



2009

Annual Report 年報



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)

*For identification purposes only
僅供識別

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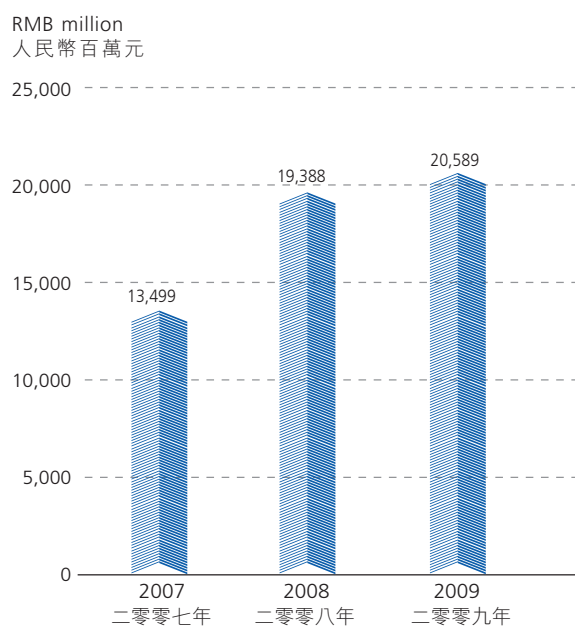
Financial Highlights 財務摘要

FINANCIAL SUMMARY

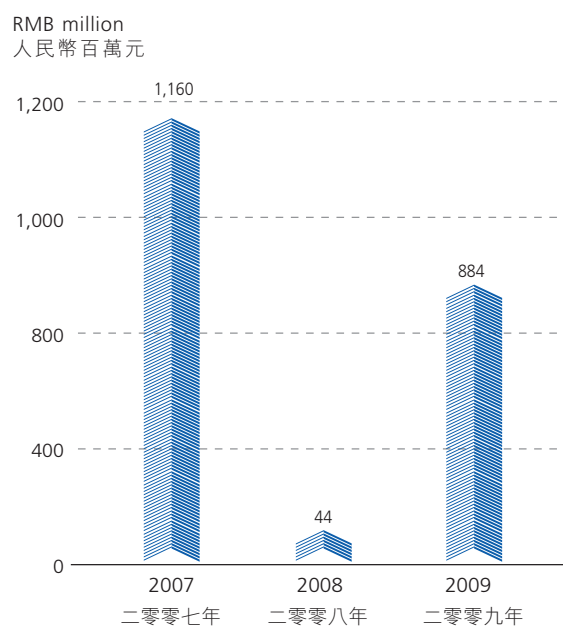
財務摘要

		2007 二零零七年 (RMB million) (人民幣百萬元)	2008 二零零八年 (RMB million) (人民幣百萬元)	2009 二零零九年 (RMB million) (人民幣百萬元)
Revenue	收入	13,499	19,388	20,589
Gross Profit	毛利	1,917	517	2,006
Profit Attributable to Equity Holders of the Company	本公司權益持有人應佔溢利	1,160	44	884
Basic Earnings per Share (RMB)	每股基本溢利(人民幣元)	0.40	0.02	0.30
Net Assets	淨資產值	6,696	6,490	7,461
Total Assets	總資產	10,162	14,136	15,189

Revenue
收入



Profit Attributable to Equity Holders of the Company
本公司權益持有人應佔溢利



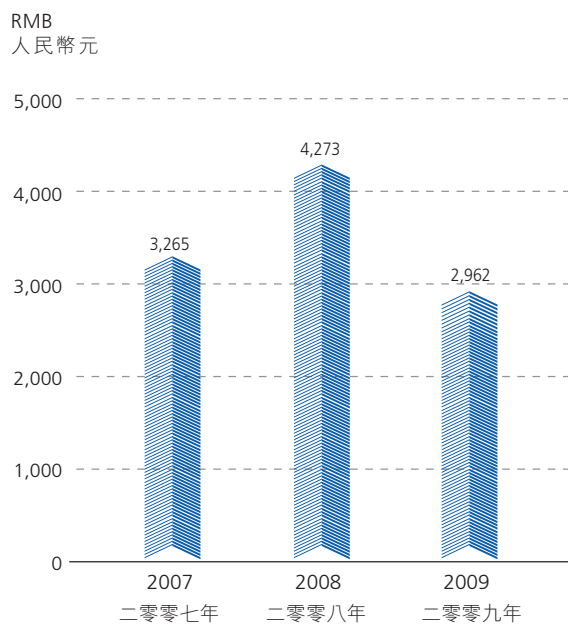
Financial Highlights 財務摘要

SELLING PRICE AND GROSS PROFIT/(LOSS) PER TONNE

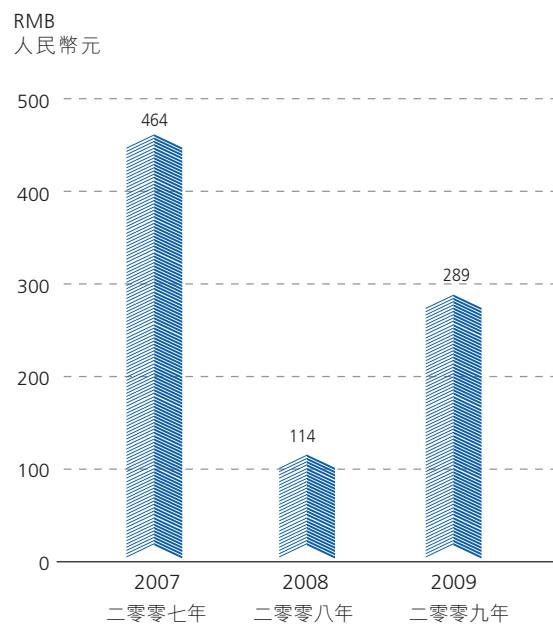
每噸銷售價與毛利／(毛虧)

		2007 二零零七年 (RMB) (人民幣元)	2008 二零零八年 (RMB) (人民幣元)	2009 二零零九年 (RMB) (人民幣元)
Selling Price per Tonne	每噸銷售價	3,265	4,273	2,962
Gross Profit/(Loss) per Tonne	每噸毛利／(毛虧)			
Billets	鋼坯	281	(10)	242
Strips and strip products	帶鋼及帶鋼類產品	404	99	342
H-section steel products	H型鋼產品	668	252	285
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	198	49	2
Combined	綜合	464	114	289

Selling Price per Tonne
每噸銷售價



Gross Profit per Tonne
每噸毛利



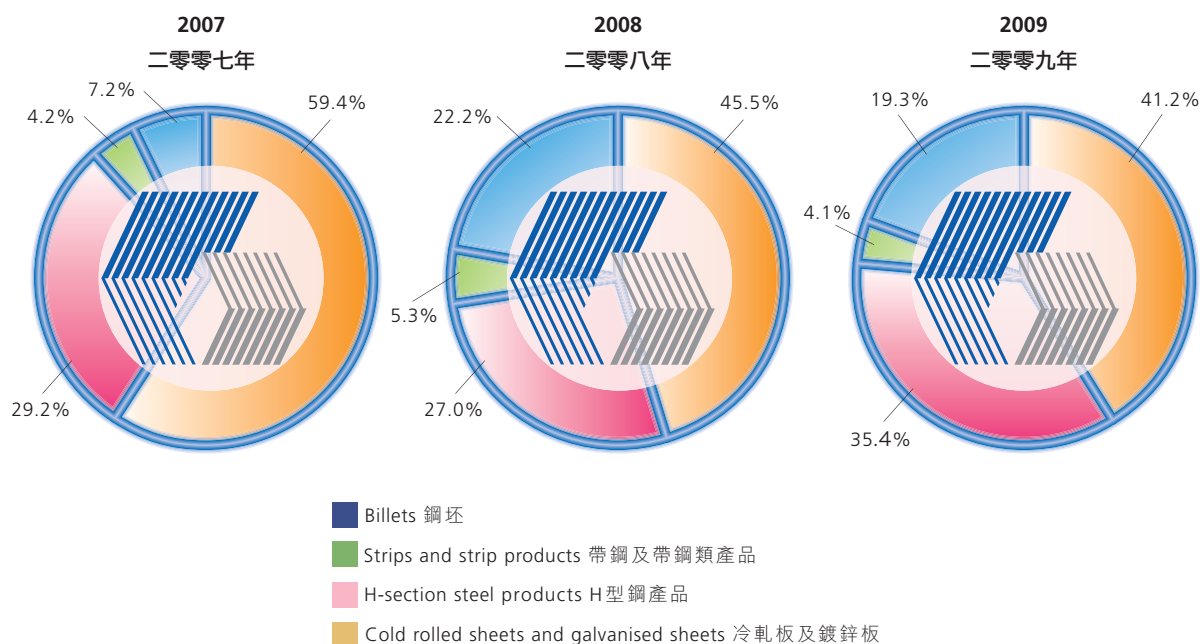
Financial Highlights 財務摘要

SALES VOLUME BY PRODUCTS

按產品種類劃分之銷量

		2007 二零零七年 ('000 tonnes) (千噸)	2008 二零零八年 ('000 tonnes) (千噸)	2009 二零零九年 ('000 tonnes) (千噸)
Billets	鋼坯	299	1,007	1,341
Strips and strip products	帶鋼及帶鋼類產品	2,451	2,061	2,861
H-section steel products	H型鋼產品	1,205	1,225	2,460
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	173	241	286
Combined	綜合	4,128	4,534	6,948

Sales Volume by Products
按產品種類劃分之銷量



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

(Deputy General Manager and Chief Financial Officer)

Mr. Zhu Hao

Mr. Muktesh Mukherjee *(Deputy General Manager)*

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 REPRESENTATIVE

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官)

劉磊先生 *(副總經理)*

沈曉玲先生

(副總經理兼首席財務官)

朱浩先生

Muktesh Mukherjee 先生 *(副總經理)*

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

Corporate Information 公司資料

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

註冊辦事處

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

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

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited

百慕達主要股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

股份過戶登記香港分處

卓佳證券登記有限公司

AUDITORS

PricewaterhouseCoopers

核數師

羅兵咸永道會計師事務所

COMPANY'S WEBSITE

www.chinaorientalgroup.com

公司網址

www.chinaorientalgroup.com

PRINCIPAL BANKERS

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

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
中國招商銀行



MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF 2009

OPERATING ENVIRONMENT

When the global economy was still under the shadow of the financial tsunami in the first half year of 2009, the PRC economy had already begun to show signs of recovery in the second quarter, as the government's stimulus package to boost domestic demand took effect. With the gradual implementation of the State's RMB 4 trillion investment plan, construction of many large-scale infrastructure projects in the country had successively commenced. The real estate industry also saw rapid rebound during the year under review, owing to expectations of inflation and the release of demands accumulated in the year before 2009. All these factors had positive impact on steel demand.

Although steel price remained low in the first half year of 2009, the rise in sales volume had significantly lifted the revenue of steel companies. In the second half of the year, steel price was pushed up by demand and rose steadily.

2009 China Oriental Group's entering new era of its corporate development. The Group recorded substantial growth in net profit.

二零零九年是中國東方集團控股有限公司成功邁進新紀元的一年。本集團的淨溢利錄得大幅增長。

管理層討論與分析

二零零九年回顧

經濟環境

二零零九年上半年全球經濟仍受金融風暴的影響；惟踏入自第二季度中國的經濟受到政府刺激內需政策的帶動，開始顯示復甦跡象。國家制定的人民幣四萬億投資計畫在回顧年度內逐步落實，二零零九年國內多項大型基建工程相繼動工；因預期通脹來臨，和前一年度積壓的需求逐步釋放，國內房地產市場在回顧年度出現迅速反彈，上述的因素都對鋼鐵需求構成利好影響。

二零零九年上半年雖然鋼鐵價格仍在低位運行，但是隨著銷量的顯著上升，各鋼鐵企業的销售獲得了明顯的改善。而在下半年受到需求進一步攀升推動，鋼鐵價格穩步回升。

Chairman's Statement 主席報告

REVIEW OF OPERATION

The Group swiftly responded to changes in the market and operating environment by capturing the opportunities arising from insufficient supply of billets in the market, after a number of companies affected by the financial crisis had reined in production. By increasing the billet output of the Group's subsidiary Tangshan Fengrun Qu Zhengda Iron and Steel Company Limited ("Zhengda Iron and Steel") through acquisition and leasing arrangement, and by capitalising on a favourable supply and demand balance to reap higher gross margins, the Group stood out as one of the few steel enterprises making profits in the first half of 2009. In the second half, the Group kept on strengthening cost control, setting stringent cost management index for various departments, while adjusting the product mix to meet market demand. All these enabled the Group to maintain relatively satisfactory results for the whole year.

In response to the State's steel industry policy to control new production capacities in the steel sector, the Group seized the opportunities from market consolidation, acquiring existing production lines to lift the Group's overall capacity to 7 million tonnes.

經營狀況

面對經營環境的變化，本集團迅速回應市場轉變。本集團抓住了部分廠商受金融危機影響控制生產，市場鋼坯不足的機遇，通過收購、租賃等形式提升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」）的鋼坯產量，同時借助有利的供求關係帶來的高毛利率，本集團在二零零九年上半年就成為少數實現盈利的鋼鐵企業之一。下半年集團繼續加強成本控制，並對各部門定下嚴格的成本管理指標，另一方面致力調整產品結構迎合市場需要，令本集團全年維持較理想的業績。

針對國家行業調控，控制鋼鐵產業新增產能的政策，本集團抓住市場整合的時機，透過收購現有生產線，使本集團整體產能提升至七百萬噸。



Chairman's Statement 主席報告

REVIEW OF OPERATION *(continued)*

During the year under review, the Group continued to deepen cooperation with ArcelorMittal, which actively participated in the Group's operation management and technological development. With advanced production technology and well-established management system, ArcelorMittal sent technicians to the Group's production facilities, to assist the Group in further enhancing its product quality and production efficiency, and gave advice on the Group's systematic management.

經營狀況(續)

在回顧年度內，本集團繼續深化與安賽樂米塔爾的合作，安賽樂米塔爾積極參與本集團的運營管理和技術研發工作。安賽樂米塔爾具有先進的生產技術和成熟的公司管理體制，在回顧年度內為本集團各個生產設施派出技術人員，協助本集團進一步提升了產品品質和生產效益，並對本集團的系統化管理提供寶貴的建議。



Chairman's Statement 主席報告

BUSINESS REVIEW

During the year under review, the revenue of the Group was RMB 20,589 million (2008: RMB 19,388 million), representing an increase of 6.2% as compared with that of 2008. The growth in revenue was mainly due to the increase in total sales volume from approximately 4.5 million tonnes in 2008 to approximately 6.9 million tonnes in 2009 and the slightly rebound in the selling price in the second half of 2009 after it hit rock bottom at the end of 2008. The average selling price decreased by 31% from RMB 4,273 per tonne in 2008 to RMB 2,962 per tonne in 2009.

During the year under review, the Group's gross profit reached RMB 2,006 million. The main reason for the increase was that steel gross profit rose after it hit its lowest level at the end of 2008. Supported by our effective control on production cost and the increase in sales volume, which drove the overall gross profit margin to 9.7%, representing an increase of seven percentage points when compared with that of the previous year.

Zhengda Iron and Steel, which the Group set up in the end of 2008, focused on producing billet products to meet market demand during the year under review, and contributed a profit of RMB 213 million to the Group just a year after it was set up.

The audited profit before tax and profit attributable to equity holders of the Company for 2009 were RMB 1,314 million and RMB 884 million respectively, representing increases of 1,053% and 1,909% respectively when compared with those of the previous year.

業績回顧

於回顧年度內，本集團之銷售額為人民幣205.89億元(二零零八年：人民幣193.88億元)，較上年有6.2%的上升。銷售額上升主要是由於銷量由二零零八年度的約450萬噸上升至二零零九年度的約690萬噸，以及銷售價格從二零零八年底觸底之後，於二零零九年下半年起逐步緩慢地回升。平均銷售價格，由二零零八年度的每噸人民幣4,273元下跌至二零零九年度的每噸人民幣2,962元，下跌幅度為31%。

於回顧年度內，本集團毛利達到人民幣20.06億元。主要原因是鋼鐵毛利自二零零八年底低位回升。受惠於有效的成本控制及銷售量有所提升帶動總體毛利率提升至9.7%，較上年提升七個百分點。

本集團於二零零八年末成立的正達鋼鐵在回顧年度內為滿足市場需求，著重生產鋼坯產品，在成立後第一年就為本集團帶來溢利人民幣2.13億元。

二零零九年經審核除所得稅前溢利及本公司權益持有人應佔溢利分別為人民幣13.14億元及人民幣8.84億元，較去年分別增長1,053%及1,909%。

Chairman's Statement 主席報告

BUSINESS REVIEW (continued)

During the year under review, the Group had a net cash inflow generated from operating activities of RMB 252 million (2008: RMB 148 million) for its consolidated cash flows.

Foshan Jin Xi Jinlan Cold Rolled Sheet Company Limited ("Jinxi Jinlan") enhanced its production capacity to 500,000 tonnes, following the Group's increase of its shareholding in Jinxi Jinlan to 81.5% and further capital injection to Jinxi Jinlan. During the year under review, Jinxi Jinlan continued to produce extremely thin steel sheets, which were supplied to high-end electronic consumer products manufacturers and thus had a higher competitive edge in the market. Jinxi Jinlan continued to improve its operation efficiency.

業績回顧(續)

於回顧年度內，本集團經營活動產生的綜合淨現金流入為人民幣2.52億元(二零零八年：人民幣1.48億元)。

隨著本集團持有佛山津西金蘭冷軋板有限公司(「津西金蘭」)股權提升至81.5%，以及進一步注資的資金順利到位，津西金蘭的產能提升到五十萬噸；津西金蘭在年度繼續生產更具市場競爭力的超薄鋼板，供應較高端電子消費產品廠商。津西金蘭的營運效益不斷改善。



Chairman's Statement 主席報告

BUSINESS REVIEW (continued)

The Group's main production base – Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited") (original Hebei Jinxi Iron and Steel Company Limited) – located in Qianxi, Tangshan, Hebei province, continued to provide stable profit contribution to the Group. While securing efficient production volume, Jinxi Limited further developed new products with high added value, including track steel and special section steel.

During the year under review, the Group's overall annual production capacity of crude steel reached 7 million tonnes, including approximate 3 million tonnes annual production capacity of H section steel, which can be used in high quality construction. This had further consolidated the Group's position as one of the largest H section steel production centres in China.

In addition, the Group developed hot rolled H section steel used for steel pole supporting overhead contact wires for electric railway in 2009. The introduction of this hot rolled H section steel for steel pole supporting overhead contact wires for electric railway has not only addressed the problem of opening up new markets for H section steel, but also generated greater economic benefits since its price is higher than other H section steel products.

業績回顧(續)

本集團主要生產基地——位於河北省唐山市遷西縣的河北津西鋼鐵股份集團有限公司(「津西鋼鐵」)(原河北津西鋼鐵股份有限公司)則為本集團繼續提供穩定的利潤貢獻。在保證產量的情況下，還進一步開發新型高附加值的產品，包括軌道鋼及特定用途型鋼等。

本集團整體粗鋼年產能於年度內已達到700萬噸，其中可供高品質建築應用的H型鋼的年產能達到約300萬噸，進一步鞏固本集團作為中國其中一個最大的H型鋼生產基地的地位。

此外，本集團於二零零九年還開發了電氣化高速鐵路接觸網支柱用熱軋H型鋼。此電氣化高速鐵路接觸網支柱用熱軋H型鋼不僅解決了H型鋼進一步拓展市場銷售問題，並憑藉比其他H型鋼高的銷售價格創造了較高的經濟效益。



BUSINESS REVIEW (continued)

The Group entered into a co-operative framework agreement with Asia Energy Logistics Group Limited (stock code: 351) in November 2009, pursuant to which Asia Energy Logistics Group Limited will assist the Company in constructing a cargo site at Santunying Station of Zunxiao Railway and providing railway logistics and transportation services to Jinxi Limited for the two years ending 23 November 2011. This will lower the Company's transportation cost and increase efficiency, as well as squeeze the transportation distance from the original 521 kilometres to 96 kilometres in the future, thereby shortening the transportation distance effectively and enhancing transportation capacity.

STRENGTHEN STRATEGIC COOPERATION WITH ARCELORMITTAL

Since senior management staff of ArcelorMittal joined the board of China Oriental in 2008, ArcelorMittal has been to providing support to the Group in the aspect of scientific research and technology.

The representatives of ArcelorMittal at the board of the Company actively participated in the management of the Company in 2009, helped strengthen investor relations through arranging meetings with multinational institutional investors, and attended investor forums held at home and abroad, thereby further promoting the Company in the capital market. In addition, ArcelorMittal also sent technicians to the Group's production facilities for regular meetings with production staff and offering professional advice, which further improved the production workflow and productivity of each of the plants.

With ArcelorMittal being a global leader in section steel production, the cooperation between the two companies will be advantageous for the Group to consolidate its leadership in the PRC's H-section steel market, while providing a solid foundation for the Group's expansion in overseas markets in the future.

In view of the climbing price of iron ore, securing a stable supply of iron ore in the long run becomes a key issue to the Group's cost control. ArcelorMittal's market influence and huge purchasing platform will be enable the Group to secure a stable supply of iron ore from the international market, and to effectively control the risk of price fluctuations of raw material.

業績回顧(續)

此外本集團還在二零零九年十一月與亞洲能源物流集團有限公司(股份代號：351)訂立合作框架協議書，由亞洲能源物流集團有限公司協助本公司於遵小鐵路三屯營站修建貨場及為津西鋼鐵提供為期兩年的鐵路物流及運輸服務至二零一一年十一月二十三日。這將降低公司的運輸成本並增加效益，將原來的運輸路程由521公里壓縮至將來的96公里，有效地縮短了運輸距離，提高了運輸能力。

鞏固與安賽樂米塔爾策略合作

繼二零零八年，安賽樂米塔爾的高級管理人員出任中國東方董事之後，安賽樂米塔爾繼續為集團提供科研及技術方面的支持。

安賽樂米塔爾在公司董事局的代表在二零零九年積極參與公司管理，並協助加強與投資者的聯繫，與多個跨國機構投資者安排交流會議，並參加了境內、外的投資者論壇，進一步對資本市場推介本公司。另外在本集團的各個生產設施亦派出技術人員，定期與生產人員交流並提供專業意見，進一步改善各廠房的生產流程，提升生產效益。

安賽樂米塔爾作為國際領先的型鋼生產商，雙方的合作將有助於鞏固本集團在國內H型鋼的領導地位，同時為本集團未來擴展海外市場奠定基礎。

隨著鐵礦石價格逐步走高，鐵礦石的長期穩定供應對本集團的成本控制顯得格外重要，安賽樂米塔爾在市場上影響力和其龐大的採購平臺，將有利本集團在國際市場獲得穩定的鐵礦石供應，並有效控制原材料價格波動的風險。

Chairman's Statement 主席報告

BUSINESS OPERATION

Sales Volume

In 2009, the Group's total sales volume was 6,948,000 tonnes (2008: 4,534,000 tonnes), representing an increase of approximately 53%.

The Group's sales volume breakdown was as follows:

		2009 二零零九年		2008 二零零八年		Changes in
		Sales volume	Percentage	Sales volume	Percentage	Sales volume
		銷量	比例	銷量	比例	銷量變化
		('000 tonnes)	%	('000 tonnes)	%	
		(千噸)	%	(千噸)	%	
Billets	鋼坯	1,341	19.3	1,007	22.2	33%
Strips and strip products	帶鋼及帶鋼類產品	2,861	41.2	2,061	45.5	39%
H-section steel products	H型鋼產品	2,460	35.4	1,225	27.0	101%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	286	4.1	241	5.3	19%
Total	合計	6,948	100.0	4,534	100.0	53%

During the year, the Group experienced substantial increase in the gross profit. This was mainly attributable to the increase in sales volume of strips and strip products and H-section steel products, which offered a higher gross profit margin of 11.6% and 9.5% respectively.

營運情況

銷售量

二零零九年本集團總銷售量為6,948,000噸(二零零八年：4,534,000噸)，上升約53%。

本集團於有關年度銷售量如下：

本年度內，本集團毛利有較大升幅，主要原因是毛利較高的帶鋼及帶鋼類產品及H型鋼產品銷量大幅上升，其毛利率分別為11.6%及9.5%。



Chairman's Statement 主席報告

BUSINESS OPERATION (continued)

Revenue

Revenue of the Group in 2009 was RMB 20,589 million (2008: RMB 19,388 million), representing an increase of approximately 6%.

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

		2009 二零零九年		2008 二零零八年		Changes 變化	
		Average selling price	Average selling price	Average selling price	Average selling price	Average selling price	Average selling price
RMB		Revenue	price	Revenue	price	Revenue	price
人民幣		銷售額	銷售單價	銷售額	銷售單價	銷售額	銷售單價
		(million)	(RMB/ tonne)	(million)	(RMB/ tonne)		
		(百萬元)	(元/噸)	(百萬元)	(元/噸)		
Billets	鋼坯	3,624	2,703	3,919	3,891	(8%)	(31%)
Strips and strip products	帶鋼及帶鋼類產品	8,406	2,938	8,574	4,159	(2%)	(29%)
H-section steel products	H型鋼產品	7,405	3,011	5,562	4,538	33%	(34%)
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	1,142	3,990	1,319	5,489	(13%)	(27%)
Others	其他	12	-	14	-	(14%)	-
Total	合計	20,589	2,962	19,388	4,273	6%	(31%)

營運情況(續)

銷售額

二零零九年本集團總銷售額為人民幣205.89億元(二零零八年：人民幣193.88億元)，增長約6%。

本集團於有關年度銷售額及不含增值稅之平均產品銷售單價如下：



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BUSINESS OPERATION (continued)

Cost of Sales and Gross Profit

The audited consolidated gross profit of the Group in 2009 was RMB 2,006 million (2008: RMB 517 million), representing an increase 288%. Gross profit margin was 9.7% (2008: 2.7%).

Average cost per tonne and gross profit/(loss) during the year were as follows:

		2009 二零零九年			2008 二零零八年		
		Average unit cost 平均 成本單價 (RMB/ tonne) (元/噸)	Gross profit per tonne 每噸毛利 (RMB) (元)	Gross profit margin 毛利率	Average unit cost 平均 成本單價 (RMB/ tonne) (元/噸)	Gross profit/(loss) per tonne 每噸毛利 /(毛虧) (RMB) (元)	Gross profit/(loss) margin 毛利/ (毛虧) 率
Billets	鋼坯	2,461	242	9.0%	3,901	(10)	(0.3%)
Strips and strip products	帶鋼及帶鋼類產品	2,596	342	11.6%	4,060	99	2.4%
H-section steel products	H型鋼產品	2,726	285	9.5%	4,286	252	5.6%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	3,988	2	0.1%	5,440	49	0.9%
Total	合計	2,673	289	9.7%	4,159	114	2.7%

FINANCIAL REVIEW

Capital Structure

The cash and cash equivalents of the Group as at 31 December 2009 was RMB 644 million (2008: RMB 729 million). After deducting the cash and cash equivalents and the relevant restricted bank balances, net borrowings was RMB 1,722 million (2008: RMB 1,257 million), accounting for 24% (2008: 20%) of the Group's consolidated net assets after deducting minority interests of RMB 7,169 million (2008: RMB 6,265 million).

營運情況(續)

成本及毛利

二零零九年本集團的經審核綜合毛利為人民幣20.06億元(二零零八年：人民幣5.17億元)，上升288%。毛利率為9.7%(二零零八年：2.7%)。

於有關年度每噸平均成本及毛利/(毛虧)如下：

財務回顧

資本結構

本集團於二零零九年十二月三十一日的現金及現金等價物為人民幣6.44億元(二零零八年：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存後，本集團的借款淨額為人民幣17.22億元(二零零八年：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71.69億元(二零零八年：人民幣62.65億元)的24%(二零零八年：20%)。

FINANCIAL REVIEW (continued)

Capital Structure (continued)

The current ratio (current assets divided by current liabilities) was 1.01 as at 31 December 2009 (2008: 0.88). As at 31 December 2009, the ratio between total liabilities and total assets of the Group was 51% (2008: 54%).

The audited net asset value per share of the Group as at 31 December 2009 was RMB 2.45 (2008: RMB 2.14), representing an increase of 14% as compared with that of the previous year.

The consolidated interest expenses and capitalised interest in 2009 amounted to RMB 176 million (2008: RMB 155 million). The interest coverage (divide earnings before interests and taxes by total interest expenses) was 8.2 times (2008: 1.3 times).

Capital Commitments

As at 31 December 2009, the Group had capital commitments of RMB 2,950 million (2008: RMB 3,300 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 bank borrowings.

Guarantees and Contingent Liabilities

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

財務回顧(續)

資本結構(續)

於二零零九年十二月三十一日，本集團的流動比率(流動資產除以流動負債)為1.01(二零零八年：0.88)。於二零零九年十二月三十一日，本集團的總負債與總資產比率為51%(二零零八年：54%)。

本集團於二零零九年十二月三十一日的經審核每股淨資產值為人民幣2.45元(二零零八年：人民幣2.14元)，較去年上升14%。

二零零九年綜合利息支出(含資本化利息支出)共人民幣1.76億元(二零零八年：人民幣1.55億元)。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8.2倍(二零零八年：1.3倍)。

資本性承擔

於二零零九年十二月三十一日，本集團的資本性承擔為人民幣29.5億元(二零零八年：人民幣33.0億元)，主要為焦化工程及軋板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貸款所融資。

擔保及或然負債

於二零零九年十二月三十一日，本集團的或然負債為人民幣0.3億元(二零零八年：人民幣0.61億元)，為替第三方作銀行借貸擔保。

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FINANCIAL REVIEW (continued)

Pledge of Assets

As at 31 December 2009, the net book value of the Group's property, plant and equipment amounting to approximately RMB 1,463 million (2008: approximately RMB 1,406 million), land use rights amounting to approximately RMB 61 million (2008: approximately RMB 62 million), inventories amounting to approximately RMB 67 million (2008: approximately RMB 390 million), notes receivable amounting to approximately RMB 102 million (2008: approximately RMB 251 million) and restricted bank balances amounting to approximately RMB 342 million (2008: approximately RMB 362 million) had been pledged as security for the Group's bank facilities.

Exchange Risks

As at 31 December 2009, Renminbi, US dollar, HK dollar and Euro accounted for 81.8%, 17.9%, 0.3% and 0.0001% 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 in Renminbi in 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 variation. 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

Saved as disclosed in this report of the Group, there are no events to cause material impact on the Group from the balance sheet date to the date of this report.

財務回顧(續)

資產抵押

於二零零九年十二月三十一日，本集團賬面淨值約人民幣14.63億元(二零零八年：約人民幣14.06億元)的物業、廠房及設備，約人民幣0.61億元(二零零八年：約人民幣0.62億元)的土地使用權，約人民幣0.67億元(二零零八年：約人民幣3.90億元)的存貨，約人民幣1.02億元(二零零八年：約人民幣2.51億元)的應收票據及約人民幣3.42億元(二零零八年：約人民幣3.62億元)的受限制銀行結餘，已作為本集團獲授銀行融資的抵押品。

匯率風險

本集團於二零零九年十二月三十一日的銀行存款結餘(包括受限制銀行結餘)中，人民幣、美元、港元及歐元分別佔81.8%、17.9%、0.3%及0.0001%(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年及二零零八年的大部份銷售、原材料採購及銀行借貸均以人民幣為主，因此本集團所承受的外匯風險相對較低。

利率風險

本集團部分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衍生工具，以對沖其利率風險。

結算日後事項

除已由本集團於本報告披露者外，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件。

Chairman's Statement 主席報告

Human Resources and Remuneration Policies

As at 31 December 2009, the Group had a workforce of approximately 13,167 and temporary staff of 2,187. The staff cost included basic salaries and benefits. Staff benefits included discretionary bonus, medical insurance plans, pension scheme, unemployment insurance plan, maternity insurance plan and the fair value of the share options, etc. Effective from July 2008, the Group implemented a workers' injury insurance scheme and contributed approximately RMB 5.14 million to the Social Insurance Bureau. The amount of contribution was calculated at 1.5% based on the workers' wages. According to the Group's remuneration policy, employees' package is based on productivity and/or sales performance, and is consistent with the Group's quality control and cost control targets.

ACCREDITATION FOR THE COMPANY AND ITS MANAGEMENT

The Group was named "The Advanced Collective of the National Steel Industry" by the Ministry of Human Resources and Social Security and China Iron and Steel Association in February 2009.

The Group's hot rolled H-section steel product brandname, Jinxi Pai, was accredited "Consumers Satisfactory Products in Hebei Province" by China Quality and Assurance Committee.

Mr. Han Jingyuan, the Chairman of the Company, had been named on the list of "The Third Annual Top 10 People for Enterprise Management Innovation" by the State-owned Asset Regulatory Commission and "Enterprise Management" magazine in January 2009. He was also named as one of the "60 Outstanding Entrepreneurs" at the 60th anniversary of New China by China Enterprise Newspaper and the research centre of State-owned Asset Regulatory Commission under the State Council in December 2009.

Moreover, Mr. Zhu Jun, Executive Deputy General Manager and Chief Operating Officer of the Group, was named as the "Model Worker of the National Steel Industry" by China Iron and Steel Association in February 2009.

人力資源及薪酬政策

於二零零九年十二月三十一日，本集團僱用員工約13,167人及臨時工人約2,187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允價值等。自二零零八年七月份起，本集團推行工傷保險，按員工發放工資的1.5%上繳社保部門，繳納總額約人民幣514萬元。根據本集團的薪酬政策，僱員的整套福利與生產力及／或銷售業績掛鉤，與本集團品質控制及成本控制目標的一致。

公司及管理層取得的榮譽

本集團於二零零九年二月被人力資源和社會保障部、中國鋼鐵工業協會評選為「全國鋼鐵工業先進集體」。

本集團之熱軋H型鋼產品品牌「津西牌」被中國品質協會和省用戶委員會評為「河北省用戶滿意產品」。

本公司董事局主席韓敬遠先生於二零零九年一月獲國資委及《企業管理》雜誌社頒發的第三屆「全國十大企業管理創新人物」榮譽稱號。並於二零零九年十二月被中國企業報社、國務院國有資產監督管理委員會研究中心評選為新中國六十週年六十位「卓越企業家」榮譽稱號。

此外，本集團的常務副總經理兼首席運營官朱軍先生於二零零九年二月當選為中國鋼鐵工業協會評選的「全國鋼鐵工業勞動模範」。

Chairman's Statement 主席報告

DIVIDEND POLICY

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 as a percentage to 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 considers 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.

INVESTORS' RELATIONS

The Group has placed strong emphasis on the interactive communications with shareholders and investors. The Company operates mainly in the PRC with an office in Hong Kong headed by an Executive Director who will be responsible for and oversees the communication with investors and handles enquiries from investors. During the period under review, the Company took initiation in having regular meeting with investors and updating them with the business development and industrial trend. The Company will also make timely disclosures of the Company's information through the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and press release for increasing the transparency of the Company. In addition, members of the senior management of ArcelorMittal appointed as Directors of the Company will actively participate in the investors activities and will, together with the members of the Group's senior management, attend road shows, investors' seminars organized for large domestic and overseas institutional investors as well as one-to-one analyst meeting.

股息政策

本公司於上市後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佔溢利的百分比，董事局將按公司日後的實際營運及盈利、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它因素而酌情釐定。此外，根據相關的中國法律，津西鋼鐵的可分配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。

投資者關係

本集團一貫重視與股東及投資者的互動溝通。本公司業務集中在中國內地，在香港的辦事處，由一位執行董事主管，專責負責與投資者溝通及處理投資者諮詢。公司在回顧期內主動定期接觸投資者，介紹業務發展和更新行業趨勢的影響。公司亦適時透過香港聯合交易所有限公司（「聯交所」）網站，及以新聞稿形式發放公司信息，以增強公司的透明度。此外，於本公司出任董事的安賽樂米塔爾的高級管理人員亦積極參與投資者關係活動，並與其他本集團管理層成員出席多個境內、外大型機構投資者組織的路演、投資者研討會以及單對單分析員會議等。

INVESTORS' RELATIONS (continued)

During the year, the Group invited investors to visit its factory located at Hebei and Foshan and actively participated in various large-scale investment promotion seminars organized for institutional investors. Meanwhile, the Group also had regular meetings with analysts and representatives from the investment professional for allowing investors to grasp the information on the latest business development of the Company.

All such activities helped promote investors' understanding of the Company while allowing us to understand more about the opinions and expectations of investors. In future, we will further our effort in maintaining the close and interactive communication with investors.

In 2009, the Group held a total of 15 one-to-one investor meetings and received a total of 3 for factory visits.

FUTURE PROSPECTS

Given the uncertainty hanging over the global economy, the economic environment for 2010 will be complicated. China will focus on maintaining economic growth, while keeping inflation on a tight rein. It is expected that the State policies will continue to aim at stabilising prices, and to impose strict control on new production capacity in the building materials industry.

With the gradual economic recovery and the continued development of government infrastructure projects and private real estate projects, we expect a further increase in the demand for steel in 2010. However, the gradual rebound in the steel production volume in the PRC, together with an almost unchanged supply and demand balance in the short run, will to some extent exert pressure on the domestic steel price.

投資者關係(續)

於年內，本集團還邀請投資者考察公司位於河北及佛山的廠房，並積極參與由各大機構性投資者安排的大型投資推介會議，且與證券分析員和投資專業代表定期進行會面，促進投資者瞭解公司最新的業務發展情況。

以上活動有助促進投資者對本公司瞭解的同時，亦有幫助公司更有效掌握投資者的意見和期望。在未來我們會繼續維持與投資者的密切溝通和良性互動。

於二零零九年，本集團共舉行投資者單對單會議15場，接待廠房參觀3次。

未來展望

二零一零年的經濟環境將會是複雜的一年，全球經濟仍存在若干不明朗因素。中國國內將在致力維持經濟增長的同時，防範通脹加劇。因此，預計國家政策將繼續致力穩定物價，並對建材行業新增產能進行嚴格控制。

隨著經濟的逐漸回暖，政府基建與商業房地產開發的持續發展，我們預計二零一零年鋼鐵的需求將會進一步上升。但是隨著中國鋼鐵產量的逐漸恢復，供求的平衡關係短期內不會有所改善，這對國內鋼鐵價格將造成一定的壓力。

FUTURE PROSPECTS *(continued)*

The significant increase in the price of iron ore and coke in 2010 will create further strain on the cost of steel enterprises, pushing up the price of steel. Yet, we anticipate that the increase in steel prices will not fully offset the increase in raw material prices. In the face of a changing and complicated market environment, the Group will enhance its core competitiveness in effective cost control amid a low profit margin steel industry.

Regarding raw material purchase, the Group will strengthen its monitoring of the price trend, in order to timely adjust its raw material inventory. The Group will also accelerate the pace of cooperation with ArcelorMittal on iron ore purchase, in order to secure a stable supply of iron ore with relatively steady prices.

On the front of raw material and energy consumption, the Group will enhance its production techniques to further reduce the energy consumption per product and consumption of raw material during the production process, in order to meet the objectives of energy saving and unit cost reduction.

The Group will continue to exercise stringent budget control, in order to lower the percentage of selling and distribution costs, administrative expenses and finance costs to the total revenue.

With respect to broadening revenue source, it is expected that the sales of newly developed extremely thin steel sheets and H section steel for specific use will rise gradually, which will help increase the average gross profit margin of products.

未來展望^(續)

在二零一零年鐵礦石和焦炭價格明顯上升將對鋼鐵企業帶來進一步的成本壓力，雖然此因素將推動鋼鐵價格上升，但我們預計鋼鐵價格升幅不一定能完全抵銷原材料價格上升的影響。面對複雜多變的市場環境，本集團將透過有效的成本控制措施，提升本集團在鋼鐵行業的低利潤時代的核心競爭力。

本集團在原材料採購方面，將加強對價格走勢的監控，以適時調整原材料的存貨。同時，加快落實與安賽樂米塔爾就鐵礦石採購的合作，以確保有穩定的貨源和相對平穩的原材料價格。

在原材料和能源消耗方面，本集團透過生產技術的改進，進一步壓縮單位產品的能耗，和減少生產過程中對原材料的損耗，以達至節能環保和降低單位成本的目的。

在各個生產環節上，本集團將繼續嚴格執行預算控制，以達至降低分銷成本、行政費用及財務成本佔總銷售的比重。

在開源方面，預計新開發的超薄鋼板和特定用途H型鋼的銷售逐步擴大，將有利提高產品的平均毛利率。

FUTURE PROSPECTS (continued)

The Group will proactively participate in the steel industry takeover and restructuring according to the PRC steel industry policies, in an attempt to enhance its overall production capacity to over 10 million tonnes by the end of 2010. After achieving the targeted production capacity, the Group will focus on adjusting its product mix, and develop new products with high profit margins. The Group will also actively identify appropriate business opportunities from the upstream and downstream sectors, thereby creating new growth drivers for the Group in the future and achieving further vertical integration. In addition to the development of its core business, the Group is also exploring ways to make safe investments to broaden its revenue source by capitalising on the Group's connections and surplus fund. During the year under review, the Group started to acquire a piece of land in Tangshan for real estate development. It is anticipated that the capital to be used for property development will not have any material impact on the Group.

The Group will continue to deepen its cooperation with ArcelorMittal on corporate governance, production technology, supply of raw material and overseas sales, in an attempt to improve the efficiency and management of every aspect of the Group's operations.

APPRECIATION

The Group's outstanding results are achieved with the dedication of staff and the support and trust of our shareholders. The Board would like to extend its deepest gratitude to our staff and our shareholders. The Group will spare no effort in achieving greater success and bringing higher return for shareholders with the support of our staff.

