



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)

2010

 | Annual Report
年 報

*For identification purposes only
僅供識別

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Financial Highlights 財務摘要

FINANCIAL SUMMARY

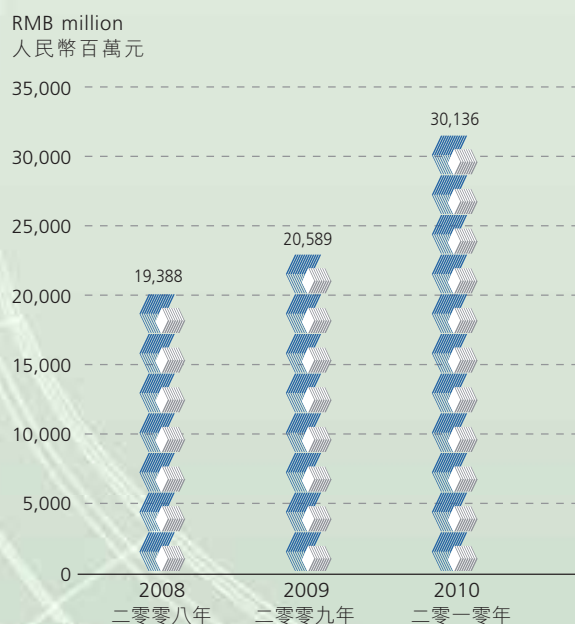
財務摘要

		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)	2010 二零一零年 (RMB million) (人民幣百萬元)
Revenue	收入	19,388	20,589	30,136
Gross Profit	毛利	517	2,006	2,055
EBITDA ¹	扣除所得稅、財務淨成本、 折舊及攤銷前溢利 ¹	754	2,263	2,647
Profit before income tax	除所得稅前溢利	114	1,314	1,613
Profit for the year	年度溢利	43	972	1,185
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	44	884	1,063
Basic earnings per Share (RMB)	每股基本收益(人民幣元)	0.02	0.30	0.36
Net Assets	淨資產值	6,490	7,461	8,520
Total Assets	總資產	14,136	15,189	20,742
Net Assets value per Share (excluding non-controlling interests)	每股淨資產值(除除非控 制性權益)	2.14	2.45	2.75

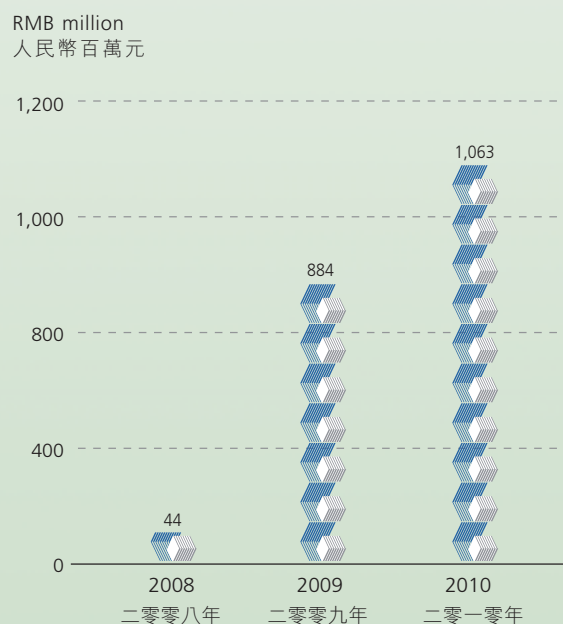
1 The Company defines EBITDA as profit for the year before finance costs-net, amortisation of intangible assets, amortisation of leasehold land and land use rights, income tax expenses and depreciation.

1 本公司對扣除所得稅、財務淨成本、折舊及攤銷前溢利的定義為未扣除財務淨成本、無形資產攤銷、租賃土地及土地使用權攤銷、所得稅費用及折舊前之年度溢利。

Revenue
收入



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

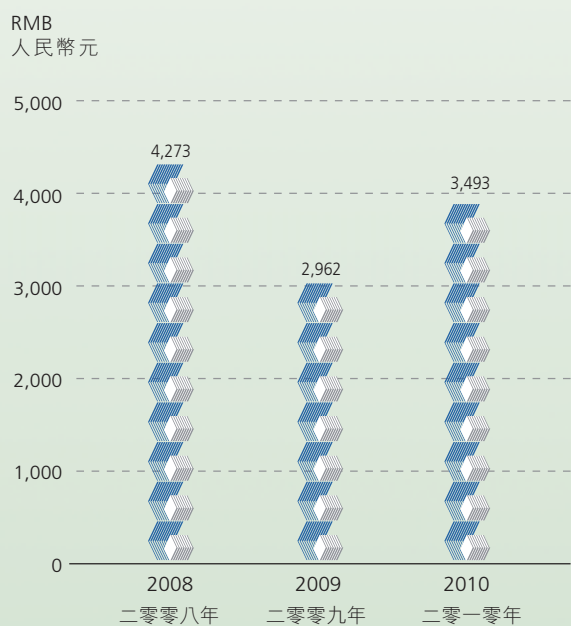


SELLING PRICE AND GROSS PROFIT/(LOSS) PER TONNE

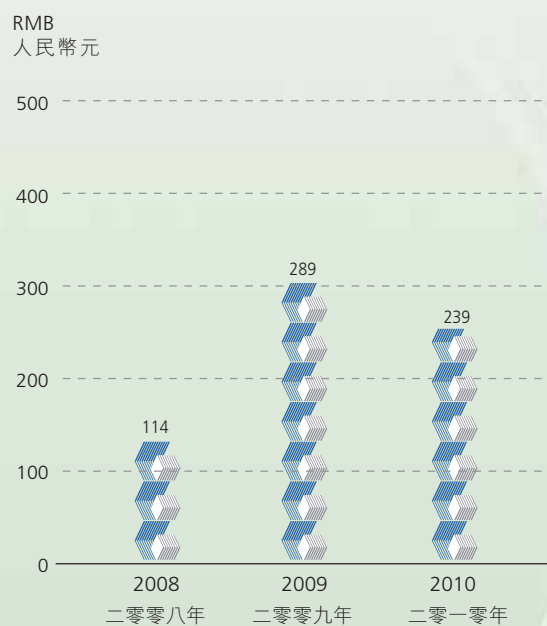
每噸銷售價與毛利／(毛虧)

		2008 二零零八年 (RMB) (人民幣元)	2009 二零零九年 (RMB) (人民幣元)	2010 二零一零年 (RMB) (人民幣元)
Selling Price per Tonne	每噸銷售價	4,273	2,962	3,493
Gross Profit/(Loss) per Tonne	每噸毛利／(毛虧)			
H-section steel products	H型鋼產品	252	285	265
Strips and strip products	帶鋼及帶鋼類產品	99	342	255
Billets	鋼坯	(10)	242	182
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	49	2	195
Combined	綜合	114	289	239

Selling Price per Tonne
每噸銷售價



Gross Profit per Tonne
每噸毛利



Financial Highlights 財務摘要

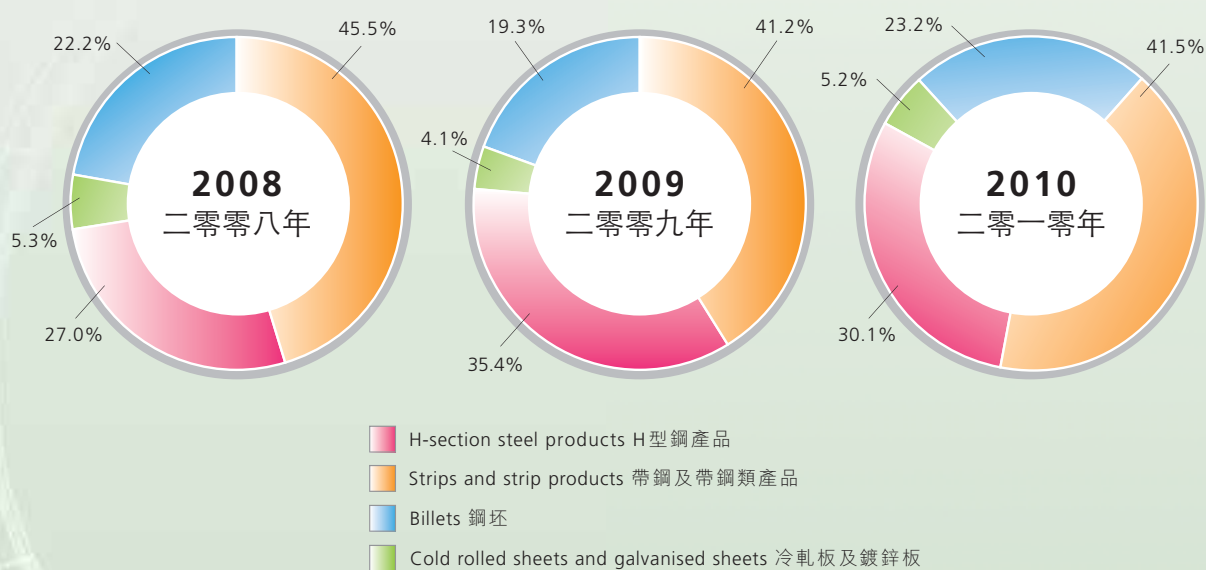
SALES VOLUME BY PRODUCTS

按產品種類劃分之銷量

		2008 二零零八年 ('000 tonnes) (千噸)	2009 二零零九年 ('000 tonnes) (千噸)	2010 二零一零年 ('000 tonnes) (千噸)
H-section steel products	H型鋼產品	1,225	2,460	2,595
Strips and strip products	帶鋼及帶鋼類產品	2,061	2,861	3,580
Billets	鋼坯	1,007	1,341	2,001
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	241	286	452
Combined	綜合	4,534	6,948	8,628

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
(resigned on 24 February 2011)
- Mr. Vijay Kumar Bhatnagar
(appointed on 24 February 2011)

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 (resigned on 14 January 2011)
- Mr. Zhu Hao (appointed on 14 January 2011)
- Mr. Au Yeung Siu Kei

COMPANY SECRETARY

- Mr. Au Yeung Siu Kei

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
(於二零一一年二月二十四日辭任)
- Vijay Kumar Bhatnagar 先生
(於二零一一年二月二十四日委任)

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(於二零一一年一月十四日辭任)
- 朱浩先生(於二零一一年一月十四日委任)
- 歐陽兆基先生

公司秘書

- 歐陽兆基先生

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

AUDITOR

PricewaterhouseCoopers

COMPANY'S WEBSITE

www.chinaorientalgroup.com

PRINCIPAL BANKERS

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

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港主要營業地點

香港灣仔
港灣道23號
鷹君中心9樓901-2及10室

百慕達主要股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited

股份過戶登記處香港分處

卓佳證券登記有限公司

核數師

羅兵咸永道會計師事務所

公司網址

www.chinaorientalgroup.com

主要往來銀行

中國農業銀行
中國銀行
中國建設銀行
中國招商銀行
中國民生銀行
滙豐銀行
中國工商銀行(亞洲)



The Group reported a satisfactory growth in its sales and results for 2010 as compared with that of 2009.

本集團於二零一零年的銷售及業績比二零零九年有較理想的增長。

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF YEAR 2010

OPERATING ENVIRONMENT

The global economy gradually recovered from the financial tsunami and continued to sustain a positive growth momentum in 2010. In the PRC, the government accelerated the approval process and construction progress of infrastructure projects and social housing, leading to a surge in fixed asset investment in 2010, which in turn drove demand for steel in the domestic market.

