
於	
二零零九年 六月三十日	二零零八年 十二月三十一日
Unaudited 未經審核	Audited 經審核
1,100,847	1,517,847
471,954	216,144
1,572,801	1,733,991

於二零零九年六月三十日，應收賬款約人民幣7,200萬元由第三方開具的信用證作抵押(二零零八年十二月三十一日：約人民幣30萬元)。

8. 預付款項、按金及其他應收賬款

As at	
30 June 2009	31 December 2008
於	
二零零九年 六月三十日	二零零八年 十二月三十一日
Unaudited 未經審核	Audited 經審核
421,942	234,454
102,930	497,116
524,872	731,570

於二零零九年六月三十日及二零零八年十二月三十一日，本集團按金及其他應收賬款之賬面值近似於其公平值。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

9. SHARE CAPITAL

9. 股本

		Number of shares (thousands) 股份數目 (千股)	Amount (unaudited) 金額(未經審核)		
			Ordinary	Share	Total 總計
			shares 普通股	premium 股份溢價	
Opening balance at 1 January 2009	於二零零九年一月一日期初結餘	2,929,200	311,669	2,189,695	2,501,364
At 30 June 2009	於二零零九年六月三十日	2,929,200	311,669	2,189,695	2,501,364
Opening balance at 1 January 2008	於二零零八年一月一日期初結餘	2,926,800	311,444	2,185,964	2,497,408
Employee share option scheme: - issuance of shares (Note 10(a))	僱員購股權計劃： - 股份發行(附註10(a))	2,400	225	3,731	3,956
At 30 June 2008	於二零零八年六月三十日	2,929,200	311,669	2,189,695	2,501,364

As at 30 June 2009 and 31 December 2008, the total number of authorised ordinary shares is 5,000,000,000 shares with a par value of HK\$ 0.1 per share.

As at 30 June 2009, the number of issued and fully paid ordinary shares is 2,929,200,000 shares (31 December 2008: 2,929,200,000 shares).

於二零零九年六月三十日及二零零八年十二月三十一日，法定普通股總數為5,000,000,000股為每股面值0.1港元的股份。

於二零零九年六月三十日，已發行及繳足普通股的股份數目為2,929,200,000股(二零零八年十二月三十一日：2,929,200,000股)。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

10. OTHER RESERVES

10. 其他儲備

		Unaudited 未經審核				
		Merger reserve 合併儲備	Capital surplus 資本公積	Statutory reserve 法定儲備	Options 購股權 (a)	Total 總計
Balance at 1 January 2009	於二零零九年一月一日的結餘	(599)	19,144	949,787	176,631	1,144,963
Employee share options scheme: – Value of employee services	僱員購股權計劃： – 僱員服務的價值	–	–	–	10,753	10,753
Balance at 30 June 2009	於二零零九年六月三十日的結餘	(599)	19,144	949,787	187,384	1,155,716
Balance at 1 January 2008	於二零零八年一月一日的結餘	(599)	19,144	949,006	176,631	1,144,182
Balance at 30 June 2008	於二零零八年六月三十日的結餘	(599)	19,144	949,006	176,631	1,144,182

(a) Employee share option scheme

As approved by the Board and Shareholders' meeting, the share options were granted to the directors and employees on 30 June 2006 and 26 October 2007 ("Date of Grant"), in an aggregate to 24,200,000 shares and 89,700,000 shares respectively. The options are exercisable at any time during the period no later than ten years from the Date of Grant at the exercise price of HK\$ 1.76 and HK\$ 5.24 per share respectively. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

(a) 僱員購股權計劃

經董事局及股東會議批准後，本公司董事及僱員已於二零零六年六月三十日及二零零七年十月二十六日（「授出日期」）獲授予購股權，分別涉及合共24,200,000股及89,700,000股股份。購股權可於授出日期起計不遲於十年期間內隨時予以行使，行使價分別為每股1.76港元及5.24港元。本集團並無以現金購回或結算購股權的法定或推定責任。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

10. OTHER RESERVES (continued)

(a) Employee share option scheme (continued)

On 14 January 2008, Mittal Steel made an unconditional mandatory cash offer to acquire all the disinterested shares. A comparable offer was also made and extended to option holders for the cancellation of all share options which were outstanding. Following the closing of the offer, all outstanding share options at the commencement for the offer were accepted and cancelled.

As approved by the Board and Shareholders' meeting, the share options were granted to the directors and employees on 24 February 2009, in an aggregate to 21,200,000 shares at an exercise price of HK\$ 1.39 per share. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options are exercisable during the following periods:

- (i) up to 50% of the options on or after 24 February 2009;
- (ii) up to further 75% of the options on or after 24 February 2010;
- (iii) all the remaining options on or after 24 February 2011.

and in each case, not later than 23 February 2019.

In February 2009, all the directors and employees have accepted the share options.

10. 其他儲備(續)

(a) 僱員購股權計劃(續)

於二零零八年一月十四日，Mittal Steel提出一項無條件強制性現金收購要約，以收購全部無利害關係之股份。另外還向購股權持有人提出一項相若的收購要約，以註銷所有尚未行使的購股權。收購要約截止後，所有於收購要約開始時尚未行使的購股權均獲接納及註銷。

經董事局及股東會議批准後，本公司董事及僱員已於二零零九年二月二十四日獲授予購股權，涉及合共21,200,000股股份，行使價為每股1.39港元。本集團並無以現金購回或結算購股權的法定或推定責任。購股權可於以下期間內予以行使：

- (i) 於二零零九年二月二十四日或之後行使最多50%的購股權；
- (ii) 於二零一零年二月二十四日或之後行使最多額外75%的購股權；
- (iii) 於二零一一年二月二十四日或之後行使所有餘下購股權。

於任何情況下，不得遲於二零一九年二月二十三日。

於二零零九年二月，所有董事及僱員已接納購股權。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

10. OTHER RESERVES (continued)

(a) Employee share option scheme (continued)

As approved by the Board and Shareholders' meeting, the share options were granted to the directors on 11 May 2009, in an aggregate to 6,600,000 shares at an exercise price of HK\$ 1.50 per share. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options are exercisable during the following periods:

- (i) up to 50% of the options on or after 11 May 2009;
- (ii) up to further 75% of the options on or after 11 May 2010;
- (iii) all the remaining options on or after 11 May 2011.

and in each case, not later than 11 May 2019.