On behalf of the Board

China Oriental Group Company Limited

Han Jingyuan

Chairman and Chief Executive Officer

Hong Kong, 23 March 2010

未來展望(續)

本集團將按照中國鋼鐵產業政策積極參與鋼鐵業的收購重組，努力將本集團的總體產能在二零一零年底以前提升到一千萬噸以上。本集團在達成產能目標之後，將會專注於產品結構的調整，開發高利潤率的新產品。本集團還將積極向上、下游探索，尋找其他合適商機，將業務進一步綜合一體化，以作為本集團未來發展的新增長點。除了在主營業務的發展外，本集團亦正探索如何運用本集團的影響力和盈餘資金，作穩健的投資，拓展收入來源。因此，本集團在回顧年度開始購入一幅位於唐山市的土地，作為房地產開發用途，預期開發房地產的資金需求對本集團不會有任何重大影響。

本集團亦將繼續與安賽樂米塔爾在企業管治、生產技術、原材料供應以至海外銷售方面加深合作，以爭取全方位提升本集團的經營效益和管理水準。

感謝

本集團良好的業績表現與員工的貢獻和股東們的支持和信任是分不開的，藉此董事局感謝本集團全體員工以及股東。本集團將繼續積極進取，與員工攜手並進，為股東創造更為豐盛的回報。

謹代表董事局

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

香港，二零一零年三月二十三日

EXECUTIVE DIRECTORS

Han Jingyuan, aged 53, is the Chairman and Chief Executive Officer of the Company, and also serves as chairman of the board of Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited"), Foshan Jinxi Jin Lan Cold Rolled Sheet Company Limited ("Jinxi Jinlan"), Tangshan Fengrun Qu Zhengda Iron and Steel Company Limited ("Zhengda Iron and Steel") and Oriental Fullhero Leasing Company Limited ("Shenzhen Leasing"). Mr. Han graduated from the People's University in 1994 with a degree in management. Mr. Han began his career in Metallurgy in 1984 when he was employed as a deputy mine manager of Han'erzhuang Iron Mine. Mr. Han has in-depth industry knowledge and 25 years of extensive operational and managerial experience in the iron and steel industry. Mr. Han was awarded the honorary title of "Hebei Metallurgy Top Ten Man", "Outstanding Entrepreneur of Hebei Province", "Excellent Privately-owned Enterprises Entrepreneur in Hebei Province", "Chinese Brands Top Ten Outstanding Meritorious Man", "The Most Attention-grabbing Chinese Entrepreneur", "Best Founding Entrepreneur in China", "Top Ten Celebrities for China Reform Programme in the New Century", "Economic Top Ten Men of Honesty and Credibility in China", etc. Mr. Han is the Vice Chairman of the Metallurgy Chamber of All-China Federation of Industry and Commerce. Mr. Han is the director and the controlling shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Group.

Zhu Jun, aged 46, is an Executive Director, Executive Deputy General Manager of the Company, also serves as the Chief Operating Officer of the board and the executive director of Jinxi Limited. Mr. Zhu graduated in 2001 from a graduate programme of the Communist Party School in Hebei Province with a diploma in management. Prior to working in the steel industry, Mr. Zhu worked for 10 years as deputy director of Qianxi County Chemical Fertilizer Factory which was based in Qianxi County. Mr. Zhu joined Jinxi Iron Factory in 1992 and later served as deputy director. He was named as the "Model Worker of the National Steel Industry" by China Iron and Steel Association in February 2009. Mr. Zhu has had 16 years of working experience in the iron and steel industry.

執行董事

韓敬遠，五十三歲，為本公司的董事局主席兼首席執行官，亦為河北津西鋼鐵集團股份有限公司（「津西鋼鐵」）、佛山津西金蘭冷軋板有限公司（「津西金蘭」）、唐山市豐潤區正達鋼鐵有限公司（「正達鋼鐵」）及東方英豐租賃有限公司（「深圳租賃」）的董事局主席。彼於一九九四年在人民大學畢業，取得管理學位。韓先生於一九八四年在漢兒莊鐵礦出任副礦長，開始冶金事業。韓先生為資深業內人士，在鋼鐵業累積二十五年的運作及管理經驗。韓先生曾獲「河北冶金十大年度人物」、「河北省傑出企業家」、「河北省優秀民營企業家」、「中國品牌建設十大傑出功勳人物」、「中國最受關注企業家」、「全國優秀創業企業家」、「新世紀中國改革十大新聞人物」及「中國經濟十大誠信人物」等殊榮。韓先生為中華全國工商業聯合會冶金業商會副會長。韓先生為本集團的控股股東 Wellbeing Holdings Limited 的董事及本集團的控股股東。

朱軍，四十六歲，本公司執行董事、常務副總經理兼首席運營官，同時兼任津西鋼鐵執行董事。彼於二零零一年在中共河北省委黨校畢業，持有管理文憑。在從事鋼鐵業前，朱先生在遷西縣化肥廠擔任副廠長達十年之久。彼於一九九二年加盟津西鐵廠，其後出任副廠長之職。彼於二零零九年二月當選為中國鋼鐵工業協會評選的「全國鋼鐵工業勞動模範」。朱先生在鋼鐵業累積了十六年經驗。

EXECUTIVE DIRECTORS (continued)

Liu Lei, aged 54, is an Executive Director and Deputy General Manager of the Company and director of Jinxi Jinlan. Mr. Liu has over 22 years of experience in management and industrial fields. Mr. Liu graduated in the area of Industrial Electrical Automation of Electrical Engineering Faculty of 河北工學院 (Hebei Industrial Academy) in July 1978. Mr. Liu was awarded the title of 河北省有突出貢獻的中青年專業技術人才 (Professional Technological Talent with Outstanding Contribution in Hebei Province) by Government of Hebei Province in April 1987. Mr. Liu was also granted the qualification of research fellow by 河北省自然研究高級評委會 (Senior Appraisal Committee of Zi Ran Yan Jiu of Hebei Province) in December 2000. Before joining the Group in June 2004, Mr. Liu was the Vice Chancellor of 河北省科學院 (Hebei Academy of Sciences) from October 1999 to June 2004.

Shen Xiaoling, aged 49, is an Executive Director, Deputy General Manager and Chief Financial Officer of the Company and also serves as an executive director and general manager of Jinxi Limited. He obtained a diploma in management from the Hebei Province Communist Party School in 2001. Before joining the Group, Mr. Shen was head of China Construction Bank Luanxian Sub-branch. Mr. Shen also had 5 years experience acting as head of China Construction Bank Qianxi Sub-branch and more than 6 years of experience as the deputy head of Bank of China Qianxi Sub-branch. Mr. Shen has been deputy general manager of Jinxi Limited since January 2002.

Zhu Hao, aged 43, is an Executive Director of the Company and graduated at Tianjin Nankai University and obtained his master degree in accounting from the University of New South Wales in Australia. Mr. Zhu is a senior economist in China. Mr. Zhu was a non-executive director of Jinxi Limited from December 2002 to early 2004.

執行董事(續)

劉磊，五十四歲，本公司執行董事兼副總經理及津西金蘭的董事。劉先生於管理及工業方面有超過二十年的經驗。劉先生於一九七八年七月畢業於河北工學院電機工程系工業電氣自動化專業。彼於一九八七年四月獲河北省政府頒發「河北省有突出貢獻的中青年專業技術人才」的稱號，亦於二零零零年十二月獲河北省自然研究高級評委會評為研究員的資格。於二零零四年六月加入本集團前，劉先生於一九九九年十月至二零零四年六月期間出任河北省科學院的副院長。

沈曉玲，四十九歲，本公司執行董事、副總經理兼首席財務官及津西鋼鐵的執行董事兼總經理。彼於二零零一年在中共河北省委黨校取得管理文憑。在加盟本集團之前，沈先生為中國建設銀行灤縣支行行長，亦曾擔任中國建設銀行遷西支行行長逾五年及中國銀行遷西支行副行長逾六年。沈先生由二零零二年一月起擔任津西鋼鐵的副總經理。

朱浩，四十三歲，本公司執行董事，天津南開大學畢業並取得澳洲新南威爾斯大學會計學碩士學位。朱先生為中國高級經濟師。在二零零二年十二月至二零零四年初期間，朱先生為津西鋼鐵非執行董事。

EXECUTIVE DIRECTORS (continued)

Muktesh Mukherjee, aged 37, is an Executive Director and Deputy General Manager of the Company and graduated from McGill University in Montreal, Quebec, Canada in 1998 with a Master degree in Business Administration.

In 1998, Mr. Mukherjee joined Ispat Sidbec, Montreal, Canada as a financial analyst. In 2001, Mr. Mukherjee joined Mittal Canada as marketing manager and subsequently moved on to be the director, sales and marketing, Long Products and Plate for ArcelorMittal International in Chicago, USA. Currently, Mr. Mukherjee is general manager, ArcelorMittal China with responsibility for overseeing the relationship with the Company on behalf of ArcelorMittal. He is also a member of the board of directors of Hunan Valin Iron and Steel Co., Ltd. ("Hunan Valin Steel").

NON-EXECUTIVE DIRECTORS

Ondra Otradovec, aged 41, graduated from Stony Brook State University of New York with Bachelor of Finance. Previously, he worked at HSBC, responsible for financing, IPO, privatization in Central and Eastern European markets. During this period, he provided advisory service for the acquisition of Nova Hut in Czech Republic and other steel companies. Since 2003, Mr. Otradovec is responsible for mergers and acquisitions activities at ArcelorMittal. He is now Vice President of Global Merger & Acquisition at ArcelorMittal. Mr. Otradovec has also served as Director of Hunan Valin Steel.

執行董事(續)

Muktesh Mukherjee 先生，三十七歲，本公司執行董事兼副總經理，一九九八年於加拿大魁北克省蒙特婁麥吉爾大學 (McGill University) 工商管理碩士畢業。

於一九九八年，Mukherjee 先生加入加拿大蒙特婁 Ispat Sidbec 為金融分析師。於二零零一年，彼加入加拿大 Mittal 為市場經理及其後調任位於美國芝加哥 ArcelorMittal 國際長形鋼材產品和鋼板的市場銷售董事。現時，Mukherjee 先生為 ArcelorMittal 中國的總經理，專責處理 ArcelorMittal 與本公司之關係。Mukherjee 先生亦為湖南華菱鋼鐵股份有限公司 (「湖南華菱」) 的董事。

非執行董事

Ondra Otradovec 先生，四十一歲，紐約州斯托尼布魯克的紐約州立大學金融學士學位畢業。過去，曾任職滙豐銀行投資銀行，負責中歐和東歐市場融資、首次公開發股和私有化。在滙豐銀行工作期間，彼為收購捷克共和國的新華 (Nova Hut (路瓦哈特)) 和其他鋼鐵公司提供諮詢。自二零零三年起，Otradovec 先生負責 ArcelorMittal 合併和收購工作。Otradovec 先生現時為 ArcelorMittal 環球收購和合併副總裁。彼亦曾任湖南華菱董事。

NON-EXECUTIVE DIRECTORS (continued)

Jean-Paul Georges Schuler, aged 53, graduated from University of Karlsruhe, Germany and holds a Master of Science in Mechanical Engineering. He was assistant at University of Karlsruhe – Metallurgical Institute. Mr. Schuler started his professional career at ArcelorMittal Dudelange (formerly known as Galvalange-Luxembourg) where he held different positions during the period from 1983 to 1988 and as chief operating officer from 1989 to 1996. At the end of 1996, Mr. Schuler joined TradeARBED and was appointed general manager of Flat Products Sales in Export Markets, responsible for the development of Eastern European and African Markets.

From 2000 to 2005, Mr. Schuler was managing director of the Arcelor Regional Sales Organization in Istanbul, Turkey. Mr. Schuler was appointed senior vice president, Arcelor Long Carbon Sector in 2006 and participated in the Laigang/Arcelor project in Laiwu, China.

In 2007 Mr. Schuler was nominated vice president ArcelorMittal and Head of Operational Excellence Department – AAMS, a position he occupied until 31 May 2008.

Starting from 1 June 2008, Mr. Schuler is the chief representative officer of ArcelorMittal at Hunan Valin Steel. Mr. Schuler was also appointed deputy general manager and director of Hunan Valin Steel in July 2008.

非執行董事(續)

Jean-Paul Georges Schuler，五十三歲，畢業於德國卡爾斯魯厄大學 (University of Karlsruhe) 並取得機械工程學碩士學位，曾在卡爾斯魯厄大學冶金學院擔任助理。Schuler 先生的職業生涯始於 ArcelorMittal Dudelange 公司 (前稱為 Galvalange 盧森堡公司)。於一九八三年至一九八八年期間，Schuler 先生在該公司曾擔任多個職位而在一九八九至一九九六年期間擔任該公司首席運營官。於一九九六年底，Schuler 先生加入 TradeARBED 公司，擔任出口市場部平材銷售業務總經理，主要負責東歐和非洲市場的發展。

於二零零零年至二零零五年期間，Schuler 先生擔任 Arcelor 土耳其伊斯坦布爾區域銷售組織董事總經理。於二零零六年，Schuler 先生擔任 Arcelor 長材業務高級副總裁，並參與了在中國萊蕪市的萊鋼/Arcelor 項目。

於二零零七年，Schuler 先生擔任 ArcelorMittal 公司副總裁兼運營卓越部 (AAMS) 負責人，直至二零零八年五月三十一日止。

由二零零八年六月一日起，Schuler 先生擔任 ArcelorMittal 公司駐湖南華菱之首席代表。於二零零八年七月份，Schuler 先生被任命為湖南華菱的副總經理兼董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Gao Qingju, aged 73, is a senior engineer. Mr. Gao is the managing director and general manager of 北京聯興發鋼鐵科貿有限公司 (Beijing Lianxingfa Industrial & Technical Co., Ltd) since 2000. Mr. Gao graduated from metallurgical machinery and equipment at 北京鋼鐵工業學校 (The Beijing College of Iron & Steel) in 1958 and joined 北京鋼鐵研究院 (The Beijing Iron and Steel Research Institute) in the same year. In 1965, Mr. Gao was seconded to the Ministry of Metallurgical Industry and dealt with for research work until he retired. During employment with the Ministry of Metallurgical Industry, Mr. Gao was the officer of Small and Medium Manufacture Enterprises. Mr. Gao completed an professional economics management training course at the Communist Party School in 1988. Mr. Gao is vice president and permanent secretary of 地方鋼鐵企業協會 (The Regional Iron and Steel Enterprises Association) during employment and some time after retirement.

Yu Tung Ho, aged 63, currently serves as senior vice president of Phoenix Satellite Television Company Limited and the director of Asia Television Limited. Mr. Yu is a senior influential media professional in Hong Kong and China and has been in broadcasting for more than 38 years. Mr. Yu was chief operation officer of Asia Television Limited, executive vice president of Phoenix Satellite Television Company Limited in Hong Kong and served as chairman of the 12th and 13th Hong Kong Advertising Industry Association. Mr. Yu has also served as the deputy general manager of China Radio & TV Corporation for International Techno-Economic Cooperation, the chief of Radio Guangdong and an Independent Non-Executive Director of Gome Electrical Appliances Holdings Limited.

獨立非執行董事

高 清 舉，七十三歲，高級工程師，自二零零零年起任職於北京聯興發鋼鐵科貿有限公司董事長兼總經理至今。高先生於一九五八年完成北京鋼鐵工業學校冶金工廠裝備專業後，同年被分配到北京鋼鐵研究院從事有關科研工作。一九六五年調至冶金部工作至退休。在冶金部工作期間曾任生產司中小辦主任，並於一九八八年完成了黨校經濟管理專業進修並獲畢業證書。在職期間及退休後一段時間曾任地方鋼鐵企業協會副理事長和秘書長等工作。

余 統 浩，六十三歲，現任香港鳳凰衛視有限公司資深副總裁、香港亞洲電視有限公司董事，是中港兩地有影響力的資深傳媒人。彼從事傳媒事業三十八年，曾出任香港亞洲電視有限公司營運總裁、香港鳳凰衛視有限公司執行副總裁，以及第十二及第十三屆香港廣告業聯會主席。彼亦曾任中國廣電部直屬的中國廣播電視國際經濟技術合作總公司副總經理、廣東省廣播電台台長及國美電器控股有限公司獨立非執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Wong Man Chung, Francis, aged 45, is a Certified Public Accountant (Practising) and has over 21 years of experience in auditing, taxation, management and financial advisory. Mr. Wong is currently an independent non-executive director of Digital China Holdings Limited, eForce Holdings Limited and Wai Kee Holdings Limited whose shares are listed on the Main Board of the Stock Exchange. He was once the independent non-executive director of Sys Solutions Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange, the independent non-executive director of Yardway Group Limited, a company listed on the Main Board of the Stock Exchange and the independent non-executive director of Lightscape Technologies Inc., a company with its shares listed and traded in the OTC Bulletin Board of the United States of America. Mr. Wong is a director of both Union Alpha C.P.A. Limited and Union Alpha CAAP Certified Public Accountants Limited, both are professional accounting firms. He is also a founding director and member of Francis M.C. Wong Charitable Foundation Limited, a charitable institution. Previously, Mr. Wong worked for KPMG, an international accounting firm for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years. Mr. Wong is a fellow member of Hong Kong Institute of Certified Public Accountants, Taxation Institute of Hong Kong and Association of Chartered Certified Accountant of the United Kingdom. Mr. Wong is also an associate member of Institute of Chartered Accountants in England and Wales and a member of the Society of Chinese Accountants & Auditors, Hong Kong. Mr. Wong holds a Master Degree in Management conferred by Guangzhou Jinan University.

獨立非執行董事(續)

黃文宗，四十五歲，為一名執業會計師，於審計、稅務、管理及財務策劃方面有超過二十一年經驗。黃先生現為神州數碼控股有限公司、意科控股有限公司及惠記集團有限公司的獨立非執行董事，該等公司的股份均於聯交所主板上市。黃先生並曾為軟迅科技控股有限公司(其股份於聯交所創業板上市)、啟帆集團有限公司(其股份於聯交所主板上市)的獨立非執行董事及Lightscape Technologies Inc.一間在美國OTC Bulletin Board上市公司的獨立非執行董事。黃先生現為才滙會計師事務所有限公司及中審亞太才滙(香港)會計師事務所有限公司的董事，兩間均是專業會計師事務所。彼亦為黃文宗慈善基金有限公司的創辦董事及發起人。在此之前，黃先生曾於畢馬威國際會計師事務所審計部工作六年，並於香港中央結算有限公司監察科工作兩年。黃先生為香港會計師公會、香港稅務學會及英國特許公認會計師公會資深會員，亦為英格蘭及威爾斯特許會計師公會會員及香港華人會計師公會會員。黃先生持有廣州暨南大學管理學碩士學位。

SENIOR MANAGEMENT

Yu Jianshui, aged 42, is the general manager of Jinxi Limited. Mr. Yu was a metallurgy graduate at Hebei Polytechnic University and obtained a MBA from University of Northern Virginia in June 2009. He joined the Group after graduation until May 2005 and had over 18 years management experience. During the period, he received the awards of County Technological Selected Talent (縣科技拔尖人才), Ten Outstanding Youths in the County (縣十大傑出青年), Outstanding Youth in Post of Tangshan City (唐山市青年崗位能手), Workers' Model in Hebei Province (河北省勞動模範), The First Class Honour of Technological Improvement in Tangshan City (唐山市科技進步一等獎), The Third Class Honour of Technological Improvement in Hebei Province (河北省科技進步三等獎). He was employed as the deputy general executive manager of Shanxi Province Xiaoyi City Chengcai Iron and Steel Company in May 2005 and then joined Jinxi Jinlan in April 2006 as deputy general manager. In November 2008, Mr. Yu is the general manager of Zhengda Iron and Steel and also appointed as the deputy general manager of Jinxi Limited. Mr. Yu has been a general manager of Jinxi Limited since October 2009.

Chan Siu Kay, aged 50, is the Financial Controller and Company Secretary of the Group. Mr. Chan holds a master's degree in Business Administration from The University of Strathclyde, Britain and a master's degree in Corporate Finance from The Hong Kong Polytechnic University. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants. He is also an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He joined the Group in January 2009 and has over 26 years in audit, accounting, taxation, corporate financing and IPO in an international audit firm and listed companies.

高級管理人員

于建水，四十二歲，津西鋼鐵總經理。于先生畢業於河北理工大學鋼鐵冶金專業，並於二零零九年六月取得北弗吉尼亞大學MBA結業證書。自參加工作以來至二零零五年五月，一直在本集團工作，擁有超過十八年管理經驗。期間，曾獲得「縣科技拔尖人才」、「縣十大傑出青年」、「唐山市青年崗位能手」、「河北省勞動模範」、「唐山市科技進步一等獎」、「河北省科技進步三等獎」等科技成果。于先生於二零零五年五月任職山西省孝義市城財鋼鐵公司常務副總經理，及後於二零零六年四月加盟津西金蘭，任職副總經理、經理。二零零八年十一月到正達鋼鐵任總經理，同時兼任津西鋼鐵副總經理。于先生於二零零九年十月到津西鋼鐵任職總經理。

陳紹基，五十歲，本集團財務總監兼公司秘書。陳先生持有英國斯特拉斯克萊德大學工商管理碩士學位，及香港理工大學企業融資財務碩士學位。彼為英國特許公認會計師公會資深會員，及香港會計師公會會計師，彼並為香港特許秘書公會會員及英國特許秘書及行政人員公會會員。彼於二零零九年一月加入本集團，曾在一家國際會計師事務所及多家上市公司於審計、會計、稅務、企業融資及安排公司上市集資累積超過二十六年經驗。

Corporate Governance Report 企業管治報告

The Company is committed to sound corporate governance practices designed to promote greater transparency, investor confidence and the ongoing development of the Company and its subsidiaries (the “Group”), having always as its ultimate objective, the best long term interest of the Group and the enhancement of value for all shareholders. The Company also believes that sound corporate governance practices benefit the Group’s employees and the community in which the Group operates.

CODE ON CORPORATE GOVERNANCE PRACTICES (“CG CODE”)

In the opinion of the Directors, the Company has complied with the CG Code set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2009, except for the deviation with explanation disclosed below.

BOARD OF DIRECTORS (THE “BOARD”)

The Board currently comprises eleven Directors and the composition is set out as follows:

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 (*Deputy General Manager and Chief Financial Officer*)

Mr. Zhu Hao

Mr. Muktesh Mukherjee (*Deputy General Manager*)
(*appointed on 2 January 2009*)

Non-Executive Directors

Mr. Jean-Paul Georges Schuler
(*appointed on 2 January 2009*)

Mr. Ondra Otradovec
(*appointed on 2 January 2009*)

Independent Non-Executive Directors

Mr. Gao Qingju

Mr. Yu Tung Ho

Mr. Wong Man Chung, Francis

The composition of the Board is reviewed regularly to ensure that it has a good balance of expertise, skills and experience, which can meet the requirements of the business of the Group. The Directors’ biographical information is set out on pages 24 to 30.

本公司貫徹執行良好之公司管治實務，以提升透明度、投資者信心及促進本公司及其附屬公司(「本集團」)之持續發展，並一直以本集團之最佳長遠利益及提高全體股東利益為其最終目標。本公司亦相信，良好之公司管治對本集團僱員及經營所在社區均屬有利。

企業管治常規守則(「企業管治守則」)

除下文所述的偏差和說明外，於截至二零零九年十二月三十一日止整個年度，董事局認為本公司已應用並遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治守則之原則及守則條文。

董事局(「董事局」)

目前，董事局包括十一名董事，其組成載列如下：

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官*)

劉磊先生(*副總經理*)

沈曉玲先生(*副總經理兼首席財務官*)

朱浩先生

Muktesh Mukherjee 先生 (*副總經理*)
(*於二零零九年一月二日獲委任*)

非執行董事

Jean-Paul Georges Schuler 先生
(*於二零零九年一月二日獲委任*)

Ondra Otradovec 先生
(*於二零零九年一月二日獲委任*)

獨立非執行董事

高清舉先生

余統浩先生

黃文宗先生

董事局定期檢討其成員架構、人數及成員組合，務求平衡各方的專業知識、技術及資歷，以符合本集團的業務要求。董事履歷資料載列於第24至30頁。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

There is a clear division of responsibilities between the Board and the management. The Board is responsible for providing high-level guidance and effective oversight of the management while day-to-day management of the Group is delegated to the management team of each respective subsidiary. Generally speaking, the Board is responsible for:

- Formulating the Group’s long-term strategy and monitoring the implementation thereof;
- Approval of dividends;
- Reviewing and approving the interim and annual reports;
- Ensuring good corporate governance and compliance;
- Monitoring the performance of the management;
- Reviewing and approving any material acquisition and disposal of assets and other material transactions.

To the best knowledge of the Directors, there is no financial, business, family relationship among the Directors. All of them are free to exercise their independent judgment.

The Board authorises the management to carry out the strategy that have been approved. During the year, eleven board meetings were held and the principal business transacted included approving interim and annual results and reports, assessing business development and business performance and implementation. The attendance record of each Director during the year ended 31 December 2009 is set out as follows:

Board of Directors 董事局

Mr. Han Jingyuan	韓敬遠先生		
Mr. Zhu Jun	朱軍先生		
Mr. Liu Lei	劉磊先生		
Mr. Shen Xiaoling	沈曉玲先生		
Mr. Yu Jianshui	于建水先生	1	
Mr. Zhu Hao	朱浩先生		
Mr. Muktesh Mukherjee	Muktesh Mukherjee 先生	2	
Mr. Jean-Paul Georges Schuler	Jean-Paul Georges Schuler 先生	2	
Mr. Ondra Otradovec	Ondra Otradovec 先生	2	
Mr. Gao Qingju	高清舉先生		
Mr. Yu Tung Ho	余統浩先生		
Mr. Wong Man Chung, Francis	黃文宗先生		

董事局(「董事局」)(續)

董事局與管理層職責具清晰劃分。董事局負責提供高層次指引及有效監督管理層，而本集團日常管理則轉授予各附屬公司管理層。一般而言，董事局負責：

- 制訂本集團長遠策略及監督有關策略之實施；
- 批准股息；
- 審閱及批准中期報告及年報；
- 確保良好公司管治及遵守法規；
- 監督管理層之表現；
- 審閱及批准任何重大收購及資產出售及其他重大交易。

據董事所知悉，董事之間概無任何財務、業務和親屬關係。董事均可自由作出獨立判斷。

董事局授權管理層履行已批准的策略。年內，董事局共召開十一次會議，已處理之主要事項包括批准中期及末期業績和報告、評估業務發展和表現及落實細節。各董事於截至二零零九年十二月三十一日止年度之出席情況如下：

Notes	Number of Board meeting Attended
備註	董事局會議出席次數

	11/11
	11/11
	11/11
	11/11
1	0/11
	11/11
2	10/11
2	10/11
2	9/11
	11/11
	11/11
	10/11

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

Notes

1. resigned on 2 January 2009
2. appointed on 2 January 2009

A. Chairman and Chief Executive Officer

Pursuant to the Code Provision A.2.1 of the CG Code, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board has Chairman to provide leadership to the Board in terms of establishing policies and business directions and monitor the daily operation of the Group.

Mr. Han Jingyuan currently serves as the Chairman of the Board and the Chief Executive Officer of the Company. The Board believes that there is no immediate need to separate the roles of Chairman and the Chief Executive Officer of the Company because the role of chief executive officer/general manager of the Company's major operating subsidiaries are performed by other persons.

The Board will consider the segregation of the roles of the Chairman and the Chief Executive Officer of the Company in the future.

B. Independent Non-Executive Directors

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed three Independent Non-Executive Directors of whom Mr. Wong Man Chung, Francis has appropriate professional qualifications and experience in financial matters.

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors to be independent.

董事局(「董事局」)(續)

備註：

1. 於二零零九年一月二日辭任
2. 於二零零九年一月二日獲委任

A. 董事局主席和首席執行官

根據企業管治守則第A.2.1條守則條文，主席和首席執行官應有區分，並不應由一人同時兼任。董事局設主席為制定本集團政策、業務方向及領導董事局，並監控本集團日常業務。

目前，韓敬遠先生擔任董事局主席兼首席執行官。董事局認為現時沒有即時需要區分董事局主席和首席執行官因為本公司主要及實際營運的附屬公司的首席執行官/總經理已由其他人士擔任。

未來，董事局將會考慮區分主席和首席執行官。

B. 獨立非執行董事

根據上市規則第3.10(1)條及第3.10(2)條，本公司已委任三名獨立非執行董事當中黃文宗先生在財務事宜方面擁有合適之專業資格及經驗。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。本公司認為全體獨立非執行董事均具備獨立性。

BOARD OF DIRECTORS (THE “BOARD”) (continued)

C. Appointment, Re-election and Removal of Directors

The Board as a whole is responsible for the selection and approval of candidates for appointment to the Board and does not therefore establish a nomination committee.

According to the Bye-laws of the Company, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. At each annual general meeting one-third of the Directors for the time (or if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything therein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to the retirement by rotation or be taken into account in determining the number of the Directors to retire in each year and the Director appointed to fill a casual vacancy or as an addition to the Board shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. The Company will consider amending the Bye-laws to comply with the Code Provision A.4.2 of the CG Code in the future.

During the year under review, all the Directors of the Company are appointed for a specific term and subject to re-election. Currently, Mr. Han Jingyuan, Mr. Zhu Jun, Mr. Shen Xiaoling and Mr. Zhu Hao are appointed for a fixed term of three years. Mr. Liu Lei, Mr. Muktesh Mukherjee, Mr. Jean-Paul Georges Schuler and Mr. Ondra Otradovec are appointed a fixed term of two years. All Independent Non-Executive Directors, Mr. Gao Qingju, Mr. Yu Tung Ho and Mr. Wong Man Chung, Francis are appointed for a fixed term of one year.

During the year under review, no Director was appointed to fill any causal vacancy or otherwise.

董事局(「董事局」)(續)

C. 委任、重選和撤換董事

董事局全體成員負責挑選及核准董事局候選成員之委任，因此並沒有成立提名委員會。

根據本公司之章程細則，任何獲委任以填補臨時空缺或新加入之董事僅可留任至本公司下一屆股東週年大會，並符合資格重選連任。於每屆股東週年大會上，當時在任之三分之一之董事(或如董事人數並非三或三之倍數時，最接近但不少於三分之一之董事)須輪值告退但符合資格重選連任，而每位董事須至少每三年退任一次。每年告退之董事(包括以特定任期委任之董事)須為自上一次當選後任期最長之董事，僅擔任主席及/或董事總經理之董事毋須輪值告退，計算須告退董事人數時亦不予計算在內。同時，填補空缺或新加入的董事人數，於釐定須輪值退任之董事人數時，均無須計算在內。本公司將考慮修改章程細則以符合企業管治守則第A.4.2條守則條文。

於回顧年度內，本公司所有董事之委任均有指定任期，並須根據本公司章程接受重選。目前，韓敬遠先生、朱軍先生、沈曉玲先生和朱浩先生以指定任期獲委任，為期三年，劉磊先生、Muktesh Mukherjee先生、Jean-Paul Georges Schuler先生和Ondra Otradovec先生以指定任期獲委任，為期兩年。所有獨立非執行董事高清舉先生、余統浩先生和黃文宗先生以指定任期一年之任期獲委任。

於回顧期間，董事局之架構並無變動。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

D. Responsibilities of Directors

The Directors fully appreciate their role and duties as Directors of the Company.

New Director will be given an introduction to the Group’s major business activities, induction into their responsibilities and duties, and other regulatory requirements.

The Company Secretary is responsible for keeping all Directors updated on the Listing Rules and other relevant regulatory requirements.

E. Directors’ Securities Transactions

The Company has adopted a code of conduct regarding Directors of the Company’s securities transactions on terms no less 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 and its code of conduct regarding Directors’ securities transactions during the year.

董事局(「董事局」)(續)

D. 董事責任

所有董事均充分了解彼等作為本公司董事之角色及職責。

新任董事於入職時，將獲簡介本集團之主要業務、彼等之責任及職責以及其他監管要求。

公司秘書負責向全體董事發放上市規則及其他相關監管要求之最新資料。

E. 董事之證券交易

本公司已採納有關本公司董事證券交易的操守準則，該操守準則的條款不低於上市規則附錄十的標準守則(「標準守則」)所載的規定標準。

經向所有董事作出具體查詢後，所有董事確認於年內已遵守標準守則和董事證券交易的操守準則規定之條款。

BOARD OF DIRECTORS (THE “BOARD”) (continued)

F. Board Committees

As an integral part of sound corporate governance, the Board has established the following committees whose authorities and functions, compositions and duties are set out below:

(1) Audit Committee

The Audit Committee has been established since 2005. It comprises three Independent Non-Executive Directors during the year under review in compliance with Rules 3.21 of the Listing Rules. The Audit Committee’s term of reference includes those specific duties as set out in the code provision C.3.3 of the CG Code. Pursuant to its term of reference, the Audit Committee is required, amongst other things, to consider and recommend to the Board the appointment, re-appointment and removal of the external auditors and to approve their remuneration, to review the interim and annual financial statements, to review the Group’s financial controls, internal controls and risk management system including the adequacy of resources, qualification and experience of staff of the accounting and financial reporting function and their training programmes and budget, and to consider any findings of major investigation of internal control matters as delegated by the Board or on its own initiative and management’s response. The Audit Committee should meet at least twice each year and when the need arises.

董事局(「董事局」)(續)

F. 董事委員會

作為良好企業管治不可分割之部分，董事局已設立下列委員會，其權限、職能、組成及職責載列如下：

(1) 審核委員會

審核委員會自二零零五年起成立。於回顧年內，審核委員會由三名獨立非執行董事組成，以遵守上市規則第3.21條之規定。審核委員會之職權範圍包括企業管治守則第C.3.3條守則條文所載之特定職責。根據其職權範圍，審核委員會須(其中包括)審議並向董事局建議委任、重新委任及解聘外聘核數師並批准其薪酬、審核中期及年度財務報表、審核本集團財務監控、內部監控與風險管理系統包括在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足，以及審議由董事局或其自行發起對內部監控事宜進行重大調查之結果以及管理層作出之反應。審核委員會應每年最少召開兩次會議以及於有需要時舉行會議。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

F. Board Committees (continued)

(1) Audit Committee (continued)

During the year ended 31 December 2009, four committee meetings were held, one to consider the annual results of the Group for the financial year ended 31 December 2008 including the discussion of internal control report and one to consider the interim results of the Group for the six months ended 30 June 2009.

The attendance record for each member of the Audit Committee during the year is set out as follows:

Committee members

委員會會員

Gao Qingju	高清舉
Yu Tung Ho	余統浩
Wong Man Chung, Francis	黃文宗

(2) Remuneration Committee

Pursuant to Code Provision B.1.1 of the CG Code, a majority of the members of the Remuneration Committee should be Independent Non-Executive Directors. Currently, the Remuneration Committee consists of the Chairman of the Company and three Independent Non-Executive Directors.

董事局(「董事局」)(續)

F. 董事委員會(續)

(1) 審核委員會(續)

於截至二零零九年十二月三十一日止年度，審核委員會共舉行四次會議，一次為審議本集團截至二零零八年十二月三十一日止財政年度之全年業績包括內部監控報告討論和一次為審議本集團截至二零零九年六月三十日止六個月之中期業績。

本年度審核委員會各會員出席記錄如下：

Number of Board meeting Attended 委員會會議出席次數

4/4
4/4
4/4

(2) 薪酬委員會

根據企業管治守則第B.1.1條守則條文，薪酬委員會大部分成員須為獨立非執行董事。現時，薪酬委員會由董事局主席及三名獨立非執行董事所組成。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

F. Board Committees (continued)

(2) Remuneration Committee (continued)

The Remuneration Committee’s term of reference includes those specific duties as set out in the Code Provision B.1.3 of the CG Code. Pursuant to its term of reference, the Remuneration Committee is required, amongst other things, to review and recommend to the Board the compensation packages of the Executive Directors, Non-Executive Directors and senior management, to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; to review and approve the compensation payable to Executive Directors, Non-Executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and to ensure that no Director is involved in deciding his/her own remuneration. The Remuneration Committee should meet at least once a year and when the need arises.

During the year ended 31 December 2009, three meetings of Remuneration Committee was held. The attendance record of each member during the year is set out as follow:

Committee members 委員會會員

Han Jingyuan	韓敬遠
Gao Qingju	高清舉
Yu Tung Ho	余統浩
Wong Man Chung, Francis	黃文宗

董事局(「董事局」)(續)

F. 董事委員會(續)

(2) 薪酬委員會(續)

薪酬委員會之職權範圍包括企業管治守則第B.1.3條守則條文所載列之特定職責。根據其職權範圍，薪酬委員會須(其中包括)審議並向董事局建議執行董事、非執行董事及高級管理層之薪酬福利、參考不時由董事局議決之企業方針及目標審議和批准按表現發放之酬金、審議和批准應付執行董事、非執行董事及高級管理層有關彼等喪失或終止職位或委任之賠償以確保該等賠償乃根據相關合約條款而釐定且對本公司而言屬公平而非過度，以及確保並無董事參與釐定本身之薪酬。薪酬委員會應每年最少召開一次會議以及於有需要時召開會議。

於截至二零零九年十二月三十一日止年度，薪酬委員會舉行三次會議。各委員會成員之出席記錄如下：

Number of Board meeting Attended 委員會會議出席次數

3/3
3/3
3/3
3/3

Corporate Governance Report 企業管治報告

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges that it is its responsibility to prepare financial statements of the Company for each financial period which give a true and fair view of the state of affairs of the Company and ensure that financial statements are prepared in accordance with statutory and regulatory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements of the Company.

The Board confirms that, to the best of its knowledge and, having made appropriate enquires, it considers that the Company has adequate resources to continue in operational existence for the foreseeable future and has prepared the financial statements on a going concern basis accordingly.

Internal Controls

The Board recognizes that constant changes taking place in the business environment call for periodical reviews of the system of internal controls. Well-managed internal controls enable effective and efficient operations, ensure the reliability of internal and external reporting and assist in the compliance with applicable laws and regulations.

The Board recognizes that it has overall responsibility for the Group's system of internal controls and for reviewing its effectiveness. Pursuant to the Group's framework, senior management is primarily responsible for designing and implementing the policies and procedures of the internal controls, which the Board and the Audit Committee oversee the actions of senior management and monitor the effectiveness of the controls previously established.

The Company's internal audit function is performed by Internal Audit Department which reports to the Chief Operating Officer and the Chief Financial Officer and has direct access to the Chairman of the Audit Committee. The Chief Operating Officer and the Chief Financial Officer report directly to Chief Executive Officer. The internal audit functions include (i) review and report on internal and operational controls, (ii) follow-up on the suggestion made by external auditors, (iii) ongoing monitoring and reviews on different operating cycles; and (iv) special review of areas of concern identified by senior management.

問責和核數

財務匯報

董事局確認，其有責任就每一財務期間編製真實及公平地反映本公司財務狀況之財務報表，以及確保該等財務報表乃按法定與規管要求及適用會計準則編製。董事局亦須確保適時刊發本公司財務報表。

於作出適當查詢後，董事局確認，就其所知本公司具有充分資源於可見將來繼續維持營運，並已按持續經營準則編製財務報表。

內部監控

董事局明白商業環境不斷轉變，需要定期檢討內部監控制度。完善之內部監控有助業務有效運作，並確保內部及外部呈報之可靠，以及協助遵守適用法律與法規。

董事局明白其對於本集團之內部監控制度及審核其有效性具有整體責任。根據本集團之架構，高級管理層主要負責設計和實施內部監控政策及程序，而董事局及審核委員會則監督高級管理層之行動和監督過去所制定監控之有效性。

本公司之內部審核職能由內審部所執行，向首席運營官及首席財務官匯報，並直接向審核委員會主席通報。首席運營官及首席財務官再向首席執行官匯報。內審職能之工作包括(i)對內部及營運監控作出審議及報告；(ii)跟進外聘核數師提供之建議；(iii)對不同營運週期進行持續監控及檢討；及(iv)對高級管理層所識別之關注範圍進行專項審核。

ACCOUNTABILITY AND AUDIT (continued)

Internal Controls (continued)

In 2007, the Directors had engaged a professional firm to conduct a review on the system of internal control. The internal control review report had been approved by Audit Committee and the Board on 19 March 2008. By the end of the year 2008, the Chairman of the Audit Committee organised a full scope of review on the connected transactions and continuing connected transaction of the Company and noted that due to incorrect interpretation of the Listing Rules by a senior management (“Responsible Senior Management”) whom has been designated by the Board to be responsible for overlooking and monitoring compliance of the Listing Rules, a transaction was incorrectly classified inducing a non-compliance of the Listing Rules. After a meeting between the Board and the Responsible Senior Management, the Board had taken immediately actions to change the reporting channel and re-write the internal control system on reporting transactions.

However, internal control can only provide reasonable but not absolute assurance against errors or deliberate attempt to defraud the Company. The Board and the Audit Committee confirms to closely monitor the efficiency and effectiveness of the system of internal control of the Group. Periodical meetings will be held and guidance notes and training will be issued and provided to the senior management where appropriate, to ensure an efficient and effective system of internal control is in place.

External Auditor

During the financial year ended and up to the date of this report, the external auditor of the Group is PricewaterhouseCoopers. Fees of auditing services and non-auditing services (including interim review and others) for the year ended 31 December 2009 are RMB 2.9 million and RMB 0.6 million respectively.

問責和核數(續)

內部監控(續)

於二零零七年，董事聘請專業人士為內部監控系統進行審議。有關內部監控審查報告經審核委員會和董事局於二零零八年三月十九日批准採納。於二零零八年末時，審核委員會主席為本公司關連交易和持續關連交易籌劃全面審查，由於一名經董事局委派監管上市規則之執行的高級管理人員（「該名需負責的高級管理人員」）對上市規則理解有誤，導致一項交易分類錯誤引致沒有遵守上市規則。該名需負責的高級管理人員與董事局會議後，董事局即時採取行動改變匯報渠道和為申報交易重寫內部監控制度。

然而，內部監控僅可提供合理而非絕對之保障以防止錯誤或蓄意詐騙公司之行為。董事局和審核委員會承諾對本集團內部監控制度之有效性進行密切地監察。召開定期會議及向高級管理層發出通告指引和提供訓練以確保現有的內部監控系統是有效和適當的。

外聘核數師

於本財政年度及截至本報告日期，外聘核數師為羅兵咸永道會計師事務所。截至二零零九年十二月三十一日止年度，外聘核數師提供審核與非審核服務之費用（包括中期審閱及其他事項）分別為人民幣290萬元和人民幣60萬元。

ACCOUNTABILITY AND AUDIT (continued)

Risk Management

The Group's business, financial conditions and results of operation may be affected by risk and uncertainties pertaining to the Group's business. The factors set out below are those that the Company believes could result in the Group's financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those mentioned below which are unknown to the Group or which may not be material now but could turn out to be material in the future.

Operation Risk

The Group's results are affected by trends in the industry in which it operates. Income from the operations is dependent upon the conditions in global iron and steel market and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's financial conditions and results of operations.

Market Risk

Over 90% of the Group's consolidated sales and contribution to results are derived from the Mainland, China. The Group operates in highly competitive and rapidly changeable market. The intensification of price competition by existing competitors, product innovation or technical advancement could adversely affect the Group's financial conditions and results operations.