Steel prices in the PRC fluctuated drastically in 2010. Steel prices peaked in March 2010 and then began to drop by mid-April 2010 and began to stabilize in the fourth quarter of 2010 due to reduction in excess supply. The improved supply-demand balance was attributable to a decrease in steel production volume in China as a result of the State's introduction of energy saving and emission reduction measures in the fourth quarter of 2010.

During the year of 2010, the price of raw materials used in iron and steel production, including iron ore, coke and coal as fuel, rose; however, apart from the price of iron ore, which rose higher than expected, the average price of other raw materials increased within the range of the Group's expectations. The fluctuation in the price of raw materials had, to some extent, exerted pressure on the Group's overall production costs.

管理層討論與分析

二零一零年回顧

經營環境

二零一零年環球經濟保持回穩向好的趨勢，逐漸步出金融風暴的陰霾。國內在政府加快基建項目和保障房屋建設的審批及施工進度，令二零一零年內固定資產投資速度加快，帶動國內市場鋼材需求回升。

國內鋼材價格於二零一零年經歷了大幅起伏。鋼材價格於二零一零年三月份升至最高點，並於二零一零年四月中開始下跌。在鋼材供求逆差收窄下，鋼材價格於二零一零年第四季度開始回穩。受國家於二零一零年第四季度的節能減排政策實施影響，全國的鋼材產量減少，使鋼材產品供求得以平衡及改善。

二零一零年年度內鋼鐵生產的原材料，包括：鐵礦石、焦炭，以至用作燃料的焦煤等均價格有升幅，除鐵礦石的價格升幅較高預期外，其他原材料的平均價格升幅均在本集團的預測之內，原材料價格的波動對本集團的整體生產成本造成一定的壓力。

REVIEW OF OPERATION

During the year of 2010, the Group's management paid close attention to the iron ore and coke markets and closely monitored its inventory level by having regular meetings with its production and purchasing departments, in order to adopt flexible operational strategies to cope with the changes in the iron ore and coke market.

The Group's management had proactively responded to a challenging business environment. Through a stringent cost control mechanism (including setting energy saving and consumption reduction targets in various parts of the production process, as well as enforcing supervision of its expenditure budget), closely monitoring the cyclic changes in the market and adjusting the product mix accordingly, the Group fully utilized its resources and maintained profitability as well as the competitive advantages of the Company.

經營狀況

本集團管理層於二零一零年亦密切留意鐵礦石及焦煤市場，並且通過與生產及採購部門進行定期會議，嚴格監控本集團的存貨水平，以採取靈活的營運策略應對鐵礦石及焦煤市場的變動。

面對充滿挑戰的經營環境，本集團管理層積極發揮應變能力，透過嚴密的成本監控機制(包括於多個生產環節訂立節能及減耗指標，以及嚴格實施支出預算)、注視市場周期的變動和靈活調度生產組合，使本集團資源得到充份有效利用，維持公司的盈利能力和競爭優勢。



REVIEW OF OPERATION *(continued)*

In September 2010, the PRC government imposed strict energy consumption restrictions and steel production volume control on high energy consumption industries. The Group's production base in Tangshan city was also subject to the restrictions under the relevant policies of Hebei Province, the PRC. In order to maintain its overall operational efficiency, the Group adjusted its product mix. During the restriction period, the Group made use of the existing situation to overhaul part of the production facilities and the H-section steel production lines. Such an arrangement had enabled the Group to attain the optimal balance between production efficiency and energy saving. The State's power cuts and emission reduction measures had a minor impact on the Group's production. Such restrictions ended at the end of 2010, and all the production lines of the Group resumed full operations in early 2011. The Group's overall operating results and profitability in 2010 still improved as compared with that of the previous year.

In order to ensure sufficient capital to support its sustainable development, the Group issued 8% senior notes in the aggregate principal amount of US\$550 million and 7% senior notes in the aggregate principal amount of US\$300 million in August 2010 and November 2010 respectively. The proceeds will be used for potential acquisitions of steel mills in China, continuous improvement capital expenditure projects at the Group's current production facilities, potential investments in iron ore assets, general corporate purposes and refinancing the outstanding short-term debts in the PRC. In addition, the issue of the senior notes increased the Group's flexibility in deploying its capital for further development.

BUSINESS REVIEW

During the year of 2010, the sales volume of H-section steel products, strips and strip products, billets, and cold rolled sheets and galvanized sheets reached 2,595,000 tonnes, 3,580,000 tonnes, 2,001,000 tonnes and 452,000 tonnes respectively. Revenue of the Group amounted to RMB 30,136 million (2009: RMB 20,589 million), representing an increase of 46.4% when compared to that of the previous year. The increase in revenue was due to an increase in sales volume from 6,948,000 tonnes in 2009 to 8,628,000 tonnes in 2010, as well as a rise of approximately 17.9% in the average selling price of the Group's products in 2010.

經營狀況(續)

於二零一零年九月份，國家對高耗能的行業實施嚴格能源消耗的限制及鋼產量的管制，其中本集團在唐山市的生產基地亦受到中國河北省的相關政策的限制。為了能維持本集團的整體營運效益，本集團在產品組合方面作出了調整。本集團在該等限制期間亦藉此機會對部分生產設備及H型鋼的生產線作檢修，此等安排令本集團能在生產效益與節能之間取得最優的平衡。國家的限電減排措施對本集團的生產僅有輕微影響。該等限制已於二零一零年年底結束，而本集團的所有生產線亦於二零一一年年初恢復全部投產。而本集團於二零一零年的全年整體經營業績及盈利能力仍比去年有所改善。

為確保有充裕資金支持本集團的持續發展，本集團分別於二零一零年八月及二零一零年十一月發行總額為5.50億美元8%的優先票據及3億美元7%的優先票據。該等收益將用於可能收購中國的鋼鐵廠、持續改善本集團現有生產設施的資本開支項目、可能投資於鐵礦石資產、一般企業用途及為國內未償還的短期債務再融資。此外，發行優先票據有助提升調配資源的靈活性，以應付本集團未來發展的需要。

業務回顧

於二零一零年年度內，本集團銷售的H型鋼產品、帶鋼及帶鋼類產品、鋼坯和冷軋板及鍍鋅板銷售量分別達259.5萬噸、358.0萬噸、200.1萬噸及45.2萬噸。本集團之銷售額為人民幣301.36億元(二零零九年:人民幣205.89億元)，較上年同期有46.4%的升幅。銷售額上升主要由於銷售量由二零零九年的694.8萬噸增加至二零一零年的862.8萬噸，及二零一零年本集團產品的平均銷售價格上升約17.9%。

BUSINESS REVIEW (continued)

During the year of 2010, in response to the rising costs of raw material, the Group took proactive measures to control and reduce costs, and also enhanced operational efficiency. This enabled the Group to maintain a gross profit margin of 6.8%.

The audited profit before tax and profit attributable to equity holders of the Company for 2010 were RMB 1,613 million and RMB 1,063 million respectively, representing increases of 22.8% and 20.2% respectively when compared with those of the previous year.

Located in Qianxi, Tangshan city, Hebei Province, the PRC, Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited") – the Group's main production base, ranked first in China in terms of production and sales volume and export volume of H-section steel products for the second consecutive year. During the year of 2010, the sales volume of H-section steel products of Jinxi Limited was 2,595,000 tonnes.

業績回顧(續)

面對原材料成本上漲，本集團在二零一零年年度內透過有效控制、壓縮成本及提升營運效率，使本集團的毛利率維持於6.8%的水平。

二零一零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16.13億元及人民幣10.63億元，較去年同期分別增長22.8%及20.2%。

本集團位於中國河北省唐山市遷西的主要生產基地－河北津西鋼鐵集團股份有限公司(「津西鋼鐵」)的H型鋼產品的產量、銷量及出口量連續第二年佔國內第一位，於二零一零年津西鋼鐵共銷售H型鋼產品259.5萬噸。



BUSINESS REVIEW (continued)

With the production assets acquired from Tangshan Fengrun Qu Hengfeng Iron and Steel Company Limited and the production facilities leased from Qianxi County Jinxi Wan Tong Ductile Iron Pipe Co., Ltd. in the prior year, the Group's current overall production capacity of crude steel reaches 11 million tonnes per annum.

During the year of 2010, Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Co., Ltd. ("Zhengda Iron and Steel") solidified its market position through adjusting its high value added product mix as well as strengthening the before and after sales service. The Group worked on upgrading the production facilities of Zhengda Iron and Steel with the target to reduce energy consumption and emission during the year of 2010. The Group also planned to raise the electricity self-sufficiency rate of Zhengda Iron and Steel and to further raise its power generation capacity. This will be beneficial to lifting the operating efficiency of Zhengda Iron and Steel in the future.



業績回顧(續)

隨著去年向唐山豐潤區恒豐鋼鐵有限公司購買的生產資產及向遷西縣津西萬通球墨鑄管有限公司租賃的生產設施，本集團的現時整體粗鋼年產能達1,100萬噸。

於二零一零年，河北津西鋼鐵集團正達鋼鐵有限公司(「正達鋼鐵」)通過調整高附加值的產品組合以及加強售前、售後服務，確立了其市場地位。本集團於二零一零年針對節能消耗及減排目標致力對正達鋼鐵的生產設施進行提升。本集團並計劃對正達鋼鐵發電自給率，作進一步提升，這將有利正達鋼鐵未來提升營運效益。



BUSINESS REVIEW (continued)

Foshan Jin Xi Jin Lan Cold Rolled Sheet Co., Ltd. ("Jinxi Jinlan") proactively enhanced its overall product quality, broadened its product variety and market share during the year of 2010. Jinxi Jinlan also improved its management and enhanced its operational efficiency, which resulted in a resumption of profitability in 2010. Jinxi Jinlan's overall sales volume for the year reached 452,000 tonnes. During the year of 2010, Jinxi Jinlan continued to focus on research and development in order to produce value added premium steel products that have wide applications in the home appliance markets. These products will help Jinxi Jinlan further enhance its presence in the Pearl River Delta Region and ensure economic benefits.

During the first half of 2010, the Group purchased a piece of land located in Tangshan city, Hebei Province, the PRC, as a property development project. The project, named "Donghu Bay", has a gross floor area of 310,000 sq m. The Group began phase one construction of the project with construction area at commencement of 114,000 sq m during the year of 2010. The sales centre of the project was completed during the year of 2010 and was ready to carry out pre-sales activities.

In the second half of 2010, the Group acquired 10% equity interests in Tangshan Caofeidian Mining Port Limited. The acquisition will provide a logistics channel for the importation of iron ore to and transportation of the Group, which will reduce the Group's transportation and depot costs and further enhance its competitiveness in China's iron and steel market.

During the year of 2010, the Group actively explored new businesses to broaden its source of revenue, including the potential development of a scrap recycling business and vertical integration in iron and steel production. The proposed scrap recycling business will create substantial synergistic benefits for the Group. At present, large-scale scrap recycling business in China are still at an initial stage of development due to the lack of availability of automotive grade scrap on a major commercial scale. In line with the environmental policies promoted by the State, the relevant business will enable the Group to broaden its scope of business and diversify its existing product portfolio while meeting all environmental compliance standards.