In May 2009, all the directors have accepted the share options.

10. 其他儲備(續)

(a) 僱員購股權計劃(續)

經董事局及股東會議批准後，本公司董事已於二零零九年五月十一日獲授予購股權，涉及合共6,600,000股股份，行使價為每股1.50港元。本集團並無以現金購回或結算購股權的法定或推定責任。購股權可於以下期間內予以行使：

- (i) 於二零零九年五月十一日或之後行使最多50%的購股權；
- (ii) 於二零一零年五月十一日或之後行使最多額外75%的購股權；
- (iii) 於二零一一年五月十一日或之後行使所有餘下購股權。

於任何情況下，不得遲於二零一九年五月十一日。

於二零零九年五月，所有董事已接納購股權。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

10. OTHER RESERVES (continued)

(a) Employee share option scheme (continued)

Movements in the number of share options outstanding and their related weighted average exercise prices were as follows:

At 1 January	於一月一日
Granted	已授出
Exercised	已行使
Cancelled	已註銷
At 30 June	於六月三十日

Options exercised for the six months ended 30 June 2008 resulted in 2,400,000 shares being issued at HK\$ 1.76 each. The related weighted average share price at the time of exercise was HK\$ 6.42 per share.

10. 其他儲備(續)

(a) 僱員購股權計劃(續)

尚未行使的購股權數目及其相關加權平均行使價的變動如下：

For the six months ended 30 June (unaudited)			
2009		2008	
截至六月三十日止六個月(未經審核)			
二零零九年		二零零八年	
Average exercise price per share in	Number of options	Average exercise price per share in	Number of options
每股平均行使價	購股權數目	每股平均行使價	購股權數目
HK\$	(thousands)	HK\$	(thousands)
港元	(千份)	港元	(千份)
-	-	5.15	92,100
1.42	27,800	-	-
-	-	1.76	(2,400)
-	-	5.24	(89,700)
1.42	27,800	-	-

截至二零零八年六月三十日止六個月已行使的購股權共2,400,000股，每股發行價為1.76港元。行使時的相關加權平均股價為每股6.42港元。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

11. TRADE PAYABLES

11. 應付貿易賬款

		As at	
		30 June 2009	31 December 2008
		於	
		二零零九年 六月三十日	二零零八年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
Accounts payable	應付賬款	1,226,027	1,936,407
Notes payable (a)	應付票據(a)	543,500	282,988
		1,769,527	2,219,395

(a) As at 30 June 2009, the notes payable represented bank acceptance notes and trade acceptance notes, carrying at RMB 467 million and RMB 77 million respectively. RMB 417 million of total bank acceptance notes were secured by restricted bank balances carrying at approximately RMB 171 million, and RMB 50 million of which were secured by inventories and restricted bank balances carrying at approximately RMB 64 million and RMB 19 million respectively.

As at 31 December 2008, the notes payable represented bank acceptance notes, RMB 10 million of which were secured by notes receivable carrying at approximately RMB 10 million (Note 7), RMB 203 million of which were secured by restricted bank balances carrying at approximately RMB 63 million, and RMB 70 million of which were secured by inventories and restricted bank balances carrying at approximately RMB 36 million and RMB 64 million respectively.

(a) 於二零零九年六月三十日，應付票據指銀行承兌匯票及商業承兌匯票，金額分別為人民幣4.67億元及人民幣7,700萬元。所有銀行承兌匯票中，人民幣4.17億元的銀行承兌匯票以金額約人民幣1.71億元的受限制銀行結餘作為抵押，而人民幣5,000萬元的銀行承兌匯票以金額分別為約人民幣6,400萬元的存貨和約人民幣1,900萬元的受限制銀行結餘作為抵押。

於二零零八年十二月三十一日，應付票據指銀行承兌匯票，其中人民幣1,000萬元的銀行承兌匯票以金額約人民幣1,000萬元的應收票據作為抵押(附註7)，人民幣2.03億元的銀行承兌匯票以金額約人民幣6,300萬元的受限制銀行結餘作為抵押，以及人民幣7,000萬元的銀行承兌匯票以金額分別為約人民幣3,600萬元的存貨和約人民幣6,400萬元的受限制銀行結餘作為抵押。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

11. TRADE PAYABLES (continued)

As at 30 June 2009 and 31 December 2008, the ageing analysis of the trade payables was as follows:

Within 3 months	3個月內
4-6 months	4至6個月
7-9 months	7至9個月
10-12 months	10至12個月
Above 1 year	1年以上

11. 應付貿易賬款(續)

於二零零九年六月三十日及二零零八年十二月三十一日，應付貿易賬款的賬齡分析如下：

		As at	
		30 June 2009	31 December 2008
		於	
		二零零九年 六月三十日	二零零八年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
		1,279,009	1,596,939
		385,019	586,530
		65,108	22,951
		30,325	2,473
		10,066	10,502
		1,769,527	2,219,395

12. ACCRUALS, ADVANCES FROM CUSTOMERS AND OTHER CURRENT LIABILITIES

Accruals	預提費用
Advances from customers	預收客戶款項
Value-added tax payable	應付增值稅
Other taxes payables	其他應付稅項
Other payables (a)	其他應付賬款(a)

12. 預提費用、預收客戶款項及其他流動負債

		As at	
		30 June 2009	31 December 2008
		於	
		二零零九年 六月三十日	二零零八年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
		124,538	73,873
		1,059,888	892,796
		25,645	206,307
		6,711	15,032
		926,317	846,737
		2,143,099	2,034,745