Credit Risk and Interest Rate

Credit risk arises from a number of areas. These include the possibility that a counter-party in a transaction may default during the settlement process. It also arises from lending, settlement, treasury, transaction and other activities undertaken by the Group. During the year under view, the Group has not undertaken any activities in any hedging or derivative instruments.

The Group has not established any risk management committee. The day to day credit management is performed by the Operation Department of Jinxi Limited and Jinxi Jinlan with reference to the creditworthiness, the type and value of collateral available and the length of business relationship with the counter-parties.

問責和核數(續)

風險管理

本集團之業務、財務狀況及經營業績可能受到與本集團業務相關之風險及不明朗因素所影響。以下載列因素為本公司認為可導致本集團之財務狀況或經營業績與預期或過去業績截然不同。除下文所述因素外，亦可能有本集團未知之其他風險或現時可能不屬重大惟日後成為重大之風險。

經營風險

本集團業績可能受到所經營行業之趨勢所影響。來自此等業務之收入受到全球鋼鐵市場之影響，因此概無法保證此等條件之變動不會對本集團財務狀況及營運業績產生不利影響。

市場風險

本集團的綜合銷售及業績貢獻有超過90%源自中國。本集團經營所在市場競爭非常激烈及變動極快。市場現有競爭對手之價格競爭加劇、產品革新或技術進步均可能對本集團財務狀況及營運業績產生不利影響。

信貸風險和利率風險

信貸風險來自若干範疇，包括交易對手可能於交收過程中不履責。風險亦可能來自借貸、交收、庫務、作價買賣、及本集團進行之其他活動。於回顧期間，本集團並沒有參與對沖或衍生工具活動。

本集團沒有設立風險管理委員會。日常信貸管理由津西鋼鐵和津西金蘭營運部處理，參考對方信貸評級、抵押品類別和價值和與業務往來年期。

ACCOUNTABILITY AND AUDIT (continued)

Foreign Exchange Risk

Foreign exchange risk is the risk to the Group's financial conditions and results of operations arising from movements of foreign exchange rates. The Group's foreign exchange risk primarily arises from the procurement of iron ores and the relevant products from overseas suppliers. Foreign exchange rates fluctuate in reaction to the macro-economic performance of different countries and fund flows between countries arising from trade or capital movements.

IMPACT ON NEW LEGISLATION, POLICY AND PROCEDURES

As mentioned before, over 90% of the operations of the Group are carried in the Mainland, China. Any change in the policy and procedure may have adverse effects on the Group's operation and results.

Also, the introduction of new legislation of rules by the Stock Exchange, Securities and Futures Commission and other regulatory bodies in Hong Kong and overseas may induce changes in market conditions that in turn adversely affect the operating results of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circular.

The general meeting of the Company provides a forum for exchange of views between the shareholders and the Board. The Chairman of the Board, the Directors and senior management of the Group and where applicable, the Directors (including Independent Non-Executive Directors) are available to answer questions at the Shareholders' Meeting.

問責和核數(續)

滙率風險

外滙風險指滙率變動對本集團財務狀況及營運業績構成之風險。本集團之外滙風險主要向海外供應商購入購鐵礦石和相關產品。滙率波動受不同國家宏觀經濟表現以及貿易或資本動向帶來國家之間資金流動所影響。

新法例、政策及程序之影響

正如上文所述，本集團運作超過90%在中國境內進行。任何政策和程序變動均可能對本集團財務狀況及營運和業績產生不利影響。

此外，聯交所、證監會和香港及海外其他監管機構引入之新法例及規則可能導致市場狀況變動，並可能對本公司經營業績帶來不利影響。

與股東之溝通

董事局深明與股東保持良好溝通之重要性。有關本集團之資料透過多種正式渠道(包括中期及年度報告、公告及通函)適時發放予各股東。

本公司股東大會為股東與董事局提供交流意見之機會。董事局主席、本集團董事及高級管理層及(如適用)，本公司董事(包括獨立非執行董事)可於股東大會上回應問題。

COMMUNICATION WITH SHAREHOLDERS (continued)

The rights of shareholders and the procedures for demanding a poll on resolution at Shareholders' Meeting are contained in the Company's Bye-laws. Details of such right to demand a poll and the poll procedure are included in all circulars to Shareholders which will call for a general meeting and will be explained during the proceedings of the meeting.

Separate resolutions are proposed at Shareholders' Meeting on each substantial issue, including the election of individual director.

The Company continues to enhance communication and relationship with its shareholders. Enquiries from Shareholders are dealt with in a formative and timely manner.

To promote effective communications, the Company also maintain a website at www.chinaorientalgroup.com, where information are updated on the Company's business developments and operations and other information are posted, including all the regulatory announcements relating to the Company and the poll results on the business day following the Shareholders' Meeting (if any).

Upon the implementation of the amendments of the Listing Rules with effect from 1 January 2009, all resolutions proposed at shareholders' meetings will be voted by poll. The poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinaorientalgroup.com) immediately after the relevant general meetings.

與股東之溝通(續)

股東之權利及在股東大會上要求就決議案投票表決之程序載於本公司章程細則。要求投票表決權利之詳情及投票表決程序載於所有召開股東大會之股東通函，並會於大會議事程序內解釋。

重大事宜(包括個別董事之選舉)將在股東大會上以獨立決議案方式提呈。

本公司將繼續改善與股東之溝通及關係。股東之查詢將會適時並詳盡處理。

為促進有效溝通，本公司亦已設立網站，網址為 www.chinaorientalgroup.com，載有本公司業務進展及經營最新資訊以及其他資料，其中包括有關本公司之所有監管公告及於股東會議後之營業日刊登之投票結果(如有)。

上市規則修訂於二零零九年一月一日生效後，所有在股東大會提呈的決議案均以投票方式表決。投票表決結果將於有關股東大會召開後馬上於聯交所網站(www.hkexnews.hk)及本公司網站(www.chinaorientalgroup.com)刊登。

Directors' Report 董事局報告

The Board of Directors (the "Board" or "Directors") of China Oriental Group Company Limited (the "Company") presents their annual report and the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009.

INCORPORATION AND LISTING OF THE COMPANY

The Company was incorporated as an exempted company with limited liability on 3 November 2003 under the Companies Act 1981 of Bermuda and the shares of the Company were listed on the Stock Exchange on 2 March 2004.

PRINCIPAL ACTIVITIES

As at 31 December 2009, the Company's principal activity is investment holding. The principal activity of the Group is the manufacture and sales of iron and steel products. The nature of the principal activity has not changed during the year.

SEGMENT INFORMATION

Over 90% of the Group's consolidated sales and contribution to results are derived from the PRC and mainly from the production and sales of iron and steel products for the year ended 31 December 2009 and are set out in Note 5 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's consolidated income statement for the year ended 31 December 2009 and its consolidated balance sheet as at that date, together with the balance sheet of the Company as at 31 December 2009, are set out in the financial statements on pages 63 to 67.

At a Board meeting held on 23 March 2010, the Board proposed a final dividend in respect of the year ended 31 December 2009 of HK\$ 251.94 million (approximately RMB 221.83 million), representing HK\$ 0.086 per ordinary share to the shareholders of the Company whose names appear on the register of member of the Company on 21 April 2010. Subject to the approval of the Company's shareholders at the Company's forthcoming annual general meeting to be held on 7 May 2010.

中國東方集團控股有限公司(「本公司」)董事局(「董事局」或「董事」)謹此提呈其年度報告及本公司及其附屬公司(「本集團」)截至二零零九年十二月三十一日止年度的經審核財務報表。

本公司之成立和上市

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。於二零零四年三月二日，本公司股份在聯交所上市。

主要業務

於二零零九年十二月三十一日，本公司的主要業務為投資控股。本集團的主要業務為生產及銷售鋼材產品。年內，主要業務性質並無變動。

分部資料

截至二零零九年十二月三十一日止年度，本集團的綜合銷售額及業績貢獻有超過90%源自中國，且主要來自生產及銷售鋼材產品，並載於合併財務報表附註5。

業績及股息

本集團截至二零零九年十二月三十一日止年度的合併利潤表及其於該日的合併資產負債表，連同本公司於二零零九年十二月三十一日的資產負債表載於第63至第67頁的財務報表。

於二零一零年三月二十三日舉行之董事局會議上，董事局建議向於二零一零年四月二十一日名列於本公司股東名冊之本公司股東派發截至二零零九年十二月三十一日止年度的末期股息2.52億港元(約人民幣2.22億元)，即每股普通股8.6港仙。股息建議需於二零一零年五月七日由股東週年大會批准後，方可作實。

SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated financial results and assets, liabilities and minority interests of the Group for the last five financial years, is set out on page 220.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group and the Company during the year are set out in Notes 7 and 8 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of the movements in the Company's issued share capital during the year are set out in Note 21 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in Note 22 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2009, the Company's retained earnings amounted to RMB 2.7 million (2008 accumulated losses: RMB 73.1 million).

At 31 December 2009, the Group's retained earnings amounted to RMB 3,475.2 million (2008: RMB 2,618.9 million).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the Companies Act 1981 of Bermuda, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

財務資料概要

本集團截至前五個財政年度的合併財務業績及資產、負債與少數股東權益概要載於第220頁。

物業、廠房及設備以及投資物業

本集團及本公司於年內的物業、廠房及設備以及投資物業的變動詳情分別載於合併財務報表附註7及8。

股本

本公司已發行股本於年內的變動詳情載於合併財務報表附註21。

儲備

本集團於年內的儲備變動載於合併財務報表附註22。

可分派儲備

於二零零九年十二月三十一日，本公司的留存收益達人民幣270萬元(二零零八年累計虧損：人民幣7,310萬元)。

於二零零九年十二月三十一日，本集團的留存收益達人民幣34.75億元(二零零八年：人民幣26.19億元)。

優先認購權

本公司的公司章程或百慕達一九八一年公司法均無有關優先購買權的規定，致使本公司須向現有股東按比例發售新股份。

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MAJOR CUSTOMERS AND SUPPLIERS

The sales attributable to the five largest customers of the Group accounted for less than 30% of the total Group's consolidated revenue for the year.

The purchases attributable to the five largest suppliers of the Group accounted for less than 30% of the total Group's consolidated purchases for the year.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Directors

Mr. Han Jingyuan

Mr. Zhu Jun

Mr. Liu Lei

Mr. Shen Xiaoling

Mr. Yu Jianshui

(resigned on 2 January 2009)

Mr. Zhu Hao

Mr. Muktesh Mukherjee

(appointed on 2 January 2009)

Non-Executive Directors

Mr. Jean-Paul Georges Schuler

(appointed on 2 January 2009)

Mr. Ondra Otradovec

(appointed on 2 January 2009)

Independent Non-Executive Directors

Mr. Gao Qingju

Mr. Yu Tung Ho

Mr. Wong Man Chung, Francis

In accordance with Bye-laws 86(2) and 87 of the Company, Mr. Zhu Jun, Mr. Liu Lei, Mr. Zhu Hao and Mr. Gao Qingju will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

主要客戶及供應商

本集團年內五大客戶所佔銷售額佔本集團的本年度合併總銷售額不足30%。

本集團年內五大供應商所佔採購額佔本集團的本年度合併採購總額少於30%。

董事

於年內及直至本報告日期止的董事如下：

執行董事

韓敬遠先生

朱軍先生

劉磊先生

沈曉玲先生

于建水先生

(於二零零九年一月二日辭任)

朱浩先生

Muktesh Mukherjee 先生

(於二零零九年一月二日獲委任)

非執行董事

Jean-Paul Georges Schuler 先生

(於二零零九年一月二日獲委任)

Ondra Otradovec 先生

(於二零零九年一月二日獲委任)

獨立非執行董事

高清舉先生

余統浩先生

黃文宗先生

根據本公司的公司章程第86(2)條和第87條，朱軍先生、劉磊先生、朱浩先生及高清舉先生將於應屆股東週年大會上退任，並符合資格和願意於應屆股東週年大會重選連任。

DIRECTORS (continued)

Pursuant to Rule 13.51(2) of the Listing Rules, the annual fee specified in each of Mr. Zhu Jun, Mr. Liu Lei, Mr. Zhu Hao and Mr. Gao Qingju's existing service contracts are HK\$ 300,000, HK\$ 300,000, HK\$ 300,000 and HK\$ 300,000 respectively. The basis of determining the Directors' fee was based on the mutual negotiation between the Directors with reference to the range of prevailing directors' fee for directors of listed companies in Hong Kong. Save as disclosed in this annual report, Mr. Zhu Jun, Mr. Liu Lei, Mr. Zhu Hao and Mr. Gao Qingju's do not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

DIRECTORS' INTERESTS IN CONTRACTS

Save as the transactions as disclosed in Notes 10 and 42 to the consolidated financial statements, no director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL INFORMATION

Biographical details of the Directors and senior management of the Company are set out on pages 24 to 30 of the annual report.

董事(續)

根據上市規則第13.51(2)條，朱軍先生、劉磊先生、朱浩先生及高淸舉先生各自的現有服務合約所指的全年費用分別為300,000港元、300,000港元、300,000港元及300,000港元。董事費用乃董事間按共同磋商的基準並且參考香港上市公司董事目前之董事袍金水準而釐定。除本年報所披露者外，朱軍先生、劉磊先生、朱浩先生及高淸舉先生概無與本公司其他董事、高級管理人員、主要股東或控權股東概無任何關係。

根據上市規則第3.13條，本公司已接獲每位獨立非執行董事的年度確認函確認其獨立性。本公司認為所有獨立非執行董事均為獨立。

董事的合約權益

除合併財務報表附註10和42所披露的交易外，董事於年內概無與本公司或其任何附屬公司訂立而對本集團業務屬重大的任何合約中擁有重大權益。

董事及高級管理人員的履歷資料

本公司董事及高級管理人員的履歷詳情載於年報第24至30頁。

DIRECTORS' SERVICE CONTRACTS

Four Executive Directors have service contracts with the Company for a fixed term of three years while the remaining two Executive Directors and all Non-Executive Directors have service contracts with the Company for a fixed term of two years which may be terminated by either party giving not less than three months' notice in writing.

All the Independent Non-Executive Directors have service contracts for a fixed term of one year.

Mr. Han Jingyuan, Mr. Zhu Jun and Mr. Shen Xiaoling (Executive Directors of the Company and its subsidiary) have service contracts with the Company's subsidiary on 9 June 2003 for a fixed term of five years commencing from 9 June 2003 which are exempted under the Listing Rules. Actual amount of salary was not specified in the service contracts other than the clause which stated that after probation, the employees will be paid according to the salary of the post. The service contracts may be terminated by the Company's subsidiary by paying compensation equivalent to the unfulfilled contract's salary and one month's salary for each year of service completed. The aforesaid services contracts with the subsidiaries are expired.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事的服務合約

四位執行董事與本公司訂立服務合約固定任期為期三年，而餘下兩位執行董事和所有非執行董事與本公司訂立的服務合約均有固定任期為期兩年。該等合約各可由任何一方發出不少於三個月的書面通知予以終止。

所有獨立非執行董事之服務合約均有固定年期為期一年。

韓敬遠先生、朱軍先生及沈曉玲先生(本公司及其附屬公司的執行董事)於二零零三年六月九日與本公司附屬公司訂立服務合約，固定任期自二零零三年六月九日起為期五年，此等服務合約已根據上市規則獲豁免。除列明僱員將於試用期後根據崗位獲支付薪金的條文外，服務合約並無指明薪金的實際金額。該等服務合約可由本公司附屬公司透過支付補償(相等於合約未滿年期的薪金及就每完成一年服務期支付一個月薪金)予以終止。上述與附屬公司之服務合同已屆滿。

除上文所披露者外，擬於應屆股東週年大會上重選連任的董事概無與本公司訂立於一年內不可免付賠償(法定賠償除外)而終止的服務合約。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

At 31 December 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:

董事於證券的權益及淡倉

於二零零九年十二月三十一日，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好倉及淡倉：

持有本公司股份數目及於本公司的權益性質：

	Corporate Interest 公司權益	Personal Interest 個人權益	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
Mr. Han Jingyuan (Note 1) 韓敬遠先生(附註1)	1,317,502,849 –	– 2,800,000	44.97% 0.10%	Long (好) Long (好)
Mr. Zhu Jun 朱軍先生	–	2,400,000	0.08%	Long (好)
Mr. Liu Lei 劉磊先生	–	2,400,000	0.08%	Long (好)
Mr. Shen Xiaoling 沈曉玲先生	–	2,400,000	0.08%	Long (好)
Mr. Gao Qingju 高清舉先生	–	1,686,000	0.06%	Long (好)

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DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

Note:

1. At 31 December 2009, Mr. Han Jingyuan beneficially owned 63.15% of the issued share capital of Wellbeing Holdings Limited ("Wellbeing") and held 16.09% of the issued share capital of Wellbeing in trust for the benefit of certain employees of the subsidiary of the Company. Wellbeing beneficially owned 1,255,849,124 shares of the Company representing approximately 42.87% of the issued share capital of the Company. Mr. Han is also the beneficial owner of 100% of the issued share capital of Chingford Holdings Limited ("Chingford") which beneficially owned 61,653,725 shares of the Company representing approximately 2.10% of the issued share capital of the Company at 31 December 2009.

At 31 December 2009, Mr. Han Jingyuan personally holds 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 31 December 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 of Listed Companies.

董事於證券的權益及淡倉(續)

附註：

1. 於二零零九年十二月三十一日，韓敬遠先生實益擁有 Wellbeing Holdings Limited (「Wellbeing」) 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 已發行股本 16.09% 的權益。Wellbeing 實益擁有本公司 1,255,849,124 股股份，約佔本公司已發行股本 42.87%。Chingford Holdings Limited (「Chingford」) 擁有本公司 61,653,725 股股份，約佔本公司於二零零九年十二月三十一日已發行股本約 2.10%，而韓先生實益擁 Chingford 已發行股本全部權益。

於二零零九年十二月三十一日，韓敬遠先生私人實益擁有本公司 2,800,000 股股份，約佔本公司已發行股本 0.10%。

除上文所披露者和下述「以股權結算的購股權計劃」部分外，於二零零九年十二月三十一日，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。

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.

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.

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主體的所有董事及任何僱員提供購股權計劃。

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。

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EQUITY-SETTLED SHARE OPTION SCHEME (continued)

On 24 February 2009, 21,200,000 options were granted to Directors and senior management, on 11 May 2009, 6,600,000 options were granted to Directors and on 29 December 2009, 148,780,000 options were granted to employees as follows:

以股權結算的購股權計劃(續)

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，於二零零九年五月十一日，6,600,000份購股權已授予董事，及於二零零九年十二月二十九日，148,780,000份購股權已授予僱員，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 options outstanding at 31 December 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	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 十二月三十一日 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. Han Jingyuan 韓敬遠先生	2009/2/24	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	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	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	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	2009/2/24 to 2019/2/23	1.39	1.24	-	2,600,000	-	2,600,000	0.09%
Mr. Muktesh Mukherjee Muktesh Mukherjee 先生	2009/5/11	2009/5/11 to 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 2019/5/10	1.50	1.49	-	2,000,000	-	2,000,000	0.07%

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EQUITY-SETTLED SHARE OPTION SCHEME (continued)

以股權結算的購股權計劃(續)

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 options outstanding at 31 December 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. Ondra Otradovec Ondra Otradovec先生	2009/5/11 to 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 to 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 to 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 to 2019/2/23	1.39	1.24	-	2,000,000	-	2,000,000	0.07%
Employees 僱員	2009/2/24 to 2019/2/23	1.39	1.24	-	1,900,000	-	1,900,000	0.06%
	2009/12/29 to 2019/3/27	2.84	2.77	-	148,780,000	-	148,780,000	5.08%
Total 合計					176,580,000		176,580,000	6.03%

The accounting policy for equity-settled share option is stated in the Note 2.20 to the consolidated financial statements.

以股權結算的購股權的會計政策於合併財務報表附註2.20中列出。

Directors' Report 董事局報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year 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 holding 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.

CONTRACTS OF SIGNIFICANCE

Save as disclosed above and the transactions as disclosed in Note 42 to the consolidated financial statements, no controlling shareholder or any of its subsidiaries have any contract of significance with the Company or its subsidiaries during the year.

SUBSTANTIAL SHAREHOLDERS

At 31 December 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:

Name 名稱	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	1,255,849,124	42.87%	Long (好)	
Mittal Steel Holdings AG ("Mittal Steel")(Note 1) (備註一)	867,711,151 509,780,740	29.62% 17.40%	Long (好) Long (好)	
ING Bank N.V. (Note 2) (備註二)	289,990,800 289,990,800	9.90% 9.90%	Long (好) Short (淡)	
Deutsche Bank Aktiengesellschaft (Note 3) (備註三)	220,934,306 219,801,940	7.54% 7.50%	Long (好) Short (淡)	

董事認購股份或債券的權利

除上文所披露者外，於年內任何時間，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。

重大合約

除上文所披露者外及合併財務報表附註42所披露的交易外，控股股東或其任何附屬公司於年內並無與本公司或其附屬公司訂立任何重大合約。

主要股東

於二零零九年十二月三十一日，根據本公司按照證券及期貨條例第336條所存置的股東名冊所記錄，每名人士(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：

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

1. As at the date of this report, 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 of the Company 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 of the Company, representing 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 the date of this report, ING Bank N.V. owns 289,990,800 shares of the Company representing 9.90% of the issued share 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 the date of this report, Deutsche Bank Aktiengesellschaft owns 220,934,306 shares of the Company, representing 7.54% of the issued share capital of the Company.

Save as disclosed above and in Directors' Interests and Short Positions in Securities section, at 31 December 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.

主要股東(續)

備註:

1. 於本報告日，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，彼直接擁有本公司867,711,151股股份，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股股份，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，於本報告日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，於本報告日，Deutsche Bank AG持有220,934,306股股份，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於證券的權益和淡倉部分外，於二零零九年十二月三十一日，根據本公司按照證券及期貨條例第336條所存置的股東名冊，概無人士(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。

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CONNECTED TRANSACTIONS

Details of significant connected parties and connected transactions of the Group under the Listing Rules are set out as below.

On 9 October 2007, Foshan Jin Xi Jin Lan Cold Rolled Sheet Co., Ltd. ("Jinxi Jinlan"), an indirect non-wholly owned subsidiary of the Company entered into a continuing connected transaction with Foshan Jin Lan Imports & Exports Co., Ltd. ("Jin Lan I&E"), a company controlled by the daughter of Mr. Zhou Weijie, a substantial shareholder of Jinxi Jinlan for the sale of iron and steel products at a selling price not lower than the prevailing market price for the period from 7 October 2007 to 31 December 2009.

On 3 December 2008, the Company announced that the annual cap for the continuing connected transaction between Jinxi Jinlan and Jin Lan I&E was exceeded due to incorrect interpretation of Listing Rules by a senior management of the Company. The revised cap for the above continuing connected transaction for the financial years ended 31 December 2008 and 31 December 2009 was ratified, approved and confirmed by shareholders of the Company in a special general meeting held on 11 February 2009.

On 28 April 2008, the Company entered into a master supply agreement with ArcelorMittal Sourcing S.A. for the supply of iron ore and relevant products for the period from 28 April 2008 to 31 December 2010 which constituted a continuing connected transaction to the Company.

On 3 December 2008, Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited") (original Hebei Jinxi Iron and Steel Company Limited) entered into master agreements with Qianxi County Longba Charging Company Limited ("Longba Charging") and Qianxi County Jinxin Mining Company Limited ("Jinxi Mining") to purchase lime products and iron power and related products for the period from 3 December 2008 to 31 December 2010 from Longba Charging and Jinxi Mining respectively which constituted continuing connected transactions to the Company.

關連交易

本集團根據上市規則的重大關連人士及關連交易詳情載於下方。

於二零零七年十月九日，佛山津西金蘭冷軋板有限公司（「津西金蘭」），一間本公司間接非全資擁有的附屬公司，與佛山金蘭進口有限公司（「金蘭進出口」），一間為津西金蘭主要股東周偉傑先生女兒所控制的公司，為以不低於市場價值供應鋼鐵產品進行持續關連交易，由二零零七年十月七日至二零零九年十二月三十一日止。

於二零零八年十二月三日，本公司公佈由於本公司一名高級管理人員對上市規則理解有誤導致津西金蘭與金蘭進出口之持續關連交易超出每年上限金額。該持續關連交易之截至二零零八年十二月三十一日和二零零九年十二月三十一日之已修訂的每年上限金額經由股東於二零零九年二月十一日股東特別大會追認、批准和確認。

於二零零八年四月二十八日，本公司與ArcelorMittal Sourcing S.A. 為鐵礦石和相關產品訂立一份總供應協議並構成持續關連交易，由二零零八年四月二十八日至二零一零年十二月三十一日止。

於二零零八年十二月三日，河北津西鋼鐵集團股份有限公司（「津西鋼鐵」）（原河北津西鋼鐵股份有限公司）與遷西縣龍霸爐料有限責任公司（「龍霸爐料」）和遷西縣金信礦業有限公司（「金信礦業」）就向龍霸爐料及金信礦業購買石灰產品和鐵粉和相關產品訂立一份總供應協議，並構成本公司持續關連交易，由二零零八年十二月三日至二零一零年十二月三十一日止。

CONNECTED TRANSACTIONS (continued)

On 31 December 2008, Jinxi Limited, Jinxin Mining and Qianxi County Jinjin Mine Company Limited ("Jinjin Mine") have entered into certain agreements and an authority mandatory agreement in relation to the management and operation right of Jinjin Mine for a period from 1 February 2009 to 31 January 2011. Jinxi Limited and Jinxin Mining holds 51% and 49% equity interest in Jinjin Mine respectively.

On 27 April 2009, Hebei Jinxi Section Steel Company Limited ("Jinxi Section Steel") entered into a framework agreement with Foshan Jin Lan Group Company Limited ("Jin Lan Group") for the supply of steel products for a period of one year commencing from 27 April 2009 to 26 April 2010.

In the opinion of the Independent Non-Executive Directors of the Company, these continuing connected transactions were entered into:

- 1.1 in the ordinary and usual course of business of the Group;
 - 1.2 fair and reasonable so far as the shareholders of the Company are concerned;
 - 1.3 on normal commercial terms;
 - 1.4 in accordance with the relevant agreement governing such transactions on terms that are fair and reasonable;
 - 1.5 in the interest of the Company and its shareholders as a whole.
- 2.1 the aggregate amount of the continuing connected transaction between Jinxi Jinlan and Jin Lan I&E for the year ended 31 December 2009 amounted to approximately RMB 59.8 million (excluding value added tax);
 - 2.2 the aggregate amount of the continuing connected transaction between the Company and ArcelorMittal Sourcing S.A. for the year ended 31 December 2009 is nil;
 - 2.3 the aggregate amount of the continuing connected transaction between Jinxi Limited and Longba Charging for the year ended 31 December 2009 amounted to approximately RMB 69.9 million (excluding value added tax);

關連交易(續)

於二零零八年十二月三十一日，津西鋼鐵、金信礦業及遷西縣津金礦業有限公司(「津金礦業」)為於二零零九年二月一日至二零一一年一月三十一日期間內承包經營津金礦業簽署若干承包經營協議和委託管理協議。津西鋼鐵和金信礦業分別持有津金礦業51%股本權益和49%股本權益。

於二零零九年四月二十七日，河北津西型鋼有限公司(「津西型鋼」)與佛山金蘭集團有限公司(「金蘭集團」)為鋼鐵產品供應訂立一份框架協議，由二零零九年四月二十七日至二零一零年四月二十六日止，為期一年。

本公司獨立非執行董事認為這些持續關連交易仍：

- 1.1 屬本集團正常及日常業務；
 - 1.2 就本公司股東而言屬公平和合理；
 - 1.3 按一般商務條款訂定；
 - 1.4 按照有關規管該交易的有關協議及條款，其條款是公平及合理；及
 - 1.5 符合本公司及股東整體利益。
- 2.1 截至二零零九年十二月三十一日止年度，津西金蘭與金蘭進出口之持續關連交易累計金額約為人民幣5,980萬元(不含增值稅)；
 - 2.2 截至二零零九年十二月三十一日止年度，本公司與ArcelorMittal Sourcing S.A.之持續關連交易金額為0元；
 - 2.3 截至二零零九年十二月三十一日止年度，津西鋼鐵與龍霸爐料之持續關連交易累計金額約為人民幣6,990萬元(不含增值稅)；

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CONNECTED TRANSACTIONS (continued)

- 2.4 the aggregate amount of the continuing connected transaction between Jinxi Limited and Jinxin Mining for the year ended 31 December 2009 amounted to approximately RMB 263.11 million (excluding value added tax).
- 2.5 the aggregate amount of the continuing connected transaction between Jinxi Limited and Jinjin Mine in relation to the management and operation right of Jinjin Mine for the year ended 31 December 2009 is nil.
- 2.6 the aggregate amount of the continuing connected transaction between Jinxi Section Steel and Jin Lan Group for the year ended 31 December 2009 amounted to approximately RMB 32 million (excluding value added tax).

In accordance with rule 14A.38 of the Rules Governing the Listing of Securities on the Stock Exchange, the Board engaged the auditor of the Company to perform certain agreed-upon procedures on the above continuing connected transaction on a sample basis in accordance with Hong Kong Standard on Related Service 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor reported their factual findings on the selected samples based on the agreed procedures as follow:

- (1) have been approved by the Board of the Company;
- (2) for transactions involving provisions of goods and services by the Group, are in accordance with the pricing policies of the Company;
- (3) have been entered into in accordance with the relevant agreements governing the transactions;
- (4) have not exceeded the relevant caps disclosed in the Company's announcement dated 6 May 2008, 16 December 2008, 7 January 2009 and 30 April 2009 respectively.

Save as disclosed above and in Note 42 to the consolidated financial statements, there were no other transactions required to be disclosed as non-exempt connected transactions in accordance with the Listing Rules.

關連交易 (續)

- 2.4 截至二零零九年十二月三十一日止年度，津西鋼鐵與金信礦業之持續關連交易累計金額約為人民幣26,311萬元(不含增值稅)。
- 2.5 截至二零零九年十二月三十一日止年度，津西鋼鐵與津金礦業有關承包經營津金礦業之持續關連交易金額為0元。
- 2.6 截至二零零九年十二月三十一日止年度，津西型鋼與金蘭集團之持續關連交易累計金額約人民幣3,200萬元(不含增值稅)。

根據聯交所證券上市規則第14A.38條，董事局已委聘本公司核數師按照香港會計師公會發出的香港相關服務準則4400「就財務資料執行協定程序的聘用」對上述持續關連交易進行若干協定程序。核數師已根據協定程序就所選樣本所得之事實結論報告如下：

- (1) 該等交易已經本公司董事局批准；
- (2) 對於涉及由本集團提供貨物和服務的該等交易，其定價是按照本公司的定價政策進行的；
- (3) 該等交易是按照規管該等交易的相關協議進行的；
- (4) 該等交易的金額並無超越本公司於二零零八年五月六日、二零零八年十二月十六日、二零零九年一月七日及二零零九年四月三十日公告之有關上限。

除上述所披露以及合併財務報表附註42所披露的交易外，概無其他交易需根據上市規則作不獲豁免關連交易披露。

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, the percentage of the Company's shares which are in the hands of the public exceeds 25% of the Company's total number of issued shares as at the date of this report, the latest practicable date to ascertain such information prior to the issue of this annual report.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

SUBSEQUENT EVENTS

Details of the significant post balance sheet events are set out in Notes 41 and 43 to the consolidated financial statements.

AUDITOR

PricewaterhouseCoopers retired and a resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

China Oriental Group Company Limited

Han Jingyuan

Chairman and Chief Executive Officer

Hong Kong, 23 March 2010

足夠公眾持股量

根據本公司獲得之公開資料及據董事局所知，於本報告日期(即本年報刊發前確認該等資料之最後可行日期)，公眾人士所持有本公司股份超過本公司已發行股份總數25%。

購買、出售或贖回本公司上市證券

年內，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。

結算日後事項

所有重大結算日後事項詳情載於綜合財務報表附註41及43。

核數師

羅兵咸永道會計師事務所退任，而應屆股東週年大會上將提呈決議案，續聘彼等為本公司的核數師。

謹代表董事局

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

香港，二零一零年三月二十三日

Independent Auditor's Report 獨立核數師報告



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong
Telephone +852 2289 8888
Facsimile +852 2810 9888
pwchk.com

To the shareholders of China Oriental Group Company Limited *(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of China Oriental Group Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 63 to 219, which comprise the consolidated and company balance sheets as at 31 December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

致中國東方集團控股有限公司股東 *(於百慕達註冊成立的有限公司)*

本核數師(以下簡稱「我們」)已審核列載於第63頁至219頁中國東方集團控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的合併財務報表，此合併財務報表包括於二零零九年十二月三十一日的合併及公司資產負債表與截至該日止年度的合併利潤表、合併綜合收益表、合併權益變動表和合併現金流量表，以及重要會計政策摘要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製及真實而公平地列報該等合併財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

核數師的責任

我們的責任是根據我們的審核對該等合併財務報表作出意見，並按照百慕達一九八一年公司法第90條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

Independent Auditor's Report 獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 March 2010

意見

我們認為，該等合併財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零九年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一零年三月二十三日

Consolidated Balance Sheet

合併資產負債表

(All amounts in Renminbi ("RMB") thousands unless otherwise stated) As at 31 December 2009
(除另有指明外，所有金額均以人民幣(「人民幣」)千元為單位) 於二零零九年十二月三十一日止年度

		As at 31 December	
		於十二月三十一日	
	Note	2009	2008
	附註	二零零九年	二零零八年
ASSETS			
			資產
Non-current assets			非流動資產
Property, plant and equipment	7	8,625,585	8,286,788
Leasehold land and land use rights	6	73,139	74,790
Investment properties	8	17,595	18,400
Intangible assets	9	–	7,667
Investment in an associate	11	10,297	10,120
Loan receivable	14	–	130,000
Available-for-sale financial assets	15	–	188,100
Deferred income tax assets	28	81,007	7,461
		8,807,623	8,723,326
Current assets			流動資產
Available-for-sale financial assets	15	96,148	–
Inventories	16	2,598,021	1,567,437
Trade receivables	17	1,197,067	1,733,991
Other current assets		14,191	9,894
Prepayments, deposits and other receivables	19	1,125,231	731,570
Financial assets at fair value through profit or loss	18	144	140
Amounts due from related parties	42(c)	364,196	14,620
Prepaid current income tax		–	264,555
Restricted bank balances	20	342,486	361,698
Cash and cash equivalents	20	644,030	728,826
		6,381,514	5,412,731
Total assets		15,189,137	14,136,057
EQUITY			權益
Equity attributable to owners of the parent			歸屬於本公司權益持有者
Ordinary shares	21	311,669	311,669
Share premium	21	2,189,695	2,189,695
Other reserves	22	1,192,190	1,144,963
Retained earnings		3,475,204	2,618,902
		7,168,758	6,265,229
Minority interest		291,992	224,711
Total equity		7,460,750	6,489,940

Consolidated Balance Sheet (continued)

合併資產負債表(續)

(All amounts in RMB thousands unless otherwise stated) As at 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 於二零零九年十二月三十一日止年度

		As at 31 December	
		於十二月三十一日	
		2009	2008
		二零零九年	二零零八年
	Note 附註		
LIABILITIES			
Non-current liabilities			
Borrowings	25	758,857	489,230
Other long term payables	26	570,163	847,934
Deferred revenue	27	41,256	62,756
Amounts due to related parties	42(c)	37,404	65,055
		1,407,680	1,464,975
Current liabilities			
Trade payables	23	1,725,762	2,219,395
Accruals, advances from customers and other current liabilities	24	2,255,423	2,034,745
Amounts due to related parties	42(c)	269,218	207,013
Current income tax liabilities		136,532	-
Other long term payables – current portion	26	134,432	19,888
Borrowings	25	1,796,481	1,697,230
Dividends payable		2,859	2,871
		6,320,707	6,181,142
Total liabilities		7,728,387	7,646,117
Total equity and liabilities		15,189,137	14,136,057
Net current assets/(liabilities)		60,807	(768,411)
Total assets less current liabilities		8,868,430	7,954,915

Han Jingyuan

韓敬遠

Chairman and Director

主席及董事

Liu Lei

劉磊

Director

董事

The notes on pages 70 to 219 are an integral part of these financial statements.

第70至219頁的附註為財務報表的整體部分。

Company Balance Sheet 公司資產負債表

(All amounts in RMB thousands unless otherwise stated) As at 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 於二零零九年十二月三十一日

		As at 31 December 於十二月三十一日	
		2009 二零零九年	2008 二零零八年
	Note 附註		
ASSETS			
Non-current assets			
Property, plant and equipment	7	782	1,037
Investments in subsidiaries	10(a)	382,121	382,121
Loans to subsidiaries	10(b)	2,431,264	2,328,517
		2,814,167	2,711,675
Current assets			
Available-for-sale financial assets	15	96,148	-
Inventories	16	21,288	-
Prepayments, deposits and other receivables	19	1,315	1,403
Financial assets at fair value through profit or loss	18	144	140
Amounts due from related parties	20	6,592	6,513
Restricted bank balances	20	25,107	-
Cash and cash equivalents	20	124,164	62,238
		274,758	70,294
Total assets		3,088,925	2,781,969
EQUITY			
Equity attributable to owners of the parent			
Share capital	21	311,669	311,669
Share premium	21	2,189,695	2,189,695
Other reserves		195,837	176,631
Retained earnings/(Accumulated losses)		2,702	(73,111)
Total equity		2,699,903	2,604,884
LIABILITIES			
Current liabilities			
Trade payables	23	177,776	4,295
Accruals and other current liabilities		21,315	12,527
Borrowings	25	159,903	160,160
Amounts due to related parties		29,937	-
Dividends payable		91	103
Total liabilities		389,022	177,085
Total equity and liabilities		3,088,925	2,781,969
Net current liabilities		(114,264)	(106,791)
Total assets less current liabilities		2,699,903	2,604,884

Han Jingyuan
韓敬遠
Chairman and Director
主席及董事

Liu Lei
劉磊
Director
董事

The notes on pages 70 to 219 are an integral part of these financial statements.

第70至219頁的附註為財務報表的整體部分。

Consolidated Income Statement

合併利潤表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

			Year ended 31 December 截至十二月三十一日止年度	
		Note 附註	2009 二零零九年	2008 二零零八年
Revenue	收入	5	20,589,138	19,388,183
Cost of sales	銷售成本	31	(18,582,768)	(18,870,988)
Gross profit	毛利		2,006,370	517,195
Other income	其他收入	30	36,817	35,639
Distribution costs	分銷成本	31	(56,997)	(80,319)
Administrative expenses	行政費用	31	(283,534)	(281,942)
Other expenses	其他費用	31	(206,823)	(10,228)
Other losses-net	其他虧損－淨額	29	(80,545)	(1,364)
Operating profit	經營溢利		1,415,288	178,981
Finance income	財務收入	33	35,414	24,249
Finance costs	財務成本	33	(137,145)	(91,627)
Finance costs – net	財務成本－淨額		(101,731)	(67,378)
Share of profit of an associate	應佔聯營公司溢利	11	177	1,998
Profit before income tax	除所得稅前溢利		1,313,734	113,601
Income tax expense	所得稅費用	34	(341,293)	(70,643)
Profit for the year	年度溢利		972,441	42,958
Profit attributable to:	溢利歸屬於：			
Equity holders of the Company	本公司權益持有者		884,323	44,032
Minority interest	少數股東權益		88,118	(1,074)
			972,441	42,958
Earnings per share for profit attributable to equity holders of the Company during the year (expressed in RMB per share)	年內本公司權益持有者應佔溢利的每股收益 (每股人民幣元)			
– Basic earnings per share	– 基本每股收益	37	人民幣0.30元	人民幣0.02元
– Diluted earnings per share	– 稀釋每股收益	37	人民幣0.30元	人民幣0.02元
Dividends	股息	38	221,834	167,088

The notes on pages 70 to 219 are an integral part of these financial statements.

第70至219頁的附註為財務報表的整體部分。

Consolidated Statement of Comprehensive Income

合併綜合收益表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
 (除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

		Year ended 31 December	
		截至十二月三十一日止年度	
		2009	2008
		二零零九年	二零零八年
	Note 附註		
Profit for the year		972,441	42,958
Other comprehensive income:			
Fair value gains on available-for-sale financial assets			
	15	8,453	-
Total comprehensive income for the year		980,894	42,958
Attributable to:			
Equity holders of the Company		892,776	44,032
Minority interest		88,118	(1,074)
		980,894	42,958

The notes on pages 70 to 219 are an integral part of these financial statements.

第70至219頁的附註為財務報表的整體部分。

Consolidated Statement of Changes in Equity

合併權益變動表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有者應佔					Minority interest 少數 股東權益	Total equity 權益合計
Note 附註		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 留存收益	Total 總計		
	Balance at 1 January 2008							
	於二零零八年一月一日的結餘	311,444	2,185,964	1,144,182	2,907,100	6,548,690	147,414	
	Comprehensive income							
	綜合收益							
	Profit for the year	-	-	-	44,032	44,032	(1,074)	
	Other comprehensive income							
	其他綜合收益	-	-	-	-	-	-	
	Total comprehensive income							
	綜合收益合計	-	-	-	44,032	44,032	(1,074)	
	Transactions with owners							
	與擁有人的交易							
	Employee share options scheme:							
	僱員購股權計劃：							
	- Proceeds from exercising share options	21	3,731	-	-	3,956	-	
	所得款項	225	3,731	-	-	3,956	-	
	Profit appropriation to statutory reserves	22	-	781	(781)	-	-	
	向法定儲備作出的溢利分配	-	-	781	(781)	-	-	
	Dividends relating to 2007	38(a)	-	-	(164,361)	(164,361)	(7,042)	
	二零零七年股息	-	-	-	(164,361)	(164,361)	(7,042)	
	Dividends relating to 2008	38(a)	-	-	(167,088)	(167,088)	(7,546)	
	二零零八年股息	-	-	-	(167,088)	(167,088)	(7,546)	
	Acquisition from a minority shareholder							
	收購少數股東權益	-	-	-	-	-	(25,655)	
	Minority shareholder's injection							
	少數股東注資	-	-	-	-	-	118,614	
	Total transactions with owners							
	與擁有人的交易合計	225	3,731	781	(332,230)	(327,493)	78,371	
	Balance at 31 December 2008							
	於二零零八年十二月三十一日的結餘	311,669	2,189,695	1,144,963	2,618,902	6,265,229	224,711	
	Balance at 1 January 2009							
	於二零零九年一月一日的結餘	311,669	2,189,695	1,144,963	2,618,902	6,265,229	224,711	
	Comprehensive income							
	綜合收益							
	Profit for the year	-	-	-	884,323	884,323	88,118	
	Other comprehensive income							
	其他綜合收益							
	Fair value gains on available-for-sale financial assets			8,453	-	8,453	-	
	可供出售金融資產的公允價值收益	-	-	8,453	-	8,453	-	
	Total comprehensive income							
	綜合收益合計	-	-	8,453	884,323	892,776	88,118	
	Transactions with owners							
	與擁有人的交易							
	Employee share options scheme:							
	僱員購股權計劃：							
	- Value of employee services			10,753	-	10,753	-	
	僱員服務的價值	-	-	10,753	-	10,753	-	
	Profit appropriation to statutory reserves	22	-	28,021	(28,021)	-	-	
	向法定儲備作出的溢利分配	-	-	28,021	(28,021)	-	-	
	Dividends relating to 2009	42(c)	-	-	-	-	(20,837)	
	二零零九年股息	-	-	-	-	-	(20,837)	
	Total transactions with owners							
	與擁有人的交易合計	-	-	38,774	(28,021)	10,753	(20,837)	
	Balance at 31 December 2009							
	於二零零九年十二月三十一日的結餘	311,669	2,189,695	1,192,190	3,475,204	7,168,758	291,992	

The notes on pages 70 to 219 are an integral part of these financial statements.