業績回顧(續)

佛山津西金蘭冷軋板有限公司(「津西金蘭」)於二零一零年年度內積極提高整體產品品質，擴大產品種類和市場份額，以及改善管理與提高營運效率，使其於二零一零年扭虧為盈。津西金蘭全年整體銷售量達45.2萬噸。津西金蘭在二零一零年年度內繼續研發各家電市場適用範圍廣闊的附加值精品鋼產品，進一步增強其在珠三角地區市場地位及確保經濟效益。

本集團於二零一零年上半年購入一幅位於中國河北省唐山市的土地，作為房地產開發用途。該個名為「東湖灣」的項目總建築面積達31.0萬平方米。本集團於二零一零年年度內已開始第一期工程建設，開工面積達11.4萬平方米。該項目的銷售中心已於二零一零年年度內落成，為開展預售工作作好準備。

本集團於二零一零年下半年透過收購唐山市曹妃甸礦石碼頭有限公司之10%股權，令本集團進口外礦源與運輸有穩定的物流保障，並減低本集團在運輸及庫存的成本，進一步增強本集團在國內鋼鐵市場的競爭力。

於二零一零年年度內，本集團積極開發新的業務板塊以拓闊收益來源，包括發展廢鐵回收業務，並將在鋼鐵生產上發展完整的產業鏈。對於計劃中的廢鐵回收業務，可以為本集團產生明顯的協同效應。由於未有大型商業規模的汽車回收，目前國內具規模的廢鐵回收公司仍處於起步階段。因應國家推動環保的政策，有關的業務將可為本集團擴闊業務範圍，使現有的產品更趨多元化及符合環保規格。

STRENGTHEN STRATEGIC COOPERATION WITH ARCELORMITTAL

Since ArcelorMittal, the world's largest steelmaker and a major multinational conglomerate, became the Group's strategic shareholder, it has continued to render support to the Group with respect to production technology and professional management.

Apart from participating in major decision making and formulating strategic direction for the Company at board meetings and management committee meetings, representatives of ArcelorMittal also helped the Group in strengthening investor relations and enhancing communication with multinational institutional investors, thereby further boosting the capital market's confidence in the Company.

During the year of 2010, technicians from ArcelorMittal visited the Group's production facilities on a regular basis to offer professional advice and technical support regarding production management and quality enhancement of the Group's products.

鞏固與安賽樂米塔爾策略合作

全球領先的跨國鋼鐵綜合企業安賽樂米塔爾自成為本集團的策略股東後，持續為本集團提供生產技術及專業管理方面的支援。

安賽樂米塔爾代表在本集團董事局及管理委員會會議內除參與了公司的重大決策和釐定策略方針外，並致力協助本集團加強與投資者的聯繫，及增進與跨國機構投資者的溝通，由此進一步加強資本市場對公司的信心。

於二零一零年年度內，安賽樂米塔爾的技術支援人員定期到本集團各廠房，就本集團的生產管理、質量提升方面提供專業意見和技術支持。



Chairman's Statement 主席報告

BUSINESS OPERATION

Sales Volume

In 2010, the Group's total sales volume was 8,628,000 tonnes (2009: 6,948,000 tonnes), representing an increase of approximately 24.2%.

The Group's sales volume breakdown during the year was as follows:

		2010 二零一零年		2009 二零零九年		Changes in Sales volume 銷售量變化
		Sales volume 銷售量		Sales volume 銷售量		
		('000 tonnes) (千噸)		('000 tonnes) (千噸)		
H-section steel products	H型鋼產品	2,595	30.1%	2,460	35.4%	5.5%
Strips and strip products	帶鋼及帶鋼類產品	3,580	41.5%	2,861	41.2%	25.1%
Billets	鋼坯	2,001	23.2%	1,341	19.3%	49.2%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	452	5.2%	286	4.1%	58.0%
Total	合計	8,628	100%	6,948	100.0%	24.2%

During the year of 2010, the Group's production capacity steadily increased to 11 million tonnes per annum through leveraging internal potential and leasing production facilities from external parties in order to cater to the market's growing demand for its products.

營運情況

銷售量

二零一零年本集團總銷售量為8,628,000噸(二零零九年：6,948,000噸)，上升約24.2%。

本集團於有關年度銷售量如下：

於二零一零年年度內，本集團通過內部挖潛和外部租賃生產設施，使年產能穩步提升至1,100萬噸，以滿足市場對產品的上升需求。

BUSINESS OPERATION (continued)

Revenue

Revenues of the Group in 2010 was RMB 30,136 million (2009: RMB 20,589 million), representing an increase of approximately 46.4%.

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

		2010 二零一零年		2009 二零零九年		Changes 變化	
		Average selling Revenue	price average 銷售單價	Revenue	Average selling price average 銷售單價	Revenue	Average selling price average 銷售單價
		(RMB million) (人民幣 百萬元)	(RMB/tonne) (人民幣元/ 噸)	(RMB million) (人民幣 百萬元)	(RMB/tonne) (人民幣元/ 噸)		
H-section steel products	H型鋼產品	9,100	3,507	7,405	3,011	22.9%	16.5%
Strips and strip products	帶鋼及帶鋼類產品	12,385	3,459	8,406	2,938	47.3%	17.7%
Billets	鋼坯	6,604	3,301	3,624	2,703	82.2%	22.1%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	2,047	4,521	1,142	3,990	79.2%	13.3%
Others	其他	-	-	12	-	(100.0%)	-
Total/combined	合計/綜合	30,136	3,493	20,589	2,962	46.4%	17.9%

The increase in revenue was primarily due to an increase in the sales volume of the Group's products and an increase in its average selling price by 17.9% to RMB 3,493 per tonne in 2010 from RMB 2,962 per tonne in 2009. Increase in the sales volume and average selling price of the Group's products was mainly attributable to rising demand driven by the continued improvement in economic conditions in the PRC in 2010 as compared to 2009.

營運情況(續)

銷售額

二零一零年本集團總銷售額為人民幣301.36億元(二零零九年:人民幣205.89億元),增長約46.4%。

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:

銷售額上升主要由於本集團產品的銷售量上升及平均銷售單價較二零零九年的每噸人民幣2,962元上升17.9%至二零一零年的每噸人民幣3,493元。本集團產品的銷售量及平均銷售單價上升主要由於二零一零年中國整體經濟狀況較二零零九年持續好轉因而帶動需求量上升所致。

Chairman's Statement 主席報告

BUSINESS OPERATION (continued)

Cost of Sales and Gross Profit

The audited consolidated gross profit of the Group in 2010 was RMB 2,055 million (2009: RMB 2,006 million), representing an increase of 2.4%. Gross profit margin was approximately 6.8% (2009: 9.7%).

Average cost per tonne, gross profit per tonne and gross profit margin of the Group during the year were as follows:

		2010 二零一零年			2009 二零零九年		
		Average unit cost 平均 成本單價 (RMB/tonne) (人民幣元/ 噸)	Gross profit per tonne 每噸毛利 (RMB) (人民幣元)	Gross profit margin 毛利率	Average unit cost 平均 成本單價 (RMB/tonne) (人民幣元/ 噸)	Gross profit per tonne 每噸毛利 (RMB) (人民幣元)	Gross profit margin 毛利率
H-section steel products	H型鋼產品	3,242	265	7.5%	2,726	285	9.5%
Strips and strip products	帶鋼及帶鋼類產品	3,204	255	7.4%	2,596	342	11.6%
Billets	鋼坯	3,119	182	5.4%	2,461	242	9.0%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	4,326	195	4.3%	3,988	2	0.1%
Total	合計	3,254	239	6.8%	2,673	289	9.7%

The gross profit per tonne of the Group's products in 2010 was RMB 239, representing a decrease of approximately 17.3% as compared to the gross profit per tonne in 2009. Gross profit margin decreased to 6.8% in 2010 from 9.7% in 2009. Decrease in gross profit margin was primarily due to increase in raw material price and the decrease in selling prices on account of weaker market demand in the second half of 2010.

營運情況(續)

成本及毛利

二零一零年本集團的經審核綜合毛利為人民幣20.55億元(二零零九年：人民幣20.06億元)，上升2.4%。毛利率為約6.8%(二零零九年：9.7%)。

本集團於有關年度每噸平均成本，每噸毛利及毛利率如下：

二零一零年本集團產品每噸毛利為人民幣239元，比二零零九年的每噸毛利下跌約17.3%。毛利率由二零零九年的9.7%下跌至二零一零年的6.8%。毛利率下跌主要由於二零一零年下半年的原材料價格上升及市場需求轉弱導致銷售單價下跌。

FINANCIAL REVIEW

Liquidity and Financial Resources

In order to sustain a stable financial status, the Group closely monitors its liquidity and financial resources.

As at 31 December 2010, the Group had unutilised banking facilities of approximately RMB 4.8 billion (2009: RMB 4.7 billion).

As at 31 December 2010, the current ratio of the Group, representing current assets divided by current liabilities, was 2.0 (2009: 1.0) and the gearing ratio, representing total liabilities divided by total assets, was 58.9% (2009: 50.9%).

As at 31 December 2010, the cash and cash equivalents of the Group amounted to RMB 2,223 million (2009: RMB 644 million).

After considering its cash and cash equivalents as well as the banking facilities currently available to the Group, it is believed that the Group has sufficient capital to fund its future operations and for general business expansion and development.

Capital Structure

As at 31 December 2010, most of the borrowings of the Group bore fixed interest rates and the Group's exposure to changes in market interest rates was limited. The Group did not use any derivatives to hedge its exposure to interest rate risk for the years ended 31 December 2010 and 2009.

Moreover, most of the borrowings of the Group as at 31 December 2010 were non-current with maturity over 4 years.

財務回顧

資金流動性及財務資源

本集團密切監察流動資金及財政資源，以保持穩健的財政狀況。

於二零一零年十二月三十一日，本集團的可用銀行授信額度為約人民幣48億元（二零零九年：人民幣47億元）。

於二零一零年十二月三十一日，本集團的流動比率（流動資產除以流動負債）為2.0倍（二零零九年：1.0倍）及資產負債比率（總負債除以總資產）為58.9%（二零零九年：50.9%）。

於二零一零年十二月三十一日，本集團的現金及現金等價物為人民幣22.23億元（二零零九年：人民幣6.44億元）。

考慮目前本集團所持有之現金及現金等價物及可用銀行授信額度後，相信本集團擁有充足的資金應付未來之業務運作及一般業務擴充和發展之資金需要。

資本結構

於二零一零年十二月三十一日，本集團的大部份借款為固定利率且本集團對市場利率變化的風險為有限的。本集團截至二零一零年及二零零九年十二月三十一日止年度並無使用衍生工具對沖其利率風險。

此外，於二零一零年十二月三十一日，本集團大部分的借款的還款期為非即期且超過四年。

FINANCIAL REVIEW (continued)

Capital Structure (continued)

The Group monitors its capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by total capitalisation. Total debt includes current and non-current borrowings, finance lease obligations and borrowings from related parties. The Group regards its non-current borrowings, non-current portion of its finance lease obligations and borrowings from related parties and its equity attributable to owners of the parent as its total capitalisation. As at 31 December 2010, the debt-to-capital ratio of the Group was 51.2% (2009: 41.2%).

The consolidated interest expenses and capitalised interests in 2010 amounted to RMB 308 million (2009: RMB 176 million). The interest coverage (divide earnings before interests and taxes by total interest expenses) was 5.7 times (2009: 8.0 times).