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

12. ACCRUALS, ADVANCES FROM CUSTOMERS AND OTHER CURRENT LIABILITIES (continued)

- (a) The breakdowns of other payables as at 30 June 2009 and 31 December 2008 were as follows:

Pension payables and other social welfare payables	應付退休金及其他應付社會福利
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付賬款
Customer deposits	客戶按金
Salary payables	應付薪金
Overdue borrowings (Note 13 (ii))	逾期借款(附註 13(ii))
Employee deposits	員工按金
Others	其他

12. 預提費用、預收客戶款項及其他流動負債(續)

- (a) 於二零零九年六月三十日及二零零八年十二月三十一日的其他應付賬款分類如下：

As at	
30 June 2009	31 December 2008
於	
二零零九年六月三十日	二零零八年十二月三十一日
Unaudited	Audited
未經審核	經審核
73,477	79,661
636,731	541,470
114,077	86,710
27,755	30,875
–	20,000
30,248	30,219
44,029	57,802
926,317	846,737

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

13. BORROWINGS

13. 借款

		As at	
		30 June 2009	31 December 2008
		於	
		二零零九年 六月三十日	二零零八年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
Non-current	非流動		
Bank borrowings, secured (i)	銀行借款，已抵押 (i)	200,000	384,230
Other borrowings, unsecured (ii)	其他借款，無抵押 (ii)	85,000	105,000
		285,000	489,230
Current	流動		
Bank borrowings-	銀行借款		
Secured (i)	已抵押 (i)	1,228,095	1,190,930
Unsecured	無抵押	847,500	486,300
		2,075,595	1,677,230
Other borrowings, unsecured (ii)	其他借款，無抵押 (ii)	20,000	20,000
		2,095,595	1,697,230
Total borrowings	總借款	2,380,595	2,186,460

(i) As at 30 June 2009, secured borrowings amounting to RMB 688 million, out of the total secured borrowings of RMB 1,428 million, were secured by property, plant and equipment of the Group carrying at approximately RMB 1,296 million.

As at 30 June 2009, secured borrowings amounting to RMB 130 million, out of total secured borrowings amounting to RMB 1,428 million, were secured by leasehold land and land use rights of the Group carrying at approximately RMB 38 million.

(i) 於二零零九年六月三十日，已抵押借款總額為人民幣14.28億元，其中人民幣6.88億元的已抵押借款以本集團賬面值約人民幣12.96億元的物業、廠房及設備作為抵押。

於二零零九年六月三十日，已抵押借款總額為人民幣14.28億元，其中人民幣1.30億元的已抵押借款以本集團賬面值約人民幣3,800萬元的租賃土地及土地使用權作為抵押。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

13. BORROWINGS (continued)

(i) (continued)

As at 30 June 2009, secured borrowings amounting to RMB 160 million, out of the total secured borrowings of RMB 1,428 million, were secured by restricted bank balances of the Group carrying at approximately RMB 180 million.

As at 30 June 2009, secured borrowings amounting to RMB 370 million, out of the total secured borrowings of RMB 1,428 million, were secured by inventories of the Group carrying at approximately RMB 506 million.

As at 30 June 2009, except for the secured borrowings described above, current secured borrowings amounting to RMB 80 million were secured by property, plant and equipment and leasehold land and land use rights, whose carrying amount were approximately RMB 136 million and RMB 23 million respectively, and guaranteed by Foshan Jin Lan Aluminum Company Limited ("Foshan Jin Lan") pursuant to the agreement achieved on 12 September 2008. In accordance with the guarantee contract, Foshan Jin Lan granted a guarantee in favour of Jinxi Jinlan for bank borrowing facilities amounting to RMB 150 million.

As at 31 December 2008, secured borrowings amounting to RMB 687 million, out of total secured borrowings amounting to RMB 1,575 million, were secured by property, plant and equipment of the Group carrying at approximately RMB 1,263 million.

13. 借款(續)

(i) (續)

於二零零九年六月三十日，已抵押借款總額為人民幣14.28億元，其中人民幣1.60億元的已抵押借款以本集團賬面值約人民幣1.80億元的受限制銀行結餘作為抵押。

於二零零九年六月三十日，已抵押借款總額為人民幣14.28億元，其中人民幣3.70億元的已抵押借款以本集團賬面值約人民幣5.06億元的存貨作為抵押。

於二零零九年六月三十日，除上文所述的已抵押借款外，總額為人民幣8,000萬元的已抵押流動借款以賬面值分別約人民幣1.36億元和約人民幣2,300萬元的物業、廠房及設備及租賃土地及土地使用權作為抵押並由佛山金蘭鋁廠有限公司(「佛山金蘭」)根據於二零零八年九月十二日達成的協議出具擔保。根據擔保合約，佛山金蘭就人民幣1.50億元的銀行借款額度向津西金蘭出具擔保。

於二零零八年十二月三十一日，已抵押借款總額為人民幣15.75億元，其中人民幣6.87億元的已抵押借款以本集團賬面值約人民幣12.63億元的物業、廠房及設備作為抵押。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

13. BORROWINGS (continued)

(i) (continued)

As at 31 December 2008, secured borrowings amounting to RMB 130 million, out of total secured borrowings amounting to RMB 1,575 million, were secured by leasehold land and land use rights of the Group carrying at approximately RMB 39 million.

As at 31 December 2008, secured borrowings amounting to RMB 160 million, out of the total secured borrowings of RMB 1,575 million, were secured by restricted bank balances of the Group carrying at approximately RMB 180 million.

As at 31 December 2008, secured borrowings amounting to RMB 20 million, out of the total secured borrowings of RMB 1,575 million, were secured by inventories of the Group carrying at approximately RMB 36 million.

As at 31 December 2008, secured borrowings amounting to RMB 200 million, out of the total secured borrowings of RMB 1,575 million, were secured by inventories and certain restricted bank balances of the Group of approximately RMB 220 million and RMB 20 million respectively.