第 70 至 219 頁的附註為財務報表的整體部分。

Consolidated Cash Flow Statement 合併現金流量表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營產生的現金	39	374,002
Interest received	已收利息		626,172
Dividends received from financial assets at fair value through profit or loss	從按公允價值計量且其變動計入損益表的金融資產中收取的股息		28,276
Interest paid	已付利息		15,519
Refund of prior year prepaid income tax	上年度預繳所得稅退還		1
Income tax paid	已付所得稅		11
			(134,756)
			161,630
			(177,603)
Net cash generated from operating activities	經營活動產生的現金淨額		(433,701)
			251,550
			147,914
Cash flows from investing activities	來自投資活動的現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	39	(930,821)
Payment for sale of property, plant and equipment	銷售物業、廠房及設備的付款		(953,649)
Investment income on loan receivable	應收貸款投資收益		(29)
Decrease/(Increase) in loan receivable	應收貸款減少/(增加)		6,400
Increase in available-for-sale financial assets	可供出售金融資產增加		8,308
Cash received relating to other investing activities	就其他投資活動收取的現金		130,000
Cash paid relating to other investing activities	就其他投資活動已支付的現金		(188,100)
			(87,696)
			400,000
			(192,652)
Net cash used in investing activities	投資活動所耗的現金淨額		(674,798)
			(1,510,441)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds of borrowings from related parties	關聯方借款所得款項		29,937
Repayment of borrowings from related parties	償還關聯方借款		3,956
Proceeds from borrowings	借款所得款項		(17,651)
Repayment of borrowings	償還借款		3,118,524
Dividends paid	已付股息		1,608,836
Capital injection by minority shareholders	少數股東注資		(2,769,390)
Proceeds from borrowings from a minority shareholder	少數股東借款所得款項		(626,617)
Proceeds from sales and leaseback transaction	出售及回租交易所得款項	27	-
Cash paid relating to sales and leaseback transaction	就出售及回租交易已支付的現金		170,000
Decrease/(Increase) in restricted bank balances pledged as security for current bank borrowings	作為流動銀行借款的抵押的受限制銀行結餘減少/(增加)		800,000
			(33,227)
			10,625
Net cash generated from financing activities	融資活動產生的現金淨額		(200,000)
			338,818
			1,409,745
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(84,430)
Effect of foreign exchange rate changes	外幣匯率變動的影響		(365)
Cash and cash equivalents, beginning of the year	年初現金及現金等價物		728,826
Cash and cash equivalents, end of the year	年終現金及現金等價物	20	644,031
			728,826

The notes on pages 70 to 219 are an integral part of these financial statements.

第70至219頁的附註為財務報表的整體部分。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

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.

These consolidated financial statements are presented in thousands of units of RMB, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors (the “Board”) on 23 March 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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。

除另有指明外，本合併財務報表以人民幣千元呈列。本合併財務報表已經由董事局(「董事局」)於二零一零年三月二十三日批准刊發。

2. 重要會計政策摘要

編製本合併財務報表採用的主要會計政策載於下文。除另有指明外，此等政策在所呈列的所有年度內貫徹應用。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). They have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Changes in accounting standards and interpretations

(a) New and amended standards adopted by the Group

The Group has adopted the following new and amended HKFRSs as of 1 January 2009:

- HKFRS 7, ‘Financial Instruments – Disclosures’ (amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on operating results, financial position or comprehensive income of the Group.

2. 重要會計政策摘要(續)

2.1 編製基準

本集團的合併財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)編製。合併財務報表已依據歷史成本法編製，並就若干按公允價值計量且其變動計入損益表的金融資產和金融負債(包括衍生工具)的重估作出修訂。

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對合併財務報表作出重大假設和估算的範疇，在附註4中披露。

會計準則及詮釋的變化

(a) 本集團已採納的新訂和已修改的準則

本集團已於二零零九年一月一日採納下列新訂和已修改的香港財務報告準則：

- 香港財務報告準則第7號「金融工具－披露」(修改)－自二零零九年一月一日起生效。此項修改要求提高有關公允價值計量和流動性風險的披露。此修改特別要求按公允價值的計量架構披露公允價值計量。由於會計政策的改變只導致額外披露，故此對本集團的營運業績、財務狀況及綜合收益並無影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group (continued)

- HKAS 1 (revised), 'Presentation of financial statements' – effective 1 January 2009. 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 in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. The consolidated financial statements have been complied as required by the revised standard retrospectively.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 本集團已採納的新訂和已修改的準則 (續)

- 香港會計準則第1號(修訂)「財務報表的列報」—自二零零九年一月一日起生效。此項修訂準則禁止在權益變動表中列報收益及費用項目(即「非權益持有者的權益變動」)，並規定「非權益持有者的權益變動」在綜合收益表中必須與權益持有者的合併權益變動分開列報。因此，本集團在合併權益變動表中列報全部所有者的權益變動，而非權益持有者的權益變動則在合併綜合收益表中列報。合併財務報表的比較數字已重新列報，以符合修訂準則。

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合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group (continued)

- HKFRS 2 (amendment), 'Share-based payment' (effective 1 January 2009) 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. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group and the Company has adopted HKFRS 2 (amendment) from 1 January 2009. The amendment does not have a material impact on the Group's or Company's financial statements.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(a) 本集團已採納的新訂和已修改的準則(續)

- 香港財務報告準則第2號(修改)「以股份為基礎的支付」自二零零九年一月一日起生效。處理有關可行權條件和取銷。此修改澄清了可行權條件僅指服務條件和表現條件。以股份為基礎的支付的其他特徵不是可行權條件。此等特徵將需要包括在與職工和其他提供類似服務人士的交易於授予日的公允價值內；此等特徵將不影響授予日後預期將可行權的獎勵數目或其估值。所有取銷，不論由主體或其他方作出，必須按相同的會計處理法入賬。本集團及本公司已由二零零九年一月一日起應用香港財務報告準則第2號(修改)。此修改不對本集團及本公司的財務報表有重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group (continued)

- HKAS 23 (revised), 'Borrowing costs' – effective from 1 January 2009. 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 has been removed. As the Group has already chosen the allowed alternative treatment to capitalise borrowing cost attributable to qualifying assets under the original HKAS 23, there is no impact on operating results, financial position or comprehensive income of the Group.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 本集團已採納的新訂和已修改的準則 (續)

- 香港會計準則第23號(修訂)「借款費用」—自二零零九年一月一日起生效。規定主體將直接與收購、興建或生產一項符合資本化條件的資產(需要一段很長時間籌備以供使用或出售)有關的借款費用資本化為該資產的部分成本。借貸成本可即時確認為費用的選項已被取消。由於本集團已應用原香港會計準則第23號容許的替代方法將合格資產借貸成本資本化，因此，不會對本集團的營運業績、財務狀況及綜合收益產生任何重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group (continued)

- HKFRS 8, 'Operating segments' – effective 1 January 2009. HKFRS 8 replaces HKAS 14, 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group has adopted HKFRS 8 since 1 January 2009, which did not result in any increase in the number of reportable segments. The segments applied in the previous consolidated financial statements were consistent with the internal reporting provided to the chief operating decision-maker.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(a) 本集團已採納的新訂和已修改的準則(續)

- 香港財務報告準則第8號「經營分部」自二零零九年一月一日起生效。香港財務報告準則第8號取代了香港會計準則第14號「分部報告」，並將分部報告與美國準則SFAS 131「有關企業分部和相關資料的披露」的規定統一起來。此項新準則要求採用「管理層方法」，即分部資料須按照與內部報告所採用的相同基準列報。本集團自二零零九年一月一日起已採納香港財務報告準則第8號，該準則並沒有導致可分部報告增加。以往的合併財務報表所應用的分部與向主要經營決策者提供之內報報告所採用者一致。

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合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group (continued)

- The standards, amendments and interpretations noted below had no impact on the Group's operating results, financial position or comprehensive income.

HKFRS 1 and
HKAS 27
Amendment

Cost of an investment
in a subsidiary, jointly
controlled entity or
associate

HKAS 32
Amendment
and HKAS 1
Amendment

Puttable Financial
Instruments and
Obligations Arising on
Liquidation

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

HK (IFRIC) 18

Transfers of Assets from
Customers (applied for
transfers of assets after 1
July 2009)

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 本集團已採納的新訂和已修改的準則 (續)

- 下文所述的準則、修訂及詮釋對本集團的營運業績、財務狀況及綜合收益並無影響。

香港財務報告
準則第1號
及香港會計
準則第27號
修訂

附屬公司、共同
控制主體和聯
營公司的投資
成本

香港會計準則
第32號修訂
及香港會計
準則第1號
修訂

可買回金融工具
及清盤時產生
的義務

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

房地產建造協議

香港(國際財
務報告詮釋
委員會)－
詮釋第16號

境外經營淨投資
套期

香港(國際財
務報告詮釋
委員會)－
詮釋第18號

客戶資產轉讓
(應用於二零
零九年七月一
日後資產轉
讓)

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but the Group has not early adopted them:

		Effective date 生效日期
HKAS 24 Revised 香港會計準則第24號經修訂	Related Party Disclosures 關聯方披露	1 January 2011 二零一一年一月一日
HKAS 27 Revised 香港會計準則第27號經修訂	Consolidated and Separate Financial Statements 合併和單獨財務報表	1 July 2009 二零零九年七月一日
HKAS 32 Amendment 香港會計準則第32號修訂	Classification of rights issues 配股的分類	1 February 2010 二零一零年二月一日
HKAS 39 香港會計準則第39號	Financial Instruments: Recognition and Measurement – Amendments for Eligible hedged items 金融工具：確認及計量－ 合資格套期項目修訂	1 July 2009 二零零九年七月一日
HKFRS 1 Amendment 香港財務報告準則 第1號修訂	Presentation of Financial Statements 財務報表的呈列	1 January 2010 二零一零年一月一日
HKFRS 2 Amendment 香港財務報告準則 第2號修訂	Group Cash-settled Share-based Payment Transactions 集團現金結算的以股份為基礎 的支付交易	1 January 2010 二零一零年一月一日
HKFRS 3 Revised 香港財務報告準則第3號 經修訂	Business Combinations 業務合併	1 July 2009 二零零九年七月一日

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(b) 已頒佈但尚未生效且本集團並無提早採納之準則、修訂及詮釋

以下為已公佈的準則、對現有準則的修訂及詮釋，而本集團須於二零一零年一月一日或之後開始的會計期間或較後期間採納，但本集團並無提早採納：

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

		Effective date 生效日期
HKFRS 9 香港財務報告準則第9號	Financial Instruments: Classification and measurement 金融工具：分類及計量	1 January 2013 二零一三年一月一日
HK (IFRIC) 14 香港(國際財務報告詮釋委員會) – 詮釋第14號	Prepayments of a Minimum Funding Requirement 最低資金規定的預付款	1 January 2011 二零一一年一月一日
HK (IFRIC) 17 香港(國際財務報告詮釋委員會) – 詮釋第17號	Distribution of Non-Cash Assets to Owners 向擁有人分派非現金資產	1 July 2009 二零零九年七月一日
HK (IFRIC) 19 香港(國際財務報告詮釋委員會) – 詮釋第19號	Extinguishing Financial Liabilities with Equity Instruments 以權益工具消除金融負債	1 July 2010 二零一零年七月一日

- HKAS 27 (revised), 'Consolidated and separate financial statements' (effective from 1 July 2009). The revised standard requires the effects of all transactions with minority interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply HKAS 27 (revised) prospectively to transactions with minority interest from 1 January 2010.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(b) 已頒佈但尚未生效且本集團並無提早採納之準則、修訂及詮釋(續)

- 香港會計準則第27號(修訂)「合併和單獨財務報表」由二零零九年七月一日起生效。此項修訂準則規定，如控制權沒有改變，則與少數股東權益進行的所有交易的影響必須在權益中列報，而此等交易將不再導致商譽或利得和損失。此項準則亦列明失去控制權時的會計處理方法。在主體內的任何剩餘權益按公允價值重新計量，並在損益表中確認利得或損失。本集團將會由二零一零年一月一日起對與少數股東權益進行的交易應用香港會計準則第27號(修訂)。

Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

Except for the application of HKAS 27 (revised), amendments and interpretations as mentioned above is not expected to have a material effect on the Group's operating results, financial position or comprehensive income.

(c) Improvements to HKFRS

In addition, "Improvements to HKFRS" were issued in October 2008 and May 2009 respectively, containing numerous technical and conforming amendments to HKFRS, which the HKICPA consider non-urgent but necessary. "Improvements to HKFRS" comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual HKFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2009 and 1 January 2010. No material changes to accounting policies were made in 2009 or are expected in 2010 as a result of these amendments. These amendments that are relevant to the Group include:

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(b) 已頒佈但尚未生效且本集團並無提早採納之準則、修訂及詮釋(續)

除採納的香港會計準則第27號(修訂)，上述修訂及詮釋不會對本集團的經營業績、財務狀況或全面收益產生重大影響。

(c) 香港財務報告準則的改進

除上述以外，「香港財務報告準則的改進」分別於二零零八年十月及二零零九年五月刊發，包括香港財務報告準則多項技術及遵守修訂，而香港會計師公會認為該改進並不急切但屬必要。「香港財務報告準則的改進」包括導致用於呈列、確認或計算的會計變動的修訂，亦包括有關多項香港財務報告準則個別標準的用語或編輯修訂。大部分修訂於二零零九年一月一日及二零一零年一月一日或其後開始的年度期間生效。並未由於該等修訂而於二零零九年或預期於二零一零年對會計政策作出重大變動。其中與本集團相關的修訂如下：

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Improvements to HKFRS (continued)

- HKAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the HKICPA's annual improvements project published in May 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Group and Company will apply HKAS 1 (amendment) from 1 January 2010. It is not expected to have a material impact on the Group's or the Company's financial statements.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

(c) 香港財務報告準則的改進 (續)

- 香港會計準則第1號(修訂)「財務報表的列報」。此項修訂源於香港會計師公會於二零零九年五月公佈的年度改進計劃。此修改澄清了如持有人的選擇將導致透過發行權益工具進行結算，則對其分類為流動或非流動是沒有關連的。透過修改流動負債的定義，此修改容許負債分類為非流動(如主體可無條件透過轉讓現金或其他資產，以將其負債結算遞延至會計期間後最少12個月)，則不論交易對方是否可能要求主體在任何時間以股份結算。本集團及本公司將會由二零一零年一月一日起採納香港會計準則第1號(修訂)。此修改不對本集團及本公司的財務報表有重大影響。

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Improvements to HKFRS (continued)

- HKAS 36, 'Impairment of Assets' (effective from 1 January 2010). The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of HKFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics permitted by paragraph 12 of HKFRS 8). The amendment will not result in a material impact on the Group's or the Company's financial statements.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(c) 香港財務報告準則的改進(續)

- 香港會計準則第36號「資產減值」自二零一零年一月一日起生效。此修改澄清了就減值測試目的，商譽應分配的最大現金產出單元(或單元組)，為香港財務報告準則第8號「經營分部」第5節定義的經營分部(即按香港財務報告準則第8號第12節所容許，在總匯類似經濟特質的經營分部之前)。此修改不對本集團及本公司的財務報表有重大影響。

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合併財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Improvements to HKFRS (continued)

- HKAS 38 (amendment), 'Intangible Assets' (effective from 1 July 2009). The amendment is part of the HKICPA's annual improvements project published in May 2009 and the Group and Company will apply HKAS 38 (amendment) from the date HKFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the Group's or the Company's financial statements.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

(c) 香港財務報告準則的改進 (續)

- 香港會計準則第38號(修改)「無形資產」自二零零九年七月一日起生效。此修改為香港會計師公會在二零零九年五月公佈的年度改進項目的一部分，而本集團和本公司將由香港財務報告準則第3號(修訂)採納日期起應用香港會計準則第38號(修改)。此修改澄清了在業務合併中購買的無形資產的公允價值的計量指引，並容許假若每項資產的可使用年限相近，可將無形資產組合為單一資產。此修改不會對本集團或本公司的財務報表造成重大影響。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement (Note 2.8).

2. 重要會計政策摘要(續)

2.2 綜合賬目

(a) 附屬公司

附屬公司指所有本集團有權控制財政及經營政策的主體(包括特殊目的主體)，通常附帶超過半數投票權的股權。在評定本集團是否控制另一主體時會考慮目前可行使或可轉換的潛在投票權是否存在及其影響。

附屬公司在控制權轉移至本集團之日全面合併入賬。附屬公司在控制權終止之日起停止合併入賬。

本集團採用購買會計法將本集團收購附屬公司入賬。收購成本按所提供資產公允價值、已發行股本工具及於交易日產生或承擔的負債加上收購直接應佔的成本計量。於業務合併並承擔的所收購可識別資產與負債及或然負債初始按於收購日的公允價值計量，與任何少數股東權益無關。收購成本超出本集團應佔所收購可識別資產淨值的公允價值的數額列作商譽。倘收購成本低於所收購附屬公司資產淨值的公允價值，則差額直接於合併利潤表確認(附註2.8)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.9). The results of subsidiaries are accounted by the Company on the basis of dividends received and receivable.

(b) Transactions with minority interest

The Group applies a policy of treating transactions with minority interest as transactions with parties external to the Group. Disposals to minority interest result in gains and losses for the Group and are recorded in the consolidated income statement. Purchases from minority interest result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2. 重要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

集團內公司間的交易、集團公司交易的結餘及未變現收益予以對銷。未變現虧損亦予以對銷。

附屬公司的會計政策已按需要作出改變，以確保與本集團採納的政策一致。

在本公司的資產負債表內，附屬公司投資乃按成本減減值虧損撥備列賬（附註2.9）。本公司將附屬公司的業績按已收及應收股息為基準入賬。

(b) 與少數股東權益的交易

本集團應用將與少數股東權益的交易視作與本集團外界人士進行的交易處理的政策。向少數股東權益出售會導致本集團產生盈虧，並計入合併利潤表。自少數股東權益購買會導致商譽，即所支付的任何代價與所收購附屬公司資產淨賬面值有關股份的差額。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.9 for the impairment of non-financial assets including goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements in reserves are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. 重要會計政策摘要(續)

2.2 綜合賬目(續)

(c) 聯營公司

聯營公司指所有本集團對其有重大影響力但無控制權的主體，通常附帶有20%至50%投票權的股權。聯營公司投資採用權益會計法入賬，初始按成本確認。本集團於聯營公司投資包括收購時已識別的商譽，扣除任何累計減值虧損淨額。請參閱附註2.9有關非金融資產(包括商譽)之減值。

本集團應佔聯營公司收購後的溢利或虧損於合併利潤表中確認，而應佔收購後儲備的變動則於儲備內確認。投資賬面值會根據累計的收購後儲備變動而作出調整。當本集團應佔聯營公司的虧損等於或超過其聯營公司權益，包括任何其他無抵押應收賬款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

本集團與其聯營公司之間交易的未變現收益按本集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值的憑證，否則未變現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採納的政策符合一致。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the functional and presentation currency of the Company and its subsidiaries.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

2. 重要會計政策摘要(續)

2.3 分部呈報

營運分部之報告方式須與主要營運決策者獲提供的內部報告之方式一致。作出決策的督導委員會是主要營運決策者，其負責分配資源並且評核營運分部的表現。

2.4 外幣換算

(a) 功能及呈列貨幣

本集團各主體計入財務報表的項目乃採用主體營運所在的主要經濟環境的貨幣(「功能貨幣」)計算。合併財務報表則以人民幣(本公司及其附屬公司的功能及呈列貨幣)呈列。

(b) 交易及結餘

外幣交易按交易日的匯率或重新計量該等項目時之價值折算為功能貨幣。除於權益內遞延作為合資格現金流量套期保值或合資格淨投資套期保值外，結算此等交易結算而產生以及將以外幣為單位的貨幣性資產與負債按年終的匯率換算而產生的外匯收益及虧損於合併利潤表中確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other losses-net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

2. 重要會計政策摘要(續)

2.4 外幣換算(續)

(b) 交易及結餘(續)

與借款以及現金及現金等價物相關之匯兌收益及虧損於合併利潤表「財務收入或成本」中列賬。所有其他匯兌收益及虧損均於合併利潤表「其他虧損－淨額」內列賬。

以外幣為單位及被分類為可供出售證券之貨幣證券之公允價值轉變將在其證券攤銷成本轉變衍生之匯兌差額及其他證券賬面值轉變之間予以分析。有關攤銷成本變動之匯兌差額會在損益表內確認，而其他賬面值之轉變則在權益中確認。

非貨幣金融資產及負債（例如按公允價值計量且其變動計入損益表之權益）之匯兌差額在損益表內確認為公允價值盈虧的一部分。非貨幣金融資產（例如分類為可供出售的權益）之匯兌差額於權益中可供出售儲備內列賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

2. 重要會計政策摘要 (續)

2.4 外幣換算 (續)

(c) 集團公司

集團旗下所有公司(當中沒有高通脹經濟體系之貨幣)之功能貨幣倘有別於呈列貨幣，其業績及財務狀況須按如下方式兌換為呈列貨幣：

- (i) 每份呈報的資產負債表所列資產及負債按其結算日之收市匯率換算；
- (ii) 每份利潤表所列收入及開支按平均匯率換算，但若此平均匯率未能合理地反映各交易日之匯率所帶來的累積影響，則按照交易日之匯率折算此等收入和支出；及
- (iii) 所有由此而產生之匯兌差額均確認為權益獨立組成部分。

於合併賬目時，換算於海外業務之淨投資、以及換算被指定為該等投資之對沖項目的借款和其他貨幣工具而產生之匯兌差額，均列入股東權益內。當處置或出售部分海外業務時，有關列入權益之匯兌差額乃於合併利潤表確認為出售盈虧的一部分。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment

Property, plant and equipment, comprising buildings, machinery, furniture and fixtures, leasehold improvements and vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives (Note 4.1), as follows:

	Estimated useful life
Buildings	10-20 years
Machinery	5-10 years
Furniture and fixtures	3-10 years
Vehicles	4-10 years
Leasehold improvements	2-5 years

2. 重要會計政策摘要(續)

2.5 物業、廠房及設備

包括樓宇、機器設備、辦公設備、租賃物業裝修和汽車等物業、廠房及設備乃按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購該項目直接應佔的開支。成本亦可包括轉撥自權益中任何以外幣購買物業、機器及設備的合資格現金流量套期保值的收益／虧損。

其後成本僅於當與該項目有關的未來經濟利益很有可能流入本集團，而項目的成本能夠可靠地計量，方會包括在資產的賬面值或確認為獨立資產(如適用)。終止確認被替換部分的賬面值。所有其他維修及保養於產生的財務期間自合併利潤表扣除。

物業、廠房及設備的折舊乃採用以下估計可使用年期將其成本按直線法分攤至剩餘價值計算(附註4.1)，如下：

	估計可使用年期
樓宇	10-20年
機器設備	5-10年
辦公設備	3-10年
汽車	4-10年
租賃物業裝修	2-5年

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

The residual values and useful lives are reviewed, and adjusted where appropriate at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

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

Construction-in-progress ('CIP') represents buildings, plant and machinery under construction or pending installation and is stated at historical cost less accumulated impairment losses, if any. Historical cost includes the costs of construction and acquisition. No provision for depreciation is made on CIP until such time as the relevant assets are completed and available for intended use. When the assets concerned are ready for their intended use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

2.6 Leasehold land and land use rights

All land in the PRC is state-owned or collectively-owned and no individual land ownership right exists. The Group acquired the right to use certain land. The premiums paid for such right are treated as prepayment for operating lease and recorded as leasehold land and land use rights, which are amortised over the lease periods using the straight-line method.

2. 重要會計政策摘要(續)

2.5 物業、廠房及設備(續)

剩餘價值及可使用年期於每個報告期末獲審閱及調整(如適用)。

倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至可收回金額(附註2.9)。

出售盈虧乃對比所得款項與賬面值後釐定，並於合併利潤表中在「其他虧損－淨額」內確認。

在建工程(「在建工程」)指正在興建或迫近的安裝的樓宇、廠房及機器設備，並按歷史成本減累計減值虧損(如有)列賬。歷史成本包括興建及收購成本。概無就在建工程的折舊計提撥備，直至有關資產竣工及可用作擬定用途為止。當有關資產準備按其既定用途使用，成本會轉撥至物業、廠房及設備，並根據上述政策予以折舊。

2.6 租賃土地及土地使用權

中國的土地均為國有或集體擁有，個人並無獨立的土地所有權。本集團取得使用若干土地的權利。就該權利支付的價款視作預付經營租賃並以租賃土地及土地使用權列賬，按租期以直線法攤銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investment properties

The property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at depreciated cost less accumulated impairment.

Fair value is determined and disclosed based on active market prices, if necessary, adjusted for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the directors. Changes in fair values are not recognised in the consolidated income statement.

Depreciation of investment properties is calculated using the straight-line method to allocate cost to their residual value over their estimated useful lives of 20 years.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

2. 重要會計政策摘要(續)

2.7 投資物業

持作長期租金收益或資本增值或此兩種用途，而並非由本集團的各主體佔用的物業分類為投資物業。

投資物業按成本(包括相關交易成本)初始計量。

初始確認後，投資物業按已折舊成本減累計減值列賬。

公允價值乃按交投活躍市場的價格計算及披露，並於必要時就特定資產的性質、位置或狀況作出調整。倘並無有關資料，則本集團會使用交投較淡靜市場的最新價格或折現現金流量預測等其他估值法。此等估值每年由董事審閱。公允價值變動並無於合併利潤表中確認。

投資物業的折舊乃採用其估計可使用年期(20年)將成本按直線法分攤至其剩餘價值計算。

其後開支僅於當與項目有關的未來經濟利益很有可能流入本集團，而項目的成本能夠可靠地計量，方會包括在資產的賬面值。所有其他維修及保養成本於產生的財務期間自合併利潤表扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investment properties (continued)

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

2.8 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. 重要會計政策摘要(續)

2.7 投資物業(續)

倘投資物業成為業主自用，則重新分類為物業、廠房及設備，而就會計目的而言，於重新分類當日的賬面值為其成本。在建或發展作未來投資物業用途的物業分類為物業、廠房及設備，並按成本入賬，直至興建或發展竣工為止，有關物業將於當時重新分類並其後入賬列作投資物業。

倘物業、廠房及設備的某個項目因其用途改變而成為投資物業，則該轉撥並無改變所轉撥物業的賬面值，亦無改變該物業的成本作計量或披露用途。

2.8 無形資產

(a) 商譽

商譽乃指收購成本超出集團應佔所收購附屬公司於收購當日之可識別資產淨值之公允價值之差額。收購附屬公司產生之商譽乃計入「無形資產」內。商譽每年進行減值測試，並以成本減累計減值虧損列賬。商譽的減值虧損不可被轉回。出售一間主體所獲收益及虧損亦包括與被出售主體有關的商譽賬面值。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Intangible assets (continued)

(a) Goodwill (continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

2.9 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2. 重要會計政策摘要(續)

2.8 無形資產(續)

(a) 商譽(續)

就減值測試而言，商譽會分配至現金產生單位。此項分配是對預期可從根據業務分部可辨識產生的商譽的業務合併中得益的現金產生單位或現金產生單位的組別而作出。

2.9 於附屬公司、聯營公司的投資減值及非金融資產減值

沒有確定可使用年期的資產(例如商譽)毋須攤銷，惟會每年進行減值測試。無論在任何情況下當有事件或變動顯示賬面值可能無法收回時，則會檢討資產的減值。減值虧損乃按資產賬面值高出其可收回金額的數額確認。可收回金額為資產公允價值減銷售成本及使用價值兩者的較高者。就評估減值而言，資產乃按可獨立識別現金流量(現金產生單位)的最低層次組合。出現減值的非金融資產(商譽除外)會於每個報告日期作出可能撥回減值的檢討。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Impairment of investments in subsidiaries, associates and non-financial assets (continued)

Impairment testing of the investments in subsidiaries or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2. 重要會計政策摘要(續)

2.9 於附屬公司、聯營公司的投資減值及非金融資產減值(續)

倘投資附屬公司或聯營公司收取之股息超過附屬公司或聯營公司於股息宣派期間之綜合收益總額或於投資獨立財務報表中之賬面值超過投資對象資產淨值(包括商譽)於合併財務報表中之賬面值，則於從該等投資收到股息時須對附屬公司或聯營公司之投資進行減值測試。

2.10 金融資產

2.10.1 分類

本集團將其金融資產分為以下類別：按公允價值計量且其變動計入損益表的金融資產、貸款及應收賬款、持有至到期日的金融資產及可供出售的金融資產。分類視乎所收購的投資的目的而定。管理層會於初始確認時決定其金融資產分類。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

2.10.1 Classification (continued)

- (a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

- (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (Notes 2.13 and 2.14 respectively).

2. 重要會計政策摘要(續)

2.10 金融資產(續)

2.10.1 分類(續)

- (a) 按公允價值計量且其變動計入損益表的金融資產

按公允價值計量且其變動計入損益表的金融資產為持作買賣的金融資產。倘收購的主要目的為在短期內出售，則金融資產會撥歸此類別。衍生工具亦分類為持作買賣，除非彼等已被指定用作套期保值用途。此類別的資產分類為流動資產。

- (b) 貸款及應收賬款

貸款及應收賬款為非衍生工具金融資產，具有固定或可決定金額，惟並無在交投活躍的市場上報價。彼等包括於流動資產內，惟不包括到期日為結算日起計逾12個月者(此等貸款及應收賬款列作非流動資產)。本集團的貸款及應收賬款包括列入資產負債表的「貿易及其他應收賬款」和「現金及現金等價物」(附註2.13及2.14)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

2.10.1 Classification (continued)

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the balance sheet date.

For the years ended 31 December 2009 and 2008, the Group has no financial assets categorised as held-to-maturity.

2. 重要會計政策摘要 (續)

2.10 金融資產 (續)

2.10.1 分類 (續)

(c) 可供出售的金融資產

可供出售的金融資產為非衍生工具，指定為此類別或並無分類歸入任何其他類別。彼等包括於非流動資產內，惟不包括到期投資或管理層有意於結算日起計12個月內出售的投資。

於截至二零零九年及二零零八年十二月三十一日止年度，本集團並無任何金融資產獲歸類為持有至到期日的金融資產。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

2.10.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale assets of the Group include investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost less provision for impairment, if any.

2. 重要會計政策摘要(續)

2.10 金融資產(續)

2.10.2 確認及計量

金融資產之一般買賣於交易日(即本集團承諾購買或出售資產當日)確認。對於並非按公允價值計量且其變動計入損益表的金融資產投資初始按公允價值加交易成本確認。按公允價值計量且其變動計入損益表的金融資產初始按公允價值確認，而交易成本賬自利潤表扣除。金融資產乃從收取現金流量的權利屆滿或轉讓，而本集團實質上轉移所有權的一切風險及回報時，投資即終止確認。按公允價值計量且其變動計入損益表的金融資產及可供出售金融資產其後按公允價值入賬。貸款及應收賬款其後以實際利率法按已攤銷成本入賬。本集團之可供出售資產包括沒有於活躍市場的市場報價及其公允價值無法可靠計量的股本工具的投資，其按成本減減值撥備(如有)列賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

2.10.2 Recognition and measurement (continued)

Gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the consolidated income statement within “other losses – net”, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group’s right to receive payment is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

2. 重要會計政策摘要 (續)

2.10 金融資產 (續)

2.10.2 確認及計量 (續)

因「按公允價值計量且其變動計入損益表的金融資產」類別的公允價值變動而產生的盈虧，列入產生期間的合併利潤表「其他虧損－淨額」內。當本集團收取股息的權利確定時，來自按公允價值計量且其變動計入損益表的金融資產的股息收入乃作為其他收入的一部分在合併利潤表中確認。

以外幣計值並被劃分為可供出售類別的貨幣證券的公允價值變動，在該證券的攤銷成本變動引起的換算差額，與該證券的賬面值的其他變動引起的換算差額之間，進行分析。貨幣證券的換算差額在損益中確認；非貨幣證券的換算差額在其他綜合收益中確認。可供出售貨幣及非貨幣證券的公允價值變動，在其他綜合收益中確認。

可供出售證券的利息按實際利率法計算，作為其他收益一部分於合併利潤表確認。可供出售權益工具的股息，在本集團收取付款的權利確立時作為其他收益一部分於合併利潤表確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;

2. 重要會計政策摘要(續)

2.11 金融資產減值

(a) 按攤銷成本列賬之資產

本集團在每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。惟當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致減值情況出現(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產之估計未來現金流構成可合理估計的影響，有關金融資產或一組金融資產才算出現減值及產生減值虧損。

本集團用作釐定存在減值虧損的客觀證據之標準包括：

- 發行人或承擔人出現重大財政困難；
- 違反合約如逾期或拖欠支付利息或本金；

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

(a) Assets carried at amortised cost (continued)

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio;
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

2. 重要會計政策摘要 (續)

2.11 金融資產減值 (續)

(a) 按攤銷成本列賬之資產 (續)

- 可觀察的資料顯示某組金融資產自首次確認入賬後，其估計之未來現金流量出現重大跌幅，儘管未能確定有關跌幅是來自組合內哪項個別金融資產，而有關資料包括：
 - (i) 該組合內借款人的付款狀況出現逆轉；及
 - (ii) 該組合內資產拖欠情況與有關的國家或當地經濟狀況配合。

本集團首先評估是否存在減值的客觀證據。

虧損金額乃按資產賬面值與按金融資產原實際利率貼現之估計未來現金流現值(不包括尚未產生之未來信貸虧損)間的差額計量。資產賬面值會予以削減，而虧損金額會於合併利潤表確認。倘貸款按浮動利率計息，則計量任何減值虧損之貼現率乃根據合約釐定之現行實際利率。在實際運作上，本集團於計量減值時可能採用可觀察之市場價格來釐定工具的公允價值。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

(a) Assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is a kind of evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the separate consolidated income statement. Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement.

2. 重要會計政策摘要(續)

2.11 金融資產減值(續)

(a) 按攤銷成本列賬之資產(續)

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連(例如債務人信貸評級改善)，則以往確認的減值虧損的撥回會於合併利潤表中確認。

(b) 分類為可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。就被分類為可供出售金融資產的股本投資而言，其公允價值出現重大或持續地低於取得成本為一種表明其發生減值的證據。若可供出售金融資產存在此等證據，累計虧損按收購成本與當時公允價值的差額，減該金融資產之前在盈虧確認的任何減值虧損計算，自權益中剔除並在合併利潤表記賬。在單獨合併利潤表確認的股權工具減值虧損不會透過單獨合併利潤表撥回。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Inventories

Inventories are stated at the lower of cost and the net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2. 重要會計政策摘要(續)

2.12 存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本乃按加權平均法釐定。製成品及在製品的成本包括設計成本、原材料、直接人工、其他直接成本及相關生產間接開支(依據正常營運能力)，不包括借貸成本。可變現淨值為日常業務過程中的估計售價，減適用的可變銷售支出。

2.13 貿易及其他應收賬款

貿易及其他應收賬款為在日常業務過程中就已售商品或已提供服務應收客戶的款項。倘貿易及其他應收賬款預期可於一年或之內收款(或時間更長，則在業務的正常營運週期)，則分類為流動資產。如未能於一年或之內收款，則分類為非流動資產。

貿易及其他應收賬款初始按公允價值確認，而後則採用實際利率法按已攤銷成本減減值撥備計量。

2.14 現金及現金等價物

現金及現金等價物包括現金、銀行通知存款、原到期日為三個月或以下的其他短期高流動性投資，以及銀行透支。銀行透支在資產負債表中流動負債內借款中呈列。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

2. 重要會計政策摘要(續)

2.15 股本

普通股分類為權益。與發行新股或購股權直接相關的新增成本於權益中列為所得款項的減少(扣除稅項)。

2.16 貿易及其他應付賬款

貿易及其他應付賬款為在日常業務過程中就自供應商收購商品或服務的付款責任。倘貿易應付賬項預期可於一年或之內到期(或時間更長，則在業務的正常營運週期)，則分類為流動負債。如並非於一年或之內到期，則分類為非流動負債。

貿易及其他應付賬款初始按公允價值確認，而其後則採用實際利率法按已攤銷成本計量。

2.17 借款

借款按最初公允價值(扣除已產生的交易成本)確認。借款其後按已攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間的任何差額於借款期使用實際利率法於合併利潤表中確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings at nil or low interest rates from government are treated as government assistance and recognised initially at the cost of consideration received.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs that are directly attributable to the acquisition, construction or production of any qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sales are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

2. 重要會計政策摘要(續)

2.17 借款(續)

為建立貸款融資所支付的費用，當可提取部分或所有融資時確認為貸款的交易成本。在這種情況下，該費用在實際提取貸款融資前將作為遞延支出。如果沒有任何證據表明部分或所有融資很可能會被提取時，該費用將作為流動性服務的預付款項資本化，並在融資相關的期間內攤銷。

政府的免息或低息借款被視作政府資助，並初始按已收取代價成本確認。

除非本集團有無條件的權利延遲償還負債直至結算日後最少12個月，否則借款分類為流動負債。

任何直接用於收購、建設或生產一項需較長時間方可用於其擬定用途或出售的合資格資產的借貸成本，將資本化為該項資產的部分成本。

所有其他借貸成本則於其產生期間自合併利潤表扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

2. 重要會計政策摘要(續)

2.18 當期及遞延所得稅

期內稅項開支指當期及遞延稅項。稅項於合併利潤表確認，惟倘與該等在其他綜合收益確認或直接在權益確認的項目有關者除外。在該情況下，稅項亦會分別於其他綜合收益確認或直接於權益確認。

當期所得稅費用按本公司及其附屬公司及聯營公司從事業務經營並產生應課稅收入的所在國家在結算日已頒佈或實質上已頒佈的稅務法律計算。在適用的稅務法規有待解釋的情況下，管理層會定期評估申報的稅務狀況，必要時按預期向稅務機關繳納的稅額計提撥備。

遞延所得稅採用負債法按資產和負債的稅基與其在合併財務報表的賬面值兩者產生的暫時性差異確認。然而，倘遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前生效或實質生效，並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 Employee benefits

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”). Under the MPF Scheme, the Group and its Hong Kong employees make monthly contributions to the MPF Scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation, subject to a cap of Hong Kong dollar (“HK\$”) 1,000 per person per month and any excess contributions are voluntary.

In accordance with the rules and regulations in the PRC, the Group has arranged for its PRC employees to join a defined contribution retirement benefit plan organised by PRC government. The PRC government undertakes to assume the retirement benefit obligations of all existing and future retired employees payable under the plan as set out in Note 32. The assets of this plan are held separately from those of the Group in an independent fund managed by the PRC government.

The Group’s contributions to the defined contribution retirement benefit plan are charged to the consolidated income statement as incurred.

2. 重要會計政策摘要 (續)

2.18 當期及遞延所得稅 (續)

遞延所得稅資產乃就有可能在未來應課稅溢利而就此可動用暫時性差異而確認。

遞延所得稅就附屬公司及聯營公司投資所產生的暫時性差異作出撥備，惟倘本集團可以控制暫時性差異的撥回時間，而暫時性差異在可見將來有可能不會撥回則除外。

2.19 僱員福利

本集團已為其香港僱員安排參與強制性公積金計劃（「強積金計劃」）。根據強積金計劃，本集團及其香港僱員須各自根據強制性公積金條例按僱員收入5%每月向強積金計劃供款，供款上限為每人每月1,000港元（「港元」），亦可以自願作出額外供款。

根據中國的規定及條例，本集團已安排於中國的員工參與中國政府組織的定額供款統籌退休金計劃。中國政府承諾負擔按附註32所述的計劃向所有現時及未來退休的員工支付退休金的責任。本計劃的資產撥入獨立於本集團，並由中國政府管理的獨立基金。

本集團向定額供款統籌退休金計劃繳交的供款於產生時在合併利潤表列賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- including the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

2. 重要會計政策摘要(續)

2.20 以股份為基礎之付款

本集團設有多項以股權結算及以股份支付的薪酬計劃。據此主體以本集團的權益工具(購股權)作為代價取得僱員的服務。就僱員提供服務而授予的購股權的公允價值確認為支出。將列作支出的總金額乃參考所授購股權的公允價值釐定：

- 包括任何市場表現狀況；
- 包括任何服務及非市場表現可行權條件(例如，盈利能力、銷售增長目標和該主體僱員在指定時期留任)之影響；及
- 不包括任何非可行權條件(例如，僱員留任之要求)之影響。

在假定預期將授予的購股權數目時，非市場性質的可行權條件亦加入一併考慮。支出的開支總額於可行權期間內確認，該期間為所有特定可行權條件將獲達成的期間。於各個報告期末，主體根據非市場性質的可行權條件調整對預期將授予的購股權數目所作出的估計，並在合併利潤表確認調整原來估計(如有)對其所產生的影響，並對權益作出相應調整。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Share-based payments (continued)

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Where options are granted to employees of subsidiaries within the Group, in the consolidated financial statements, such share-based arrangement is accounted for as equity-settled. The fair value are accounted for as contributions and recognised as part of the cost of investment in the Company's standalone financial statements.