Capital Commitments

As at 31 December 2010, the Group had capital commitments of RMB 1.98 billion (2009: RMB 2.95 billion). It is estimated the capital commitments will be financed by funds from the Group's internal resources and senior notes and the Directors will adjust the capital commitments depending on the future strategy for development of the Group.

Guarantees and Contingent Liabilities

As at 31 December 2010, the Group's contingent liabilities amounted to RMB 30 million (2009: RMB 30 million), which was the provision of guarantee for bank borrowings in favour of a third party.

財務回顧(續)

資本結構(續)

本集團根據債項與資本比率監察資本狀況。債項與資本比率為債項總額除以總資本。債項總額包括流動及非流動借款、融資租賃負債及關聯公司借款。本集團將其非流動借款、融資租賃負債及關聯公司借款的非流動部份及歸屬於本公司權益持有人的權益視為本集團的總資本。於二零一零年十二月三十一日，本集團的債項與資本比率為51.2%（二零零九年：41.2%）。

二零一零年綜合利息支出（含資本化利息支出）共人民幣3.08億元（二零零九年：人民幣1.76億元）。利息盈利倍數（扣除利息支出和稅項支出前溢利除以利息支出）為5.7倍（二零零九年：8.0倍）。

資本性承諾

於二零一零年十二月三十一日，本集團的資本性承諾為人民幣19.8億元（二零零九年：人民幣29.5億元）。預計將由本集團自有資金及發行優先票據的資金所融資，本公司董事將根據集團的未來策略發展調整現有資本承諾。

擔保及或然負債

於二零一零年十二月三十一日，本集團的或然負債為人民幣0.30億元（二零零九年：人民幣0.30億元），為替第三方作銀行借貸擔保。

FINANCIAL REVIEW (continued)

Pledge of Assets

As at 31 December 2010, the net book value of the Group's property, plant and equipment amounting to approximately RMB 175 million (2009: approximately RMB 1,463 million), land use rights amounting to approximately RMB 23 million (2009: approximately RMB 61 million), inventories amounting to approximately RMB 89 million (2009: approximately RMB 67 million), notes receivable amounting to approximately RMB 55 million (2009: approximately RMB 102 million) and restricted bank balances amounting to approximately RMB 160 million (2009: approximately RMB 342 million) had been pledged as security for issuing notes payable of the Group and the Group's banking facilities.

Exchange Risks

The Group's foreign exchange risk primarily arises from the Group's importing and exporting activities and the Group's senior notes which are denominated in USD. However, as the Group mainly operates in the PRC with most of the transactions denominated and settled in RMB, it is believed that the Group does not expose to significant foreign exchange risks and the Group has not used any derivatives to hedge its exposure to foreign exchange risk for the years ended 31 December 2010 and 2009.

Dividends

The Board proposed a final dividend of 10.7 HK cents per ordinary share for the year ended 31 December 2010 amounting to approximately HK\$ 313 million (approximate to RMB 267 million) subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company (the "Annual General Meeting") on 16 May 2011. The proposed final dividend, if approved by the Company's shareholders at the Annual General Meeting, will be paid on or before 30 June 2011 to those Company's shareholders whose names appear on the register of members of the Company on Monday, 16 May 2011.

財務回顧(續)

資產抵押

於二零一零年十二月三十一日，本集團賬面淨值約人民幣1.75億元(二零零九年：約人民幣14.63億元)的物業、廠房及設備，約人民幣0.23億元(二零零九年：約人民幣0.61億元)的土地使用權，約人民幣0.89億元(二零零九年：約人民幣0.67億元)的存貨，約人民幣0.55億元(二零零九年：約人民幣1.02億元)的應收票據及約人民幣1.60億元(二零零九年：約人民幣3.42億元)的受限制銀行結餘，已作為本集團開出銀行承兌匯票及本集團銀行授信的抵押品。

匯率風險

本集團之外匯風險主要是來自本集團的進口及出口業務及是由以美元計值之優先票據。雖然如此，由於本集團的主營業務是在中國及大多數交易均以人民幣計值及結算，相信本集團並未面臨重大外匯風險及本集團於截至二零一零年及二零零九年十二月三十一日止年度並無利用任何衍生工具對沖外匯風險。

股息

董事局建議派發截至二零一零年十二月三十一日止年度的末期股息約3.13億港元(約人民幣2.67億元)，即每股普通股10.7港仙。該等股息建議需於二零一一年五月十六日的本公司股東週年大會(「股東週年大會」)上由本公司股東批准。建議的末期股息，如獲本公司的股東在股東週年大會上批准，將於二零一一年六月三十日或之前向於二零一一年五月十六日(星期一)名列在本公司的股東名冊內之本公司的股東派發。

FINANCIAL REVIEW (continued)

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.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2010, the Group had a workforce of approximately 13,000 and temporary staff of approximately 3,000. 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 1.5% of the workers' wages to the Social Insurance Bureau. 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 "2010 China Quality and Credible Enterprise" by the market research center of The China Association of Quality Promotion in March 2010. Also, in September 2010, the Group was named a "Trustworthy Enterprise in Hebei Province" by the selection committee.

Mr. Han Jingyuan, the Chairman of the Company, had been named "Outstanding Green Entrepreneur" by the magazine, Environmental Protection, in April 2010 for his dedication to promoting environmental practices.

財務回顧(續)

結算日後事項

除已於本集團的本報告披露者外，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情。

人力資源及薪酬政策

於二零一零年十二月三十一日，本集團僱用員工約13,000人及臨時工人約3,000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並按員工發放工資的1.5%上繳社保部門。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，與本集團質量控制及成本控制目標一致。

公司及管理層取得的榮譽

本集團於二零一零年三月份獲《中國質量萬里行》市場調查中心頒發「2010年度中國質量信用企業」殊榮。並於二零一零年九月份獲河北省誠信企業評選委員會評選為「河北省誠信企業」。

本公司董事局主席韓敬遠先生積極推動企業投入環保事業，於二零一零年四月獲環境保護雜誌社評選為「環境保護優秀企業家」。

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, the distributable profit of the PRC respective subsidiaries of the Company 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.

INVESTOR RELATIONS

The Company maintained close contact with its investors during the year of 2010. The Company not only made 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, but also held regular meetings with investors, updating them on the Group's business development and industrial trend. In addition, members of the senior management of ArcelorMittal who were appointed as Directors of the Company actively participated in investor relations activities and, together with other members of the Group's management, attended investors' seminars, as well as one-to-one analyst meeting.

In 2010, the Group actively participated in large-scale investment promotion seminars organized by major investment banks, enhancing investors' understanding and confidence in the Company. Also, the Group arranged factory tours for the investors to visit to Foshan Jinxi Jinlan plant and Tangshan Qianxi production bases of the Group in the PRC.

All such activities helped to promote investors' understanding of the Group while allowing us to understand more about the opinions and expectations of investors. In future, the Group will further its effort to maintain close contact and effective interactive communication with investors.

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，本公司在中國境內的相關子公司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

本公司在二零一零年年度內與投資者維持緊密的溝通，本公司除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本公司信息，以增強本公司的透明度，同時定期接觸投資者，介紹本集團業務發展和更新行業趨勢。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投資者研討會以及單對單分析員會議等。

於二零一零年，集團積極參與了由各大投行安排的大型投資推介會議，增進投資者對公司的瞭解和信心。本集團還安排投資者參觀本集團位於中國之佛山津西金蘭廠房及唐山遷西生產基地。

以上活動有助促進投資者對本集團瞭解的同時，亦有幫助我們更有效掌握投資者的意見和期望。在未來本集團會繼續維持與投資者的密切溝通和良性互動。

FUTURE PROSPECTS

Steel demand is expected to be fueled by the commencement of the Twelfth Five-year Plan of the PRC government, the development of Northwest China and the revitalization of Northeast China's traditional industrial base. In addition, the escalated development of alternative sources of energy, cutting-edge industrial machinery/equipment, Euro3 standard compliant automobiles as well as a renewed focus on environmental protection and energy saving measures by the State will increase steel consumption. Moreover, the accelerated construction of high-speed railway will bring business opportunities for the Group's H-section steel which is used in steel poles supporting overhead contact wires for high speed railway lines.

The economic environment in 2011 will remain complicated and volatile. Driven by domestic inflation and a comparative shortage of resources supply, the prices of various raw materials including iron ore, coke and coal are expected to surpass those in 2010. Although the Group experienced an increase in the raw materials costs during January 2011 and February 2011, the Group has benefited from strong demand for its products from the market in the first two months of 2011, which helped the Group to maintain profitability despite the increase in the raw materials costs. The management of the Group anticipates that the operating results of the Group in the first half of 2011 will be promising.

In addition, various projects on harnessing residue heat power generated from sintering operations and emission reduction in the production bases of the Group will be gradually completed in or after 2011. The completion of these facilities will significantly reduce energy consumption and mitigate the upward pressure on raw materials and energy costs. Apart from effective energy cost control, these facilities can substantially reduce pollutant emission during the production process, leading to an improved community environment within the precincts of the plant.

The State has imposed strict regulations on the expansion of steel production capacities and implemented measures to speed up the elimination of backward production capacities, with a goal of accelerating consolidation in the steel industry. Such measures have created opportunities for mergers and acquisitions. In 2011, the Group will proactively identify suitable targets for mergers and acquisitions to effectively enhance its overall production capacity.

未來展望

我們預期隨著國家「十二•五」計劃的開展，開發中國的大西北和東北老工業基地的各項工程將有利拉動鋼材需求。另一方面，國家逐步發展新能源、高端工業機械裝備、符合歐盟三期標準的汽車、節能環保等行業將大大提升對鋼材的消耗；其中加速建設高速鐵路將用於電氣化高鐵接觸網支柱用熱軋之本集團之H型鋼帶來商機。

二零一一年經濟環境仍然複雜多變。在國內通脹壓力及資源供應相對短缺情況下，各類原材料包括：鐵礦石、焦炭，以及焦煤價格，預計均較二零一零年為高。雖然本集團在二零一一年一月及二月份承受了原材料成本上漲的影響，但本集團在二零一一年首兩月亦受惠於市場對本集團產品的強勁需求，使本集團仍能保持盈利能力以應付原材料成本的上漲。本集團管理層預計本集團於二零一一年上半年的營運業績前景可觀。

此外，本集團生產基地的多項燒結餘熱發電及減排項目將陸續在二零一一年或以後落成。這些設備的投產將有助顯著減低能耗，並舒緩原材料及能源成本上升的壓力。除了有效控制能源成本外，這些設施可大幅減少生產過程中的污染物排放，有利改善廠區所在社區的環境。

國家為加快鋼鐵產業的整合，實施嚴格規管鋼鐵產能擴張及加快淘汰落後產能政策，為併購帶來機遇。於二零一一年，本集團正積極尋找合適的併購項目，以具效益的方式提升整體產能。

FUTURE PROSPECTS (continued)

In 2010, the Group diversified its business and investment through participating in a property development project in Tangshan city, Hebei Province, the PRC. The area of phase one construction of the project to be completed in 2011 is expected to reach 76,000 sq m. Sale of the aforementioned completed area will commence in 2011.

In addition, the Group will continue to explore opportunities to expand its business portfolio and broaden its source of revenue through enlarging its scope of business.