As at 31 December 2008, secured borrowings amounting to RMB 300 million, out of the total secured borrowings of RMB 1,575 million, were secured by inventories and notes receivable of the Group of approximately RMB 134 million and RMB 241 million (Note 7) respectively.

13. 借款(續)

(i) (續)

於二零零八年十二月三十一日，已抵押借款總額為人民幣15.75億元，其中人民幣1.30億元的已抵押借款以本集團賬面值約人民幣3,900萬元的租賃土地及土地使用權作為抵押。

於二零零八年十二月三十一日，已抵押借款總額為人民幣15.75億元，其中人民幣1.60億元的已抵押借款以本集團賬面值約人民幣1.80億元的受限制銀行結餘作為抵押。

於二零零八年十二月三十一日，已抵押借款總額為人民幣15.75億元，其中人民幣2,000萬元的已抵押借款以本集團賬面值約人民幣3,600萬元的存貨作為抵押。

於二零零八年十二月三十一日，已抵押借款總額為人民幣15.75億元，其中人民幣2億元的已抵押借款以本集團分別約人民幣2.20億元及人民幣2,000萬元的存貨及若干受限制銀行結餘作為抵押。

於二零零八年十二月三十一日，已抵押借款總額為人民幣15.75億元，其中人民幣3億元的已抵押借款以本集團分別約人民幣1.34億元及人民幣2.41億元的存貨及應收票據(附註7)作為抵押。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

13. BORROWINGS (continued)

(i) (continued)

As at 31 December 2008, except for the secured borrowings described above, current secured borrowings amounting to RMB 78 million were secured by property, plant and equipment, certain leasehold land and land use rights, whose carrying amount were approximately RMB 143 million and RMB 24 million respectively, and guaranteed by Foshan Jin Lan pursuant to the agreement achieved on 12 September 2008. In accordance with the guarantee contract, Foshan Jin Lan granted a guarantee in favour of Jinxi Jinlan for bank borrowing facilities amounting to RMB 150 million.

- (ii) Other unsecured borrowing represented a borrowing from the local county government amounting to RMB 145 million which will be repaid from 1 January 2008 onwards at an amount of RMB 20 million per annum. Interest is charged at the RMB bank deposit rate for 1 year fixed deposit. As at 31 December 2008, other borrowings of RMB 20 million were past due and reclassified to other payables (Note 12), which have been repaid in March 2009.

13. 借款(續)

(i) (續)

於二零零八年十二月三十一日，除上文所披露的已抵押借款外，已抵押流動借款為人民幣7,800萬元以賬面值分別約人民幣1.43億元及人民幣2,400萬元的物業、廠房及設備、若干租賃土地及土地使用權作為抵押，並由佛山金蘭根據於二零零八年九月十二日達成之協議出具擔保。根據擔保合約，佛山金蘭就人民幣1.50億元的銀行借款額度為津西金蘭出具擔保。

- (ii) 其他無抵押借款指當地縣政府的借款為人民幣1.45億元，該筆借款將自二零零八年一月一日起每年償還人民幣2,000萬元。利息按銀行人民幣一年期定期存款利率計算。於二零零八年十二月三十一日，其他借款人民幣2,000萬元已逾期並已重新列入其他應付款(附註12)，該等借款已於二零零九年三月償還。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

13. BORROWINGS (continued)

Movements in borrowings were analysed as follows:

		Unaudited 未經審核
For the six months ended 30 June 2009	截至二零零九年六月三十日止六個月	
Opening amount as at 1 January 2009	於二零零九年一月一日的期初結餘	2,186,460
Proceeds from borrowings	借款所得款項	1,114,238
Repayments of borrowings	借款償還款項	(920,000)
Foreign exchange gain	滙兌收入	(103)
Closing amount as at 30 June 2009	於二零零九年六月三十日的期末結餘	2,380,595
For the six months ended 30 June 2008	截至二零零八年六月三十日止六個月	
Opening amount as at 1 January 2008	於二零零八年一月一日的期初結餘	1,225,000
Proceeds from borrowings	借款所得款項	850,919
Repayments of borrowings	借款償還款項	(370,000)
Foreign exchange gain	滙兌收入	(1,253)
Closing amount as at 30 June 2008	於二零零八年六月三十日的期末結餘	1,704,666

As at 30 June 2009 and 31 December 2008, the Group's borrowings were repayable as follows:

借款的變動情況分析如下：

於二零零九年六月三十日及二零零八年十二月三十一日，本集團的借款到期期限如下：

		Bank borrowings 銀行借款		Other borrowings 其他借款	
		30 June 2009 二零零九年 六月 三十日 Unaudited 未經審核	31 December 2008 二零零八年 十二月 三十一日 Audited 經審核	30 June 2009 二零零九年 六月 三十日 Unaudited 未經審核	31 December 2008 二零零八年 十二月 三十一日 Audited 經審核
Within 1 year	1年內	2,075,595	1,677,230	20,000	20,000
Between 1 and 2 years	1至2年	200,000	384,230	20,000	20,000
Between 2 and 5 years	2至5年	-	-	60,000	60,000
Over 5 years	5年以上	-	-	5,000	25,000
		2,275,595	2,061,460	105,000	125,000

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

13. BORROWINGS (continued)

The effective interest rates at the balance sheet date were as follows:

13. 借款(續)

於結算日的實際利率如下：

		As at			
		30 June 2009		31 December 2008	
		於			
		二零零九年六月三十日		二零零八年十二月三十一日	
		Unaudited		Audited	
		未經審核		經審核	
		RMB	HK\$	RMB	HK\$
		人民幣	港元	人民幣	港元
Bank borrowings	銀行借款	2.61%-12.00%	2.10%	5.58%-12.00%	3.14%
Other borrowings	其他借款	2.25%	-	4.14%	-

Interest expenses on borrowings for the six months ended 30 June 2009 are RMB 63 million (30 June 2008: RMB 49 million), out of which RMB 21 million (30 June 2008: RMB 30 million) arising on financing for the construction of plant and equipments were capitalised during the period and were included in "additions" in property, plant and equipment. A capitalisation rate of 6.20% (30 June 2008: 6.87%) was used, representing the borrowing cost of the loan used to finance the project.