2.21 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

2. 重要會計政策摘要 (續)

2.20 以股份為基礎之付款 (續)

當購股權行使時，認購已發行股份的現金計入股本(面值)及股份溢價，扣除任何應佔交易成本。

本公司授出之購股權超過本集團附屬公司業務僱員的股本工具，作為注資處理。已收取僱員服務的公允價值乃參考授出當日公允價值計量，於歸屬期確認為於附屬公司業務投資的增加，並計入相關權益內。

若購股權是授予本集團的附屬公司僱員，在合併財務報表中，這種基於股份的安排被處理為權益結算。公允價值按投入列賬，作為投資成本的一部分確認於本公司單獨的財務報表。

2.21 撥備

環境整修、重建成本及法律索償的撥備乃於：本集團因已發生的事件而承擔法定或推定責任，可能須以資源流出清償該項責任且責任的金額能可靠估計時須予以確認。重建撥備包括租賃終止罰款和僱員離職付款。概不就未來經營虧損確認撥備。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

2.22 Government grants

A government grant in the form of subsidy or financial refund is recognised when there is a reasonable assurance that the Group will comply with the conditions attached to the grant and that the grant will be received.

Grants relating to income are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to the purchase of property, plant and equipment are included in non-current liabilities and recognised in the consolidated income statement over the life of a depreciable asset by way of a reduced depreciation charge.

2. 重要會計政策摘要(續)

2.21 撥備(續)

如有多項類似責任，則履行該等責任時將需要流出資源的可能性乃在整體考慮有關責任的類別後予以釐定。即使有關同一類別責任內任何一項責任出現流出的可能性很低，惟仍須確認撥備。

撥備採用稅前以預期清償該項責任的所需開支的現值計量，並反映市場目前對金錢的時間價值及責任特定的風險的評估。撥備因時間流逝的增加乃確認為利息費用。

2.22 政府補貼

當能夠合理地保證本集團將會符合所有補貼的附帶條件，而政府補貼將可收取時，確認以資助或財務退款形式提供的政府補貼。

有關收入的補貼遞延入賬，並按擬補償的成本配合所需期間於合併利潤表中確認。

有關購買物業、廠房及設備的補貼列入非流動負債，並按可予折舊資產的年期以減少折舊費用的方式於合併利潤表中確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition

(a) Sales of goods produced

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2. 重要會計政策摘要(續)

2.23 收入確認

(a) 製成品的銷售額

收入包括在本集團的日常業務過程中銷售貨品及服務的已收或應收代價的公允價值。收入在扣除增值稅、退貨、回扣和折扣，以及對銷本集團內銷售額後列示。

就以下所述的本集團各項活動而言，在收入金額能可靠計量，而未來經濟利益將有可能流入主體以及符合特殊標準時，本集團將會確認收入。在所有與銷售有關的或然事件獲解決前，收入金額概不會被視作可予可靠計量。本集團對過往業績的估計的基礎乃已考慮到客戶的類別、交易的類型以及各項安排的特殊情況。

(b) 利息收入

利息收入採用實際利率法按時間比例確認。倘應收賬款出現減值，則本集團會將賬面值減至其按該等款項的原定實際利率的估計未來折現現金流量而設定的可收回金額，並繼續解除折現作為利息收入。已減值貸款的利息收入採用原定實際利率確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition (continued)

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Lease income

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

2.24 Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

2. 重要會計政策摘要(續)

2.23 收入確認(續)

(c) 股息收入

股息收入在收取股息的權利確立時確認。

(d) 租賃收入

經營租賃的租賃收入，在租賃期內按直線法確認為收入。

2.24 租賃

擁有權的絕大部分風險及回報由出租人保留的租賃乃分類為經營租賃。根據經營租賃所支付的款項(扣除出租人所給予的任何優惠後)，乃於租賃期內以直線法自合併利潤表扣除。

本集團租賃若干物業、廠房及設備。本集團實質上擁有所有權之全部風險及回報之物業、廠房及設備的租賃歸類為融資租賃。融資租賃於租賃開始時按已租賃物業的公允價值與最低租賃付款的現值中之較低者予以資本化。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Lease (continued)

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Contingent rents is charged as expenses in the periods in which they are incurred. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

If there is reasonable certainty that the Group will obtain ownership by the end of the lease term, the property, plant and equipment acquired under finance leases is depreciated over the useful life of the asset.

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term.

2. 重要會計政策摘要(續)

2.24 租賃(續)

每項租賃付款於負債及財務費用之間分配，以使未償還財務餘額達致一個固定的比率。或然租金於產生的期間列作支出。對應的租賃承擔減去財務費用，於長期應付款中列賬。財務費用的利息部分在租賃期內計入合併利潤表，以使各個期間就負債之餘額達致一個固定週期的利率。

倘合理確定本集團將於租賃期結束時獲得所有權，則根據融資租賃收購的物業、廠房及設備按照資產的使用期限予以折舊。

倘一項出售及回租交易導致產生一項融資租賃，則出售所得款項超過賬面值的任何金額按租賃期予以遞延及攤銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.26 Dividends distribution

Dividends distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2. 重要會計政策摘要(續)

2.25 或然負債及或然資產

或然負債指因已發生的事件而可能引起的責任，此等責任需就某一宗或多宗本集團不能完全控制會否實現的事件會否發生才能確認。或然負債亦可能是因已發生的事件引致的現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地計量而未有入賬。或然負債不會被入賬，但會在合併財務報表附註中披露。假若消耗資源的可能性改變導致可能出現資源消耗，則其將被列作撥備入賬。

或然資產指因已發生的事件而可能產生的資產，此等資產需就某一宗或多宗本集團不能完全控制會否實現的事件會否發生才能確認。或然資產不會被入賬，但會於可能收到經濟效益時在合併財務報表附註中披露。若實質確認有收到經濟效益時，此等效益才被列為資產入賬。

2.26 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內確認為負債。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

2. 重要會計政策摘要(續)

2.27 每股收益

(a) 基本每股收益

基本每股收益按本公司權益持有者應佔溢利(扣除普通股以外的任何權益費用)除以該財政年度發行在外的普通股加權平均數計算，並根據當年發行的普通股的股利加以調整。

(b) 稀釋每股收益

稀釋每股收益調整了用於計算基本每股收益的數字，當中慮及利息所得稅的稅後效應及其他與具攤薄性潛在普通股有關的財務成本，以及假設就具攤薄性潛在普通股作無代價發行的股份的加權平均數。

3. 財務風險管理

3.1 財務風險因素

本集團的活動承受多種財務風險：市場風險(包括公允價值利率風險、現金流量利率風險及外匯風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's exposure to changes in interest rates is mainly attributable to its non-current borrowings. All non-current borrowings bear variable rates and expose the Group to cash flow interest-rate risk. The maximum exposures to the interest rate risk have been disclosed in Note 25.

The Group has not used any derivatives to hedge its exposure to interest rate risk for the year ended 31 December 2009 and 2008.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險

(i) 現金流量及公允價值利率風險

由於本集團並無任何重大的計息資產，故本集團的收入及經營現金流量基本上不受市場利率變動所影響。本集團的利率變動風險主要是來自其非流動借款。所有非流動借款均為浮息借款，本集團須承受現金流量利率風險。最大利率風險於附註25中披露。

截至二零零九年及二零零八年十二月三十一日止年度，本集團並無使用任何衍生工具對利率風險進行套期保值。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk

The directors do not consider the exposure to foreign exchange risk is significant to the Group's operation as the Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. Therefore, the Group has not used any derivatives to hedge its exposure to foreign exchange risk for the year ended 31 December 2009 and 2008.

The major foreign exchange risk exposure arises from the Group's importing and exporting activities, which are mostly denominated in United States Dollars (the "US\$"). The Group also has certain bank deposits, financial assets and financial liabilities that are denominated in foreign currencies, mainly US\$, Euros and HK\$, which are exposed to foreign currency translation risk. The foreign exchange risk is reduced where the Group is in a position of receiving and paying the same currency. The directors believe that the Group does not expose to significant foreign exchange risks. The maximum exposures to the foreign exchange risks are disclosed in Notes 17, 20 and 25 respectively.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 外匯風險

董事並不認為本集團在經營上面臨重大的外匯風險，因為本集團主要在中國經營，大多數交易均以人民幣計值及結算。因此，截至二零零九年及二零零八年十二月三十一日止年度，本集團並無利用任何衍生工具對沖外匯風險。

外匯風險主要來自本集團進口及出口業務，其中大部分均以美元(「美元」)計值。本集團有若干以外幣計值的銀行存款、金融資產及金融負債，主要計值貨幣是美元、歐元及港元，其面臨外幣匯兌風險。外匯風險降低而本集團接收及支付相同貨幣。董事相信，本集團並未面臨重大外匯風險。外匯風險的最高金額分別於附註17、20及25披露。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Summarised sensitivity analysis

The following table summarised the impact of increases/decreases of the interest rate and the foreign exchange rate on the Group's consolidated financial statements.

The sensitivity analysis for interest rate risk and foreign exchange is based on the assumption that:

- (a) Interest rate had been 15% lower/higher from the year end rates with all other variables held constant (for example, 11.5% or 8.5% instead of 10%);
- (b) RMB had weakened/strengthened by 10% against US\$ and HK\$ (pegged with US\$) with all other variables held constant.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 敏感度分析摘要

下表概述利率及外匯上升／下跌對本集團合併財務報表的影響。

利率風險及外匯風險的敏感度分析是基於以下假設：

- (a) 利率較年末下降／上升15%，而所有其他變量均保持不變（如：11.5厘或8.5厘，而非10厘）；
- (b) 人民幣兌美元及港元（與美元掛鈎）貶值／升值10%，而所有其他變量均保持不變。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Summarised sensitivity analysis (continued)

		Interest rate risk 利率風險			
		-15%		+15%	
	Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
31 December 2009	二零零九年十二月三十一日				
Financial assets	金融資產				
Cash and cash equivalents	現金及現金等價物	644,030	(291)	291	291
Restricted bank balances	受限制銀行結餘	342,486	(145)	145	145
Financial liabilities	金融負債				
Borrowings	借款	(2,555,338)	6,903	(6,903)	(6,903)
Amounts due to related parties	應付關聯方款項	(306,622)	10	(10)	(10)
Other long term payables	其他長期應付款	(704,595)	7,497	(7,497)	(7,497)
Total increase/(decrease)	合共增加/(減少)	13,974	13,974	(13,974)	(13,974)

		Foreign exchange risk 外匯風險			
		-10%		+10%	
	Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
31 December 2009	二零零九年十二月三十一日				
Financial assets	金融資產				
Cash and cash equivalents	現金及現金等價物	644,030	14,432	(14,432)	(14,432)
Restricted bank balances	受限制銀行結餘	342,486	2,762	(2,762)	(2,762)
Trade receivables	應收貿易賬款	1,197,067	6,023	(6,023)	(6,023)
Deposits and other receivables (Note 19)	按金及其他應收 賬款(附註19)	514,308	109	(109)	(109)
Financial liabilities	金融負債				
Trade payables	應付貿易賬款	(1,725,762)	(20,676)	20,676	20,676
Other payables (I)	其他應付款項(I)	(724,462)	(583)	583	583
Borrowings	借款	(2,555,338)	(66,244)	66,244	66,244
Amounts due to related parties	應付關聯方款項	(306,622)	(2,994)	2,994	2,994
Total (decrease)/increase	合共(減少)/增加	(67,171)	(67,171)	67,171	67,171

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Summarised sensitivity analysis (continued)

		Interest rate risk 利率風險				
		-15%		+15%		
	Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益	
31 December 2008	二零零八年十二月三十一日					
Financial assets	金融資產					
Cash and cash equivalents	現金及現金等價物	728,826	(315)	(315)	315	
Restricted bank balances	受限制銀行結餘	361,698	(155)	(155)	155	
Loan receivable	應收貸款	130,000	(873)	(873)	873	
Financial liabilities	金融負債					
Borrowings	借款	(2,186,460)	11,077	11,077	(11,077)	
Other long term payables	其他長期應付款	(867,822)	3,386	4,259	(3,386)	
Total increase/(decrease)	合共增加/(減少)		13,120	13,993	(13,120)	

		Foreign exchange risk 外匯風險				
		-10%		+10%		
	Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益	
31 December 2008	二零零八年十二月三十一日					
Financial assets	金融資產					
Cash and cash equivalents	現金及現金等價物	728,826	6,640	6,640	(6,640)	
Restricted bank balances	受限制銀行結餘	361,698	18	18	(18)	
Trade receivables	應收貿易賬款	1,733,991	28	28	(28)	
Deposits and other receivables (Note 19)	按金及其他應收 賬款(附註19)	497,116	117	117	(117)	
Financial liabilities	金融負債					
Trade payables	應付貿易賬款	(2,219,395)	(5,081)	(5,081)	5,081	
Other payables (I)	其他應付款項(I)	(678,399)	(574)	(574)	574	
Borrowings	借款	(2,186,460)	(16,016)	(16,016)	16,016	
Total (decrease)/increase	合共(減少)/增加		(14,868)	(14,868)	14,868	

(I) Other payables include payables for purchase of property, plant and equipment, customer deposits, employee deposits and other borrowings that were overdue as stated in Note 24.

(I) 其他應付款項包括購買物業、廠房及設備之應付款項、客戶按金、僱員按金及其他逾期借款(載於附註24)。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of cash and cash equivalents, trade receivables, deposits and other receivables, amounts due from related parties represent the Group's maximum exposure to credit risk in relation to financial assets. The Group does not have significant credit risks arising from off-balance sheet items. The Group's credit policy for the sales of products is mainly delivery either on cash or upon receipt of bank acceptance notes with maturity dates within six months. For bank and financial institutions, the Group has policies that deposits are put in reputable banks. Credit quality of financial assets is further disclosed in Notes 12, 13, 20 and 42(c) respectively.

(c) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, together with adequate banking facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

本集團並無重大集中的信貸風險。現金及現金等價物、應收貿易賬款、按金及其他應收賬款及應收關聯方款項的賬面值為本集團的金融資產在信貸風險方面的最高風險水平。本集團並無由資產負債表外項目產生的重大信貸風險。本集團產品銷售的信貸政策主要為於收取現金或到期日在六個月內的銀行承兌匯票時方會發貨。對於銀行及金融機構，本集團的政策是將存款存放於有信譽的銀行。金融資產的信貸質量分別在附註12、13、20和42(c)內進一步披露。

(c) 流動資金風險

本集團的流動資金風險透過維持充足現金及現金等價物，以及足夠銀行信貸額度控制。

下表是本集團金融負債的分析。按結算日至合約到期日的剩餘期限，將金融負債分到相關的期限組別。表中披露的金額是約定的未折現現金流量。對於12個月內到期的餘額，因折現影響不大，該等餘額等於其賬面餘額。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

		Between				Total
		Less than 1 year 1年內	1 and 2 years 1至2年	2 and 5 years 2至5年	Over 5 years 5年以上	
At 31 December 2009	於二零零九年 十二月三十一日					
Borrowings	借款	1,796,481	468,826	285,031	5,000	2,555,338
Interests payments on borrowings (i)	借款利息支出 (i)	64,104	22,762	7,927	-	94,793
Trade payables	應付貿易賬款	1,725,762	-	-	-	1,725,762
Other payables	其他應付款項	724,462	-	-	-	724,462
Amounts due to related parties	應付關聯方款項	269,218	-	37,404	-	306,622
Finance lease liability	融資租賃負債	134,432	216,883	353,280	-	704,595
Interest payments on finance lease liability (ii)	就融資負債支付的利息 (ii)	68,258	41,433	23,260	-	132,951
At 31 December 2008	於二零零八年 十二月三十一日					
Borrowings	借款	1,697,230	404,230	60,000	25,000	2,186,460
Interests payments on borrowings (i)	借款利息支出 (i)	78,038	14,359	5,589	208	98,194
Trade payables	應付貿易賬款	2,219,395	-	-	-	2,219,395
Other payables	其他應付款項	678,399	-	-	-	678,399
Amounts due to related parties	應付關聯方款項	207,013	10,000	55,055	-	272,068
Finance lease liability	融資租賃負債	19,888	142,639	705,295	-	867,822
Interest payments on finance lease liability (ii)	就融資負債支付的利息 (ii)	85,918	73,150	82,502	-	241,570

(i) The interest on borrowings is calculated based on borrowings held as at 31 December 2008 and 2009 without taking into account of future issues. Floating-rate interest is estimated using current interest rate as at 31 December 2008 and 2009 respectively.

(ii) The interest on finance lease is calculated based on remaining balance of finance lease liability and the interest rate implicit in the lease as at 31 December 2008 and 2009.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

(i) 借款利息按二零零八年及二零零九年十二月三十一日持有的借款計算，不考慮任何未來事項。浮動利率分別按二零零八年及二零零九年十二月三十一日的當時利率估算。

(ii) 於二零零八年及二零零九年十二月三十一日，融資租賃的利息乃根據融資租賃負債的餘額及利率計算。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as total borrowings divided by equity attributable to owners of the parent. Total borrowings include current and non-current borrowings as shown in the consolidated balance sheet. The Group regards its borrowings and equity attributable to owners of the parent as its capital.

Total borrowings	借款總額
Equity attributable to owners of the parent	母公司擁有者應佔權益
Debt-to-equity ratio	債項與權益比率

3. 財務風險管理(續)

3.2 資金風險管理

本集團的資金管理政策，是保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

與業內其他公司一樣，本集團亦是根據債項與權益比率監察資本狀況。借款總額除以母公司擁有者應佔權益，即為債項與權益比率。借款總額包括合併資產負債表所示的流動及非流動借款。本集團將其借款及母公司擁有者應佔權益視為本集團的資本。

	2009 二零零九年	2008 二零零八年
Total borrowings	2,555,338	2,186,460
Equity attributable to owners of the parent	7,168,758	6,265,229
Debt-to-equity ratio	35.65%	34.90%

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3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

Effective 1 January 2009, the Group adopted the amendment to IFRS/HKFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2009.

3. 財務風險管理(續)

3.3 公允價值估計

自二零零九年一月一日起，本集團就於資產負債況表中按公允價值計量的金融工具採納國際財務報告準則/香港財務報告準則第7號的修訂。此項修訂要求採用下列公允價值計量機制對公允價值計量分級作出披露：

- 特定資產或負債的活躍市場報價(未經調整)(第一級)。
- 除包含於第一級的報價外，資產或負債的可觀察直接(即價格)或間接(即源自價格者)輸入資料(第二級)。
- 並非根據可觀察市場資料而釐定的資產或負債的輸入資料(即不可觀察的輸入資料)(第三級)。

下表呈列本集團於二零零九年十二月三十一日按公允價值計量的資產及負債。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition as at the balance sheet date and the historical experience of manufacturing and selling products of similar nature.

4. 關鍵會計估計及判斷

估計及判斷會被持續評估，並根據過往經驗和其他因素進行持續評估，包括在有關情況下相信為合理的對未來事件的預期。

4.1 關鍵會計估計及假設

本集團對未來作出估計及假設。所得的會計估計如其定義，很少會與其實際結果相同。很大風險導致下個財政年度的資產與負債的賬面值作出重大調整的估計及假設討論如下。

(a) 存貨的可變現淨值

存貨的可變現淨值為日常業務過程中的估計售價，減估計完成成本及銷售支出。該等估計根據於結算日的現行市況及生產及銷售性質類似的產品的過往經驗計算。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) Impairment of available-for-sale financial assets

The Group follows the guidance of HKAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(c) Impairment of property, plant and equipment

The Group reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policy stated in Note 2.9. The recoverable amount of cash-generating unit has been determined based on higher of value-in-use and fair value less costs to sell.

The Group determined that there was an impairment indication relating to two production lines of a subsidiary which manufactures galvanised and cold rolled sheets. The production lines were identified as cash-generating units separately.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) 可供出售金融資產減值

本集團根據香港會計準則第39號之指引釐定可供出售權益投資減值。該釐定要求作出重要判斷。於作出該等判斷時，本集團評估(其中包括)投資之公允價值低於其成本之時間及程度；投資對象之財務健康狀況及短期業務前景，包括行業表現、技術及營運之變動以及融資現金流等因素。

(c) 物業、廠房及設備減值

當在任何情況下有事件或變動顯示賬面值可能不會予以收回時，本集團則會根據附註2.9所述的會計政策檢討物業、廠房及設備的減值。現金產生單位的可收回金額已根據使用價值與公允價值減銷售成本兩者的較高者釐定。

本集團確定有一間附屬公司的兩條從事生產鍍鋅板及冷軋板的生產線出現減值跡象。該等生產線乃單獨確認為現金產生單位。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(c) Impairment of property, plant and equipment (continued)

The Group measured the value in use and fair value less costs to sell by discounting the future estimated cash flow deriving from the production lines. These calculations required the Group to estimate the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows.

As at 31 December 2009, the value in use and fair value less costs to sell were as follows:

(RMB million)		Value in use	Fair value less cost to sell
(人民幣百萬元)		使用價值	公允價值 減銷售 成本
Line 1	生產線 1	153.4	154.4
Line 2	生產線 2	112.7	118.3

The Group considered that the recoverable amount was the higher of value in use and fair value less costs to sell. The recoverable amount of the production line approximated its carrying amount (Note 7).

4. 關鍵會計估計及判斷 (續)

4.1 關鍵會計估計及假設 (續)

(c) 物業、廠房及設備減值 (續)

本集團透過將源自生產線的未來估計現金流量折現的方式來計量使用價值及公允價值減銷售成本。該等計算方法要求本集團須對來自現金產生單位的預期未來現金流量進行估計，亦會要求本集團採用適當的折現率，以計算該等現金流量的現值。

於二零零九年十二月三十一日，使用價值及公允價值減銷售成本如下：

本集團認為，可收回金額乃使用價值與公允價值減銷售成本兩者中的較高者。生產線的可收回金額與其賬面值相若(附註7)。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(c) Impairment of property, plant and equipment (continued)

If the estimated gross margin in all forecast years had been 10% lower or higher than the management's estimates at 31 December 2009 and 2008 (for example, 9% or 11% instead of 10%), the Group would have recognised the impairment as follows:

Impairment of property, plant and equipment	物業、廠房及設備減值
- Line 1	- 生產線 1
- Line 2	- 生產線 2

If the estimated pre-tax discount rate applied to the discounted cash flows had been 10% (for example, 9% or 11% instead of 10%) lower or higher than management's estimates, the Group would have recognised the impairment as follows:

Impairment of property, plant and equipment	物業、廠房及設備減值
- Line 1	- 生產線 1
- Line 2	- 生產線 2

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(c) 物業、廠房及設備減值(續)

倘於所有預測年度的估計毛利率較管理層於二零零九年及二零零八年十二月三十一日作出的估計偏低或偏高10% (如9%或11%，而不是10%)，則本集團將確認減值如下：

2009 二零零九年	
10% Lower 低10%	10% Higher 高10%
72,676	-
53,882	14,650

倘用於已折現現金流量的估計除稅前折現率較管理層作出的估計偏低或偏高10% (例如為9%或11%，而不是10%)，則本集團將確認減值如下：

2009 二零零九年	
10% Lower 低10%	10% Higher 高10%
4,419	42,832
19,781	46,045

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(d) Useful life of the property, plant and equipment

Useful life is the period over which an asset is expected to be available for use by an entity. The depreciable amount of an asset is allocated on a systematic basis over its useful life (Note 2.5).

The following factors are considered in determining the useful life of an asset:

- (i) Expected usage of the asset
- (ii) Expected physical wear and tear
- (iii) Technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset
- (iv) Legal or similar limits on the use of the asset

The useful life of an asset is reviewed at each financial year-end and, if expectations differ from previous estimates, the change will be accounted for as a change in an accounting estimate in accordance with HKAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(d) 物業、廠房及設備的可使用年期

可使用年期為資產預期可供主體使用的期限。資產的可折舊金額於其可使用年期內按系統基準進行分配(附註2.5)。

在釐定資產的可使用年期時，須考慮以下因素：

- (i) 該項資產的預期用途
- (ii) 預期物質損耗
- (iii) 因生產變動或改良或市場對該項資產的產品或服務輸出的需求變動而造成技術或商業上過時
- (iv) 使用該項資產時的法律或類似限制

資產的可使用年期於各財政年度末進行檢討，倘預期可使用年期與以往作出的估計有所不同，則有關變動將會根據香港會計準則第8號「會計政策、會計估計的變動及誤差」作為會計估計的一項變動入賬。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(e) Income taxes

The Group is subject to income taxes in a few jurisdictions. Significant judgement is required in determining the regional provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(e) 所得稅

本集團須繳納若干司法權區的所得稅。於釐定地區的所得稅準備時需作出重要判斷。有許多交易及計算均難以確定最終稅項的釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜的責任。倘該等事宜的最終稅務結果與最初記錄的金額不同，有關差異會影響到有關釐定期間的即期及遞延所得稅資產及負債。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Critical judgements in applying the entity's accounting policies

(a) Borrowing costs eligible for capitalisation

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. It may be difficult to identify a direct relationship between particular borrowings and a qualifying asset and to determine the borrowings that could otherwise have been avoided. Such a difficulty occurs, for example, when the financing activity of an entity is co-ordinated centrally. As a result, the determination of the amount of borrowing costs that are directly attributable to the acquisition of a qualifying asset is difficult and the exercise of judgement is required.

Borrowing costs capitalised into property, plant and equipment are shown in Note 7.

4. 關鍵會計估計及判斷(續)

4.2 應用主體會計政策的關鍵判斷

(a) 符合資格作資本化的借貸成本

收購、建設或生產合資格資產直接應佔的借貸成本，指倘並無就合資格資產作出開支則可避免的借貸成本。識別特定借款與合資格資產的直接關係，以及釐定可避免的借款均可能會出現困難。例如，當主體的融資活動是由中央統籌，就會出現困難。因此，難以釐定收購合資格資產直接應佔的借貸成本金額，並須行使判斷。

資本化成為物業、廠房及設備的借貸成本於附註7中列示。

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合併財務報表附註

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Critical judgements in applying the entity's accounting policies (continued)

(b) Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately, the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

4. 關鍵會計估計及判斷(續)

4.2 應用主體會計政策的關鍵判斷(續)

(b) 投資物業與業主自用物業的分別

本集團釐定一項物業是否符合資格為投資物業。在作出判斷時，本集團會考慮該物業所產生的現金流量是否基本不受本集團持有的其他資產所影響。業主自用物業所產生的現金流量，不單僅來自該物業，亦來自用於生產或供應流程的其他資產。

某些物業其中的一部分是用以賺取租金或作為資本增值用途而持有的，而另一部分則持有作行政用途。倘該等部分可獨立出售，本集團會對該等部分獨立記賬。倘該等部分不可以獨立出售，則該物業僅會在其不重大部分用作行政用途而持有時記賬為投資物業。在釐定附屬服務是否那樣重大以致某項物業不符合資格為投資物業時，須作出判斷。本集團在作出判斷時會獨立考慮每項物業。

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5. SALES AND SEGMENT INFORMATION – GROUP

(a) Sales

The Group is principally engaged in the manufacture and sales of iron and steel products. Sales recognised for the years ended 31 December 2009 and 2008 are as follows:

Sales:

Gross sales, less discounts and returns
– billets
– strips and strip products
– H section steel products
– galvanised sheets
– cold rolled sheets
– others

Less: Sales taxes

銷售額：

銷售總額減折扣及退貨
– 鋼坯
– 帶鋼及帶鋼類產品
– H型鋼產品
– 鍍鋅板
– 冷軋板
– 其他

減：銷售稅項

5. 銷售額及分部資料－本集團

(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十二月三十一日止年度入賬的銷售額如下：

2009 二零零九年	2008 二零零八年
3,629,525	3,990,747
8,407,665	8,574,492
7,408,692	5,672,508
588,052	708,746
555,166	612,100
13,080	14,633
20,602,180	19,573,226
(13,042)	(185,043)
20,589,138	19,388,183

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5. SALES AND SEGMENT INFORMATION – GROUP

(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.

5. 銷售額及分部資料—本集團(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業績表現評估及資源分配。

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 Consolidated Financial Statements 合併財務報表附註

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6. LEASEHOLD LAND AND LAND USE RIGHTS – GROUP

The Group's interests in leasehold land and land use rights represent the prepayment for the operating lease, the net book value of which is analysed as follows:

Opening	期初
Amortisation of prepaid operating lease payment (Notes 31, 39)	預付經營租賃款項攤銷 (附註31, 39)

As at 31 December 2009, the net book value of leasehold land and land use rights pledged as security for the Group's borrowings amounted to RMB 61 million (2008: RMB 62 million) (Note 25).

The Group's leasehold land and land use rights are located in the PRC and the remaining lease period is between 43 years to 46 years.

6. 租賃土地及土地使用權—本集團

本集團在租賃土地及土地使用權的權益指經營租賃預付款項，按其賬面淨值分析如下：

2009 二零零九年	2008 二零零八年
74,790	76,441
(1,651)	(1,651)
73,139	74,790

於二零零九年十二月三十一日，已為本集團借款而抵押的租賃土地及土地使用權的賬面淨值約人民幣6,100萬元(二零零八年：人民幣6,200萬元)(附註25)。

本集團的租賃土地及土地使用權位於中國，餘下租期介乎43年至46年。

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7. PROPERTY, PLANT AND EQUIPMENT

7. 物業、廠房及設備

The Group

本集團

		Buildings	Machinery	Furniture and fixtures	Vehicles	Leasehold improvements	CIP	Finance leased assets	Total
		樓宇	機器設備	辦公設備	汽車	租賃物業裝修	在建工程	融資租賃資產	總計
At 1 January 2008	於二零零八年一月一日								
Cost	成本	1,630,971	3,907,895	32,584	57,139	1,337	2,093,177	-	7,723,103
Accumulated depreciation	累計折舊	(238,160)	(1,014,216)	(10,526)	(28,929)	(855)	-	-	(1,292,686)
Impairment	減值	(3,716)	(20,855)	(223)	(85)	-	-	-	(24,879)
Net book amount	賬面淨值	1,389,095	2,872,824	21,835	28,125	482	2,093,177	-	6,405,538
Year ended 31 December 2008	截至二零零八年十二月三十一日止年度								
Opening net book amount	年初賬面淨值	1,389,095	2,872,824	21,835	28,125	482	2,093,177	-	6,405,538
Additions	添置	13,337	22,393	5,059	35,370	-	2,376,303	-	2,452,462
Transfers	轉撥	752,816	3,035,320	26,759	22	-	(3,814,917)	-	-
Sale and finance lease back (Note 26)	銷售及融資租賃回購(附註26)	-	(800,000)	-	-	-	-	800,000	-
Disposals (Note 39)	處置(附註39)	-	(15)	(14)	(247)	-	-	-	(276)
Depreciation (Notes 31, 39)	折舊(附註31、39)	(95,381)	(418,208)	(5,885)	(13,850)	(55)	-	(37,557)	(570,936)
Closing net book amount	年末賬面淨值	2,059,867	4,712,314	47,754	49,420	427	654,563	762,443	8,286,788
At 31 December 2008	於二零零八年十二月三十一日								
Cost	成本	2,397,124	6,008,373	64,343	88,078	1,337	654,563	800,000	10,013,818
Accumulated depreciation	累計折舊	(333,541)	(1,275,204)	(16,366)	(38,573)	(910)	-	(37,557)	(1,702,151)
Impairment	減值	(3,716)	(20,855)	(223)	(85)	-	-	-	(24,879)
Net book amount	賬面淨值	2,059,867	4,712,314	47,754	49,420	427	654,563	762,443	8,286,788
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度								
Opening net book amount	年初賬面淨值	2,059,867	4,712,314	47,754	49,420	427	654,563	762,443	8,286,788
Additions	添置	213,202	383,971	6,524	18,971	-	636,509	-	1,259,177
Transfer from CIP	轉撥自在建工程	113,472	677,659	12,897	8,578	-	(812,606)	-	-
Disposals (Note 39)	處置(附註39)	(820)	(6,269)	(1)	(3,451)	-	-	-	(10,541)
Transfer to CIP	轉撥至在建工程	(20,036)	(4,498)	-	-	-	24,534	-	-
Depreciation (Notes 31, 39)	折舊(附註31、39)	(113,123)	(612,803)	(12,807)	(15,988)	(55)	-	(90,275)	(845,051)
Impairment (Notes 31, 39)	減值(附註31、39)	(16,829)	(47,291)	(668)	-	-	-	-	(64,788)
Closing net book amount	年末賬面淨值	2,235,733	5,103,083	53,699	57,530	372	503,000	672,168	8,625,585
At 31 December 2009	於二零零九年十二月三十一日								
Cost	成本	2,691,122	7,040,908	83,754	110,323	1,337	503,000	800,000	11,230,444
Accumulated depreciation	累計折舊	(434,844)	(1,869,679)	(29,164)	(52,708)	(965)	-	(127,832)	(2,515,192)
Impairment	減值	(20,545)	(68,146)	(891)	(85)	-	-	-	(89,667)
Net book amount	賬面淨值	2,235,733	5,103,083	53,699	57,530	372	503,000	672,168	8,625,585

Notes to the Consolidated Financial Statements

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)

Depreciation expenses have been charged to the consolidated income statements as follows:

		2009 二零零九年	2008 二零零八年
Cost of sales	銷售成本	817,218	539,515
Administrative expenses	行政費用	27,833	31,421
		845,051	570,936

(a) As at 31 December 2009, the net book value of buildings and machinery pledged as security for the Group's current and non-current borrowings amounted to approximately RMB 1,463 million (2008: RMB 1,406 million) (Note 25).

For the year ended 31 December 2009, borrowing costs amounting to approximately RMB 39 million were capitalised into the cost of property, plant and equipment (2008: RMB 63 million) at an average capitalisation rate of 6.33% approximately.

(b) The directors noted indications that two production lines (2008: one of the production lines) of a subsidiary engaged in manufacturing galvanised and cold rolled sheets were subject to the impairment as at 31 December 2009 (Note 4.1).

7. 物業、廠房及設備(續)

本集團(續)

已於合併利潤表中扣除的折舊開支如下：

	2009 二零零九年	2008 二零零八年
	817,218	539,515
	27,833	31,421
	845,051	570,936

(a) 於二零零九年十二月三十一日，已為本集團流動及非流動借款而抵押的樓宇及機器設備的賬面淨值約為人民幣14.63億元(二零零八年：人民幣14.06億元)(附註25)。

截至二零零九年十二月三十一日止年度，借貸成本約人民幣3,900萬元(二零零八年：人民幣6,300萬元)已按平均資本化比率約6.33%資本化為物業、廠房及設備的成本。

(b) 於二零零九年十二月三十一日，本公司董事注意到有跡象顯示一間附屬公司的兩條從事生產鍍鋅板及冷軋板的生產線(二零零八年：一條生產線)須進行減值(附註4.1)。

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)

(b) (continued)

The recoverable amount of a CGU (cash-generating unit) is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the galvanised sheets and cold rolled sheets business with which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

Gross margin	毛利率
Growth rate	增長率
Discount rate	折現率

Management determined the budgeted gross margin based on the past performance and their expectations for the market development. The weighted average growth rates used are consistent with the forecasts included in the industry report. The discount rates used are pre-tax and reflect the specific risks in associate with the relevant segments.

The impairment charge arose from the fact that the production line was not fully utilised for year ended 31 December 2009 and 2008. The Directors reassessed the impairment of the relating assets and provided additional provision for impairment for the year ended 31 December 2009.

7. 物業、廠房及設備(續)

本集團(續)

(b) (續)

現金產生單位的可收回金額按使用價值計算。該等計算運用了稅前現金流量預測，其依據是管理層批准的五年期財務預算。超過五年期的現金流量按下述的預計增長率推算。增長率不會超過具有現金產生單位經營的鍍鋅板及冷軋板業務的長期平均增長率。

計算使用價值時，運用了以下的主要假設：

2009 二零零九年	2008 二零零八年
6.06%-7.28%	6.13%
2.00%	2.00%
15.00%	13.69%

管理層根據過往業績表現及其對市場發展的預期，釐定預算毛利率。所用的加權平均增長率，與行業報告所載的預測一致。所用的折現率為稅前折現率，並反映與相關分部有關的特定風險。

因為生產線於截至二零零九年及二零零八年十二月三十一日止年度未被充分利用，故產生減值費用。董事對相關資產重新進行減值評估，於截至二零零九年十二月三十一日止年度提供額外減值撥備。

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

7. 物業、廠房及設備(續)

The Company

本公司

		Buildings	Furniture and fixtures	Vehicles	Leasehold improve- ments 租賃物業 裝修	Total
		樓宇	辦公設備	汽車		總計
At 1 January 2008	於二零零八年一月一日					
Cost	成本	12,764	718	1,513	1,337	16,332
Accumulated depreciation	累計折舊	(1,612)	(414)	(1,092)	(855)	(3,973)
Net book amount	賬面淨值	11,152	304	421	482	12,359
Year ended 31 December 2008	截至二零零八年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	11,152	304	421	482	12,359
Additions	添置	-	138	690	-	828
Disposal	處置	(10,925)	(11)	(18)	(427)	(11,381)
Depreciation	折舊	(227)	(137)	(350)	(55)	(769)
Closing net book amount	年末賬面淨值	-	294	743	-	1,037
At 31 December 2008	於二零零八年十二月三十一日					
Cost	成本	-	801	2,179	-	2,980
Accumulated depreciation	累計折舊	-	(507)	(1,436)	-	(1,943)
Net book amount	賬面淨值	-	294	743	-	1,037
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	-	294	743	-	1,037
Additions	添置	-	34	-	-	34
Disposal	處置	-	(1)	(12)	-	(13)
Depreciation	折舊	-	(97)	(179)	-	(276)
Closing net book amount	年末賬面淨值	-	230	552	-	782
At 31 December 2009	於二零零九年十二月三十一日					
Cost	成本	-	826	2,165	-	2,991
Accumulated depreciation	累計折舊	-	(596)	(1,613)	-	(2,209)
Net book amount	賬面淨值	-	230	552	-	782

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8. INVESTMENT PROPERTIES

The Group

The investment properties are located in the PRC and their net book value are analysed as follows:

At 1 January 2008	於二零零八年一月一日	
Cost	成本	21,985
Accumulated depreciation	累計折舊	(2,657)
Net book amount	賬面淨值	19,328
Year ended 31 December 2008	截至二零零八年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	19,328
Depreciation (Notes 31, 39)	折舊(附註31、39)	(928)
Closing net book amount	年末賬面淨值	18,400
At 31 December 2008	於二零零八年十二月三十一日	
Cost	成本	21,985
Accumulated depreciation	累計折舊	(3,585)
Net book amount	賬面淨值	18,400
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	18,400
Depreciation (Notes 31, 39)	折舊(附註31、39)	(805)
Closing net book amount	年末賬面淨值	17,595
At 31 December 2009	於二零零九年十二月三十一日	
Cost	成本	21,985
Accumulated depreciation	累計折舊	(4,390)
Net book amount	賬面淨值	17,595

For the year ended 31 December 2009, rental income arising from the investment properties amounted to RMB 1.87 million (2008: RMB 1.78 million) (Note 30).

As at 31 December 2009, the Directors of the Company assessed the fair value of the investment properties to be approximately RMB 38.4 million based on the prices in the active market (2008: RMB 32.9 million).

8. 投資物業

本集團

投資物業位於中國，按其賬面淨值分析如下：

截至二零零九年十二月三十一日止年度，投資物業所產生的租金收入為人民幣187萬元(二零零八年：人民幣178萬元)(附註30)。

於二零零九年十二月三十一日，本公司董事根據在交投活躍市場的價格估值投資物業的公允價值約人民幣3,840萬元(二零零八年：人民幣3,290萬元)。

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8. INVESTMENT PROPERTIES (continued)

The Company

The investment properties are located in the PRC and their net book value are analysed as follows:

At 1 January 2008	於二零零八年一月一日	
Cost	成本	21,985
Accumulated depreciation	累計折舊	(2,657)
Net book amount	賬面淨值	19,328
Year ended 31 December 2008	截至二零零八年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	19,328
Depreciation	折舊	(458)
Transfer to a subsidiary	轉至一間附屬公司	(18,870)
Closing net book amount	年末賬面淨值	-
At 31 December 2008	於二零零八年十二月三十一日	
Cost	成本	-
Accumulated depreciation	累計折舊	-
Net book amount	賬面淨值	-
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	-
Depreciation	折舊	-
Closing net book amount	年末賬面淨值	-
At 31 December 2009	於二零零九年十二月三十一日	
Cost	成本	-
Accumulated depreciation	累計折舊	-
Net book amount	賬面淨值	-

8. 投資物業(續)

本公司

投資物業位於中國，及其賬面淨值分析如下：

Notes to the Consolidated Financial Statements

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9. INTANGIBLE ASSETS – GROUP

9. 無形資產－本集團

		Goodwill 商譽
At 1 January 2008	於二零零八年一月一日	
Cost	成本	–
Accumulated amortisation	累計攤銷	–
Net book amount	賬面淨值	–
Year ended 31 December 2008	截至二零零八年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	–
Acquisition from a minority shareholder	向少數股東收購	7,667
Closing net book amount	年末賬面淨值	7,667
At 31 December 2008	於二零零八年十二月三十一日	
Cost	成本	7,667
Accumulated amortisation	累計攤銷	–
Net book amount	賬面淨值	7,667
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	7,667
Impairment (Note 29)	減值(附註29)	(7,667)
Closing net book amount	年末賬面淨值	–
At 31 December 2009	於二零零九年十二月三十一日	
Cost	成本	7,667
Accumulated amortisation and impairment	累計攤銷及減值	(7,667)
Net book amount	賬面淨值	–

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9. INTANGIBLE ASSETS – GROUP (continued)

Impairment tests for goodwill

The goodwill was allocated to the subsidiary acquired from a minority shareholder during the year ended 31 December 2008, which was identified as the group of cash-generating unit (CGU Group).

The recoverable amount of a CGU Group is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on the financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions other than the financial budgets covering a five-year period, use for value-in-use calculations are gross margin, growth rate and discount rate of 6.49%, 2.00% and 15.00% respectively.

Management determined the budgeted gross margin based on past performance and their expectations for the market development. The weighted average growth rates used are consistent with the forecasts included in industry report. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The Directors concluded that the goodwill was fully impaired as at 31 December 2009, based on the impairment test performed.