Since its listing in 2004, the Group has continued to expand its business, diversify its product categories and business portfolio. During the last 7 years (since being listed), the Group's overall crude steel production capacity has increased to 11.0 million tonnes per annum from 3.1 million tonnes per annum at the time of the listing. Its product portfolio has grown from billets to a variety of steel product series – each in a comprehensive range of products and is available in different specifications. These product series include: H-section steel products, strips and strip products, billets and cold rolled sheets and galvanized sheets. Moreover, the H-section steel of the Group commands a leading position in China. The Group has been gradually diversifying its business. In addition to expanding its supply chain through upstream and downstream integration, the Group has also expanded horizontally by tapping into other business sectors. The Group will strive to take full advantage of the current solid financial condition and efficient management to intensify the continuous development of the Group and to maximize the shareholders' value.

APPRECIATION

The Group's encouraging results in 2010 were attributable to support from its staff and shareholders. The Board would like to take this opportunity to extend its deepest gratitude to its staff and shareholders. The Group will continue to pursue steady and sustainable growth in 2011 with the support of its staff, and create value for its shareholders.

On behalf of the Board

China Oriental Group Company Limited

Han Jingyuan

Chairman and Chief Executive Officer

Hong Kong, 18 March 2011

未來展望(續)

本集團在二零一零年透過在中國河北省唐山市參與房地產項目開發，實現業務及投資多元化，預期在二零一一年該項目第一期竣工面積為7.6萬平方米，上述竣工面積將在二零一一年推售。

此外，本集團將繼續尋求透過業務領域擴張的機遇，擴大業務平台，和擴闊營業收入來源。

本集團自二零零四年上市以來，不斷壯大業務規模和擴闊產品種類和業務組合。在短短七年間，本集團的整體粗鋼年產能已由上市時的310萬噸提升至現時的1,100萬噸。產品種類由以生產鋼坯為主，延伸至全規格完整系列的鋼材產品包括：H型鋼產品、帶鋼及帶鋼類產品、鋼坯和冷軋板及鍍鋅板；其中由本集團生產的H型鋼更是處於全國領先地位。本集團的業務亦逐步邁向多元化，除了在本行業的產業鏈實行上、下游伸延外，亦開始向其他業務領域進行多元化擴展。本集團致力充份有效運用本集團現有的穩健財政和高效的管理模式，推動本集團的持續發展，實現股東價值最大化。

感謝

有賴本集團員工和廣大股東對本集團的支持，本集團於二零一零年取得了良好的表現，董事局藉此機會衷心感謝本集團全體員工以及股東。在二零一一年，本集團將繼續保持穩健發展，與員工共同進步，與股東共享豐盛回報。

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，二零一一年三月十八日

* 僅供識別

EXECUTIVE DIRECTORS

Mr. Han Jingyuan, aged 54, 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"), Hebei Jinxi Iron and Steel Group Zhangda Iron and Steel Co., Ltd. ("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 1986 when he was employed as a deputy mine manager and mine manager of Han'erzhuang Iron Mine. Mr. Han has in-depth industry knowledge and 26 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, a vice chairman of Hebei Province Entrepreneur Association and a vice chairman of Hebei Hong Kong Chamber of Commerce. Mr. Han is the director and the controlling shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company.

Mr. Zhu Jun, aged 47, an Executive Director, Executive Deputy General Manager of the Company, also serves as the Chief Operating Officer of the Company 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. Mr. Zhu has had over 17 years of working experience in the iron and steel industry.

執行董事

韓敬遠先生，五十四歲，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」）、河北津西鋼鐵集團正達鋼鐵有限公司（「正達鋼鐵」）及東方英豐租賃有限公司（「深圳租賃」）的董事會主席。彼於一九九四年在人民大學畢業，取得管理學位。韓先生於一九八六年在漢兒莊鐵礦出任副礦長及礦長等職務，開始冶金事業。韓先生為資深業內人士，在鋼鐵業累積二十六年的營運及管理經驗。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、河北省企業家協會副會長及河北省香港商會副會長職務。韓先生為本公司的控股股東 Wellbeing Holdings Limited 的董事及控股股東。

朱軍先生，四十七歲，本公司的執行董事、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。朱先生在鋼鐵業累積了超過十七年經驗。

EXECUTIVE DIRECTORS (continued)

Mr. Liu Lei, aged 55, is an Executive Director and Deputy General Manager of the Company and director of Jinxi Jinlan. Mr. Liu has over 23 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.

Mr. Shen Xiaoling, aged 50, is an Executive Director, Deputy General Manager and Chief Financial Officer of the Company and also serves as an executive director 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 the head of China Construction Bank Luanxian Sub-branch. Mr. Shen also had 5 years experience acting as the 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 the deputy general manager of Jinxi Limited since January 2002.

Mr. Zhu Hao, aged 44, 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.

Mr. Muktesh Mukherjee, aged 38, is an Executive Director and Deputy General Manager of the Company. Mr. Mukherjee was appointed as an Executive Director of the Company on 2 January 2009. Mr. Mukherjee graduated from McGill University in Montreal, Quebec, Canada in 1998 with a Masters degree in Business Administration.

執行董事(續)

劉磊先生，五十五歲，本公司的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二十三年的經驗。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。

沈曉玲先生，五十歲，本公司的執行董事，副總經理兼首席財務官及津西鋼鐵的執行董事。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。

朱浩先生，四十四歲，本公司的執行董事，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年初期間，朱先生為津西鋼鐵非執行董事。

Muktesh Mukherjee先生，三十八歲，本公司的執行董事兼副總經理，Mukherjee先生於二零零九年一月二日獲委任為本公司的執行董事。Mukherjee先生於一九九八年在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。

EXECUTIVE DIRECTORS (continued)

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 become director for sales and marketing, long products and plate of ArcelorMittal International in Chicago, USA. Currently, Mr. Mukherjee is the general manager of ArcelorMittal China responsible for overseeing the relationship with the Company on behalf of ArcelorMittal. Mr. Mukherjee was once a director of Hunan Valin Iron and Steel Company Limited ("Hunan Valin").

NON-EXECUTIVE DIRECTORS

Mr. Ondra Otradovec, aged 42, is a Non-Executive Director of the Company. Mr. Otradovec graduated from State University of New York in Stony Brook with a Bachelor of Finance degree. Previously, he worked at HSBC Investment Bank and was responsible for corporate finance work in emerging markets. During that period, he provided advisory service to Mittal Steel 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 the vice president of Global Merger & Acquisition at ArcelorMittal. Mr. Otradovec was also involved in acquisition of Hunan Valin Steel Tube & Wire Company Limited ("Valin Steel") and serves as a director of Valin Steel since 18 November 2005.

Mr. Jean-Paul Georges Schuler, aged 54, is a Non-Executive Director of the Company. Mr. Schuler graduated from University of Karlsruhe, Germany and holds a Master of Science in Mechanical Engineering. He was an 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 was appointed 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 Europe and African Markets.

執行董事 (續)

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，彼加入加拿大米塔爾為市場經理及其後調任位於美國芝加哥的安賽樂米塔爾國際的長形鋼材產品和鋼板的市場銷售董事。現時，Mukherjee 先生為安賽樂米塔爾中國的總經理，專責處理安賽樂米塔爾與本公司之關係。Mukherjee 先生亦曾任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，四十二歲，本公司非執行董事。Otradovec 先生畢業於紐約州斯托尼布魯克的紐約州立大學並獲得金融學士學位。過去，彼曾任職滙豐銀行投資銀行，負責新興市場的企業融資工作。在滙豐銀行工作期間，Otradovec 先生為 Mittal Steel 收購捷克共和國的 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 先生負責安賽樂米塔爾的合併和收購工作。Otradovec 先生現時為安賽樂米塔爾環球收購和合併的副總裁。Otradovec 先生曾參與收購湖南華菱管線股份有限公司（「華菱鋼鐵」）及由二零零五年十一月十八日起出任為華菱鋼鐵的董事。

Jean-Paul Georges Schuler 先生，五十四歲，本公司非執行董事。Schuler 先生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 先生的專業歷程始於安賽樂米塔爾 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的首席運營官。於一九九六年末，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。

NON-EXECUTIVE DIRECTORS (continued)

From 2000 to 2005, Mr. Schuler was the managing director of the Arcelor Regional Sales Organization in Istanbul, Turkey. Mr. Schuler was appointed the 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 the 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. Mr. Schuler was also appointed deputy general manager, director and chief operating officer of Hunan Valin in July 2008.

Mr. Schuler resigned as a Non-Executive Director of the Company with effect from 24 February 2011.

Mr. Vijay Kumar Bhatnagar, aged 63, holds a bachelor's degree in Metallurgical Engineering and is an alumnus of AMP of Harvard Business School. He is currently the executive vice president and member of management committee of ArcelorMittal, an associate of the substantial shareholder (as defined in the Listing Rules) of the Company, and the chief executive officer of ArcelorMittal in India and China. Prior to his current assignment, he was the chief executive officer of ArcelorMittal Eastern Europe (Poland, Czech Republic and Romania). Previously, he served as the chief executive officer of Mittal Steel Poland and the chief operating officer of Mittal Steel Temirtau, Kazakhstan and the managing director of Mittal Steel Lazaro Cardenas, Mexico. Mr. Bhatnagar has over 34 years of experience in line and staff functions in aluminum and electronics industries in India, working for Indal (the subsidiary of Alcan) as the vice president Human Resources, Environment and Community Development and AT&S India (the subsidiary of AT&S Austria) as the managing director and chief spokesperson. Mr. Bhatnagar was also appointed a director of Hunan Valin since January 2011.

Mr. Bhatnagar was appointed as a Non-Executive Director of the Company with effect from 24 February 2011.

非執行董事(續)

於二零零零年至二零零五年期間，Schuler先生擔任安賽樂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先生擔任安賽樂長材業務高級副總裁，並參與了萊鋼/安賽樂在中國萊蕪市的項目。

於二零零七年，Schuler先生擔任安賽樂米塔爾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先生擔任安賽樂米塔爾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、董事及首席運營官。

Schuler先生自二零一一年二月二十四日起生效辭任本公司的非執行董事。

Vijay Kumar Bhatnagar先生，六十三歲，持有冶金工程學士學位，及曾在哈佛商學院高級管理課程學習。彼現任職安賽樂米塔爾執行副總裁及管理委員會成員。安賽樂米塔爾為本公司主要股東之聯繫人(定義見上市規則)。彼同時兼任安賽樂米塔爾印度區及中國區首席執行官。在擔任現時職位以前，彼曾是安賽樂米塔爾東歐區(波蘭、捷克共和國、羅馬尼亞)之首席執行官。過去，他是米塔爾鋼鐵波蘭區首席執行官。彼也曾擔任米塔爾鋼鐵米爾套(哈薩克斯坦)之首席運營官以及米塔爾鋼鐵拉薩羅卡德納斯(墨西哥)之董事總經理。Bhatnagar先生在印度的鋁行業和電子行業的生產和人力資源領域有超過三十四年的經驗。彼曾為印度英達爾鋁業(加拿大鋁業子公司)人力資源及環境和社會發展副總裁，彼也曾擔任奧特斯印度區(奧特斯奧地利公司子公司)的之董事總經理及首席發言人。自二零一一年一月起，Bhatnagar先生亦出任為湖南華菱的董事。

Bhatnagar先生自二零一一年二月二十四日起生效獲委任本公司的非執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Gao Qingju, aged 74, is an Independent Non-Executive Directors of the Company and 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 地方鋼鐵企業協議 (The Regional Iron and Steel Enterprises Association) during employment and some time after retirement.