截至二零零九年六月三十日止六個月的借款利息開支為人民幣6,300萬元(二零零八年六月三十日：人民幣4,900萬元)，其中與融資廠房及設備建設的借款利息開支為人民幣2,100萬元(二零零八年六月三十日：人民幣3,000萬元)已於期內資本化，並已包括在物業、廠房及設備的「添置」一項內。採用的資本化率為6.20%(二零零八年六月三十日：6.87%)，相當於融資該項目所用貸款的借款成本。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

13. BORROWINGS (continued)

The carrying amounts and fair value of the non-current bank borrowings and other borrowings were as follows:

13. 借款(續)

非流動銀行借款及其他借款的賬面值和公平值如下：

		Carrying amounts		Fair value	
		賬面值		公平值	
		30 June	31 December	30 June	31 December
		2009	2008	2009	2008
		二零零九年	二零零八年	二零零九年	二零零八年
		六月	十二月	六月	十二月
		三十日	三十一日	三十日	三十一日
		Unaudited	Audited	Unaudited	Audited
		未經審核	經審核	未經審核	經審核
Bank borrowings	銀行借款	200,000	384,230	200,000	385,943
Other borrowings	其他借款	105,000	125,000	95,511	120,938
		305,000	509,230	295,511	506,881

The fair values of current borrowings approximated their carrying amount, as the impact of discounting is not significant. The fair values of other borrowings are based on cash flows discounted using a rate based on the borrowings rate of 6.30% per annum (31 December 2008: 6.62% per annum).

由於折現影響不大，流動借款的公平值與其賬面值相若。其他借款的公平值按折現現金流量計算，折現率以借款年利率6.30釐(二零零八年十二月三十一日：年利率6.62釐)為基準。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

14. OTHER LONG-TERM PAYABLES

14. 其他長期應付款

		As at	
		30 June 2009	31 December 2008
		於	
		二零零九年 六月三十日	二零零八年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
Non-current	非流動		
Finance lease obligations (i)	融資租賃承擔 (i)	659,626	717,934
Performance guarantee deposit (ii)	履約擔保按金 (ii)	130,000	130,000
		789,626	847,934
Current	流動		
Finance lease obligations (i)	融資租賃承擔 (i)	82,987	19,888
Total other long-term payables	其他長期應付款總額	872,613	867,822

(i) In July 2008, Jinxi Limited entered into an asset sale and leaseback agreements (the "Sale and Lease Agreement") with certain financial institution. The sales proceeds of the property, plant and equipment was RMB 800 million. The lease term was 60 months and the lease payments were adjusted annually and reset according to the primary rate announced by the People's Bank of China (the "PBOC"). The purchase option at the end of lease period was RMB 0.1 thousand.

In August 2008, Jinxi Limited entered into a guarantee agreement with another financial institution. Pursuant to the agreement, this financial institution granted a guarantee in favour of Jinxi Limited for the above finance lease amounting to RMB 800 million.

(i) 於二零零八年七月，津西鋼鐵與某金融機構訂立資產售後租回協議（「售後租回協議」）。物業、廠房及設備之銷售所得款項為人民幣8億元。租期為60個月，租賃付款每年會進行調整並根據中國人民銀行（「中國人民銀行」）所公佈之基準利率重新設定。租期結束時購買選擇權為人民幣100元。

於二零零八年八月，津西鋼鐵與另一家金融機構訂立一份擔保協議。根據該協議，該金融機構就上述為數人民幣8億元融資租賃為津西鋼鐵出具擔保。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

14. OTHER LONG-TERM PAYABLES (continued)

(i) (continued)

As at 30 June 2009, total minimum lease payments under finance lease based on PBOC interest rate as at the balance sheet date and their present values were as follows:

Within 1 year 1年內
Between 1 and 5 years 1至5年

Unaudited 未經審核		
Present value of minimum lease payments 最低租賃 付款 之現值	Interest expenses relating to future periods 有關未來 期間之 利息開支	Total minimum lease payments 最低租賃 付款 總額
82,987	69,844	152,831
659,626	92,246	751,872
742,613	162,090	904,703

For period ended 30 June 2009 and the year ended 31 December 2008, no contingent-based rents were recognised as expenses.

The effective interest rate of the finance lease obligations of the Group for the period ended 30 June 2009 was 9.12% per annum (2008: 11.40% per annum).

As at 31 December 2008, the fair value of the finance lease obligations approximated RMB 834 million. The fair values were based on discounted cash flow using average borrowing rates of 6.62% per annum.

14. 其他長期應付款(續)

(i) (續)

於二零零九年六月三十日，按中國人民銀行於結算日利率計息之融資租賃之最低租賃付款總額及其現值如下：

截至二零零九年六月三十日止期間及截至二零零八年十二月三十一日止年度，概無或然租金確認為開支。

截至二零零九年六月三十日止期間，本集團融資租賃承擔之實際年利率為9.12%(二零零八年：11.40%)。

於二零零八年十二月三十一日，融資租賃承擔之公平值約人民幣8.34億元。公平值乃根據平均借款年利率6.62%折現之現金流量計算。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

14. OTHER LONG-TERM PAYABLES (continued)

- (ii) During the year ended 31 December 2008, the Group has received performance and quality guarantee deposit amounting to RMB 130 million from a supplier, who provides construction services to the Group. The performance guarantee deposit was unsecured, bore interest at a rate of 10% per annum and repayable within three years.

As at 30 June 2009, the fair value of performance guarantee deposit approximated RMB 143 million (31 December 2008: RMB 146 million).