9. 無形資產 – 本集團(續)

商譽減值測試

截至二零零八年十二月三十一日止年度，商譽產生自少數股東收購之附屬公司，已按現金產生單位組別識別（「該組現金產生單位」）。

該組現金產生單位的可收回金額乃根據使用價值計算方法釐定。該等計算乃根據經管理層批准五年期的財務預算，以除稅前現金流預計作出。五年期限以外的現金流乃按下文所述的估計增長率推斷。

除五年期的財務預算外，用於使用價值計算的主要假設為毛利率、增長率及折現率，分別為6.49%、2.00%及15.00%。

管理層根據過往業績表現及其對市場發展的預期，釐定預算毛利率。使用的加權平均增長率與行業報告所載的預測一致。所用的折現率為除稅前折現率，並反映與相關分部有關的特定風險。

董事得出結論，根據所進行的減值測試，於二零零九年十二月三十一日商譽已全數減值。

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10. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY

10. 附屬公司投資及貸款—本公司

(a) Investments in subsidiaries

(a) 附屬公司投資

		2009 二零零九年	2008 二零零八年
Unlisted investments, at cost	非上市投資(按成本)	382,121	382,121

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

於二零零九年及二零零八年十二月三十一日附屬公司如下：

Name	Place and date of incorporation	Legal status	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
名稱	註冊成立地點及日期	法定主體類別	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") 21 February 2003	Limited liability company	100% (Directly held)	US\$1	US\$50,000	Investment holding
Gold Genesis Development Limited (「Gold Genesis」)	英屬維爾京群島 (「英屬維爾京群島」) 二零零三年二月二十一日	有限責任公司	100% (直接持有)	1美元	50,000美元	投資控股
Good Lucky Enterprises Limited ("Good Lucky")	BVI 21 February 2003	Limited liability company	100% (Directly held)	US\$1	US\$50,000	Investment holding
Good Lucky Enterprises Limited (「Good Lucky」)	英屬維爾京群島 二零零三年二月二十一日	有限責任公司	100% (直接持有)	1美元	50,000美元	投資控股
First Glory Services Limited ("First Glory")	BVI 16 October 2003	Limited liability company	100% (Directly held)	US\$2	US\$50,000	Investment holding
First Glory Services Limited (「First Glory」)	英屬維爾京群島 二零零三年十月十六日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股
Accordpower Investments Limited ("Accordpower")	BVI 30 November 2004	Limited liability company	100% (Directly held)	US\$2	US\$50,000	Investment holding
Accordpower Investments Limited (「Accordpower」)	英屬維爾京群島 二零零四年十一月三十日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股

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10. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY (continued)

(a) Investments in subsidiaries (continued)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別	百分比	已發行及繳足股本	法定股本	主要業務
Fullhero Investments Limited ("Fullhero")	BVI 3 May 2005	Limited liability company	100% (Directly held)	US\$2	US\$50,000	Investment holding
Fullhero Investments Limited (Fullhero)	英屬維爾京群島 二零零五年五月三日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股
Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited") (original Hebei Jinxi Iron and Steel Company Limited)	PRC 24 December 1999	Joint stock company with limited liability	97.6% (Indirectly held)	RMB228,640,000	RMB228,640,000	Manufacture and sales of iron and steel products
河北津西鋼鐵集團股份有限公司 (「津西鋼鐵」) (前稱河北津西鋼鐵股份有限公司)	中國 一九九九年十二月二十四日	股份有限責任公司	97.6% (間接持有)	人民幣 228,640,000元	人民幣 228,640,000元	生產及銷售鋼鐵產品
Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited ("Jinxi Jinlan")	PRC 26 December 2003	Limited liability company	81.5% (Indirectly held)	US\$55,150,000	US\$55,150,000	Manufacture and sales of steel products
佛山津西金蘭冷軋板有限公司 (「津西金蘭」)	中國 二零零三年十二月二十六日	有限責任公司	81.5% (間接持有)	55,150,000美元	55,150,000美元	生產及銷售鋼鐵產品
Oriental Fullhero Leasing Co., Ltd ("Shenzhen Leasing")	PRC 23 September 2005	Limited liability company	100% (Indirectly held)	US\$65,000,000	US\$65,000,000	Leasing and financial leasing
東方英豐租賃有限公司 (「深圳租賃」)	中國 二零零五年九月二十三日	有限責任公司	100% (間接持有)	65,000,000美元	65,000,000美元	租賃及融資租賃
Hebei Jinxi Section Steel Company Limited ("Jinxi Section Steel")	PRC 30 May 2008	Limited liability company	80% (Indirectly held)	RMB350,000,000	RMB350,000,000	Manufacture and sales of steel products
河北津西型鋼有限公司 (「津西型鋼」)	中國 二零零八年五月三十日	有限責任公司	80% (間接持有)	人民幣 350,000,000元	人民幣 350,000,000元	生產及銷售鋼鐵產品
Jinxi Hong Kong Trading Company Limited ("HK Trading")	Hong Kong 27 October 2008	Limited liability company	97.6% (Indirectly held)	HK\$1	US\$9,800,000	Import and export of goods
津西香港進出口有限公司 (「津西香港」)	香港 二零零八年十月二十七日	有限責任公司	97.6% (間接持有)	1港元	9,800,000美元	進出口貨物

10. 附屬公司投資及貸款 – 本公司 (續)

(a) 附屬公司投資 (續)

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10. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY (continued)

10. 附屬公司投資及貸款—本公司(續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Suifenghe City Jinyin Trading Co., Ltd. ("Jinyin Trading") 綏芬河市津銀貿易有限公司 〔(津銀貿易)〕	PRC 24 September 2008 中國 二零零八年九月二十四日	Limited liability company 有限責任公司	100% (Indirectly held) 100% (間接持有)	RMB10,000,000 人民幣 10,000,000元	RMB10,000,000 人民幣 10,000,000元	Import and export of goods and technology 進出口貨物及技術
Qianxi County Jinxi Yunda Transportation Co., Ltd. ("Yunda Transportation") 遷西縣津西達運輸有限公司 〔(運達運輸)〕	PRC 4 September 2008 中國 二零零八年九月四日	Limited liability company 有限責任公司	100% (Indirectly held) 100% (間接持有)	RMB500,000 人民幣 500,000元	RMB500,000 人民幣 500,000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 8 July 2008 中國 二零零八年七月八日	Limited liability company 有限責任公司	60% (Indirectly held) 60% (間接持有)	RMB2,000,000 人民幣 2,000,000元	RMB2,000,000 人民幣 2,000,000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 19 December 2008 中國 二零零八年十二月十九日	Limited liability company 有限責任公司	71% (Indirectly held) 71% (間接持有)	RMB50,000,000 人民幣 50,000,000元	RMB50,000,000 人民幣 50,000,000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 22 May 2009 中國 二零零九年五月二十二日	Limited liability company 有限責任公司	71% (Indirectly held) 71% (間接持有)	RMB100,000 人民幣 100,000元	RMB100,000 人民幣 100,000元	Purchase and sale of ferrous metal and coke 買賣黑色金屬及焦炭
Hebei Jinxi Boyuan Real Estate Co., Ltd. ("Boyuan Real Estate") (ii) 河北津西博遠房地產開發有限公司 〔(博遠房地產)〕 (ii)	PRC 17 December 2009 中國 二零零九年十二月十七日	Limited liability company 有限責任公司	100% (Indirectly held) 100% (間接持有)	RMB100,000,000 人民幣 100,000,000元	RMB100,000,000 人民幣 100,000,000元	Development and sales of real estate 開發及銷售房地產

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10. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY (continued)

(a) Investments in subsidiaries (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.
- (ii) Boyuan Real Estate was incorporated on 17 December 2009 by Jinxi Limited solely. The paid-in capital of Boyuan Real Estate is RMB 100 million. As at 31 December 2009, Boyuan Real Estate had not commenced its operation.
- (iii) Qianxi County Jinxi Wan Tong Ductile Iron Pipes Co., Ltd. (“Jinxi Wan Tong”) was incorporated on 22 July 2009 in which Jinxi Limited was its sole equity owner. The paid-in capital of Jinxi Wan Tong is RMB 100 million. Pursuant to an equity transfer agreement dated 2 November 2009, Jinxi Limited transferred 100% of its equity in Jinxi Wan Tong to its minority shareholder, Tangshan City Jinxi Iron and Steel Group Co., Ltd. (“Tangshan Jinxi Group”), at a consideration of RMB 100 million. The consideration was not settled at 31 December 2009, but became part of Jinxi Limited’s loan to Tangshan Jinxi Group.

10. 附屬公司投資及貸款－本公司(續)

(a) 附屬公司投資(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。
- (ii) 博遠房地產僅由津西鋼鐵於二零零九年十二月十七日註冊成立。博遠房地產的實收資本為人民幣1億元。於二零零九年十二月三十一日，博遠房地產並未開始營運。
- (iii) 遷西縣津西萬通球墨鑄管有限公司(「津西萬通」)於二零零九年七月二十二日註冊成立，津西鋼鐵為其唯一權益擁有人。津西萬通的實收資本為人民幣1億元。根據日期為二零零九年十一月二日的一份權益轉讓協議，津西鋼鐵向其少數股東唐山市津西鋼鐵集團有限公司(「唐山津西集團」)轉讓津西萬通的100%股權，代價為人民幣1億元。該代價於二零零九年十二月三十一日尚未結算，但成為津西鋼鐵借予唐山津西集團貸款的一部分。

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

10. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY (continued)

(a) Investments in subsidiaries (continued)

(iii) (continued)

Pursuant to certain agreements entered into in November 2009, the loans provided by Jinxi Limited to Tangshan Jinxi Group totalled to RMB 361.5 million as at 31 December 2009 (Note 42(c)). Those loans were secured by Tangshan Jinxi Group's 100% equity in Jinxi Wan Tong and all of the assets purchased or constructed with the loans. They bore interest at 5.3% and were repayable within three months.

(b) Loans to subsidiaries

Loans to subsidiaries form part of the Company's net investment in the PRC subsidiaries.

The loans to Jinxi Limited amounting to approximately US\$ 106.7 million (RMB 728.6 million equivalent) are unsecured, interest-free and have a repayment term of 20 years. The Directors have resolved that these loans will not be settled upon maturity and regarded these loans as part of the Company's net investment in Jinxi Limited.

The rest of these loans to subsidiaries amounting to RMB 1,702.4 million are unsecured, interest-free and with no fixed terms of repayment.

10. 附屬公司投資及貸款—本公司(續)

(a) 附屬公司投資

(iii) (續)

根據於二零零九年十一月訂立的若干協議，於二零零九年十二月三十一日，由津西鋼鐵向唐山津西集團提供的貸款合共人民幣3.6億元(附註42(c))。該等貸款由唐山津西集團於津西萬通的全部權益及用該貸款所購入或在建的全部資產作為抵押。該等貸款按5.3%利率計息及須於三個月內償還。

(b) 附屬公司貸款

附屬公司貸款構成本公司於中國附屬公司投資淨額的一部分。

對津西鋼鐵的貸款約1.067億美元(相等於人民幣7.286億元)為無抵押、免息，還款期為20年。經董事決議，該等貸款無須在到期時償還，而將作為本公司對津西鋼鐵所作投資淨額的一部分。

該等對附屬公司貸款餘額人民幣1,702.4億元均為無抵押、免息及無固定還款期。

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11. INVESTMENT IN AN ASSOCIATE – GROUP

11. 聯營公司投資—本集團

		2009 二零零九年	2008 二零零八年
At 1 January	於一月一日	10,120	8,122
Share of profit (Note 39)	應佔溢利(附註39)	177	1,998
At 31 December	於十二月三十一日	10,297	10,120

The information of the unlisted associated company is as follows:

非上市聯營公司的資料如下：

Name	Place and date of incorporation	Percentage of equity interest attributable to the Group	Assets	Liabilities	Revenues	Net profit
名稱	註冊成立地點及日期	本集團應佔權益百分比	資產	負債	收入	淨溢利
Qianxi County Zhongxing Iron Mine Co., Ltd. ("Zhongxing Iron Mine")	PRC 21 May 2002	35% (indirectly held)	80,885	50,640	88,170	504
遷西縣中興礦業有限公司 (「中興礦業」)	中國 二零零二年 五月二十一日	35% (間接持有)	80,885	50,640	88,170	504

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12. FINANCIAL INSTRUMENTS BY CATEGORY

The Group

Assets as per consolidated balance sheet	合併資產負債表所示的資產
At as 31 December 2009	於二零零九年十二月三十一日
Available-for-sale financial assets (Note 15)	可供出售金融資產(附註15)
Trade receivables (Note 17)	應收貿易賬款(附註17)
Deposits and other receivables (Note 19)	按金及其他應收賬款(附註19)
Financial assets at fair value through profit or loss (Note 18)	按公允價值計量且其變動計入損益表的金融資產(附註18)
Amounts due from related parties (Note 42(c))	應收關聯方款項(附註42(c))
Restricted bank balances (Note 20)	受限制銀行結餘(附註20)
Cash and cash equivalents (Note 20)	現金及現金等價物(附註20)
Total	總計
At as 31 December 2008	於二零零八年十二月三十一日
Loan receivable (Note 14)	應收貸款(附註14)
Available-for-sale financial assets (Note 15)	可供出售金融資產(附註15)
Trade receivables (Note 17)	應收貿易賬款(附註17)
Deposits and other receivables (Note 19)	按金及其他應收賬款(附註19)
Financial assets at fair value through profit or loss (Note 18)	按公允價值計量且其變動計入損益表的金融資產(附註18)
Amounts due from related parties (Note 42(c))	應收關聯方款項(附註42(c))
Restricted bank balances (Note 20)	受限制銀行結餘(附註20)
Cash and cash equivalents (Note 20)	現金及現金等價物(附註20)
Total	總計

12. 金融工具(按類別)

本集團

Loans and receivables	Assets at fair value through profit or loss	Available-for-sale financial assets	Total
貸款及應收賬款	按公允價值計量且其變動計入損益表的資產	可供出售金融資產	總計
-	-	96,148	96,148
1,197,067	-	-	1,197,067
514,308	-	-	514,308
-	144	-	144
364,196	-	-	364,196
342,486	-	-	342,486
644,030	-	-	644,030
3,062,087	144	96,148	3,158,379
130,000	-	-	130,000
-	-	188,100	188,100
1,733,991	-	-	1,733,991
497,116	-	-	497,116
-	140	-	140
14,620	-	-	14,620
361,698	-	-	361,698
728,826	-	-	728,826
3,466,251	140	188,100	3,654,491

Notes to the Consolidated Financial Statements

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 (除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

12. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

12. 金融工具(按類別)(續)

The Group (continued)

本集團(續)

		Financial liabilities measured at amortised cost 按攤銷成本計量之金融負債
Liabilities as per consolidated balance sheet	合併資產負債表所示的負債	
At as 31 December 2009	於二零零九年十二月三十一日	
Trade payables (Note 23)	應付貿易賬款(附註23)	1,725,762
Other payables	其他應付賬款	724,462
Borrowings (Note 25)	借款(附註25)	2,555,338
Other long-term payables (Note 26)	其他長期應付款(附註26)	704,595
Amounts due to related parties (Note 42(c))	應付關聯方款項(附註42(c))	306,622
Total	總計	6,016,779
At as 31 December 2008	於二零零八年十二月三十一日	
Trade payables (Note 23)	應付貿易賬款(附註23)	2,219,395
Other payables	其他應付賬款	678,399
Borrowings (Note 25)	借款(附註25)	2,186,460
Other long-term payables (Note 26)	其他長期應付款(附註26)	867,822
Amounts due to related parties(Note 42(c))	應付關聯方款項(附註42(c))	272,068
Total	總計	6,224,144

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

12. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

The Company

Assets as per company balance sheet	公司資產負債表所示資產
As at 31 December 2009	於二零零九年十二月三十一日
Available-for-sale financial assets (Note 15)	可供出售金融資產(附註15)
Deposits and other receivables (Note 19)	按金及其他應收賬款(附註19)
Financial assets at fair value through profit or loss (Note 18)	按公允價值計量且其變動計入損益表的金融資產(附註18)
Amounts due from related parties	應收關聯方款項
Restricted bank balances (Note 20)	受限制銀行結餘(附註20)
Cash and cash equivalents (Note 20)	現金及現金等價物(附註20)
Total	總計

Assets as per company balance sheet	公司資產負債表所示資產
As at 31 December 2008	於二零零八年十二月三十一日
Deposits and other receivables (Note 19)	按金及其他應收賬款(附註19)
Financial assets at fair value through profit or loss (Note 18)	按公允價值計量且其變動計入損益表的金融資產(附註18)
Amounts due from related parties	應收關聯方款項
Cash and cash equivalents (Note 20)	現金及現金等價物(附註20)
Total	總計

12. 金融工具(按類別)(續)

本公司

Loans and receivables	Assets at fair value through profit or loss 按公允價值計量且其變動計入損益表的資產	Available-for-sale financial assets 可供出售金融資產	Total 總計
-	-	96,148	96,148
1,094	-	-	1,094
-	144	-	144
6,592	-	-	6,592
25,107	-	-	25,107
124,164	-	-	124,164
156,957	144	96,148	253,249

Loans and receivables	Assets at fair value through profit or loss 按公允價值計量且其變動計入損益表的資產	Total 總計
1,165	-	1,165
-	140	140
6,513	-	6,513
62,238	-	62,238
69,916	140	70,056

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12. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The Company (continued)

		Financial liabilities measured at amortised cost 按攤銷成本計量之金融負債
Liabilities as per company balance sheet	公司資產負債表所示負債	
As at 31 December 2009	於二零零九年十二月三十一日	
Trade payables	應付貿易賬款	177,776
Borrowings (Note 25)	借款(附註25)	159,903
Amounts due to related parties	應付關聯方款項	29,937
Total	總計	367,616
As at 31 December 2008	於二零零八年十二月三十一日	
Trade payables	應付貿易賬款	4,295
Borrowings (Note 25)	借款(附註25)	160,160
Total	總計	164,455

12. 金融工具(按類別)(續)

本公司(續)

13. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by types of the financial assets and by reference to historical information about counterparty default rates. The Group categorised the trade receivables, cash in bank and bank deposits as follows:

13. 金融資產的信貸狀況

尚未到期亦沒有減值的金融資產的信貸狀況可根據金融資產類別，並參考有關對方拖欠比率的歷史資料進行評估。本集團將應收貿易賬款、銀行現金及銀行存款分類如下：

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13. CREDIT QUALITY OF FINANCIAL ASSETS (continued)

- Group 1 – Bank acceptance notes
- Group 2 – Trade receivables due from customers with no defaults in the past
- Group 3 – Trade receivables due from customers with some defaults in the past

Trade receivables

應收貿易賬款

Group 1	第一類
Group 2	第二類
Group 3	第三類

The credit quality of “Loan receivable”, “Available-for-sale financial assets”, “Deposit and other receivable” and “Amounts due from related parties” of the Group is disclosed in Notes 14, 15, 19 and 42 (c) respectively.

The Group categorise the cash in banks as follows:

- Group 1 – Major International banks (the Development Bank of Singapore Limited, the Hongkong and Shanghai Banking Corporation Limited, Hangseng Bank, Standard Chartered Bank and Goldman Sachs)
- Group 2 – Top 4 banks in the mainland PRC (China Construction Bank, Bank of China, Agricultural Bank of China and Industrial and Commercial Bank of China)
- Group 3 – Other large local banks in the mainland PRC

13. 金融資產的信貸狀況(續)

- 第一類－銀行承兌匯票
- 第二類－應收過往無拖欠記錄的客戶的貿易賬款
- 第三類－應收過往部分有拖欠記錄的客戶的貿易賬款

	2009 二零零九年	2008 二零零八年
Group 1	1,078,962	1,704,094
Group 2	118,105	29,897
Group 3	–	–
	1,197,067	1,733,991

本集團「應收貸款」、「可供出售金融資產」、「按金及其他應收賬款」及「應收關聯方款項」的信貸狀況分別於附註14、15、19及42(c)披露。

本集團將其銀行現金分類如下：

- 第一類－主要國際銀行(新加坡發展銀行有限公司、香港上海滙豐銀行有限公司、恆生銀行、渣打銀行及高盛)
- 第二類－中國內地四大銀行(中國建設銀行、中國銀行、中國農業銀行及中國工商銀行)
- 第三類－中國內地其他大型當地銀行

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13. CREDIT QUALITY OF FINANCIAL ASSETS (continued)

The directors considered the credit risks in respect of cash in bank and bank deposits with financial institution are relatively minimum as each counter party either bears a high credit rating or is State-owned bank and large local banks in the mainland PRC. The directors believe the Chinese government will provide support to the State-owned banks and large local banks as and when necessary to satisfy the creditors' needs.

Cash in bank and bank deposits

13. 金融資產的信貨狀況(續)

由於各方有高度信貨評級或為中國國有銀行及大型國內當地銀行，故董事認為存放於金融機構的銀行現金及銀行存款信貨風險極低。董事相信，中國政府將於必要時向國有銀行及大型國內當地銀行提供支持以滿足債權人的需求。

銀行現金及銀行存款

		Group 本集團		Company 本公司	
		2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年
Group 1	第一類	32,190	61,414	32,350	61,376
Group 2	第二類	599,825	660,319	116,194	71
Group 3	第三類	353,816	367,974	668	679
		985,831	1,089,707	149,212	62,126

None of the financial assets that are fully performing have been renegotiated in the last financial year.

已全數履約的金融資產均沒有在上個財政年度重新磋商。

14. LOAN RECEIVABLE – GROUP

The loan of RMB 130 million was unsecured, bore interest at a rate of 10% per annum and repaid in July 2009.

As at 31 December 2008, the fair value of such loan receivable approximated RMB 146 million.

14. 應收貸款 – 本集團

貸款人民幣1.30億元為無抵押，以10厘的年利率計息，已於二零零九年七月償還。

於二零零八年十二月三十一日，該項應收貸款的公允價值約人民幣1.46億元。

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15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group

Unlisted equity interest (i)	非上市權益 (i)
Less: provision for impairment	減：減值撥備
Net	淨值
Listed equity interest (ii)	上市權益 (ii)
Add: fair value gains transfer to equity (Note 22)	加：公允價值收益轉撥至權益 (附註 22)
Less: current portion	減：流動部分
Net	淨值
Total	總計

(i) The Group's unlisted equity interest represented an investment amounted to RMB 188.1 million in a 51% equity interest in Qianxi County Jinjin Mine Co., Ltd. ("Jinjin Mine"), an unlisted company in the PRC.

In December 2008, Jinxi Limited entered into certain cooperation agreements (the "Cooperation Agreements") with a third-party shareholder of Jinjin Mine. Pursuant to the Cooperation Agreements, from the incorporation date of 5 August 2008 to 31 January 2011 (the "Lease Period"), Jinxi Limited conveyed to the third-party shareholder of Jinjin Mine (the "Lessee") all the voting rights on the financial and operating policies of Jinjin Mine.

The Lessee is exclusively entitled to the profit or loss and net assets accumulated during the Lease Period in return for of paying a lease expense to Jinxi Limited. The Lessee is also responsible for preserving and increasing the value of the net assets of Jinjin Mine at the end of Lease Period. The lease expenses are determined based on the local iron powder market price and are to be adjusted quarterly.

15. 可供出售金融資產

本集團

	2009 二零零九年	2008 二零零八年
Unlisted equity interest (i)	188,100	188,100
Less: provision for impairment	(188,100)	-
Net	-	188,100
Listed equity interest (ii)	87,696	-
Add: fair value gains transfer to equity (Note 22)	8,452	-
Less: current portion	(96,148)	-
Net	-	-
Total	-	188,100

(i) 本集團的非上市權益指投資人民幣 1.881 億元，以取得一間中國非上市公司遷西縣津金礦業有限公司（「津金礦業」）的 51% 股權。

於二零零八年十二月，津西鋼鐵與津金礦業的第三方股東訂立若干合作協議（「合作協議」）。根據合作協議，自註冊成立日期（即二零零八年八月五日）起至二零一一年一月三十一日（「租賃期間」），津西鋼鐵授予津金礦業的第三方股東（「承租人」）有關津金礦業的財務及經營政策的所有投票權。

承租人於租賃期間內獨家享有累計溢利或虧損及資產淨值，作為向津西鋼鐵支付租賃開支的回報。承租人亦負責於租賃期間結束時保持及增加津金礦業的淨資產價值。該等租賃開支乃根據當地鐵粉市場價格釐定並按季度進行調整。

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15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

The Group (continued)

(i) (continued)

In the opinion of the Directors of the Company, the Group is not able to exercise any significant influence on Jinjin Mine during the Lease Period and hence the investment in Jinjin Mine was recognised as available-for-sale financial assets for the years ended 31 December 2009 and 2008.

The unlisted equity interest offers return through the lease income. As the investment does not have any quoted market price in the active market, the range of reasonable fair value estimate is so significant and the probabilities of the various estimates cannot be reasonably assessed, the Directors of the Company are of the opinion that its fair values cannot be reliably measured.

As at 31 December 2009, the directors noted indications that the cost of the investment in Jinjin Mine was impaired:

- a. The Group received no lease income from the Lessee for year ended 31 December 2009 (2008: lease income of RMB 14.5 million received) and expected no lease income would be received during the rest of the Lease Period.
- b. The recoverability of the payment for mining rights, which accounted for a significant part of Jinjin Mine's net assets, became very uncertain as the licence of mining rights is unlikely to be obtained.

15. 可供出售金融資產(續)

本集團(續)

(i) (續)

本公司董事認為，本集團並不能在租賃期間對津金礦業行使任何重大影響，因此，截至二零零九年及二零零八年十二月三十一日止年度已確認於津金礦業的投資為可供出售金融資產。

非上市權益，透過租賃收入提供回報。由於該等投資於活躍市場並無任何市場報價，公允價值合理估計的範圍相當廣闊，而對各項估計的可能性無法合理作出評估，故本公司董事認為其公允價值無法可靠計量。

於二零零九年十二月三十一日，董事留意到有跡象顯示津金礦業的投資成本出現減值：

- a. 截至二零零九年十二月三十一日止年度，本集團並未從承租人收取任何租賃收入(二零零八年：已收取租賃收入人民幣1,450萬元)，並預期於租賃期餘下期間不會收到任何租賃收入。
- b. 採礦權付款是否可收回(佔津金礦業淨資產的重大部分)由於不大可能獲得採礦權許可證，而存在不明朗因素。

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合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

The Group (continued)

(i) (continued)

The available-for-sale financial assets were fully impaired as the directors of the Company believed that these impairment factors would still exist and no value of the financial assets could be recovered in foreseeable future.

(ii) The Group's listed equity interest represented an investment in 600,000,000 ordinary shares, representing approximately 6% shareholding, of Asia Energy Logistics Group Limited, a company listed on the main board of The Stock Exchange in Hong Kong Limited.

The fair value of the listed equity interest was determined on the basis of its quoted market prices at the balance sheet date.

The Company

Listed equity interest
Add: fair value gains transfer
to equity (Note 22)

Less: current portion

上市權益
加：公允價值收益轉撥
至權益 (附註22)

減：即期部分

15. 可供出售金融資產 (續)

本集團 (續)

(i) (續)

本公司董事認為該等減值因素依然存在及金融資產並無價值可於可見未來收回，可供出售金融資產獲全數減值。

(ii) 本集團的上市權益指投資600,000,000股普通股，佔Asia Energy Logistics Group Limited (一間在香港聯合交易所有限公司主板上市的公司)約6%股權。

上市權益公允價值乃根據其於結算日的市場報價釐定。

本公司

	2009 二零零九年	2008 二零零八年
	87,696	-
	8,452	-
	96,148	-
	(96,148)	-
	-	-

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

16. INVENTORIES

The Group

		2009 二零零九年	2008 二零零八年
Raw materials and materials in-transit	原材料及在途材料	1,898,272	1,170,972
Work-in-progress	在製品	373,882	223,072
Finished goods	製成品	325,867	173,393
		2,598,021	1,567,437

As at 31 December 2009, the net book value of inventories pledged as security for the Group's notes payable and current borrowings amounted to RMB 67 million (Notes 23 and 25).

As at 31 December 2008, the net book value of inventories pledged as security for the Group's notes payable amounted to RMB 390 million (Note 23).

The cost of inventories recognised as expense and included in cost of sales and administrative expenses amounted to RMB 16,109 million and RMB 1 million respectively (2008: RMB 17,344 million and RMB 9 million respectively) (Note 31).

The Company

		2009 二零零九年	2008 二零零八年
Raw materials and materials in-transit	原材料及在途材料	21,288	-

16. 存貨

本集團

		2009 二零零九年	2008 二零零八年
Raw materials and materials in-transit	原材料及在途材料	1,898,272	1,170,972
Work-in-progress	在製品	373,882	223,072
Finished goods	製成品	325,867	173,393
		2,598,021	1,567,437

於二零零九年十二月三十一日，已為本集團應付票據及流動借款而抵押的存貨的賬面淨值為人民幣6,700萬元(附註23及25)。

於二零零八年十二月三十一日，已為本集團應付票據而抵押的存貨的賬面淨值為人民幣3.90億元(附註23)。

已確認為開支並計入銷售成本及行政費用的存貨成本分別為人民幣161.09億元及人民幣100萬元(二零零八年：分別為人民幣173.44億元及人民幣900萬元)(附註31)。

本公司

		2009 二零零九年	2008 二零零八年
Raw materials and materials in-transit	原材料及在途材料	21,288	-

Notes to the Consolidated Financial Statements

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

17. TRADE RECEIVABLES – GROUP

Accounts receivable	應收賬款
Notes receivable (a)	應收票據 (a)

(a) As at 31 December 2009 and 2008, the notes receivable were all bank acceptance notes, of which approximately RMB 102 million were pledged as security for issuing notes payable (2008: RMB 10 million) (Note 23).

As at 31 December 2008, notes receivable of RMB 241 million were pledged as security for the Group's borrowings (Note 25).

As at 31 December 2009 and 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 the maturity dates within six months.

As at 31 December 2009 and 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 31 December 2009, accounts receivable pledged by the letters of credit issued by the third parties amounted to approximately RMB 43 million (2008: RMB 0.3 million).

17. 應收貿易賬款－本集團

2009	2008
二零零九年	二零零八年
118,105	29,897
1,078,962	1,704,094
1,197,067	1,733,991

(a) 於二零零九年及二零零八年十二月三十一日，應收票據均為銀行承兌匯票，其中約人民幣1.02億元已為開具應付票據而抵押(二零零八年：人民幣1,000萬元)(附註23)。

於二零零八年十二月三十一日，應收票據人民幣2.41億元已為本集團借款而抵押(附註25)。

於二零零九年及二零零八年十二月三十一日，本集團應收貿易賬款的賬面值近似於其公允價值。

本集團一般採納的向客戶銷售產品的信貸政策為於收取現金或收取到期日在六個月以內的銀行承兌匯票時向客戶交付貨物。

於二零零九年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：

2009	2008
二零零九年	二零零八年
1,004,990	1,517,847
192,077	216,144
1,197,067	1,733,991

於二零零九年十二月三十一日，應收賬款約人民幣4,300萬元(二零零八年：人民幣30萬元)為第三方開具的信用證作抵押。

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17. TRADE RECEIVABLES – GROUP (continued)

As at 31 December 2009, trade receivables of RMB 75 million (2008: RMB 30 million) were past due but not impaired. These relate to a number of independent customers with no recent history of default. The directors considered that trade receivables that are less than three months past due are not impaired. The ageing analysis of these trade receivables was as follows:

Within 3 months 3個月內

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

RMB	人民幣
US\$	美元

17. 應收貿易賬款 – 本集團(續)

於二零零九年十二月三十一日，應收貿易賬款人民幣7,500萬元(二零零八年：人民幣3,000萬元)已逾期但無減值。該等款項涉及多個最近沒有拖欠還款記錄的獨立客戶。董事認為逾期不超過三個月的應收貿易賬款並無需減值。該等應收貿易賬款的賬齡分析如下：

2009	2008
二零零九年	二零零八年

75,050	29,618
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本集團應收貿易賬款的賬面值乃以下列貨幣為單位：

2009	2008
二零零九年	二零零八年

1,117,898	1,733,712
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79,169	279
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1,197,067	1,733,991
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18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP AND COMPANY

Liquid Reserve Fund – Euro, quoted	流動儲備基金－歐元， 有市場報價
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Liquid Reserve Fund – US\$, quoted	流動儲備基金－美元， 有市場報價
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2009	2008
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二零零九年	二零零八年
--------------	-------

139	135
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5	5
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144	140
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The above financial assets were acquired principally for the purpose of selling in the short term.

上述金融資產主要用作短期出售。

Notes to the Consolidated Financial Statements

合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

Prepayments for purchase of inventories	購買存貨的預付款項
Deposits and other receivables	按金及其他應收賬款
Less: Impairment provision of deposits and other receivables	減：按金及其他應收賬款之減值撥備

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

As at 31 December 2009, other receivable of RMB 180 million represented a deposit paid to the Qianxi County Bureau of Land and Resources for purchase of land use right (Note 43).

Impairment provision of deposits and other receivable represented a full provision of RMB 21 million for certain advance payments for mining rights of iron ore. As at 31 December 2009, the directors concluded that there was significant uncertainty of obtaining the mining rights or recovering the advance payments.

As at 31 December 2008, other receivables of RMB 447 million were past due but not impaired. Those receivables were received in the year ended 31 December 2009.

19. 預付款項、按金及其他應收賬款

本集團

	2009 二零零九年	2008 二零零八年
	632,228	234,454
	514,308	497,116
	(21,305)	—
	1,125,231	731,570

於二零零九年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接近其公允價值。

於二零零九年十二月三十一日，其他應收賬款人民幣1.8億元指為購買土地使用權而支付予遷西縣國土資源局的按金(附註43)。

按金及其他應收賬款之減值撥備指就鐵礦的採礦權的若干預付款全數撥備人民幣2,100萬元。於二零零九年十二月三十一日，董事得出結論：獲取採礦權或收回預付款存在重大不明朗因素。

於二零零八年十二月三十一日，其他應收賬款人民幣4.47億元已逾期但未減值。該等應收賬款已於截至二零零九年十二月三十一日止年度收取。

Notes to the Consolidated Financial Statements

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The Company

		2009 二零零九年	2008 二零零八年
Prepayments	預付款項	221	238
Deposits and other receivables	按金及其他應收賬款	1,094	1,165
		1,315	1,403

19. 預付款項、按金及其他應收賬款(續)

本公司

20. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

The Group

		2009 二零零九年	2008 二零零八年
Cash and cash equivalents	現金及現金等價物	644,030	728,826
Restricted bank balances	受限制銀行結餘	342,486	361,698
		986,516	1,090,524

20. 現金及現金等價物以及受限制銀行結餘

本集團

As at 31 December 2009, restricted bank balances were composed of the following items:

- (a) Restricted bank balances amounting to approximately RMB 124.7 million were pledged as security for issuing notes payable of the Group (2008: RMB 126.9 million) (Note 23).
- (b) Restricted bank balances amounting to approximately US\$ 4.2 million (RMB 28.4 million equivalent) were pledged as security for issuing letters of credit (2008: RMB 35 million and US\$ 0.04 million (RMB 0.24 million equivalent)).

於二零零九年十二月三十一日，受限制銀行結餘包括下列各項：

- (a) 已為開具本集團應付票據而抵押的受限制銀行結餘約人民幣1.247億元(二零零八年：人民幣1.269億元)(附註23)。
- (b) 已為開具信用證而抵押的受限制銀行結餘約美元420萬元(相等於人民幣2,840萬元)(二零零八年：人民幣3,500萬元及美元4萬元(相等於人民幣24萬元))。

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20. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES (continued)

The Group (continued)

- (c) Restricted bank balances amounting to approximately RMB 189.4 million were pledged as security for current borrowings of the Group (2008: RMB 200 million) (Note 25).

The carrying amounts of the cash and cash equivalents and restricted bank balances are denominated in the following currencies:

RMB	人民幣
US\$	美元
HK\$	港元
Euro	歐元

The Company

Cash and cash equivalents	現金及現金等價物
Restricted bank balances	受限制銀行結餘

As at 31 December 2009, restricted bank balances amounting to approximately US\$ 3.7 million (RMB 25.1 million equivalent) were pledged as security for issuing letters of credit (2008: nil).

20. 現金及現金等價物以及受限制銀行結餘(續)

本集團(續)

- (c) 已為本集團流動借款而抵押的受限制銀行結餘約人民幣1.894億元(二零零八年：人民幣2億元)(附註25)。

現金及現金等價物以及受限制銀行結餘的賬面值乃以下列貨幣為單位：

2009	2008
二零零九年	二零零八年
806,790	1,023,455
177,226	61,748
2,499	2,572
1	2,749
986,516	1,090,524

本公司

2009	2008
二零零九年	二零零八年
124,164	62,238
25,107	—
149,271	62,238

於二零零九年十二月三十一日，已為開具信用證而抵押的受限制銀行結餘約美元370萬元(相等於人民幣2,510萬元)(二零零八年：零)。

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20. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES (continued)

The Company (continued)

The carrying amounts of the cash and cash equivalents and restricted bank balances are denominated in the following currencies:

		2009 二零零九年	2008 二零零八年
US\$	美元	145,930	58,832
HK\$	港元	2,478	2,548
RMB	人民幣	863	858
		149,271	62,238

20. 現金及現金等價物以及受限制銀行結餘 (續)

本公司 (續)

現金及現金等價物以及受限制銀行結餘的賬面值均以下列貨幣為單位：

21. SHARE CAPITAL AND PREMIUM – GROUP AND COMPANY

21. 股本及溢價 – 本集團及本公司

		Number of shares (thousands) 股份數目 (千股)	Ordinary shares 普通股	Share premium 股份溢價	Amount 金額 Total 總計
At 1 January 2008	於二零零八年一月一日	2,926,800	311,444	2,185,964	2,497,408
Employee share option scheme: – issuance of shares (Note 22(c))	僱員購股權計劃： – 股份發行 (附註 22(c))	2,400	225	3,731	3,956
At 31 December 2008	於二零零八年十二月三十一日	2,929,200	311,669	2,189,695	2,501,364
At 31 December 2009	於二零零九年十二月三十一日	2,929,200	311,669	2,189,695	2,501,364

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21. SHARE CAPITAL AND PREMIUM – GROUP AND COMPANY (continued)

As at 31 December 2009 and 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 31 December 2009, the number of issued and fully paid ordinary shares is 2,929,200,000 shares (2008: 2,926,800,000 shares).

21. 股本及溢價—本集團及本公司(續)

於二零零九年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股每股面值0.1港元的股份。

於二零零九年十二月三十一日，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：2,926,800,000股)。

22. OTHER RESERVES – GROUP

22. 其他儲備—本集團

		Merger reserve 合併儲備 (a)	Capital surplus 資本公積	Statutory reserve 法定儲備 (b)	Options 購股權 (c)	Available- for-sale financial assets 可供出售 金融資產	Total 總計
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
Profit appropriation	溢利分配	-	-	781	-	-	781
Balance at 31 December 2008	於二零零八年十二月三十一日的結餘	(599)	19,144	949,787	176,631	-	1,144,963
Profit appropriation	溢利分配	-	-	28,021	-	-	28,021
Employee share option scheme	僱員購股權計劃：						
- Value of employee service	- 僱員服務的價值	-	-	-	10,753	-	10,753
Fair value gains on available- for-sale financial assets (Note 15)	可供出售金融資產的 公允價值收益(附註15)	-	-	-	-	8,453	8,453
Balance at 31 December 2009	於二零零九年十二月三十一日的結餘	(599)	19,144	977,808	187,384	8,453	1,192,190

(a) Merger reserve

The merger reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries that had been acquired and the nominal value of the Company's shares issued in exchange therefore pursuant to the Reorganisation.

(a) 合併儲備

本集團的合併儲備指已收購附屬公司股份的面值與根據重組為有關收購而發行的本公司股份面值的差額。

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22. OTHER RESERVES – GROUP (continued)

(b) Statutory reserve

(i) Statutory surplus reserves

In accordance with the PRC regulations and the Articles of the Association of certain subsidiaries registered in the PRC, before distributing the net profit of each year, these PRC subsidiaries are required to set aside 10% of their statutory net profit for the year after offsetting any prior year's losses as determined under the PRC accounting regulations to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of the share capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares. However, such statutory surplus reserve fund must be maintained at a minimum of 25% of the entity's share capital after such issuance.

(ii) Discretionary reserves

The appropriation of discretionary reserve fund is proposed by Board of the PRC subsidiaries, and approved by the shareholder's meeting. The discretionary reserve fund can be utilised to offset prior years' losses or increase share capital.

22. 其他儲備－本集團(續)

(b) 法定儲備

(i) 法定盈餘儲備

根據中國法規及本集團內在中國註冊的附屬公司的組織章程，每年分派淨溢利前，該等中國附屬公司根據中國會計準則規定抵銷去年的虧損後，須撥其年度法定淨溢利的10%至法定盈餘儲備，直至該儲備達至其股本的50%為止，可選擇繼續或者停止該等撥備。法定盈餘儲備可用作抵銷往年的虧損或發行紅股。然而，該法定盈餘儲備必須於發行後維持該公司股本的最少25%。

(ii) 任意儲備

任意儲備的分配乃由中國附屬公司的董事局建議，並須獲股東大會的批准。任意儲備可用作抵銷過往年度的虧損或用作增加股本。

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22. OTHER RESERVES – GROUP (continued)

(b) Statutory reserve (continued)

(iii) Reserve Fund, Staff and Workers' Bonus and Welfare Fund and Enterprise Expansion Fund

In accordance with the PRC regulations and the Articles of the Association of certain subsidiaries registered in the PRC, appropriations from net profit should be made to the Reserve Fund, the Staff and Workers' Bonus and Welfare Fund and the Enterprise Expansion Fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentages to be appropriated to the Reserve Fund, the Staff and Workers' Bonus and Welfare Fund and the Enterprise Expansion Fund are determined by the Board of Directors of the PRC subsidiaries. The Staff and Workers' Bonus and Welfare Fund is available to fund payments of special bonuses to staff and for collective welfare benefits. Upon approval from the Board of Directors of the PRC subsidiaries, the Reserve Fund can be used to offset accumulated losses or to increase capital; the Enterprise Expansion Fund can be used to expand production or to increase capital.

22. 其他儲備—本集團(續)

(b) 法定儲備(續)

(iii) 儲備基金、職工獎勵及福利基金以及企業發展基金

根據中國法規及於中國註冊成立的若干附屬公司的組織章程，經抵銷過往年度之累計虧損後及於分派盈利予投資者前，須自淨溢利分配至儲備基金、職工獎勵及福利基金及企業發展基金。分配至儲備基金、職工獎勵及福利基金及企業發展基金的百分比由中國附屬公司的董事局釐定。職工獎勵及福利基金可作為支付予員工的特別花紅及撥作集體福利提供資金。待中國附屬公司董事局批准後，儲備基金可用於抵銷累計虧損或增加資本；企業發展基金可用於擴大生產或增加資本。

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22. OTHER RESERVES – GROUP (continued)

(c) Employee share option scheme

As approved by the Company's Board and Shareholders' meeting, certain share options were granted to selected directors and employees on 30 June 2006 and 26 October 2007 ("Date of Grant"), in an aggregate of 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 prices 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.