Mr. Yu Tung Ho, aged 64, is an Independent Non-Executive Directors of the Company. He currently serves as senior vice president of Phoenix Satellite Television Company Limited. Mr. Yu is a senior influential media professional in Hong Kong and China and has been in broadcasting for more than 39 years. Mr. Yu was a director and the chief operation officer of Asia Television Limited, the executive vice president of Phoenix Satellite Television Company Limited 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 and the chief of Radio Guangdong and the independent non-executive director of Gome Electrical Appliances Holdings Limited.

獨立非執行董事

高清舉先生，七十四歲，本公司獨立非執行董事。彼為高級工程師，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。

余統浩先生，六十四歲，本公司獨立非執行董事，現任鳳凰衛視有限公司資深副總裁，是中港兩地有影響力的資深傳媒人。彼從事傳媒事業三十九年，曾出任香港亞洲電視有限公司董事及營運總裁、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的獨立非執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Wong Man Chung, Francis, aged 46, is an Independent Non-Executive Directors of the Company. He is a Certified Public Accountant (Practising) and has over 22 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 and Association of Chartered Certified Accountant of the United Kingdom, a Certified Tax Advisor of Taxation Institute of Hong Kong. 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)

黃文宗先生，四十六歲，本公司獨立非執行董事。彼為為一名執業會計師，於審計、稅務、管理及財務策劃方面有超過二十二年經驗。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。黃先生並曾出任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。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及英國特許公認會計師公會資深會員、香港稅務學會之註冊稅務師，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

Mr. Yu Jianshui, aged 43, is a 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 2009. He joined the Group after graduation until May 2005 and had over 19 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 2006 and was also appointed a general manager in September 2006. In 2008, Mr. Yu transferred to Zhengda Iron and Steel as a general manager. Mr. Yu has been a general manager of Jinxi Limited since October 2009.

Mr. Au Yeung Siu Kei, aged 35, is the Financial Controller and Company Secretary of the Company. Mr. Au Yeung is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Au Yeung graduated from the Chinese University of Hong Kong with a Bachelor Degree in professional accounting. Prior to joining the Company, Mr. Au Yeung has worked for an international accounting firm for over 9 years.

高級管理人員

于建水先生，四十三歲，現任津西鋼鐵總經理。于先生畢業於河北理工大學鋼鐵冶金專業，二零零九年取得北弗吉尼亞大學的工商管理碩士學位。自參加工作以來至二零零五年五月，一直在本集團工作，擁有超過十九年管理經驗。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，及後於二零零六年加盟津西金蘭，二零零六年九月起任職總經理。二零零八年調任到正達鋼鐵任總經理。于先生於二零零九年十月調任津西鋼鐵的總經理。

歐陽兆基先生，三十五歲，本公司的財務總監兼公司秘書。歐陽先生為英國特許公認會計師公會的資深會員及香港會計師公會會員。歐陽先生畢業於香港中文大學，持有專業會計學位。彼在加入本公司前，曾在一家國際會計師事務所工作超過九年。

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 of the Company. 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 throughout the year ended 31 December 2010, 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*)

Non-Executive Directors

Mr. Ondra Otradovec

Mr. Jean-Paul Georges Schuler
(*resigned on 24 February 2011*)

Mr. Vijay Kumar Bhatnagar
(*appointed on 24 February 2011*)

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 29.

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本公司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，於截至二零一零年十二月三十一日止整個年度，董事局認為本公司已遵守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*)

非執行董事

Ondra Otradovec 先生

Jean-Paul Georges Schuler 先生
(*於二零一一年二月二十四日辭任*)

Vijay Kumar Bhatnagar 先生
(*於二零一一年二月二十四日獲委任*)

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29頁。

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;
- Ensuing 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 under review, twenty board meetings were held and the principal business transacted included approving interim and annual results and reports, approving the issue of senior notes, assessing business development and business performance and implementation. The attendance record of each Director for the year ended 31 December 2010 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. Zhu Hao	朱浩先生
Mr. Muktesh Mukherjee	Muktesh Mukherjee 先生
Mr. Jean-Paul Georges Schuler	Jean-Paul Georges Schuler 先生
Mr. Ondra Otradovec	Ondra Otradovec 先生
Mr. Gao Qingju	高淸舉先生
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。於回顧年度內，董事局共召開二十次會議，已處理之主要事項包括批准中期及末期業績和報告、批准發行優先票據、評估業務發展和表現及落實細節。各董事於截至二零一零年十二月三十一日止年度之出席情況如下：

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

20/20
19/20
20/20
20/20
20/20
20/20
19/20
15/20
20/20
20/20
20/20

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

A. Chairman and Chief Executive Officer

Pursuant to the Code Provision A.2.1 of the CG Code, the role of the 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 light on the future development of the operating activities or businesses of the Group.

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)

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，主席和首席執行官的角色應有區分，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的角色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，董事局將考慮分離本公司的董事局主席及首席執行官的角色以應付本集團未來的經營活動或業務發展。

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.

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 (resigned as a Non-Executive Director of the Company with effect from 24 February 2011), Mr. Vijay Kumar Bhatnagar (appointed as a Non-Executive Director of the Company with effect from 24 February 2011) 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，最接近但不多於三分之一之董事)須輪值告退但符合資格重選連任。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，於釐定須輪值告退之董事人數時，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。

本公司所有董事之委任均有指定任期及須接受重選。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(自二零一一年二月二十四日起生效辭任本公司的非執行董事)、Vijay Kumar Bhatnagar先生(自二零一一年二月二十四日起生效獲委任為本公司的非執行董事)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。

於回顧年度內，董事局之架構並無變動。

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 securities transactions by the Directors on terms no less than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in 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 under review.

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上市發行人董事進行證券交易的標準守則(「標準守則」)所載的規定標準。

經向所有董事作出具體查詢後，所有董事確認於回顧年度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。

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

F. Board Committees (continued)

(1) Audit Committee (continued)

For the year ended 31 December 2010, two committee meetings were held, one to consider the annual results of the Group for the financial year ended 31 December 2009 including the discussion of internal control report and one to consider the interim results of the Group for the six months ended 30 June 2010.

The attendance record for each member of the Audit Committee for the year ended 31 December 2010 is set out as follows:

Committee members

委員會會員

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

(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)

於截至二零一零年十二月三十一日止年度，審核委員會共舉行二次會議，一次為審議本集團截至二零零九年十二月三十一日止財政年度之全年業績包括討論內部監控報告和一次為審議本集團截至二零一零年六月三十日止六個月之中期業績。

於截至二零一零年十二月三十一日止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

Mr. Gao Qingju	高清舉先生	2/2
Mr. Yu Tung Ho	余統浩先生	2/2
Mr. Wong Man Chung, Francis	黃文宗先生	2/2

(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，薪酬委員會由本公司董事局主席及三名獨立非執行董事所組成。

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 the 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.

For the year ended 31 December 2010, five meetings of Remuneration Committee was held. The attendance record of each member is set out as follow:

Committee members 委員會會員

Mr. Han Jingyuan	韓敬遠先生
Mr. Gao Qingju	高淸舉先生
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)

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。

於截至二零一零年十二月三十一日止年度，薪酬委員會舉行五次會議。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

Mr. Han Jingyuan	韓敬遠先生	5/5
Mr. Gao Qingju	高淸舉先生	5/5
Mr. Yu Tung Ho	余統浩先生	5/5
Mr. Wong Man Chung, Francis	黃文宗先生	5/5

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 recognises 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 recognises 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.

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。

ACCOUNTABILITY AND AUDIT (continued)

Internal Controls (continued)

The Company's internal audit function is performed by the 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 the Chief Executive Officer. The internal audit functions include (i) review and report on internal and operational controls, (ii) follow-up on the suggestions 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.

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

For the year ended 31 December 2010 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) provided by PricewaterhouseCoopers for the year ended 31 December 2010 were RMB 4.4 million and RMB 1.2 million respectively.

問責和核數(續)

內部監控(續)

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。

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

於截至二零一零年十二月三十一日及截至本報告日期，本集團外聘核數師為羅兵咸永道會計師事務所。截至二零一零年十二月三十一日止年度，羅兵咸永道會計師事務所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440萬元和人民幣120萬元。

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 review, 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 the respective subsidiaries 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。於回顧年度內，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。日常信貸管理由相應子公司的營運部處理，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 mainly operates in the Mainland China with most of the transactions dominated and settled in RMB. The Group's foreign exchange risk primarily arises from the procurement of iron ores and the relevant products from overseas suppliers and the Group's senior notes which are dominated and settled in USD. 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 in the Mainland China 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 recognises the importance of good communication with the shareholders of the Company. Information in relation to the Group is disseminated to shareholders of the Company in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The general meeting of the Company provides a forum for exchange of views between the shareholders of the Company 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 general meeting of the Company.

問責和核數(續)

匯率風險

外匯風險指匯率變動對本集團財務狀況及營運業績構成之風險。本集團主要在中國境內經營，大多數交易均以人民幣計值及結算。本集團之外匯風險主要由於向海外供應商購入購鐵礦石和相關產品及本集團的優先票據均以美元計值及結算。匯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。任何於中國境內的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

董事局深明與本公司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)適時發放予本公司各股東。

本公司股東大會為本公司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)可於本公司股東大會上回應問題。

COMMUNICATION WITH SHAREHOLDERS (continued)

The rights of the shareholders, of the Company and the procedures for demanding a poll on resolution at general 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 the Shareholders of the Company which will call for a general meeting and will be explained during the proceedings of the meeting.

Separate resolutions are proposed at general meeting on each substantial issue, including the election of individual Director.

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

To promote effective communications, the Company also maintains 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 general meeting (if any).

Upon the implementation of the amendments of the Listing Rules with effect from 1 January 2009, all resolutions proposed at general meeting 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)

本公司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本公司股東通函，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。本公司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大會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 consolidated financial statements of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2010.

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 2010, the Company's principal activities are investment holding and trading of iron and steel products. The principal activities of the Group are the manufacture and sales of iron and steel products.

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 2010 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 2010 and its consolidated balance sheet as at that date, together with the balance sheet of the Company as at 31 December 2010, are set out in the financial statements on pages 72 to 235.

At a Board meeting held on 18 March 2011, the Board proposed a final dividend in respect of the year ended 31 December 2010 of approximately HK\$313 million (approximately RMB267 million), representing 10.7 HK cents per ordinary share to the shareholders of the Company whose names appear on the register of member of the Company on 16 May 2011, subject to the approval of the Company's shareholders at the Company's forthcoming annual general meeting to be held on 16 May 2011.

中國東方集團控股有限公司(「本公司」)董事局(「董事局」)謹此提呈其年度報告及本公司及其附屬公司(以下合稱「本集團」)截至二零一零年十二月三十一日止年度的經審核的合併財務報表。

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主板上市。

主要業務

於二零一零年十二月三十一日，本公司的主要業務為投資控股及銷售鋼鐵產品。本集團的主要業務為生產及銷售鋼鐵產品。

分部資料

截至二零一零年十二月三十一日止年度，本集團的合併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鐵產品，並載於合併財務報表附註5。

業績及股息

本集團截至二零一零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，連同本公司於二零一零年十二月三十一日的資產負債表載於第72至第235頁的財務報表。

於二零一一年三月十八日舉行之董事局會議上，董事局建議向於二零一一年五月十六日名列本公司股東名冊之本公司股東派發截至二零一零年十二月三十一日止年度的末期股息約3.13億港元(約人民幣2.67億元)，即每股普通股10.7港仙。股息建議需於二零一一年五月十六日由股東在週年大會批准後，方可作實。

SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated financial results and assets, liabilities and non-controlling interests of the Group for the last five financial years, is set out on page 236.