15. OPERATING PROFIT

The following items have been credited/(charged) to the operating profit during the six months ended 30 June 2009 and 2008:

14. 其他長期應付款(續)

- (ii) 截至二零零八年十二月三十一日止年度，本集團自一名向本集團提供建築服務之供應商收取履約及質量擔保按金金額為人民幣1.3億元。履約擔保按金為無抵押，按年利率10%計息並須於三年內償還。

於二零零九年六月三十日，履約擔保按金之公平值約人民幣1.43億元(二零零八年十二月三十一日：人民幣1.46億元)。

15. 經營溢利

截至二零零九年及二零零八年六月三十日止六個月，下列項目已計入/(扣除)自經營溢利：

		For the six months ended	
		30 June	
		2009	2008
		截至六月三十日止六個月	
		二零零九年	二零零八年
		Unaudited	Unaudited
		未經審核	未經審核
Gain/(loss) on disposal of property, plant and equipment	處置物業、廠房及設備的收益/(虧損)	549	(273)
Amortisation of leasehold land and land use rights (Note 5)	租賃土地及土地使用權攤銷(附註5)	(825)	(826)
Depreciation of property, plant and equipment (Note 5)	物業、廠房及設備折舊(附註5)	(399,961)	(261,185)
Taxation on inter-group transfer of property, plant and equipment	集團內轉讓物業、廠房及設備的稅項	(25,613)	-
Depreciation of investment properties (Note 5)	投資物業折舊(附註5)	(402)	(524)
Foreign exchange loss, net	匯兌虧損，淨額	(1,045)	(12,923)

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

16. INCOME TAX EXPENSE

Current income tax 當期所得稅
 – PRC enterprise income tax – 中國企業所得稅
 Deferred income tax 遞延所得稅

16. 所得稅費用

For the six months ended

30 June

2009

2008

截至六月三十日止六個月

二零零九年

二零零八年

Unaudited

Unaudited

未經審核

未經審核

151,572 314,849
 (6,109) (9,841)

145,463 305,008

17. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

17. 每股溢利

基本

每股基本溢利乃根據本公司權益持有人應佔溢利除以期內已發行普通股的加權平均數而計算。

For the six months ended

30 June

2009

2008

截至六月三十日止六個月

二零零九年

二零零八年

Unaudited

Unaudited

未經審核

未經審核

Profit attributable to equity holders 本公司權益持有人
 of the Company 應佔溢利
 Weighted average number of ordinary 已發行普通股的加權
 shares in issue (thousands) 平均數(千股)

358,231 835,440

2,929,200 2,929,174

Basic earnings per share (RMB per share) 每股基本溢利(每股人民幣元)

0.12 0.29

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

17. EARNINGS PER SHARE (continued)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares.

As at 30 June 2009, the Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) during the period based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

17. 每股溢利(續)

攤薄

計算每股攤薄盈利時，會調整已發行普通股加權平均數，當中假設轉換所有攤薄性潛在普通股。

截至二零零九年六月三十日止，本公司僅有一類可攤薄的潛在普通股：購股權。就購股權而言，根據尚未行使購股權所附的認購權的貨幣價值，按公平值(釐定為本公司股份的平均年度市價)於期內可購入的股份數目釐定。按以上方式計算的股份數目乃與假設購股權行使而應已發行的股份數目作出比較。

For the six months ended
30 June 2009
截至六個月止
二零零九年六月三十日
Unaudited
未經審核

Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	358,231
Weighted average number of ordinary shares in issue used in calculating basic earnings per share (thousands)	用於計算每股基本溢利的已發行普通股加權平均數值(千股)	2,929,200
Adjustments for options (thousands)	購股權調整(千股)	1,461
Weighted average number of ordinary shares and potential ordinary shares issued as the denominator in calculating diluted earnings per share (thousands)	計算每股攤薄盈利時作為分母的已發行普通股及潛在普通股加權平均數(千股)	2,930,661
Diluted earnings per share (RMB per share)	每股攤薄盈利(每股人民幣元)	0.12

Diluted earnings per share for the period ended 30 June 2008 equals basic earnings per share as the Company has no dilutive potential ordinary shares as at 30 June 2008.

由於本公司於二零零八年六月三十日並無可攤薄的潛在普通股，故於截至二零零八年六月三十日止期間，每股攤薄溢利與每股基本溢利相同。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

18. DIVIDENDS

- (a) At a meeting held on 27 March 2008, the Board proposed a final dividend in respect of the year ended 31 December 2007 of HK\$ 181.61 million (approximately RMB 164.36 million), representing HK\$ 0.062 per ordinary share. The Annual General Meeting held on 15 May 2008 approved the Board's dividend proposal. Such final dividend was paid for the six months ended 30 June 2008.
- (b) At a meeting held on 18 August 2008, the Board proposed an interim dividend of HK\$ 190.14 million (approximately RMB 167.09 million), representing HK\$ 0.065 per ordinary share, for the six months ended 30 June 2008. Such interim dividend was paid in the second half of 2008.
- (c) The Board does not recommend the payment of final dividend for the year ended 31 December 2008.
- (d) The Board does not recommend the payment of interim dividend for the six months ended 30 June 2009.

18. 股息

- (a) 於二零零八年三月二十七日舉行的會議上，董事局建議分派截至二零零七年十二月三十一日止年度末期股息共計1.8161億港元(約人民幣1.6436億元)，即每股普通股0.062港元。二零零八年五月十五日舉行的股東週年大會已經批准董事局的股息建議。上述末期股息已於截至二零零八年六月三十日止六個月內派發。
- (b) 於二零零八年八月十八日舉行的會議上，董事局建議分派截至二零零八年六月三十日止六個月中期股息共計1.9014億港元(約人民幣1.6709億元)，即每股普通股0.065港元。上述中期股息已於二零零八年下半年度派發。
- (c) 董事局不建議分派截至二零零八年十二月三十一日止年度末期股息。
- (d) 董事局不建議分派截至二零零九年六月三十日止六個月中期股息。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

19. NOTES TO THE CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

Major non-cash transactions:

During the six months ended 30 June 2009, the Group endorsed bank acceptance notes to the suppliers for purchase of property, plant and equipment amounting to approximately RMB 178 million (30 June 2008: approximately RMB 452 million).