As approved by the Company's Board and Shareholders' meeting, certain share options were granted to selected directors and employees on 24 February 2009 ("Scheme A"), in an aggregate of 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 relevant directors and employees have accepted the share options.

22. 其他儲備－本集團(續)

(c) 僱員購股權計劃

經本公司董事局及股東大會批准後，經挑選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」)獲授予若干購股權，分別涉及合共24,200,000股股份及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，行使價分別為每股股份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。

經本公司董事局及股東會議批准後，經挑選董事及僱員已於二零零九年二月二十四日獲授予若干購股權(「計劃A」)，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，所有相關董事及僱員已接納購股權。

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22. OTHER RESERVES – GROUP (continued)

(c) Employee share option scheme (continued)

As approved by the Company's Board and Shareholders' meeting, certain share options were granted to selected directors on 11 May 2009 ("Scheme B"), in an aggregate of 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 relevant directors have accepted the share options.

22. 其他儲備－本集團(續)

(c) 僱員購股權計劃(續)

經本公司董事局及股東會議批准後，經挑選董事已於二零零九年五月十一日獲授予若干購股權(「計劃B」)，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，所有相關董事已接納購股權。

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22. OTHER RESERVES-GROUP (continued)

(c) Employee share option scheme (continued)

As approved by the Company's Board and Shareholders' meeting, certain share options were granted to selected employees on 29 December 2009 ("Scheme C"), in an aggregate of 148,780,000 shares at an exercise price of HK\$ 2.84 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) cannot exercise the option by 28 March 2010;
- (ii) up to 10% of the options on or after 29 March 2010;
- (iii) up to 25% of the options on or after 29 December 2010;
- (iv) up to 40% of the options on or after 29 December 2011;
- (v) up to 55% of the options on or after 29 December 2012;
- (vi) up to 75% of the options on or after 29 December 2013;
- (vii) all the remaining options on or after 29 December 2014;

and in each case, not later than 28 December 2019.

22. 其他儲備－本集團(續)

(c) 僱員購股權計劃(續)

經本公司董事局及股東會議批准後，經挑選僱員已於二零零九年十二月二十九日獲授予若干購股權(「計劃C」)，涉及合共148,780,000股股份，行使價為每股2.84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) 於二零一零年三月二十八日前不可行使；
- (ii) 於二零一零年三月二十九日或之後行使最多10%的購股權；
- (iii) 於二零一零年十二月二十九日或之後行使最多25%的購股權；
- (iv) 於二零一一年十二月二十九日或之後行使最多40%的購股權；
- (v) 於二零一二年十二月二十九日或之後行使最多55%的購股權；
- (vi) 於二零一三年十二月二十九日或之後行使最多75%的購股權；
- (vii) 於二零一四年十二月二十九日或之後行使所有餘下購股權；

及於任何情況下，不得遲於二零一零年十二月二十八日。

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22. OTHER RESERVES-GROUP (continued)

(c) Employee share option scheme (continued)

All relevant employees have accepted the share options as at 31 December 2009.

The fair value of options granted were determined by using the Binomial valuation model, and the significant inputs into the model were as follows:

Scheme		A	B	C
計劃		A	B	C
Share price at the grant date (HK\$)	授出日期股份價格 (港元)	1.39	1.50	2.84
Volatility	波幅	56.880%	57.815%	56.845%
Expected dividends paid out rate	預計派息率	9.66%	4.33%	8.51%
Annual risk-free interest rate	年度無風險利率	1.608%	2.234%	2.65%
Fair value in HK\$ (million)	以(百萬)港元為 單位的公允價值	7.640	4.563	122.031
RMB equivalent (million)	人民幣等值(百萬)	6.736	4.017	107.522

The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices of the Company and other comparable companies over the last 260 weeks, 271 weeks and 304 weeks respectively. See Note 32 for the total expense recognised in the consolidated income statement for share options granted to the directors and employees.

22. 其他儲備—本集團(續)

(c) 僱員購股權計劃(續)

於二零零九年十二月三十一日，所有相關僱員已接納購股權。

已授出購股權的公允價值乃採用二項式估值模式而釐定，及輸入該模式的主要參數如下：

按照預計股價回報的標準偏差所計算的波幅，乃根據本公司及其他可比較公司分別於過去260個星期、271個星期及304個星期的每日股價的統計數字分析計算而得。有關董事及僱員獲授的購股權於合併利潤表確認的總開支，請參閱附註32。

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22. OTHER RESERVES – GROUP (continued)

(c) Employee share option scheme (continued)

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

		2009 二零零九年		2008 二零零八年	
		Average exercise price per share in HK\$ 每股股份 平均行使價 (港元)	Number of options (thousands) 購股權數目 (千份)	Average exercise price per share in HK\$ 每股股份 平均行使價 (港元)	Number of options (thousands) 購股權數目 (千份)
At 1 January	於一月一日	–	–	5.15	92,100
Granted	已授出	2.62	176,580	–	–
Exercised	已行使	–	–	1.76	(2,400)
Cancelled	已註銷	–	–	5.24	(89,700)
At 31 December	於十二月三十一日	2.62	176,580	–	–

Options exercised for the year ended 31 December 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.

22. 其他儲備－本集團(續)

(c) 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：

截至二零零八年十二月三十一日止年度行使購股權導致發行2,400,000股股份，每股發行之價格為1.76港元。行使時的相關加權平均股價為每股6.42港元。

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22. OTHER RESERVES – GROUP (continued)

(c) Employee share option scheme (continued)

Share options outstanding at 31 December 2009 and 2008 have the following expiry date and exercise prices as follows:

Expiry date 屆滿日期	Exercise price 行使價 HK\$ per share 港元/股	Number of options (thousands) 購股權數目(千份)	
		2009 二零零九年	2008 二零零八年
23 February 2019 二零一九年二月二十三日	1.39	21,200	–
10 May 2019 二零一九年五月十日	1.50	6,600	–
28 December 2019 二零一九年十二月二十八日	2.84	148,780	–
		176,580	–

23. TRADE PAYABLES

The Group

		2009 二零零九年	2008 二零零八年
Accounts payable 應付賬款		1,360,498	1,936,407
Notes payable (a) 應付票據 (a)		365,264	282,988
		1,725,762	2,219,395

(a) As at 31 December 2009, all notes payable represented bank acceptance notes, of which RMB 102 million (2008: RMB 10 million) were secured by certain notes receivable (Note 17), RMB 205 million (2008: RMB 203 million) were secured by certain restricted bank balances (Note 20), and RMB 59 million (2008: RMB 70 million) were secured by certain inventories (Noted 16) and certain restricted bank balances (Note 20).

22. 其他儲備—本集團(續)

(c) 僱員購股權計劃(續)

於二零零九年及二零零八年十二月三十一日尚未行使的購股權的屆滿日期及行使價如下：

23. 應付貿易賬款

本集團

	2009 二零零九年	2008 二零零八年
Accounts payable 應付賬款	1,360,498	1,936,407
Notes payable (a) 應付票據 (a)	365,264	282,988
	1,725,762	2,219,395

(a) 於二零零九年十二月三十一日，所有應付票據為銀行承兌匯票，其中包括以若干應收票據(附註17)為抵押人民幣1.02億元(二零零八年：人民幣1,000萬元)的銀行承兌匯票、以若干受限制銀行結餘(附註20)為抵押人民幣2.05億元(二零零八年：人民幣2.03億元)的銀行承兌匯票，以及以若干存貨(附註16)和若干受限制銀行結餘(附註20)為抵押人民幣5,900萬元(二零零八年：人民幣7,000萬元)的銀行承兌匯票。

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23. TRADE PAYABLES (continued)

The Group (continued)

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

		2009 二零零九年	2008 二零零八年
Within 3 months	3個月內	1,441,589	1,596,939
4-6 months	4至6個月	202,471	586,530
7-9 months	7至9個月	73,028	22,951
10-12 months	10至12個月	1,062	2,473
Above 1 year	1年以上	7,612	10,502
		1,725,762	2,219,395

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

		2009 二零零九年	2008 二零零八年
RMB	人民幣	1,509,337	2,153,086
US\$	美元	216,425	66,309
		1,725,762	2,219,395

The Company

		2009 二零零九年	2008 二零零八年
Accounts payable	應付款項	177,776	4,295

23. 應付貿易賬款 (續)

本集團 (續)

於二零零九年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：

	2009 二零零九年	2008 二零零八年
	1,441,589	1,596,939
	202,471	586,530
	73,028	22,951
	1,062	2,473
	7,612	10,502
	1,725,762	2,219,395

本集團應付貿易賬款的賬面值乃以下列貨幣為單位：

	2009 二零零九年	2008 二零零八年
	1,509,337	2,153,086
	216,425	66,309
	1,725,762	2,219,395

本公司

	2009 二零零九年	2008 二零零八年
	177,776	4,295

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23. TRADE PAYABLES (continued)

The Company (continued)

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

Within 3 months 3個月內

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

US\$ 美元

24. ACCRUALS, ADVANCES FROM CUSTOMERS AND OTHER CURRENT LIABILITIES – GROUP

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)

23. 應付貿易賬款(續)

本公司(續)

於二零零九年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：

2009 二零零九年	2008 二零零八年
177,776	4,295

本集團應付貿易賬款的賬面值乃以下列貨幣為單位：

2009 二零零九年	2008 二零零八年
177,776	4,295

24. 預提費用、預收客戶款項及其他流動負債－本集團

2009 二零零九年	2008 二零零八年
181,716	73,873
1,156,894	892,796
8,103	206,307
6,892	15,032
901,818	846,737
2,255,423	2,034,745

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24. ACCRUALS, ADVANCES FROM CUSTOMERS AND OTHER CURRENT LIABILITIES – GROUP (continued)

(a) The breakdown of other payables as at 31 December 2009 and 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
Employee deposits	員工按金
Salary payables	應付薪金
Other borrowings that were overdue (Note 25 (ii))	其他逾期借款 (附註 25 (ii))
Others	其他

24. 預提費用、預收客戶款項及其他流動負債—本集團(續)

(a) 於二零零九年及二零零八年十二月三十一日的其他應付賬款分類如下：

	2009 二零零九年	2008 二零零八年
	79,607	79,661
	552,274	541,470
	140,290	86,710
	31,898	30,219
	44,067	30,875
	—	20,000
	53,682	57,802
	901,818	846,737

25. BORROWINGS

The Group

Non-current

Bank borrowings	銀行借款—
Secured (i)	已抵押 (i)
Unsecured	無抵押
Other borrowings, unsecured (ii)	其他借款—無抵押 (ii)

非流動

銀行借款—	
已抵押 (i)	
無抵押	
其他借款—無抵押 (ii)	

	2009 二零零九年	2008 二零零八年
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	483,857	384,230
	200,000	—
	75,000	105,000
	758,857	489,230

Current

Bank borrowings	銀行借款—
Secured (i)	已抵押 (i)
Unsecured	無抵押
Other borrowings, unsecured (ii)	其他借款—無抵押 (ii)

流動

銀行借款—	
已抵押 (i)	
無抵押	
其他借款—無抵押 (ii)	

	791,134	1,190,930
	1,005,347	486,300
	1,796,481	1,677,230
	—	20,000
	1,796,481	1,697,230

Total borrowings

總借款

	2,555,338	2,186,460
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25. BORROWINGS (continued)

The Group (continued)

- (i) As at 31 December 2009, secured borrowings amounting to RMB 688 million, out of total secured borrowings amounting to RMB 1,275 million, were secured by certain property, plant and equipment (Note 7) of the Group.

As at 31 December 2009, secured borrowings amounting to RMB 130 million, out of total secured borrowings amounting to RMB 1,275 million, were secured by certain leasehold land and land use rights (Note 6) of the Group.

As at 31 December 2009, secured borrowings amounting to RMB 288 million, out of the total secured borrowings of RMB 1,275 million, were secured by certain restricted bank balances (Note 20) of the Group.

As at 31 December 2009, secured borrowings amounting to RMB 19 million, out of the total secured borrowings of RMB 1,275 million, were secured by certain inventories (Note 16) of the Group.

As at 31 December 2009, other than the secured borrowings described above, current secured borrowings amounting to RMB 150 million were secured by certain property, plant and equipment (Note 7), certain leasehold land and land use rights (Note 6) and a guarantee by Foshan Jin Lan Aluminum Company Limited ("Foshan Jin Lan") pursuant to an agreement dated 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.

25. 借款(續)

本集團(續)

- (i) 於二零零九年十二月三十一日，已抵押借款總額人民幣12.75億元中，為數人民幣6.88億元的已抵押借款以本集團若干物業、廠房及設備(附註7)為抵押。

於二零零九年十二月三十一日，已抵押借款總額人民幣12.75億元中，為數人民幣1.30億元的已抵押借款以本集團的若干租賃土地及土地使用權(附註6)為抵押。

於二零零九年十二月三十一日，已抵押借款總額人民幣12.75億元中，為數人民幣2.88億元的已抵押借款以本集團的若干受限制銀行結餘(附註20)為抵押。

於二零零九年十二月三十一日，已抵押借款總額人民幣12.75億元中，為數人民幣1,900萬元的已抵押借款以本集團若干存貨(附註16)為抵押。

於二零零九年十二月三十一日，除上文所披露的已抵押借款外，已抵押流動借款人民幣1.5億元以若干物業、廠房及設備(附註7)、若干租賃土地及土地使用權(附註6)為抵押，並由佛山金蘭鋁廠有限公司(「佛山金蘭」)根據日期為二零零八年九月十二日之協議出具擔保。根據擔保合約，佛山金蘭就人民幣1.5億元的銀行借款額度為津西金蘭出具擔保。

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25. BORROWINGS (continued)

The Group (continued)

(i) (continued)

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 certain property, plant and equipment (Note 7) of the Group.

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 certain leasehold land and land use rights (Note 6) of the Group.

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 certain restricted bank balances (Note 20) of the Group.

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 certain inventories (Note 16) of the Group.

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 certain inventories (Note 16) and certain restricted bank balances (Note 20) of the Group.

25. 借款(續)

本集團(續)

(i) (續)

於二零零八年十二月三十一日，已抵押借款總額人民幣15.75億元中，為數人民幣6.87億元的已抵押借款以本集團的若干物業、廠房及設備(附註7)為抵押。

於二零零八年十二月三十一日，已抵押借款總額人民幣15.75億元中，為數人民幣1.30億元的已抵押借款以本集團的若干租賃土地及土地使用權(附註6)為抵押。

於二零零八年十二月三十一日，已抵押借款總額人民幣15.75億元中，為數人民幣1.60億元的已抵押借款以本集團的若干受限制銀行結餘(附註20)為抵押。

於二零零八年十二月三十一日，已抵押借款總額人民幣15.75億元中，為數人民幣2,000萬元的已抵押借款以本集團若干存貨(附註16)為抵押。

於二零零八年十二月三十一日，已抵押借款總額人民幣15.75億元中，為數人民幣2億元的已抵押借款以本集團若干存貨(附註16)及若干受限制銀行結餘(附註20)為抵押。

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25. BORROWINGS (continued)

The Group (continued)

(i) (continued)

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 certain inventories (Note 16) and certain notes receivable (Note 17) of the Group.

As at 31 December 2008, other than the secured borrowings described above, current secured borrowings amounting to RMB 78 million were secured by certain property, plant and equipment (Note 7), certain leasehold land and land use rights (Note 6) and guarantee by Foshan Jin Lan.

- (ii) Other unsecured borrowing represented a borrowing from a local county government amounting to RMB 145 million which was repayable 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 24). The Group repaid RMB 70 million, including those were reclassified to other payables, during the year ended 31 December 2009.

25. 借款(續)

本集團(續)

(i) (續)

於二零零八年十二月三十一日，已抵押借款總額人民幣15.75億元中，為數人民幣3億元的已抵押借款以本集團若干存貨(附註16)及若干應收票據(附註17)為抵押。

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，已抵押流動借款為數人民幣7,800萬元以若干物業、廠房及設備(附註7)、若干租賃土地及土地使用權(附註6)為抵押，並由佛山金蘭出具擔保。

- (ii) 其他無抵押借款指當地縣政府的借款人民幣1.45億元，該筆借款須自二零零八年一月一日起每年償還人民幣2,000萬元。利息開支按銀行人民幣一年定期存款利率計算。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賬款(附註24)。截至二零零九年十二月三十一日止年度，本集團償還人民幣7,000萬元，包括該等重新列入其他應付賬款的款項。

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25. BORROWINGS (continued)

The Group (continued)

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

		Bank borrowings		Other borrowings	
		銀行借款		其他借款	
		2009	2008	2009	2008
		二零零九年	二零零八年	二零零九年	二零零八年
Within 1 year	1年內	1,796,481	1,677,230	–	20,000
Between 1 and 2 years	1至2年	458,826	384,230	10,000	20,000
Between 2 and 5 years	2至5年	225,031	–	60,000	60,000
Over 5 years	5年以上	–	–	5,000	25,000
		2,480,338	2,061,460	75,000	125,000

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

		2009			2008	
		RMB	HK\$	US\$	RMB	HK\$
		人民幣	港元	美元	人民幣	港元
Bank borrowings	銀行借款	4.78%-12.00%	2.13%	2.26%-3.00%	5.58%-12.00%	3.14%
Other borrowings	其他借款	2.25%	–	–	4.14%	–

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

		Carrying amounts		Fair value	
		賬面值		公允價值	
		2009	2008	2009	2008
		二零零九年	二零零八年	二零零九年	二零零八年
Bank borrowings	銀行借款	683,857	384,230	683,857	384,230
Other borrowings	其他借款	75,000	125,000	66,280	120,938
		758,857	509,230	750,137	505,168

25. 借款(續)

本集團(續)

於二零零九年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		Other borrowings	
		銀行借款		其他借款	
		2009	2008	2009	2008
		二零零九年	二零零八年	二零零九年	二零零八年
Within 1 year	1年內	1,796,481	1,677,230	–	20,000
Between 1 and 2 years	1至2年	458,826	384,230	10,000	20,000
Between 2 and 5 years	2至5年	225,031	–	60,000	60,000
Over 5 years	5年以上	–	–	5,000	25,000
		2,480,338	2,061,460	75,000	125,000

於結算日的實際利率如下：

		2009			2008	
		RMB	HK\$	US\$	RMB	HK\$
		人民幣	港元	美元	人民幣	港元
Bank borrowings	銀行借款	4.78%-12.00%	2.13%	2.26%-3.00%	5.58%-12.00%	3.14%
Other borrowings	其他借款	2.25%	–	–	4.14%	–

非流動銀行借款及其他借款的賬面值及公允價值如下：

		Carrying amounts		Fair value	
		賬面值		公允價值	
		2009	2008	2009	2008
		二零零九年	二零零八年	二零零九年	二零零八年
Bank borrowings	銀行借款	683,857	384,230	683,857	384,230
Other borrowings	其他借款	75,000	125,000	66,280	120,938
		758,857	509,230	750,137	505,168

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25. BORROWINGS (continued)

The Group (continued)

The fair values of current borrowings approximated their carrying amount, as the impact of discounting is not significant. The fair values of non-current bank borrowings and other borrowings are based on discounted cash flow approach using the prevailing market rates of interest available to the Group for financial institution with substantially the same terms and characteristics at the respective balance sheet dates.

As at 31 December 2009, the carrying amount of the borrowings amounting to RMB 160 million and RMB 670 million are denominated in HK\$ and US\$ respectively, the remaining are denominated in RMB.

As at 31 December 2008, the carrying amount of the borrowings amounting to RMB 160 million is denominated in HK\$, the remaining are denominated in RMB.

The exposure of the Group's bank borrowings to interest-rate changes and the contractual repricing dates are as follows:

6 months or less	6個月內
6-12 months	6至12個月

25. 借款(續)

本集團(續)

因為折現影響不大，流動借款的公允價值近似於其賬面值。非流動銀行借款及其他借款的公允價值使用本集團於各結算日條款及特徵大體相同的金融機構的現行市場利率按現金流量法折現處理。

於二零零九年十二月三十一日，為數人民幣1.6億元及人民幣6.7億元借款之賬面值乃分別以港元及美元計值，剩餘部分乃以人民幣計值。

於二零零八年十二月三十一日，為數人民幣1.6億元借款之賬面值乃以港元計值，剩餘部分乃以人民幣計值。

本集團銀行借款承擔利率變動風險及合約重新定價日期如下：

	2009 二零零九年	2008 二零零八年
	1,523,278	1,742,390
	957,060	319,070
	2,480,338	2,061,460

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25. BORROWINGS (continued)

The Company

		2009 二零零九年	2008 二零零八年
Current	流動		
Bank borrowings, secured	銀行借款，已抵押	159,903	160,160

As at 31 December 2009, secured bank borrowings amounting to RMB 160 million were secured by a subsidiary's restricted bank balances of RMB 180 million. The borrowings were denominated in HK\$ and repayable within one year. As at 31 December 2009, the effective interest rate was 2.13%.

The fair values of current borrowings approximated their carrying amount, as the impact of discounting is not significant. The exposure of the Company's bank borrowings to interest-rate changes and the contractual repricing dates are within 6 months.

25. 借款(續)

本公司

		2009 二零零九年	2008 二零零八年
Current	流動		
Bank borrowings, secured	銀行借款，已抵押	159,903	160,160

於二零零九年十二月三十一日，人民幣1.6億元已抵押銀行借款以一間附屬公司受限制銀行結餘人民幣1.8億元為抵押。該等借款乃以港元計值並須於一年內償還。於二零零九年十二月三十一日，實際利率為2.13厘。

由於折現之影響並不重大，流動借款之公允價值近似於其賬面值。本公司銀行借款承擔利率變動的風險及合約重新定價日期為六個月內。

26. OTHER LONG-TERM PAYABLES – GROUP

		2009 二零零九年	2008 二零零八年
Non-current	非流動		
Finance lease obligations (i)	融資租賃承擔 (i)	570,163	717,934
Performance guarantee deposit (ii)	履約擔保按金 (ii)	–	130,000
		570,163	847,934
Current	流動		
Finance lease obligations (i)	融資租賃承擔 (i)	134,432	19,888
Total other long-term payables	其他長期應付款總額	704,595	867,822

26. 其他長期應付款 – 本集團

		2009 二零零九年	2008 二零零八年
Non-current	非流動		
Finance lease obligations (i)	融資租賃承擔 (i)	570,163	717,934
Performance guarantee deposit (ii)	履約擔保按金 (ii)	–	130,000
		570,163	847,934
Current	流動		
Finance lease obligations (i)	融資租賃承擔 (i)	134,432	19,888
Total other long-term payables	其他長期應付款總額	704,595	867,822

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

26. OTHER LONG-TERM PAYABLES – GROUP (continued)

- (i) In July 2008, Jinxi Limited entered into an asset sale and leaseback agreement (the “Sale and Lease Agreement”) with certain financial institutions. The sales proceeds of the relevant property, plant and equipment were RMB 800 million. The lease term was 60 months and the lease payments were adjusted annually and reset according to the benchmark interest rate announced by the People’s Bank of China (the “PBOC”). Jinxi Limited was entitled to purchase the related asset at the cost of RMB 100 at the end of the lease.

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

As at 31 December 2009, total minimum lease payments under finance lease based on the PBOC interest rate as at the balance sheet date and their present values were as follows:

		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
Within 1 year	1年內	134,432	68,258	202,690
Between 1 and 5 years	1至5年	570,163	64,694	634,857
		704,595	132,952	837,547

26. 其他長期應付款－本集團(續)

- (i) 於二零零八年七月，津西鋼鐵與若干金融機構訂立資產售後租回協議(「銷售及租賃協議」)。相關物業、廠房及設備之銷售所得款項為人民幣8億元。租期為六十個月，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。於租期結束時，津西鋼鐵有權以成本人民幣100元購買相關資產。

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，該金融機構就上述融資租賃安排為津西鋼鐵出具人民幣8億元擔保。

於二零零九年十二月三十一日，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：

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26. OTHER LONG-TERM PAYABLES – GROUP (continued)

(i) (continued)

As at 31 December 2008, 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:

		Present value of minimum lease payments	Interest expenses relating to future periods	Total minimum lease payments
		最低租賃 付款 之現值	有關未來 期間之 利息開支	最低租賃 付款 總額
Within 1 year	1年內	19,888	85,918	105,806
Between 1 and 5 years	1至5年	717,934	155,652	873,586
		737,822	241,570	979,392

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

The effective interest rate of the finance lease obligations of the Group is 9.12% (2008: 11.4%) per annum.

As at 31 December 2009, the fair value of the finance lease obligations approximated RMB 754 million (2008: RMB 834 million). The fair values were based on discounted cash flow using average borrowing rates of 6.17% per annum (2008: 6.62%).

26. 其他長期應付款－本集團(續)

(i) (續)

於二零零八年十二月三十一日，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：

截至二零零九年及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。

本集團融資租賃承擔之實際年利率為9.12厘(二零零八年：11.4厘)。

於二零零九年十二月三十一日，融資租賃承擔之公允價值約人民幣7.54億元(二零零八年：人民幣8.34億元)。公允價值乃根據按平均借款年利率6.17厘折現之現金流量計算(二零零八年：6.62厘)。

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26. OTHER LONG-TERM PAYABLES – GROUP (continued)

- (ii) During the year ended 31 December 2008, the Group received certain performance and quality guarantee deposit amounting to RMB 130 million from a supplier, which provided construction services to the Group.

As at 31 December 2008, the performance guarantee deposit was unsecured, bore interest at a rate of 10% per annum and repayable within three years. The fair value of the performance guarantee deposit approximated RMB 146 million.

During the year ended 31 December 2009, the Group repaid the performance guarantee deposit ahead of the maturity date.

26. 其他長期應付款－本集團(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若干履約及質量擔保按金人民幣1.30億元。

於二零零八年十二月三十一日，履約擔保按金為無抵押，按年利率10厘計息並須於三年內償還。履約擔保按金之公允價值約人民幣1.46億元。

截至二零零九年十二月三十一日止年度，本集團已於到期日前償還履約擔保按金。

27. DEFERRED REVENUE – GROUP

27. 遞延收入－本集團

		Deferred government grant 遞延政府 補貼	Operating lease income (i) 經營租賃 收入 (i)	Total 總計
At 1 January 2008	於二零零八年一月一日	-	-	-
Addition	添置	-	80,000	80,000
Credited to the consolidated income statement	於合併利潤表內記賬	-	(17,244)	(17,244)
At 31 December 2008	於二零零八年十二月三十一日	-	62,756	62,756
Addition	添置	10,500	-	10,500
Credited to the consolidated income statement	於合併利潤表內記賬	-	(32,000)	(32,000)
At 31 December 2009	於二零零九年十二月三十一日	10,500	30,756	41,256

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27. DEFERRED REVENUE – GROUP (continued)

- (i) On 5 June 2008, Jinxi Limited entered into a cooperation agreement (the “Cooperation Agreement”) with Mr. Shen Xiaoling, a director of the Company. Pursuant to the Cooperation Agreement, from the date of the Cooperation Agreement to 31 December 2010 (the “Grant Period”), Jinxi Limited conveyed to Tangshan Jinxi Mining Company Limited (“Jinxi Mining”), a former subsidiary of Jinxi Limited, the management and operating rights to use the iron mine assets which comprise mining licenses of 18 iron mines, leasing interests of Gao Jia Dian Mine and associated mines and equity interests of Tangshan Fei Cheng Kuang Ye Limited, Qianxi County Xin Ye Machinery Casting Limited, Qianxi County Hong Yuan Trading Limited, Qianxi County Fu Cheng Trading Limited and Qianxi County Xin Cheng Trading Limited.

In addition, Jinxi Limited transferred 49% equity interests of Jinxi Mining to Mr. Shen and conveyed to Mr. Shen the voting rights on the financial and operating policies of Jinxi Mining during the Grant Period. Mr. Shen is exclusively entitled to the profit and net assets accumulated by Jinxi Mining during the Grant Period. Mr. Shen paid a total cash consideration of RMB 80 million as a return for the operating lease, and a deposit of RMB 10 million (Note 42 (c)) refundable on 31 December 2010.

The Company accounted for the above arrangement as an operating lease. Therefore, the RMB 80 million consideration was recorded as a deferred revenue and recognised as income on a straight-line basis over the 2.5-year Grant Period. Jinxi Mining’s accounts will not be included in the consolidated financial statements of the Group during the Grant Period.

27. 遞延收入－本集團(續)

- (i) 於二零零八年六月五日，津西鋼鐵與本公司董事沈曉玲先生訂立合作協議（「合作協議」）。根據合作協議，自協議日期起至二零一零年十二月三十一日止（「授予期間」），津西鋼鐵將鐵礦資產經營管理權授予津西鋼鐵的一間前附屬公司唐山津西礦業有限公司（「津西礦業」），包括十八個鐵礦的採礦許可證、高家店鐵礦及配套礦山的租賃權以及唐山飛成礦業有限公司、遷西縣昕冶機械鑄造有限公司、遷西縣宏遠貿易有限公司、遷西縣富成貿易有限公司和遷西縣鑫成貿易有限公司的股權。

此外，津西鋼鐵將津西礦業49%的權益轉讓予沈先生，並授予沈先生於授予期間表決津西礦業財務及經營決策的權利。沈先生有獨家權利獲得津西礦業於授予期間的累計溢利及資產淨值。沈先生已支付現金代價總計人民幣8,000萬元作為經營租賃回報及可於二零一零年十二月三十一日後退回的按金人民幣1,000萬元（附註42(c)）。

本公司將上述安排列入經營租賃。因此，代價人民幣8,000萬元列為遞延收入並於2年半的授予期間內以直線法確認為收入。津西礦業的賬目在授予期間內將不會被列入本集團合併財務報表內。

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28. DEFERRED INCOME TAX – GROUP

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxed levied by the same taxation authority on either the taxable entity or different taxable entities where there is an interaction to settle the balances on a net basis. The offset amounts are as follows:

Deferred tax assets:	遞延稅項資產：
– Deferred tax asset to be recovered after more than 12 months	– 將於12個月後收回的遞延稅項資產
– Deferred tax asset to be recovered within 12 months	– 將於12個月內收回的遞延稅項資產
Deferred tax liabilities:	遞延稅項負債：
– Deferred tax liabilities to be settled within 12 months	– 將於12個月內支銷的遞延稅項負債
Deferred tax assets – net	遞延稅項資產 – 淨額

The gross movement on the deferred income tax account is as follows:

		2009 二零零九年	2008 二零零八年
At 1 January	於一月一日	7,461	3,194
Credited to the consolidated income statement (Note 34 (a))	於合併利潤表記賬 (附註34(a))	73,546	4,267
At 31 December	於十二月三十一日	81,007	7,461

28. 遞延所得稅 – 本集團

當有將即期稅項資產與即期稅項負債抵銷之合法強制執行權，以及當遞延所得稅與同一稅務機關就該應課稅主體或不同應課稅主體徵收之所得稅有關，而有關方面擬按淨額基準繳納稅項時，遞延所得稅資產與負債將會抵銷。抵銷金額如下：

	2009 二零零九年	2008 二零零八年
遞延稅項資產：		
– 將於12個月後收回的遞延稅項資產	54,268	–
– 將於12個月內收回的遞延稅項資產	56,972	23,177
遞延稅項負債：		
– 將於12個月內支銷的遞延稅項負債	(30,233)	(15,716)
遞延稅項資產 – 淨額	81,007	7,461

遞延所得稅賬目的總變動如下：

	2009 二零零九年	2008 二零零八年
於一月一日	7,461	3,194
於合併利潤表記賬 (附註34(a))	73,546	4,267
於十二月三十一日	81,007	7,461

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28. DEFERRED INCOME TAX – GROUP (continued)

Deferred taxation is calculated on temporary differences under the liability method using the tax rate and the tax base that is consistent with the expected manner of recovery or settlement for the year ended 31 December 2009.

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred tax assets:

		Losses on disposal of property, plant and equipment 處置物業、 廠房及設備 的虧損	Temporary difference arising from expense recognition 費用確認的 暫時性差異	Impairment provision of assets 資產減值 撥備	Unrealised gains on inventories 尚未變現 存貨收益	Total 總計
At 1 January 2008	於二零零八年一月一日	-	3,623	-	-	3,623
Credited to the consolidated income statement	於合併利潤表記賬	57	8,851	10,646	-	19,554
At 31 December 2008	於二零零八年 十二月三十一日	57	12,474	10,646	-	23,177
Credited to the consolidated income statement	於合併利潤表記賬	(57)	33,004	43,622	11,494	88,063
At 31 December 2009	於二零零九年 十二月三十一日	-	45,478	54,268	11,494	111,240

The directors are of opinion that the accumulated tax losses of RMB 247 million (2008: RMB 151 million) of a subsidiary would not be utilised before the losses expired. No deferred tax assets were recognised.

28. 遞延所得稅—本集團(續)

遞延稅項採用負債法就暫時性差異按與截至二零零九年十二月三十一日止年度預期收回或結算方式一致的稅率及稅基計算。

年內遞延稅項資產及負債(沒有計入在同一徵稅區內抵銷的結餘)的變動如下：

遞延稅項資產：

董事認為，一間附屬公司人民幣2.47億元(二零零八年：人民幣1.51億元)的累計稅項虧損於虧損屆滿前將不會動用。並無確認遞延稅項資產。

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28. DEFERRED INCOME TAX – GROUP (continued)

Deferred tax liabilities:

		Unrealised Capitalised interest	losses on inventories	Total
		資本化 利息	尚未變現 存貨虧損	總計
At 1 January 2008	於二零零八年一月一日	–	(429)	(429)
(Charged)/credited to the consolidated income statement	於合併利潤表(扣除)/記賬	(15,716)	429	(15,287)
At 31 December 2008	於二零零八年十二月三十一日	(15,716)	–	(15,716)
(Charged)/credited to the consolidated income statement	於合併利潤表(扣除)/記賬	(14,517)	–	(14,517)
At 31 December 2009	於二零零九年十二月三十一日	(30,233)	–	(30,233)

28. 遞延所得稅—本集團(續)

遞延稅項資產：

29. OTHER LOSSES – NET – GROUP

		2009 二零零九年	2008 二零零八年
Other losses – net:	其他虧損—淨額：		
Sales of raw materials and by-products	出售原材料及副產品	20,046	20,439
Provision for impairment of property, plant and equipment (Notes 7, 39)	物業、廠房及設備 減值撥備(附註7、39)	(64,788)	–
Provision for impairment of goodwill (Notes 9, 39)	商譽減值撥備 (附註9、39)	(7,667)	–
Loss on disposal of property, plant and equipment (Note 39)	處置物業、廠房及 設備的虧損(附註39)	(820)	(276)
Tax expenses for inter-company transfer of property, plant and equipment	集團內公司間轉讓 物業、廠房及設備的 稅項開支	(25,613)	–
Charitable donation	慈善捐款	(2,505)	(5,114)
Foreign exchange loss, net (Notes 35, 39)	匯兌損失，淨額 (附註35、39)	(3,608)	(17,297)
Others	其他	4,410	884
Total	總計	(80,545)	(1,364)

29. 其他虧損—淨額—本集團

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30. OTHER INCOME – GROUP

30. 其他收入 – 本集團

		2009 二零零九年	2008 二零零八年
Dividend income from financial assets at fair value through profit or loss (Note 39)	按公允價值計量且其變動計入損益表的金融資產的股息收入(附註39)	1	11
Rental income arising from investment properties (Note 8)	投資物業所產生的租金收入(附註8)	1,865	1,775
Income from operating leases (Notes 15(i), 27)	經營租賃之收入(附註15(i)、27)	32,000	31,300
Others	其他	2,951	2,553
Total	總計	36,817	35,639

31. EXPENSES BY NATURE – GROUP

31. 按性質呈列的開支 – 本集團

		2009 二零零九年	2008 二零零八年
Employee benefit expense (Note 32)	員工福利開支(附註32)	471,838	340,299
Costs of inventories (Note 16)	存貨成本(附註16)	16,109,681	17,353,385
Amortisation of leasehold land and land use rights (Notes 6, 39)	租賃土地及土地使用權攤銷(附註6、39)	1,651	1,651
Depreciation of property, plant and equipment (Notes 7, 39)	物業、廠房及設備折舊(附註7、39)	845,051	570,936
Depreciation of investment properties (Notes 8, 39)	投資物業折舊(附註8、39)	805	928
Operating lease expenses in respect of land use rights	有關土地使用權的經營租賃費用	9,221	9,178
Impairment provision for other receivables (Notes 19, 39)	其他應收賬款的減值撥備(附註19、39)	21,305	–
(Reversal of)/write-down of inventories to their net realisable value (Note 39)	存貨(撥回)/撇減至其已變現淨值(附註39)	(45,511)	45,511
Provision for impairment of available-for-sale financial assets (Notes 15, 39)	可供出售金融資產減值撥備(附註15、39)	188,100	–
Auditors' remuneration	核數師酬金	3,500	5,800

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32. EMPLOYEE BENEFIT EXPENSE-GROUP

32. 員工福利開支—本集團

	2009 二零零九年	2008 二零零八年
Staff costs (including directors' emoluments) 員工成本(包括董事酬金)		
– Salaries and welfare – 薪金及福利	416,045	303,533
– Pension costs – defined contribution plans (a) – 退休金成本—定額供款統籌退休金計劃(a)	45,040	36,766
– Share options granted to directors and employees (Notes 22, 39) – 授予董事及僱員購股權(附註22、39)	10,753	–
	471,838	340,299

(a) Pensions – defined contribution plans

The employees of the subsidiaries of the Group that are incorporated in the PRC participate in a defined contribution retirement benefit plan organised by the relevant provincial government. For the years ended 31 December 2009 and 2008, the Group is required to make monthly defined contributions to these plans at rates from 10% to 20%, with the base of their total salary subject to a certain ceiling.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the payments disclosed in the above note.

(a) 退休金—定額供款統籌退休金計劃

本集團於中國註冊成立的附屬公司的員工參與有關省政府組織的統籌退休金供款福利計劃。截至二零零九年及二零零八年十二月三十一日止年度，本集團按員工薪金總額10%至20%每月向該等計劃作出定額供款，惟受若干上限所限。

除以上附註所披露的款項外，本集團並無向員工或退休人士支付退休金及給予其他退休後福利的其他責任。

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32. EMPLOYEE BENEFIT EXPENSE – GROUP (continued)

(b) Directors' and senior management's emoluments

The emoluments of every director for the years ended 31 December 2009 and 2008, on a named basis, are set out as below:

Name of Director 董事姓名	Fees 袍金	Salaries and allowances 薪金及津貼		Bonus 花紅	Fair value of employee share options granted 已授出僱員 購股權的 公允價值	Pension costs – defined contribution plans 退休金成本 – 定額供款統籌 退休金計劃	Total 總計
2009							
Mr. Han Jingyuan	452	4,529	2,749	921	11	8,662	
Mr. Zhu Jun	344	1,817	132	826	11	3,130	
Mr. Liu Lei	264	1,177	340	826	11	2,618	
Mr. Shen Xiaoling	314	714	529	826	13	2,396	
Mr. Zhu Hao	264	-	-	826	11	1,101	
Mr. Wong Man Chung, Francis	264	-	-	635	-	899	
Mr. Gao Qingju	264	-	-	635	-	899	
Mr. Yu Tung Ho	308	-	-	635	-	943	
Mr. Muktesh Mukherjee (i)	264	-	-	1,582	8	1,854	
Mr. Ondra Otradovec (i)	264	-	-	1,217	-	1,481	
Mr. Jean-Paul Georges Schuler (i)	264	-	-	1,217	-	1,481	
	3,266	7,422	4,566	10,146	65	25,464	
2008							
Mr. Han Jingyuan	533	4,868	-	-	11	5,412	
Mr. Zhu Jun	365	1,587	-	-	11	1,963	
Mr. Liu Lei	385	1,190	-	-	11	1,586	
Mr. Yu Jianshui	367	110	-	-	11	488	
Mr. Shen Xiaoling	267	71	-	-	11	349	
Mr. Yu Tung Ho	309	-	-	-	-	309	
Mr. Zhu Hao	294	-	-	-	9	303	
Mr. Gao Qingju	265	-	-	-	-	265	
Mr. Wong Man Chung, Francis	265	-	-	-	-	265	
	3,050	7,826	-	-	64	10,940	

(i) Appointed on 2 January 2009.

(i) 二零零九年二月二日委任。

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32. EMPLOYEE BENEFIT EXPENSE – GROUP (continued)

- (b) Directors' and senior management's emoluments (continued)

None of the directors waived or agreed to waive any remuneration during the years 2009 and 2008. The emoluments of the independent non-executive directors during the year are approximately RMB 2.5 million (2008: RMB 0.8 million).

- (c) Five highest paid individuals

The five highest paid individuals consisted of:

Number of directors	董事人數
Number of employees	員工人數

32. 員工福利開支－本集團(續)

- (b) 董事及高級管理層酬金(續)

於二零零九年及二零零八年內，概無董事放棄或同意放棄任何酬金。年內，支付予獨立非執行董事的酬金約人民幣250萬元(二零零八年：人民幣80萬元)。

- (c) 五名最高薪酬人士

五名最高薪酬人士包括：

	2009 二零零九年	2008 二零零八年
	5	4
	–	1
	<hr/> 5	<hr/> 5

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32. EMPLOYEE BENEFIT EXPENSE – GROUP (continued)

(c) Five highest paid individuals (continued)

The five individuals whose emoluments were the highest in the Group for the year include five (2008: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one individual in 2008 during the year are as follows:

Salaries and allowances	薪金及津貼
Bonuses	花紅
Fair value of employee share options granted	已授出僱員 購股權的公允價值
Pension costs – defined contribution plans	退休金成本—定額供款 統籌退休金計劃

For the years ended 31 December 2009 and 2008, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as inducement to join or upon joining the Company or as compensation for loss of office.