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 20 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in Note 21 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2010, the Company's accumulated losses amounted to RMB158 million (2009: retained earning of RMB 2.7 million).

At 31 December 2010, the Group's retained earnings amounted to RMB4,289 million (2009: RMB 3,475million).

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 of the Company.

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、負債與非控制性權益概要載於第236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20。

儲備

本集團於年內的儲備變動載於合併財務報表附註21。

可分派儲備

於二零一零年十二月三十一日，本公司的累計虧損為人民幣1.58億元(二零零九年：留存收益人民幣270萬元)。

於二零一零年十二月三十一日，本集團的留存收益達人民幣42.89億元(二零零九年：人民幣34.75億元)。

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，致使本公司須向本公司現有股東按比例發售新股份。

MAJOR CUSTOMERS AND SUPPLIERS

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

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

DIRECTORS

The Directors during the year ended 31 December 2010 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. Zhu Hao
Mr. Muktesh Mukherjee

Non-Executive Directors

Mr. Ondra Otradovec
Mr. Vijay Kumar Bhatnagar
(appointed on 24 February 2011)
Mr. Jean-Paul Georges Schuer
(resigned on 24 February 2011)

Independent Non-Executive Directors

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

In accordance to the Bye-laws 87 of the Company, Mr. Shen Xiaoling, Mr. Muktesh Mukherjee and Mr. Wong Man Chung, Francis will retire from office 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少於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

於截至二零一零年十二月三十一日止年度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
朱浩先生
Muktesh Mukherjee 先生

非執行董事

Ondra Otradovec 先生
Vijay Kumar Bhatnagar 先生
(於二零一一年二月二十四日委任)
Jean-Paul Georges Schuler 先生
(於二零一一年二月二十四日辭任)

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87條，沈曉玲先生、Muktesh Mukherjee先生及黃文宗先生將於應屆股東周年大會上輪席退任，彼等並符合資格和願意於應屆股東週年大會重選連任。

DIRECTORS (continued)

In accordance to the Bye-laws 86(2) of the Company, Mr. Vijay Kumar Bhatnagar, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

The annual fee specified in each of existing service contracts of Mr. Shen Xiaoling, Mr. Muktesh Mukherjee, Mr. Wong Man Chung, Francis, and Mr. Vijay Kumar Bhatnagar are HK\$400,000, HK\$400,000, HK\$400,000 and HK\$400,000 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. Shen Xiaoling, Mr. Muktesh Mukherjee, Mr. Wong Man Chung, Francis, and Mr. Vijay Kumar Bhatnagar 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 Note 26 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 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)

根據本公司的公司章程第86(2)條，Vijay Kumar Bhatnagar先生符合資格及彼願意於應屆股東週年大會重選。

沈曉玲先生、Muktesh Mukherjee先生、黃文宗先生及Vijay Kumar Bhatnagar先生各自的現有服務合約所指的全年費用分別為400,000港元、400,000港元、400,000港元及400,000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，沈曉玲先生、Muktesh Mukherjee先生、黃文宗先生及Vijay Kumar Bhatnagar先生概無與本公司其他董事、高級管理人員、主要股東或控股股東有任何關係。

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26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

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 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，概無董事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

As at 31 December 2010, the interest and short positions of the Directors, chief executives and their associates of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事於證券的權益及淡倉

於二零一零年十二月三十一日，各董事、本公司主要行政人員及其聯繫人於本公司或其相聯法團(定義見證券及期貨條例「證券及期貨條例」第XV部)的股份、相關股份或債券中擁有(i)根據證券及期貨條例第7及第8分部須知會本公司及聯交所的權益或淡倉；或(ii)根據證券及期貨條例第352條須列入該條所指登記冊內；或(iii)根據本公司已採納的標準守則須知會本公司及聯交所的權益及淡倉載列如下：

Directors' Report 董事局報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

董事於證券的權益及淡倉(續)

(i) Interest in the Shares and underlying Shares of the Company:

(i) 於本公司股份和相關股份的權益：

	Interests in Shares 股份權益		Interests in underlying shares pursuant to share options 根據購股權 在相關股份 的權益	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
	Corporate Interest 公司權益	Personal Interest 個人權益			
Mr. Han Jingyuan (Notes 1) 韓敬遠先生(備註1)	1,317,502,849	-	-	44.97%	Long(好)
	-	2,800,000	8,900,000	0.40%	Long(好)
Mr. Zhu Jun 朱軍先生	-	2,400,000	5,200,000	0.26%	Long(好)
Mr. Liu Lei 劉磊先生	-	2,400,000	5,200,000	0.26%	Long(好)
Mr. Shen Xiaoling 沈曉玲先生	-	2,400,000	5,200,000	0.26%	Long(好)
Mr. Zhu Hao 朱浩先生	-	-	5,200,000	0.18%	Long(好)
Mr. Muktesh Mukherjee Muktesh Mukherjee 先生	-	-	5,200,000	0.18%	Long(好)
Mr. Jean-Paul Georges Schuler Jean-Paul Georges Schuler 先生	-	-	2,000,000	0.07%	Long(好)
Mr. Ondra Otradovec Ondra Otradovec 先生	-	-	4,000,000	0.14%	Long(好)
Mr. Gao Qingju 高淸舉先生	-	1,686,000	4,000,000	0.19%	Long(好)
Mr. Yu Tung Ho 余統浩先生	-	-	4,000,000	0.14%	Long(好)
Mr. Wong Man Chung, Francis 黃文宗先生	-	-	4,300,000	0.15%	Long(好)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

(i) Interest in the Shares and underlying Shares of the Company: (continued)

Note:

1. At 31 December 2010, Mr. Han Jingyuan beneficially owned 63.15% of the issued share capital of Wellbeing Holdings Limited ("Wellbeing Holdings") and held 16.09% of the issued share capital of Wellbeing Holdings on trust for the benefit of certain employees of the subsidiary of the Company. Wellbeing Holdings beneficially owned 1,255,849,124 Shares representing approximately 42.87% of the issued share capital of the Company. Mr. Han is also the beneficially owner of 100% of the issued share capital of Chingford Holdings Limited ("Chingford Holdings") which beneficially owned 61,653,725 Shares representing approximately 2.10% of the issued shares of the Company.

At 31 December 2010, Mr. Han Jingyuan beneficially owned 2,800,000 Shares representing approximately 0.1% of the issued share capital of the Company.

董事於證券的權益及淡倉(續)

(i) 於本公司股份和相關股份的權益：(續)

附註：

1. 於二零一零年十二月三十一日，韓敬遠先生實益擁有 Wellbeing Holdings Limited (「Wellbeing Holdings」) 已發行股本 63.15% 的權益，並以信託方式就本公司附屬公司若干僱員的利益持有 Wellbeing Holdings 已發行股份的 16.09% 權益。Wellbeing Holdings 實益擁有 1,255,849,124 股的本公司股份，約佔本公司已發行股份的 42.87% 權益。韓先生亦實益擁有 Chingford Holdings Limited (「Chingford Holdings」) 的全部已發行股本，而 Chingford Holdings 實益擁有 61,653,725 股的本公司股份，約佔本公司已發行股份的 2.10%。

於二零一零年十二月三十一日，韓敬遠先生私人實益擁有 2,800,000 股的本公司股份，約佔本公司已發行股份的 0.1% 權益。

Directors' Report 董事局報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

董事於證券的權益及淡倉(續)

(ii) Interest in the ordinary shares of the Company's associated corporations:

(ii) 於本公司的聯營企業普通股份的權益：

	Name of associated corporation 聯營企業名稱	Nature of Interest 權益性質	Paid-in capital 繳足股本 (RMB' 000) (人民幣千元)	Approximate percentage of shareholding 概約持股百分比
Mr. Han Jingyuan 韓敬遠先生	Hebei Jinxi Section Steel Company Limited 河北津西型鋼有限公司	Interests in Hebei Jinxi Section Steel Company Limited through Qianxi County Hui Yin Trading Company Limited ^(Notes 1) 透過遷西縣匯銀工貿有限公司擁有河北津西型鋼有限公司的權益 ^(備註1)	350,000	1.64%
Mr. Zhu Jun 朱軍先生	Hebei Jinxi Section Steel Company Limited 河北津西型鋼有限公司	Interests in Hebei Jinxi Section Steel Company Limited through Qianxi County Hui Yin Trading Company Limited ^(Notes 1) 透過遷西縣匯銀工貿有限公司擁有河北津西型鋼有限公司的權益 ^(備註1)	350,000	0.92%
Mr. Shen Xiaoling 沈曉玲先生	Hebei Jinxi Section Steel Company Limited 河北津西型鋼有限公司	Interests in Hebei Jinxi Section Steel Company Limited through Qianxi County Hui Yin Trading Company Limited ^(Notes 1) 透過遷西縣匯銀工貿有限公司擁有河北津西型鋼有限公司的權益 ^(備註1)	350,000	0.88%

Notes:

- Mr. Han Jingyuan, Mr. Zhu Jun and Mr. Shen Xiaoling beneficially owned 8.22%, 4.58% and 4.42% equity interests respectively in Qianxi County Hui Yin Trading Company Limited which holds 20% equity interests in Hebei Jinxi Section Steel Company Limited.

備註：

- 韓敬遠先生、朱軍先生及沈曉玲先生分別實益擁有遷西縣匯銀工貿有限公司的8.22%、4.58%及4.42%的股份權益而持有河北津西型鋼有限公司的20%股份權益。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

董事於證券的權益及淡倉(續)

(iii) Interest in the senior notes of the Company

(iii) 於本公司優先票據的權益

	Corporate Interest 企業權益	Personal Interest 個人權益	Amount of debenture 債券金額
Mr, Han Jingyuan (Notes 1)	US\$11,000,000	-	US\$11,000,000
韓敬遠先生(備註1)	11,000,000 美元	-	11,000,000 美元

Notes:

- At 31 December 2010, Mr. Han Jingyuan beneficially owned 100% of the issued share capital of Eastland International Trading Limited, which beneficially owns US\$11,000,000 of the debenture of the Company.

Save as disclosed above and in the section of "Equity-settled share option scheme" below, at 31 December 2010, none of the Directors, chief executives and their associates had any interest and short positions in the Shares, underlying Shares and senior notes 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.

備註：

- 於二零一零年十二月三十一日，韓敬遠先生實益擁有 Eastland International Trading Limited 已發行股本 100% 的權益而持有本公司 1,100 萬美元的債券。

除上文所披露者和下述的「以股權結算的購股權計劃」部份外，於二零一零年十二月三十一日，概無本公司的董事、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)需根據證券及期貨條例第 352 條所存置的股東名冊所記錄，或根據標準守則須知會本公司及聯交所的股份、相關股份及優先票據擁有任何權益及淡倉。

EQUITY-SETTLED SHARE OPTION SCHEME

Share options were granted to eligible participants under a share option scheme approved and adopted by the shareholders of the Company at the annual general meeting held on 17 May 2006 ("2006 Share Option Scheme") and a share option scheme approved and adopted by the shareholders of the Company at the special general meeting held on 20 December 2010 ("2010 Share Option Scheme") (together with the 2006 Share Option Scheme, collectively referred to as ("Share Option Schemes") for the purpose of providing incentives and rewards to eligible participants who are regarded as valuable human resources of the Group or who have contributed to the growth and success of the Group with their performance and other factors (e.g. their years of service with the Company and/or work experience and/or knowledge in the industry etc.) to contribute further to the Company.