20. CAPITAL COMMITMENTS

Capital expenditure committed at the balance sheet date but not yet incurred was as follows:

Purchase of intangible assets	購買無形資產
– Contracted but not provided for	– 已訂約但未撥備
Purchase of property, plant and equipment	購買物業、廠房和設備
– Contracted but not provided for	– 已訂約但未撥備
– Authorised but not contracted for	– 已授權但未訂約

19. 簡明綜合中期現金流量表附註

主要非現金交易：

於截至二零零九年六月三十日止六個月，本集團就購買物業、廠房及設備向供應商背書銀行承兌匯票約人民幣1.78億元(二零零八年六月三十日：約人民幣4.52億元)。

20. 資本承擔

於結算日已承諾但尚未產生的資本開支如下：

As at	
30 June 2009	31 December 2008
於	
二零零九年 六月三十日	二零零八年 十二月三十一日
Unaudited 未經審核	Audited 經審核
2,000	2,000
1,956,218	2,088,203
1,309,882	1,209,707
3,266,100	3,297,910

21. FINANCIAL GUARANTEE CONTRACTS

As at 30 June 2009, Jinxi Limited provided guarantee for certain bank borrowings in favour of third parties amounting to approximately RMB 141 million (31 December 2008: approximately RMB 61 million). The fair values of these financial guarantee contracts are not significant.

The directors of the Company are of the view that to settle the obligation probably will not cause an outflow of resources embodying economic benefits.

21. 財務擔保合同

於二零零九年六月三十日，津西鋼鐵為第三方的若干銀行借款出具擔保，共約人民幣1.41億元(二零零八年十二月三十一日：約人民幣6,100萬元)。該等財務擔保合同的公平值並不重大。

本公司董事認為該償還責任將很可能不會造成經濟利益資源流出。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

22. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

- (a) During the six months ended 30 June 2009 and 2008, the directors are of the view that the following companies and persons are related parties of the Group:

Name 名稱	Relationship with the Group 與本集團的關係
Wellbeing Holdings	Substantial shareholder of the Company 本公司的主要股東
Mittal Steel	Substantial shareholder of the Company 本公司的主要股東
Smart Triumph Corporation	Former substantial shareholder of the Company 本公司的前主要股東
Tangshan City Jinxi Iron and Steel Group Co., Ltd. ("Tangshan Jinxi Group") 唐山市津西鋼鐵集團有限公司 (「唐山津西集團」)	Shareholder of Jinxi Limited and its legal representative is Mr. Han Jingyuan, a director of the Company 津西鋼鐵股東，其法定代表為本公司董事韓敬遠先生
Arcelor Mittal Sourcing SA ("AM Sourcing")	Controlled by the same ultimate controlling shareholder of Mittal Steel 由Mittal Steel的同一最終控股股東控制
Foshan Jin Lan 佛山金蘭	Substantial shareholder of Jinxi Jinlan 津西金蘭的主要股東
Foshan Jin Lan Import and Export Co., Ltd ("Jin Lan Import and Export") 佛山金蘭進出口有限公司(「金蘭進出口」)	Controlled by the family members of Mr. Zhou Weijie, a director of Jinxi Jinlan 由津西金蘭董事周偉傑先生的家族成員控制
Foshan Jin Lan Nonferrous Metals Product Co., Ltd. ("Jin Lan Nonferrous Metals") 佛山金蘭有色金屬製品有限公司 (「金蘭有色金屬」)	Foshan Jin Lan's subsidiary 佛山金蘭的附屬公司
Foshan Jin Lan Group Co., Ltd ("Jin Lan Group") 佛山金蘭集團有限公司(「金蘭集團」)	Controlled by Mr. Zhou Weijie, a director of Jinxi Jinlan 由津西金蘭董事周偉傑先生控制
Qianxi County Zhongxing Iron Mine Co., Ltd. ("Zhongxing Iron Mine") 遷西縣中興礦業有限公司(「中興礦業」)	Jinxi Limited's associated company 津西鋼鐵的聯營公司

22. 關聯方交易

倘一方有直接或間接能力控制另一方或對另一方在制定財務及營運決策時有重大影響力，則為關聯方。倘彼等受共同控制，也為關聯方。

- (a) 於截至二零零九年和二零零八年六月三十日止六個月，董事認為以下公司和人士為本集團的關聯方：

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

22. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Name 名稱

Qianxi County Hui Yin Trading
Company Limited (“Hui Yin”)
遷西縣滙銀工貿
有限公司(「滙銀」)

Qianxi County Longba
Charging Company Limited
 (“Longba Charging”)
遷西縣龍霸爐料
有限公司(「龍霸爐料」)

Pingquan County Longba
Quarrying Company Limited
 (“Longba Quarrying”)
平泉縣龍霸採石廠有限公司
(「龍霸採石」)

Hebei Province Jing Yuan
Education Foundation
 (“Jing Yuan Foundation”)
河北省靜遠教育基金
(「靜遠基金」)

Mr. Han Jingyuan
韓敬遠先生

Mr. Zhou Weijie
周偉傑先生

Mr. Shen Xiaoling
沈曉玲先生

Mr. Du Chun
杜春先生

22. 關聯方交易(續)

(a) (續)

Relationship with the Group 與本集團的關係

Substantial shareholder of Jinxi Section Steel
津西型鋼的主要股東

Controlled by Mr. Du Chun, substantial
shareholder of Jinyin Charging
由津銀爐料的主要股東杜春先生控制

Controlled by Mr. Du Chun, substantial
shareholder of Jinyin Charging
由津銀爐料的主要股東杜春先生控制

Its legal representative is Mr. Han Jingyuan,
a director of the Company

本公司董事韓敬遠先生為其法定代表

Chairman and Chief Executive Officer of the Company
本公司董事局主席兼首席執行官

Director of Jinxi Jinlan
津西金蘭的董事

Director of the Company
本公司董事

Substantial shareholder of Jinyin Charging
津銀爐料的主要股東

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

22. RELATED PARTY TRANSACTIONS (continued)

(b) Significant related party transactions:

(i) Sales

(I) Sales of goods

Jin Lan Import and Export	金蘭進出口
Jin Lan Group	金蘭集團
Longba Charging	龍霸爐料

(II) Sales of utilities

Jin Lan Nonferrous Metals	金蘭有色金屬
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(ii) Purchase of raw materials

Zhongxing Iron Mine	中興礦業
Longba Charging	龍霸爐料
AM Sourcing	

22. 關聯方交易 (續)

(b) 重大關聯方交易：

(i) 銷售

(I) 貨品銷售

For the six months ended

30 June

2009	2008
截至六月三十日止六個月	截至六月三十日止六個月
二零零九年	二零零八年
Unaudited	Unaudited
未經審核	未經審核

23,257 40,993

9,457 -

1,390 -

34,104 40,993

(II) 電力銷售

For the six months ended

30 June

2009	2008
截至六月三十日止六個月	截至六月三十日止六個月
二零零九年	二零零八年
Unaudited	Unaudited
未經審核	未經審核

2,202 1,803

(ii) 原材料購買

For the six months ended

30 June

2009	2008
截至六月三十日止六個月	截至六月三十日止六個月
二零零九年	二零零八年
Unaudited	Unaudited
未經審核	未經審核

36,218 -

29,136 -

- 76,904

65,354 76,904

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

22. RELATED PARTY TRANSACTIONS (continued)

(c) Balance with related parties:

Amounts due from related parties

– Jin Lan Import and Export
– Longba Quarrying
– Jin Lan Nonferrous Metals
– Longba Charging
– Mr. Han Jingyuan
– Zhongxing Iron Mine

Amounts due to related parties

Non-current
Borrowings from a related party
– Foshan Jin Lan (i)
Deposit from a related party
– Mr. Shen Xiaoling

Current

Trade Payables
– Longba Charging
– Zhongxing Iron Mine
Borrowings from a related party
– Hui Yin
Dividends payable due to
– Tangshan Jinxi Group
– Zhongxing Iron Mine

Advances from a related party

– Jin Lan Group
Others
– Mr. Du Chun
– Foshan Jin Lan
– Mr. Han Jingyuan

應收關聯方款項

– 金蘭進出口
– 龍霸採石
– 金蘭有色金屬
– 龍霸爐料
– 韓敬遠先生
– 中興礦業

應付關聯方款項

非即期
關聯方提供的借款
– 佛山金蘭 (i)
應付關聯方按金
– 沈曉玲先生

即期

應付貿易賬款
– 龍霸爐料
– 中興礦業
關聯方提供的借款
– 滙銀
應付予以下實體的股息
– 唐山津西集團
– 中興礦業

預收關聯方款項

– 金蘭集團
其他
– 杜春先生
– 佛山金蘭
– 韓敬遠先生

22. 關聯方交易(續)

(c) 關聯方結餘：

		As at	
		30 June 2009	31 December 2008
		於 二零零九年 六月三十日	於 二零零八年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
		7,003	1,820
		1,733	3,000
		493	–
		907	–
		6	–
		–	9,800
		10,142	14,620
		55,055	55,055
		10,000	10,000
		65,055	65,055
		8,825	11,605
		3,329	1,555
		12,154	13,160
		170,000	170,000
		18,130	18,130
		2,535	2,535
		20,665	20,665
		6,063	–
		3,600	2,800
		383	383
		–	5
		3,983	3,188
		212,865	207,013

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

22. RELATED PARTY TRANSACTIONS (continued)

- (c) Balance with related parties:(continued)
- (i) Subject to certain agreements entered into in January 2006, the payables owing to Foshan Jin Lan amounting to RMB 55 million is unsecured, interest-free and repayable only after 5 years.

Except for the loan provided by Foshan Jin Lan as disclosed above, the loan provided to Zhongxing Iron Mine and the deposit from Mr. Shen Xiaoling, the related party balances were all unsecured, interest-free and had no fixed term of repayment.

The carrying amounts and fair value of the non-current amounts due to related parties are as follows:

22. 關聯方交易(續)

- (c) 關聯方結餘：(續)
- (i) 根據於二零零六年一月訂立的若干協議，應付佛山金蘭的借款為人民幣5,500萬元，此款項為無抵押、免息及須於五年後償還。

除上述由佛山金蘭提供的貸款、提供給中興礦業的貸款及來自沈曉玲先生的按金外，關聯方結餘均為無抵押、免息且無固定償還期。

非即期應付關聯方款項的賬面值及公平值如下：

	Carrying amounts		Fair value	
	賬面值		公平值	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
	二零零九年	二零零八年	二零零九年	二零零八年
	六月	十二月	六月	十二月
	三十日	三十一日	三十日	三十一日
	Unaudited	Audited	Unaudited	Audited
	未經審核	經審核	未經審核	經審核
Amounts due to related parties	65,055	65,055	59,436	58,127

應付關聯方
款項

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated) (除另有指明外，所有金額均以人民幣千元為單位)

22. RELATED PARTY TRANSACTIONS (continued)

(c) Balance with related parties: (continued)

The fair values of current amounts due to related parties and amounts due from related parties approximated their carrying amounts, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowings rate of 5.40% per annum (31 December 2008: 5.40% per annum).

23. APPROVAL ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The condensed consolidated interim financial information was reviewed by the audit committee of the Company and approved by the Board on 28 August 2009.

22. 關聯方交易(續)

(c) 關聯方結餘：(續)

由於折現影響不大，應付關聯方的即期款項的公平值及關聯方欠款的公平值近似於其賬面值。其公平值按折現現金流量計算，折現率以借款年利率5.40釐(二零零八年十二月三十一日：年利率5.40釐)為基準。

23. 批准簡明綜合中期財務資料

本公司審核委員會已審閱和董事局已於二零零九年八月二十八日批准本簡明綜合中期財務資料。



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