32. 員工福利開支—本集團(續)

(c) 五名最高薪酬人士(續)

本年度本集團五位最高薪酬人士包括五位(二零零八年:四位)董事，其酬金已於上文的分析中呈列。應付餘下一位人士於二零零八年的酬金如下：

	2009 二零零九年	2008 二零零八年
	-	694
	-	-
	-	-
	-	9
	-	703

截至二零零九年及二零零八年十二月三十一日止年度內，本集團概無向任何董事或五位最高薪酬人士支付任何酬金，作為加入本公司或於加入本公司時的獎勵或作為離職補償。

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32. EMPLOYEE BENEFIT EXPENSE – GROUP (continued)

(c) Five highest paid individuals (continued)

The remuneration of the five highest paid individuals for the years ended 31 December 2009 and 2008 fell within the following bands:

RMB 1 to RMB 1,000,000 (approximately HK\$ 1 to HK\$ 1,135,744)	人民幣 1 元至 人民幣 1,000,000 元 (約 1 港元至 1,135,744 港元)	-	2
RMB 1,000,001 to RMB 2,000,000 (approximately HK\$ 1,135,745 to HK\$ 2,271,488)	人民幣 1,000,001 元至 人民幣 2,000,000 元 (約 1,135,745 港元至 2,271,488 港元)	1	2
RMB 2,000,001 to RMB 3,000,000 (approximately HK\$ 2,271,489 to HK\$ 3,407,232)	人民幣 2,000,001 元至 人民幣 3,000,000 元 (約 2,271,489 港元至 3,407,232 港元)	2	-
RMB 3,000,001 to RMB 4,000,000 (approximately HK\$ 3,407,233 to HK\$ 4,542,977)	人民幣 3,000,001 元至 人民幣 4,000,000 元 (約 3,407,233 港元至 4,542,977 港元)	1	-
RMB 4,000,001 to RMB 5,000,000 (approximately HK\$ 4,542,978 to HK\$ 5,678,721)	人民幣 4,000,001 元至 人民幣 5,000,000 元 (約 4,542,978 港元至 5,678,721 港元)	-	1
RMB 5,000,001 to RMB 6,000,000 (approximately HK\$ 5,678,722 to HK\$ 6,814,465)	人民幣 5,000,001 元至 人民幣 6,000,000 元 (約 5,678,722 港元至 6,814,465 港元)	-	-
RMB 6,000,001 to RMB 7,000,000 (approximately HK\$ 6,814,466 to HK\$ 7,950,209)	人民幣 6,000,001 元至 人民幣 7,000,000 元 (約 6,814,466 港元至 7,950,209 港元)	-	-
RMB 7,000,001 to RMB 8,000,000 (approximately HK\$ 7,950,210 to HK\$ 7,937,498)	人民幣 7,000,001 元至 人民幣 8,000,000 元 (約 7,950,210 港元至 7,937,498 港元)	-	-
RMB 8,000,001 to RMB 9,000,000 (approximately HK\$ 9,085,954 to HK\$ 10,221,697)	人民幣 8,000,001 元至 人民幣 9,000,000 元 (約 9,085,954 港元至 10,221,697 港元)	1	-

32. 員工福利開支－本集團(續)

(c) 五名最高薪酬人士(續)

截至二零零九年及二零零八年十二月三十一日止年度內，五位最高薪酬人士的酬金介乎以下範圍：

Number of individuals	
人數	
2009	2008
二零零九年	二零零八年

-	2
1	2
2	-
1	-
-	1
-	-
-	-
-	-
1	-

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33. FINANCE INCOME AND COSTS – GROUP

33. 財務收入及成本－本集團

		2009 二零零九年	2008 二零零八年
Interest expenses	利息費用		
– borrowings	– 借款	(74,038)	(61,822)
– discount of notes receivable	– 應收票據折現	(3,846)	(463)
– finance lease liabilities	– 融資租賃負債	(59,517)	(30,101)
Net foreign exchange gains on borrowings (Note 35)	借款的匯兌收益淨額 (附註35)	256	759
Finance costs (Note 39)	財務成本(附註39)	(137,145)	(91,627)
Interest income on bank deposits	銀行存款的利息收入	9,800	15,519
Interest from loans to a third party (i)	借予第三方貸款的利息(i)	18,476	–
Income from loan receivable	應收貸款收入	7,138	8,730
Finance income (Note 39)	財務收入(附註39)	35,414	24,249
Finance costs, net	財務成本，淨額	(101,731)	(67,378)

(i) Pursuant to certain cooperation agreements (the “Cooperation Agreements”) with a third-party, Qianxi Jin Xin Mine Co., Ltd. (“Jin Xin Mine”). Jinxi Limited provided a loan to Jin Xin Mine amounting to RMB 47 million for the year ended 31 December 2008. The loan was unsecured, bore interest at a rate of 3% per month and repayable within one year. The principal and related interest was received during the year ended 31 December 2009.

(i) 截至二零零八年十二月三十一日止年度，根據與第三方遷西金信礦業有限公司(「金信礦業」)訂立的若干合作協議(「合作協議」)，津西鋼鐵向金信礦業提供一筆人民幣4,700萬元的貸款。該貸款為無抵押、按月利率3厘計息且須於一年內償還。本金及相關利息已於截至二零零九年十二月三十一日止年度收到。

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34. INCOME TAX EXPENSE – GROUP

(a) Income tax expense represents:

Current income tax	當期所得稅
– PRC enterprise income tax (the “EIT”)	– 中國企業所得稅 (「中國企業所得稅」)
Deferred income tax (Note 28)	遞延所得稅(附註28)

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and, accordingly, is exempted from payment of Bermuda income tax.

The subsidiaries directly held by the Company except for HK Trading were incorporated in BVI with limited liability under the International Business Companies Act Chapter 291 and, accordingly, are exempted from payment of BVI income tax.

Hong Kong profits tax has been provided based on the statutory profit of subsidiaries incorporated or traded in Hong Kong in accordance with the HK tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for profit tax purposes (2008: nil).

The PRC EIT is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes.

34. 所得稅費用—本集團

(a) 所得稅費用包括：

2009 二零零九年	2008 二零零八年
414,839	74,910
(73,546)	(4,267)
341,293	70,643

本公司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，故獲豁免繳付百慕達所得稅。

本公司直接持有的附屬公司(除津西香港外)根據國際商業公司法第291章在英屬維爾京群島註冊成立為有限責任公司，故獲豁免繳付英屬維爾京群島所得稅。

香港利得稅乃基於在香港註冊成立或買賣的附屬公司的法定溢利，根據香港稅務法律及條例，於調整若干不須課稅或不可扣減所得稅的收入及開支項目後作出撥備(二零零八年：零)。

中國企業所得稅乃基於在中國註冊成立的附屬公司的法定溢利，根據中國稅務法律及條例，於調整若干不須課稅或不可扣減所得稅的收入及開支項目後計算。

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34. INCOME TAX EXPENSE – GROUP (continued)

(a) Income tax expense represents (continued):

Effective from 1 January 2008, the subsidiaries incorporated in the PRC are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the People's Republic of China (the "new EIT Law") as approved by the National People's Congress on 16 March 2007 and the Detailed Implementation Regulations of the Corporate Income Tax Law (the "DIR") as approved by the State Council on 6 December 2007. In accordance with the new EIT Law and DIR, the EIT rate applicable to the subsidiaries incorporated in the PRC will be 25% for those with original applicable EIT rates higher than 25%, or gradually increased to 25% in a 5-year period from 2008 to 2012 for those with original applicable EIT rates lower than 25%. The preferential policy of exemption or deduction shall be effective from 1 January 2008, even if the subsidiaries were still in a cumulative tax loss position.

Jinxi Jinlan qualified as a foreign investment production enterprise and was established in a coastal economic development zone. Approved by local tax authority on 14 December 2007, Jinxi Jinlan was entitled to a two-year full exemption followed by a three-year 50% tax deduction, commencing from 1 January 2008. As at 31 December 2009, the effective rate of Jinxi Jinlan was nil (2008: nil).

Shenzhen Leasing qualified as a service industry enterprise and was established in a special economic zone. Approved by local tax authority on 14 September 2008, Shenzhen Leasing was entitled to a one-year full exemption followed by a two-year 50% tax deduction effective from 1 January 2008. Accordingly, the effective tax rate for the year ended 31 December 2009 was 10% (2008: nil).

34. 所得稅費用—本集團(續)

(a) 所得稅費用包括(續)：

自二零零八年一月一日起，凡在中國註冊成立的附屬公司須按照二零零七年三月十六日全國人大批准的中華人民共和國企業所得稅法(「新企業所得稅法」)及二零零七年十二月六日國務院批准的企業所得稅法實施細則(「實施細則」)，計算並繳納企業所得稅。依照新企業所得稅法及實施細則，在中國註冊成立的附屬公司如原先適用的企業所得稅稅率高於25%，則下調為25%；如原先適用的企業所得稅稅率低於25%，則在二零零八年至二零一二年的五年內，逐步上調至25%。獲豁免或減免之優惠政策須自二零零八年一月一日起生效，即使該等附屬公司仍處於累積稅項虧損狀況。

津西金蘭符合外商投資生產性企業的資格，在沿海經濟開發區成立。經地方稅務局於二零零七年十二月十四日審批，津西金蘭自二零零八年一月一日起，享有兩年稅務豁免及其後三年50%稅務寬減。於二零零九年十二月三十一日，津西金蘭之實際稅率為零(二零零八年：零)。

深圳租賃符合服務行業企業的資格，在經濟特區成立。經地方稅務局於二零零八年九月十四日審批，自二零零八年一月一日起，深圳租賃享有一年稅務豁免，之後享有兩年稅務寬減50%。據此，截至二零零九年十二月三十一日止年度之實際稅率為10%(二零零八年：零)。

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34. INCOME TAX EXPENSE – GROUP (continued)

- (b) The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average tax rate of 23.88% (2008: 22.39%) to respective profits of the consolidated entities for the years ended 31 December 2009 and 2008 as follows:

		2009 二零零九年	2008 二零零八年
Profit before taxation	除稅前溢利	1,313,734	113,601
Taxation calculated at statutory tax rate	按法定稅率計算的稅項	322,520	23,651
Effect of tax exemption of subsidiaries	附屬公司稅項豁免的影響	(6,356)	(2,577)
Tax losses for which no deferred income tax asset was recognised	沒有確認遞延所得稅資產的稅項虧損	24,680	8,251
Utilisation of previously unrecognised tax losses	先前未確認稅項虧損的使用	(14,936)	(1,686)
Effect of other non-taxable income	其他不須課稅收入的影響	(44)	(499)
Effect of non-deductible expenses	不可扣減開支的影響	15,429	43,503
		341,293	70,643

35. NET FOREIGN EXCHANGE LOSSES

The exchange differences (charged)/credited in the consolidated income statement are included as follows:

		2009 二零零九年	2008 二零零八年
Other losses – net (Note 29)	其他虧損－淨額(附註29)	(3,608)	(17,297)
Finance costs – net (Note 33)	財務成本－淨額(附註33)	256	759
		(3,352)	(16,538)

34. 所得稅費用－本集團(續)

- (b) 本集團除稅前溢利的稅項分別與截至二零零九年及二零零八年十二月三十一日止年度合併主體的溢利採用加權平均稅率23.88%(二零零八年:22.39%)計算的理論總額的差異如下:

35. 匯兌虧損淨額

於合併利潤表內(扣除)/記賬之匯兌差異載列如下:

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36. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately RMB 75.81 million (2008: RMB 371.62 million).

37. 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 year.

Profit attributable to equity holders of the Company	本公司權益持有者應佔溢利	884,323	44,032
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千股)	2,929,200	2,929,187
Basic earnings per share (RMB per share)	每股基本收益(每股人民幣元)	0.30	0.02

Diluted

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

36. 本公司權益持有者應佔溢利

本公司權益持有者應佔溢利包括計入本公司財務報表的約人民幣7,581萬元(二零零八年：人民幣3.7162億元)。

37. 每股收益

基本

基本每股收益乃根據本公司權益持有者應佔溢利除以年內已發行普通股的加權平均數而計算。

2009	2008
二零零九年	二零零八年

稀釋

計算稀釋每股收益時，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。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，按公允價值(釐定為本公司股份的平均年度市價)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。

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37. EARNINGS PER SHARE (continued)

		2009 二零零九年	2008 二零零八年
Profit attributable to equity holders of the Company	本公司權益持有者應佔溢利	884,323	44,032
Weighted average number of ordinary shares in issue used in calculating basic earnings per share (thousands)	用於計算基本每股收益的已發行普通股加權平均數值(千股)	2,929,200	2,929,187
Adjustments for options (thousands)	購股權調整(千股)	7,052	-
Weighted average number of ordinary shares and potential ordinary shares issued as the denominator in calculating diluted earnings per share (thousands)	計算稀釋每股收益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)	2,936,252	2,929,187
Diluted earnings per share (RMB per share)	稀釋每股收益(每股人民幣元)	0.30	0.02

37. 每股收益(續)

38. DIVIDENDS

		2009 二零零九年	2008 二零零八年
Interim, paid (a, b)	中期，已派付(a、b)	-	167,088
Final, proposed (c, d)	末期，擬派(c、d)	221,834	-
		221,834	167,088

38. 股息

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38. DIVIDENDS (continued)

- (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 year ended 31 December 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 for the year ended 31 December 2008.
- (c) The Board does not recommend the payment of final dividend for the year ended 31 December 2008.
- (d) At a meeting held on 23 March 2010, the Board proposed a final dividend in respect of the year ended 31 December 2009 of HK\$ 251.94 million (approximately RMB 221.83 million), representing HK\$ 0.086 per ordinary share.

38. 股息(續)

- (a) 於二零零八年三月二十七日舉行的會議上，董事局建議派發截至二零零七年十二月三十一日止年度末期股息1.82億港元(約人民幣1.64億元)，即每股普通股0.062港元。於二零零八年五月十五日舉行之股東週年大會上已批准有關之董事局派息建議。上述末期股息已於截至二零零八年十二月三十一日止年度派付。
- (b) 於二零零八年八月十八日舉行的會議上，董事局建議派發截至二零零八年六月三十日止六個月之中期股息1.90億港元(約人民幣1.67億元)，即每股普通股0.065港元。前述中期股息已於截至二零零八年十二月三十一日止年度派付。
- (c) 董事局不建議派付截至二零零八年十二月三十一日止年度之末期股息。
- (d) 於二零一零年三月二十三日舉行的會議上，董事局建議派發截至二零零九年十二月三十一日止年度之末期股息2.52億港元(約人民幣2.22億元)，即每股普通股0.086港元。

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39. CASH GENERATED FROM OPERATIONS

(i) Reconciliation of profit before taxation to cash generated from operations is as follows:

Profit before income tax	除所得稅前溢利		
Adjustments for:	調整：		
Impairment provision for receivables (Notes 19, 31)	應收賬款減值撥備 (附註19、31)	21,305	-
Depreciation (Notes 7, 31)	折舊 (附註7、31)	845,051	570,936
Depreciation of investment properties (Notes 8, 31)	投資物業折舊 (附註8、31)	805	928
Amortisation of leasehold land and land use rights (Notes 6, 31)	租賃土地及土地使用權攤銷 (附註6、31)	1,651	1,651
Amortisation of long-term deferred assets	長期遞延資產攤銷	363	-
(Reversal of)/write-down of inventories to their net realisable value (Note 31)	(撥回)/撇減存貨至其已變現淨值 (附註31)	(45,511)	45,511
Impairment provision for intangible asset (Notes 9, 29)	無形資產減值撥備 (附註9, 29)	7,667	-
Impairment provision for property, plant and equipment (Note 7)	物業、廠房及設備減值撥備 (附註7)	64,788	-
Share of profit of an associate company (Note 11)	應佔聯營公司溢利 (附註11)	(177)	(1,998)
Loss on disposal of property, plant and equipment, net (Note 29)	處置物業、廠房及設備淨虧損 (附註29)	820	276
Exchange loss (Note 29)	匯兌虧損 (附註29)	3,608	17,297
Finance income (Note 33)	財務收入 (附註33)	(35,414)	(24,249)
Dividend income on financial assets at fair value through profit or loss (Note 30)	按公允價值計量且變動計入損益表的金融資產的股息收入 (附註30)	(1)	(11)
Finance costs (Note 33)	財務成本 (附註33)	137,145	91,627
Share-based payment (Note 32)	以股份為基礎之付款 (附註32)	10,753	-
Impairment provision for available-for-sale financial assets (Notes 15, 31)	可供出售金融資產減值撥備 (附註15、31)	188,100	-
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):	營運資金變動 (不包括合併收購及匯兌差異的影響)：		
(Increase)/decrease in financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表的金融資產 (增加)/減少	(4)	6
(Increase)/decrease in inventories	存貨減少/(增加)	(985,073)	224,049
Decrease in restricted bank balances	受限制銀行結餘減少	8,587	9,992
Increase in trade receivables, prepayments, deposits and other receivables and other current assets	應收貿易賬款、預付款項、按金及其他應收賬款及其他流動資產增加	(435,874)	(2,181,436)
Increase in amount due from related parties	應收關聯方款項增加	(219,579)	(3,565)

39. 營運產生的現金

(i) 除稅前溢利與經營活動的現金流入的調節表如下：

	2009 二零零九年	2008 二零零八年
	1,313,734	113,601
	21,305	-
	845,051	570,936
	805	928
	1,651	1,651
	363	-
	(45,511)	45,511
	7,667	-
	64,788	-
	(177)	(1,998)
	820	276
	3,608	17,297
	(35,414)	(24,249)
	(1)	(11)
	137,145	91,627
	10,753	-
	188,100	-
	(4)	6
	(985,073)	224,049
	8,587	9,992
	(435,874)	(2,181,436)
	(219,579)	(3,565)

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39. CASH GENERATED FROM OPERATIONS (continued)

- (i) Reconciliation of profit before taxation to cash generated from operations is as follows: (continued)

(Decrease)/increase in trade payables, current income tax liabilities, accruals, advances from customers and other current liabilities	應付貿易賬款、當期所得稅負債、預提費用、預收客戶款項及其他流動負債(減少)/增加	
(Decrease)/increase in deferred revenue	遞延收入(減少)/增加	
Increase in amount due to related parties	應付關聯方款項增加	
Cash generated from operations	經營產生的現金	

- (ii) Major non-cash transactions:

For the year ended 31 December 2009, the Group endorsed bank acceptance notes to the supplier for purchase of property, plant and equipment amounting to approximately RMB 315 million (2008: approximately RMB 1,087 million).

- (iii) In the cash flow statement, proceeds from sales of property, plant and equipment comprise:

Net book amount (Note 7)	賬面淨值(附註7)	
Loss on disposals of property, plant and equipment (Note 29)	處置物業、廠房及設備虧損(附註29)	
Non-cash assets received	已收非現金資產	
Proceeds from disposal of property, plant and equipment	處置物業、廠房及設備所得款項	

39. 營運產生的現金(續)

- (i) 除稅前溢利與經營活動的現金流入的調節表如下：(續)

2009 二零零九年	2008 二零零八年
(488,672)	1,674,220
(21,500)	62,756
1,430	24,581
374,002	626,172

- (ii) 主要非現金交易：

截至二零零九年十二月三十一日止年度，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3.15億元(二零零八年：約人民幣10.87億元)。

- (iii) 於現金流量表內，出售物業、廠房及設備所得款項包括：

2009 二零零九年	2008 二零零八年
10,541	276
(820)	(276)
(9,750)	
(29)	-

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41. COMMITMENTS – GROUP (continued)

(b) Operating lease commitments

The future aggregate minimum lease rental expenses in respect of land use rights, building, plant and equipment under non-cancellable operating leases are payable as follows:

		2009 二零零九年	2008 二零零八年
No later than one year	1年內	54,612	77,458
Later than one year and no later than five years	1年以上，5年以內	179,208	28,144
Later than five years	5年以上	178,714	142,777
		412,534	248,379

42. 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.

41. 承擔—本集團(續)

(b) 經營租賃承擔

有關不可撤銷經營租賃項下的土地使用權、樓宇、廠房及設備的應付未來最低租賃租金總支出如下：

42. 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，亦被視為關聯方。

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42. RELATED PARTY TRANSACTIONS (continued)

- (a) For the years 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 Limited ("Wellbeing")	Substantial shareholder of the Company
Wellbeing Holdings Limited ("Wellbeing")	本公司的主要股東
Mittal AG Mittal AG	Substantial shareholder of the Company 本公司的主要股東
Tangshan Jinxi Group	Shareholder of Jinxi Limited and its legal representative is Mr. Guo Feizhi, one of the key executives of Jinxi Limited (2008: Shareholder of Jinxi Limited and its legal representative was Mr. Han Jingyuan, a director of the Company)
唐山津西集團	津西鋼鐵的股東，其法定代表為津西鋼鐵主要行政人員之一 Guo FeiZhi 先生 (二零零八年：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 AG
Arcelor Mittal Sourcing SA ("AM Sourcing")	由 Mittal AG 的同一最終控股股東控制
Foshan Jin Lan Group Co., Ltd. ("Jin Lan Group")	Controlled by Mr. Zhou Weijie, a director of Jinxi Jinlan
佛山金蘭集團有限公司 ("金蘭集團")	由津西金蘭董事周偉傑先生控制
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")	Controlled by the family members of Mr. Zhou Weijie, a director of Jinxi Jinlan
佛山金蘭進出口有限公司 ("金蘭進出口")	由津西金蘭的董事周偉傑先生的家屬控制
Foshan Jin Lan Nonferrous Metals Product Co., Ltd. ("Jin Lan Nonferrous Metals")	Foshan Jin Lan's subsidiary
佛山金蘭有色金屬製品有限公司 ("金蘭有色金屬")	佛山金蘭的附屬公司

42. 關聯方交易 (續)

- (a) 於二零零九年及二零零八年內，董事認為以下公司及人士為本集團的關聯方：

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42. RELATED PARTY TRANSACTIONS (continued)

- (a) For the years 2009 and 2008, the directors are of the view that the following companies and persons are related parties of the Group: (continued)

Name 名稱	Relationship with the Group 與本集團的關係
Zhongxing Iron Mine 中興礦業	Jinxi Limited's associated company 津西鋼鐵的聯營公司
Jinxi Wan Tong 津西萬通	Its legal representative is Mr. Shen Xiaoling, a director of the Company 其法定代表為本公司董事沈曉玲先生
Qianxi County Hui Yin Trading Company Limited ("Hui Yin")	Substantial shareholder of Jinxi Section Steel
遷西縣滙銀工貿 有限公司(「滙銀」)	津西型鋼之主要股東
Qianxi County Longba Charging Company Limited ("Longba Charging")	Controlled by Mr. Du Chun, substantial shareholder of Jinyin Charging
遷西縣龍霸爐料 有限公司(「龍霸爐料」)	由津銀爐料之主要股東杜春先生控制
Pingquan County Longba Quarrying Company Limited ("Longba Quarrying")	Controlled by Mr. Du Chun, substantial shareholder of Jinyin Charging
平泉縣龍霸採石廠有限公司 (「龍霸採石」)	由津銀爐料之主要股東杜春先生控制
Hebei Province Jing Yuan Education Foundation ("Jing Yuan Foundation")	Its legal representative is Mr. Han Jingyuan, a director of the Company
河北省靜遠教育基金 (「靜遠基金」)	本公司董事韓敬遠先生為其法定代表
Mr. Han Jingyuan 韓敬遠先生	Chairman and Chief Executive Officer of the Company 本公司董事局主席兼首席執行官
Mr. Zhou Weijie 周偉傑先生	Director of Jinxi Jinlan 津西金蘭的董事
Mr. Shen Xiaoling 沈曉玲先生	Director, Deputy General Manager and Chief Financial Officer of the Company 本公司董事、副總經理兼首席財務官
Mr. Du Chun 杜春先生	Substantial shareholder of Jinyin Charging 津銀爐料之主要股東

42. 關聯方交易(續)

- (a) 於二零零九年及二零零八年內，董事認為以下公司及人士為本集團的關聯方：(續)

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42. RELATED PARTY TRANSACTIONS (continued)

(b) Save as disclosed elsewhere in the consolidated financial statements, during the years 2009 and 2008, the directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group:

(i) Sales

(I) Sales of goods	(I) 銷售貨物
– Jin Lan Import and Export	– 金蘭進出口
– Jin Lan Group	– 金蘭集團
– Jinxi Wan Tong	– 津西萬通
– Jin Lan Nonferrous Metals	– 金蘭有色金屬
– Longba Charging	– 龍霸爐料
(II) Sales of utilities	(II) 銷售能源
– Jin Lan Nonferrous Metals	– 金蘭有色金屬

42. 關聯方交易 (續)

(b) 除本合併財務報表中已披露外，於二零零九年及二零零八年內，董事認為以下的重大關聯方交易乃就本集團日常業務進行：

(i) 銷售

	2009 二零零九年	2008 二零零八年
	59,801	76,039
	32,075	–
	19,589	–
	4,697	–
	4,163	–
	120,325	76,039
	4,781	4,061

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42. RELATED PARTY TRANSACTIONS (continued)

(b) Save as disclosed elsewhere in the consolidated financial statements, during the years 2009 and 2008, the directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group: (continued)

(ii) Purchase

	(I) Purchase of raw materials	(I) 購買原材料	
	– AM Sourcing	– AM Sourcing	
	– Longba Charging	– 龍霸爐料	
	– Zhongxing Iron Mine	– 中興礦業	
	(II) Purchase of property, plant and equipment	(II) 購買物業、廠房及設備	
	– Longba Quarrying	– 龍霸採石	

42. 關聯方交易 (續)

(b) 除本合併財務報表中已披露外，於二零零九年及二零零八年內，董事認為以下的重大關聯方交易乃就本集團日常業務進行：(續)

(ii) 購買

	2009 二零零九年	2008 二零零八年
(I) Purchase of raw materials	–	49,866
– AM Sourcing	69,949	17,576
– Longba Charging	88,170	14,307
– Zhongxing Iron Mine		
(I) Purchase of raw materials	158,119	81,749
(II) Purchase of property, plant and equipment	–	2,000
– Longba Quarrying		
(II) Purchase of property, plant and equipment	–	2,000

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42. RELATED PARTY TRANSACTIONS (continued)

- (b) Save as disclosed elsewhere in these consolidated financial statements, during the years 2009 and 2008, the directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group: (continued)

(iii) Financing

- Transaction with Wellbeing

Wellbeing provided a loan to the Company, amounting to HK\$ 34 million for the year ended 31 December 2009. The loan is unsecured, bore interest at a rate of 3.25% per annum and repayable within six months.

- Transaction with Hui Yin

Hui Yin provided a loan to Jinxi Section Steel, amounting to RMB 170 million for the year ended 31 December 2008. The loan is unsecured and interest-free. As at 31 December 2009, the loan has not been repaid.

- Transaction with Jing Yuan Foundation

For the year ended 31 December 2008, Jing Yuan Foundation provided an entrustment loan to Jinxi Limited through a financial institution, amounting to RMB 3.3 million. The loan was unsecured, bore interest at a rate of 12% per annum and repayable within one year.

For the year ended 31 December 2009, the loan was renewed with other terms unchanged.

42. 關聯方交易 (續)

- (b) 除本合併財務報表中已披露外，於二零零九年及二零零八年內，董事認為以下的重大關聯方交易乃就本集團日常業務進行：(續)

(iii) 融資

- 與Wellbeing的交易

截至二零零九年十二月三十一日止年度，Wellbeing向本公司提供一筆貸款為數3,400萬港元。該貸款為無抵押、以3.25厘的年利息計息及須於六個月內償還。

- 與滙銀的交易

截至二零零八年十二月三十一日止年度，滙銀向津西型鋼提供一筆貸款為數人民幣1.70億元。該貸款為無抵押及免息。截至二零零九年十二月三十一日，該貸款並未償還。

- 與靜遠基金的交易

截至二零零八年十二月三十一日止年度，靜遠基金透過一家金融機構向津西鋼鐵提供一筆委託貸款為數人民幣330萬元。該貸款為無抵押，以12厘的年利率計息並於一年內償還。

截至二零零九年十二月三十一日止年度，該貸款續期，而其他條款保持不變。

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42. RELATED PARTY TRANSACTIONS (continued)

(c) As at 31 December 2009 and 2008, the directors were of the view that the following related party balances were attributable to the aforementioned related party transactions, amounts paid on behalf of the Group and dividends appropriation during the years:

42. 關聯方交易(續)

(c) 於二零零九年及二零零八年十二月三十一日，董事認為以下關聯方結餘乃因上述關聯方交易、代表本集團已支付的款項及有關年度內的股息分配而產生：

		2009 二零零九年	2008 二零零八年
Amounts due from related parties	應收關聯方款項		
- Tangshan Jinxi Group (Note 10 (a))	- 唐山津西集團(附註10(a))	361,512	-
- Jin Lan Import and Export (Note 42 (b)(i))	- 金蘭進出口(附註42(b)(i))	1,436	1,820
- Longba Charging (Note 42 (b)(i))	- 龍霸爐料(附註42(b)(ii))	723	-
- Jin Lan Nonferrous Metals (Note 42 (b)(i))	- 金蘭有色金屬(附註42(b)(i))	525	-
- Zhongxing Iron Mine (i)	- 中興礦業(i)	-	9,800
- Longba Quarrying	- 龍霸採石	-	3,000
		364,196	14,620
Amounts due to related parties	應付關聯方款項		
Non-current	非流動		
Borrowing from a related party	關聯方提供的借款		
- Foshan Jin Lan (ii)	- 佛山金蘭(ii)	37,404	55,055
Deposit from a related party	來自關聯方的按金		
- Mr. Shen Xiaoling (Note 27)	- 沈曉玲先生(附註27)	-	10,000
		37,404	65,055

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42. RELATED PARTY TRANSACTIONS (continued)

(c) As at 31 December 2009 and 2008, the directors were of the view that the following related party balances were attributable to the aforementioned related party transactions, amounts paid on behalf of the Group and dividends appropriation during the years: (continued)

42. 關聯方交易 (續)

(c) 於二零零九年及二零零八年十二月三十一日，董事認為以下關聯方結餘乃因上述關聯方交易、代表本集團已支付的款項及有關年度內的股息分配而產生：(續)

		2009 二零零九年	2008 二零零八年
Amounts due to related parties (continued)	應收關聯方款項(續)		
Current	流動		
Borrowing from a related party – Hui Yin (Note 42(b)(iii))	關聯方提供的借款 – 滙銀(附註42(b)(iii))	170,000	170,000
Deposit from a related party – Mr. Shen Xiaoling (Note 27)	來自關聯方的按金 – 沈曉玲先生(附註27)	10,000	–
Borrowings from a related party – Wellbeing (Note 42b(iii))	關聯方提供的貸款 – Wellbeing (附註42b(iii))	29,937	–
Trade payables – Longba Charging (Note 42(b)(ii)) – Zhongxing Iron Mine (Note 42(b)(ii))	應付貿易賬款 – 龍霸爐料(附註42(b)(ii)) – 中興礦業(附註42(b)(ii))	10,414 214	11,605 1,555
		10,628	13,160
Dividends payable due to	應付予以下主體的股息		
– Tangshan Jinxi Group	– 唐山津西集團	18,130	18,130
– Zhongxing Iron Mine	– 中興礦業	2,535	2,535
– Hui Yin (iii)	– 滙銀(iii)	20,837	–
		41,502	20,665
Others	其他		
– Mr. Du Chun	– 杜春先生	3,600	2,800
– Foshan Jin Lan	– 佛山金蘭	383	383
– Longba Quarrying	– 龍霸採石	1,815	–
– Jinxi Wan Tong	– 津西萬通	1,308	–
– Mr. Han Jingyuan	– 韓敬遠先生	45	5
		7,151	3,188
		269,218	207,013

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42. RELATED PARTY TRANSACTIONS (continued)

(c) As at 31 December 2009 and 2008, the directors were of the view that the following related party balances were attributable to the aforementioned related party transactions, amounts paid on behalf of the Group and dividends appropriation during the years: (continued)

- (i) Pursuant to certain agreements entered into in November 2007, the loan provided to Zhongxing Iron Mine amounting to RMB 9.8 million was unsecured, interest-free and repayable within thirteen months. The loan was repaid during the year ended 31 December 2009.
- (ii) Pursuant to certain agreements entered into in January 2006, the payables owing to Foshan Jin Lan amounting to RMB 55 million was unsecured, interest-free and had a repayable term of 5 years. Part of the loan amounting to RMB 17.7 million was repaid during the year ended 31 December 2009.
- (iii) The Board of Jinxi Section Steel proposed a final dividend of RMB 104 million in respect of the year ended 31 December 2009. The dividend was not paid yet during the year ended 31 December 2009, which resulted in a payable of RMB 20.8 million to Hui Yin.

Except for the loans provided by Foshan Jin Lan, Hui Yin and Wellbeing and the loan provided to Zhongxing Iron Mine as disclosed above and deposit from Mr. Shen Xiaoling as disclosed in Note 27, the related party balances were all unsecured, interest-free and had no fixed term of repayment.

42. 關聯方交易(續)

(c) 於二零零九年及二零零八年十二月三十一日，董事認為以下關聯方結餘乃因上述關聯方交易、代表本集團已支付的款項及有關年度內的股息分配而產生：(續)

- (i) 根據於二零零七年十一月訂立的若干協議，提供給中興礦業的貸款為人民幣980萬元為無抵押、免息及須於十三個月內償還。截至二零零九年十二月三十一日止年度，已償還該貸款。
- (ii) 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5,500萬元為無抵押、免息及償還期為5年。截至二零零九年十二月三十一日止年度，人民幣1,770萬元之部分貸款已償還。
- (iii) 津西型鋼董事局建議派發截至二零零九年十二月三十一日止年度之末期股息人民幣1.04億元。該股息於截至二零零九年十二月三十一日止年度尚未派付，導致應付滙銀人民幣2,080萬元。

除上述所披露由佛山金蘭、滙銀及Wellbeing所提供的貸款及向中興礦業提供的貸款，以及附註27披露之來自沈曉玲先生之按金外，關聯方結餘均為無抵押、免息及無固定償還期。

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合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2009
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

42. RELATED PARTY TRANSACTIONS (continued)

- (c) As at 31 December 2009 and 2008, the directors were of the view that the following related party balances were attributable to the aforementioned related party transactions, amounts paid on behalf of the Group and dividends appropriation during the years: (continued)

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

	Carrying amounts		Fair value	
	賬面值		公允價值	
	2009	2008	2009	2008
	二零零九年	二零零八年	二零零九年	二零零八年
Amounts due to related parties	37,404	65,055	35,178	58,127

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 applicable borrowings rate of 5.40% per annum (2008: 5.40% per annum).

No provision has been required for the years ended 31 December 2009 and 2008 for the loan made to related parties. The related parties have no default history.

42. 關聯方交易 (續)

- (c) 於二零零九年及二零零八年十二月三十一日，董事認為以下關聯方結餘乃因上述關聯方交易、代表本集團已支付的款項及有關年度內的股息分配而產生：(續)

應付關聯方的非流動款項的賬面值及公允價值如下：

因折現影響不大，應付關聯方的流動款項的公允價值及關聯方借款的公允價值近似於其賬面值。公允價值按折現現金流量計算，並以適用借款年利率5.40厘(二零零八年：每年5.40厘)為基準。

就提供予關聯方的貸款而言，截至二零零九年及二零零八年十二月三十一日止年度毋需計提撥備。關聯方並無拖欠記錄。

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

43. SUBSEQUENT EVENTS

Saved as disclosed elsewhere in these consolidated financial statements, the significant subsequent events of the Group were as follows:

- (i) Pursuant to a land use right transfer agreement dated 5 January 2010, Boyuan Real Estate acquired a land use right in Qianxi County from the local Bureau of Land and Resources, at a cash consideration of approximately RMB 193 million. The useful life of the land use right is 40 to 70 years, depending on the future usage of the land.
- (ii) Pursuant to a capital contribution agreement dated 10 March 2010, Jinxi Limited, Hui Yin, Longba Charging's existing shareholders agreed to reorganise Longba Charging into a joint venture company by introducing new capital contribution of RMB 14,673,913 and RMB 2,934,783 from Jinxi Limited and Hui Yin respectively, and further capital contribution of RMB 9,000,000 from Longba Charging's existing shareholders. Upon completion of the capital contribution, Jinxi Limited, Hui Yin and Longba Charging's existing shareholders will respectively own 45%, 9% and 46% Longba Charging.
- (iii) The Directors have resolved to recommend a final dividend of HK\$ 0.086 per ordinary share for the financial year ended 31 December 2009 to be payable on or around 30 June 2010 to the Company's shareholders whose names appear on the register of members of the Company on 21 April 2010 subject to the approval of the Company's shareholders at the forthcoming annual general meeting on 7 May 2010.

43. 結算日後事項

除本合併財務報表中已披露外，本集團有以下重大結算日後事項：

- (i) 根據於二零一零年一月五日訂立的土地使用權轉讓協議，博遠房地產，以現金代價約人民幣1.93億元，與遷西縣國土資源局購入土地使用權，根據土地的未來用途，土地使用權年期為四十至七十年。
- (ii) 根據於二零一零年三月十日訂立的增資擴股協議，津西鋼鐵、滙銀及龍霸爐料現任股東同意將龍霸爐料重組成一間合營公司，並分別引入津西鋼鐵及滙銀出資人民幣14,673,913元及人民幣2,934,783元，及將龍霸爐料現任股東的註入資本增加人民幣9,000,000元。增資完成後，津西鋼鐵、滙銀及龍霸爐料現任股東將分別持有龍霸爐料的45%、9%及46%的股權。
- (iii) 董事局建議向於二零一零年四月二十一日在冊股東派發截至二零零九年十二月三十一日止年度末期股息每股普通股0.086港元。該股息建議需經即將於二零一零年五月七日舉行的股東週年大會批准，並將於二零一零年六月三十日或前後期間支付。

Notes to the Consolidated Financial Statements

合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

43. SUBSEQUENT EVENTS (continued)

(iv) Settlement of litigations:

Reference is made to the announcement of the Company dated 20 August 2007 (the “Announcement”) and the circular of the Company dated 12 October 2007 (the “Circular”) related to the following litigations.

- (a) On 20 August 2007, the Company and Jinxi Iron and Steel (collectively called the “Plaintiff”) filed a Writ of Summons and a statement of claim against Ms. Chen Ningning (“Ms. Chen”), Pioneer Metals Company Limited (“PMC (HK)”) and Pioneer Metals Holdings Limited (“PMC (BVI)”) (collectively called the “Defendant”) in the High Court of Hong Kong for (1) breach of contract by Ms. Chen, PMC (HK) and PMC (BVI); and (2) non-disclosure of Ms. Chen’s interest in Long King and breach of fiduciary duties by Ms. Chen; and
- (b) On 30 August 2007, Smart Triumph Corporation (the “Plaintiff”) served a notice of requisition on the Company, requiring the Company (the “Defendant”) to convene a special general meeting to consider, among other things, a motion to remove all the Directors, pursuant to the relevant requirements under the Bermuda Law.

The parties to the above proceedings had reached settlements. On 4th February 2010, the High Court of Hong Kong issued a Consent Orders for the aforesaid litigations. Upon the Plaintiffs and the Defendants agreeing to the terms of the Consent Orders, the High Court ordered that the Plaintiff’s action against the Defendants in the aforesaid litigations was wholly discontinued.

43. 結算日後事項(續)

(iv) 訴訟的解決：

關於下列訴訟，謹此提述於二零零七年八月二十日的本公司公告(「該公告」)及日期為二零零七年十月十二日的本公司通函(「該通函」)。

- (a) 於二零零七年八月二十日，本公司及津西鋼鐵(下統稱「起訴人」)向香港高等法院入稟傳訊令狀，並向陳寧寧女士(「陳女士」)、Pioneer Metals Company Limited(「PMC(HK)」)及Pioneer Metals Holdings Limited(「PMC(BVI)」)(下統稱「被告人」)發出申索陳述書，申索(1)陳女士、PMC(HK)及PMC(BVI)違犯合約；及(2)未披露陳女士於Long King的利益及陳女士違犯誠信責任；及
- (b) 於二零零七年八月三十日，Smart Triumph Corporation(「起訴人」)向本公司(「被告人」)發出通知，要求本公司召開股東特別大會，以考慮(除其他事項外)，根據百慕達法律的有關規定罷免全體董事的動議。

上述各方已達致和解。於二零一零年二月四日，香港高等法院就上述訴訟發出同意令。根據上述訴訟的起訴人及被告人同意同意令及其條款，高等法院命令起訴人就上述被告人的訴訟控告行動已完全地停止。

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合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零零九年十二月三十一日止年度

44. APPROVAL OF ACCOUNTS

These consolidated financial statements were approved by the Board on 23 March 2010.

44. 批准賬目

董事局於二零一零年三月二十三日批准本合併財務報表。

Five-year Financial Information 五年財務資料

A summary of the consolidated income statement and of the consolidated assets, liabilities and minority interest of the Group for the last five financial years is as set out below:

Consolidated Income Statement

		Year ended 31 December				
		截至十二月三十一日止年度				
		Audited				
		經審核				
		2009	2008	2007	2006	2005
		二零零九年	二零零八年	二零零七年	二零零六年	二零零五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	20,589,138	19,388,183	13,498,555	9,782,116	9,182,693
Profit before income tax	除所得稅前溢利	1,313,734	113,601	1,450,354	1,233,236	1,004,196
Income tax expense	所得稅費用	(341,293)	(70,643)	(256,617)	(210,886)	(157,081)
Profit for the year	年度溢利	972,441	42,958	1,193,737	1,022,350	847,115
Profit attributable to:	溢利歸屬於：					
Equity holders of the Company	本公司權益持有者	884,323	44,032	1,159,657	1,032,754	846,585
Minority interest	少數股東權益	88,118	(1,074)	34,080	(10,404)	530
		972,441	42,958	1,193,737	1,022,350	847,115

本集團截至前五個財政年度的合併利潤表及合併資產、負債與少數股東權益概要載列如下：

合併利潤表

Consolidated Assets, Liabilities and Minority Interest

		As at 31 December				
		於十二月三十一日				
		Audited				
		經審核				
		2009	2008	2007	2006	2005
		二零零九年	二零零八年	二零零七年	二零零六年	二零零五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	15,189,137	14,136,057	10,162,120	8,221,367	8,152,862
Total liabilities	總負債	(7,728,387)	(7,646,117)	(3,466,016)	(2,619,918)	(3,420,767)
Minority interest	少數股東權益	(291,992)	(224,711)	(147,414)	(122,322)	(138,643)
		7,168,758	6,265,229	6,548,690	5,479,127	4,593,452

合併資產、負債與少數股東權益



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

HONG KONG OFFICE

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

香港辦事處

香港灣仔港灣道23號
鷹君中心9樓
901-2及10室

Tel 電話 : (852) 2511 1369
Fax 傳真 : (852) 2511 1301

BEIJING OFFICE

Suites 2901-3
29th Floor, Full Tower
9 Dongsanhuan Middle Road
Chaoyang District, Beijing, China

北京代表處

中國北京市朝陽區
東三環中路9號
富爾大廈29樓2901-3室

Tel 電話 : (86) 10 8591 0207
Fax 傳真 : (86) 10 8591 0205

* For identification purposes only
僅供識別