The Share Option Schemes do not specify any minimum holding period and/or performance targets as a condition for the exercise of an option but subject to the rules of the Share Options Schemes the Board is empowered with the authority to determine granting of an option on a case by case basis taking into account of the relevant factors as the Board in its sole discretion considers appropriate.

The maximum number of shares issuable under the Share Option Schemes to each eligible participant within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the approval of the Company's shareholders in a general meeting.

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Schemes shall be valid and effective for a period of ten years from their respective dates of adoption.

以股權結算的購股權計劃

根據在二零零六年五月十七日舉行的股東周年大會上由本公司股東批准及採納的購股權計劃(「2006購股權計劃」)及在二零一零年十二月二十日舉行的股東特別大會上由本公司股東批准及採納的購股權計劃(「2010購股權計劃」)(連同2006購股權計劃統稱為「購股權計劃」)，已向合資格參與者授予購股權，目的旨在激勵及獎勵合資格參與者彼等被視為本集團的寶貴人力資源或以等之表現及其他因素對本集團的發展和成功作出貢獻(例如彼等在本公司的服務年期及／或行內的工作經驗及／或知識等)，並對本公司作出更多貢獻。

購股權計劃並沒有特定須持有的最短期間及／或行使購股權須達致的表現目標，惟根據購股權計劃的條款，授予董事局有權利釐定每個個別情況的授出購股權條款作出其認為適當的有關因素。

根據購股權計劃下向每名合資格參與者授予的最高可發行的股份數目在該授出日期止十二個月期間內上限為本公司當時發行股份的1%，任何超出限制的進一步授予購股權需於股東大會上由本公司股東批准。

在不抵觸本公司於股東大會上或透過董事局提早終止下，購股權計劃將自其採納日期起計為期十年有效及生效。

EQUITY-SETTLED SHARE OPTION SCHEME (continued)

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 as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (b) the average closing price of the share of the Company as stated in the daily quotations sheet of the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a share of the Company on the date of grant.

The consideration payable on acceptance of the options under the Share Option Schemes is HK\$1.00

Pursuant to the 2006 Share Option Scheme, the Company can issue options so that the total number of shares that may be issued upon exercise of all options to be granted under the 2006 Share Option Scheme are 290,500,000 shares, representing 9.9% of the issued share capital of the Company as at 31 December 2010. Eligible participants of the 2006 Share Option Scheme includes all directors of the Company (whether executive or non-executive and whether independent or not) and any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid). Details of the share options outstanding under 2006 Share Option Scheme were as follows:

以股權結算的購股權計劃(續)

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在聯交所每日報價表所報的收市價；(b) 股份於緊接授予日期前五個營業日在聯交所每日報價表所報的平均收市價；及(c) 本公司於授予日期的股份面值。

接納購股權須支付的款項為港幣1.00元。

根據2006購股權計劃，本公司可授出購股權，以使根據2006購股權計劃授出的所有購股權獲行使時可發行的股份總數為290,500,000股股份，佔本公司於二零一零年十二月三十一日的已發行股本9.9%。2006購股權計劃的合資格參與者包括本公司全體董事(無論執行董事或非執行董事及無論是否獨立)及本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體的任何僱員(無論全職或兼職)(不論其基於聘用、合約或榮譽或其他性質及是否受薪)。2006購股權計劃下尚未行使的購股權詳情如下：

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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	Closing price per share immediately before the date of grant	No. of options outstanding at 1 Jan 2010	No. of options granted during the year	No. of options exercised/cancelled/lapsed during the year	No. of options outstanding at 31 December 2010	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	行使價 HK\$ 港元	緊接購股權 授予日前的 每股收市價 HK\$ 港元	於二零一零年 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	於二零一零年 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 至 2019/2/23	1.39	1.24	2,900,000	-	-	2,900,000	0.10%
	2010/11/26	2010/12/20 to 至 2016/5/16	3.00	3.00	-	6,000,000	-	6,000,000	0.20%
Mr. Zhu Jun 朱軍先生	2009/2/24	2009/2/24 to 至 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 至 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 至 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 至 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 至 2019/5/10	1.50	1.49	2,600,000	-	-	2,600,000	0.09%
Mr. Jean-Paul Georges Schuler Jean-Paul Georges Schuler先生	2009/5/11	2009/5/11 to 至 2019/5/10	1.50	1.49	2,000,000	-	-	2,000,000	0.07%

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	Closing price per share immediately before the date of grant	No. of options outstanding at 1 Jan 2010	No. of options granted during the year	No. of options exercised/ cancelled/ lapsed during the year	No. of options outstanding at 31 December 2010	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	行使價 HK\$ 港元	緊接購股權授予日前的每股收市價 HK\$ 港元	於二零一零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	於二零一零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. Ondra Otradovec Ondra Otradovec 先生	2009/5/11	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	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	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	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	2009/2/24 to 2019/2/23	1.39	1.24	1,900,000	-	525,000 (Note 1) (附註1) 175,000 (Note 2) (附註2)	1,200,000	0.04%
Employees 僱員	2009/12/29	2010/3/29 to 2019/12/28	2.84	2.77	148,780,000	-	6,730,000 (Note 2) (附註2)	142,050,000	4.85%
Total 合計					176,580,000	6,000,000	7,430,000	175,150,000	5.98%

Notes:

- 525,000 options were exercised during the year.
- 6,905,000 options were lapsed during the year.

註:

- 於年內，525,000股購股權已行使。
- 於年內，6,905,000股購股權已失效。

EQUITY-SETTLED SHARE OPTION SCHEME (continued)

Pursuant to the 2010 Share Option Scheme, the Company can issue options so that the total number of shares that may be issued upon exercise of all options to be granted under the 2010 Share Option Scheme are 146,486,250 shares, representing 5% of the issued share capital of the Company as at 31 December 2010. Eligible participants of the 2010 Share Option Scheme includes all directors of the Company (whether executive or non-executive and whether independent or not), any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), and any person considered by the Directors to have contributions to any company in the Group or any entity in which any member of the Group holds an equity interest. Details of the share options outstanding under 2010 Share Option Scheme were as follows:

以股權結算的購股權計劃(續)

根據2010購股權計劃，本公司可授出購股權，以使根據2010購股權計劃授出的所有購股權獲行使時可發行的股份總數為146,486,250股股份，佔本公司於二零一零年十二月三十一日的已發行股本5%。2010購股權計劃的合資格參與者包括本公司全體董事（無論執行董事或非執行董事及無論是否獨立）、本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體的任何僱員（無論全職或兼職）（不論其基於聘用、合約或榮譽或其他性質及是否受薪）及董事認為對本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體作出貢獻的任何人士。2010購股權計劃下尚未行使的購股權詳情如下：

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	Closing price	No. of options outstanding at 20 Dec 2010	No. of options granted during the period	No. of options exercised/ cancelled/ lapsed during the period	No. of options outstanding at 31 December 2010	Approximate shareholding percentage of the underlying shares for the options in the share capital of the Company
				per share immediately before the date of grant					
	授予日	可行使期間	行使價 HK\$ 港元	緊接購股權 授予日前的 每股收市價 HK\$ 港元	於二零一零年 十二月二十日 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	於二零一零年 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. Zhu Jun 朱軍先生	2010/12/24	2010/12/24 to 2020/12/19	3.182	3.17	-	2,600,000	-	2,600,000	0.09%
Mr. Liu Lei 劉磊先生	2010/12/24	2010/12/24 to 2020/12/19	3.182	3.17	-	2,600,000	-	2,600,000	0.09%
Mr. Shen Xiaoling 沈曉玲先生	2010/12/24	2010/12/24 to 2020/12/19	3.182	3.17	-	2,600,000	-	2,600,000	0.09%
Mr. Zhu Hao 朱浩先生	2010/12/24	2010/12/24 to 2020/12/19	3.182	3.17	-	2,600,000	-	2,600,000	0.09%
Mr. Muktesh Mukherjee Muktesh Mukherjee 先生	2010/12/24	2010/12/24 to 2020/12/19	3.182	3.17	-	2,600,000	-	2,600,000	0.09%
Mr. Ondra Otradovec Ondra Otradovec 先生	2010/12/24	2010/12/24 to 2020/12/19	3.182	3.17	-	2,000,000	-	2,000,000	0.07%
Mr. Gao Qingju 高清舉先生	2010/12/24	2010/12/24 to 2020/12/19	3.182	3.17	-	2,000,000	-	2,000,000	0.07%

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	Closing price per share immediately before the date of grant	No. of options outstanding at 20 Dec 2010	No. of options granted during the period	No. of options exercised/cancelled/lapsed during the period	No. of options outstanding at 31 December 2010	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	行使價 HK\$ 港元	緊接購股權 授予日前的 每股收市價 HK\$ 港元	於二零一零年 十二月二十日 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	於二零一零年 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. Yu Tung Ho 余統浩先生	2010/12/24	2010/12/24 to 至 2020/12/19	3.182	3.17	-	2,000,000	-	2,000,000	0.07%
Mr. Wong Man Chung, Francis 黃文宗先生	2010/12/24	2010/12/24 to 至 2020/12/19	3.182	3.17	-	2,300,000	-	2,300,000	0.08%
Employees 僱員	2010/12/24	2010/12/24 to 至 2020/12/19	3.182	3.17	-	24,400,000	-	24,400,000	0.83%
Other Participants 其他參與者	2010/12/24	2010/12/24 to 至 2020/12/19	3.182	3.17	-	1,400,000	-	1,400,000	0.05%
Total 合計					-	47,100,000	-	47,100,000	1.61%

EQUITY-SETTLED SHARE OPTION SCHEME (continued)

The value of the options granted during the year is RMB46.92 million, based on the Black-Scholes valuation model. Please refer to Note 21 to the consolidated financial statements for the details of the significant inputs into the model. The Black-Scholes model is developed to estimate the fair value of European share options. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

The accounting policy for equity-settled share option is stated in the Note 2.21 to the consolidated financial statements.

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 41 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.

以股權結算的購股權計劃(續)

根據柏力克－舒爾斯估值模型計算，於年內授出的購股權價值為人民幣4,692萬元。有關此模型的主要輸入項目詳情，請參閱綜合財務報表附註21。柏力克－舒爾斯估值模型旨在估算歐洲購股權的公允價值。基於所作假設及所用模型的限制，所計算的公允價值帶有主觀及不確定因素。購股權價值因應若干主觀假設的不同變量而變動，所採用變量的任何變動可能對購股權公允價值估算產生重大影響。

以股權結算的購股權的會計政策於合併財務報表附註2.21中呈列。

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41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。

SUBSTANTIAL SHAREHOLDERS

At 31 December 2010, 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:

主要股東

於二零一零年十二月三十一日，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：

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

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

- At 31 December 2010, Mr. Lakshmi Niwas Mittal and Mrs. Usha Mittal directly owned 40.84% and indirectly owned 40.84% of the issued share capital of ArcelorMittal which indirectly held the entire equity interest in AM Holdings AG, which beneficially owned 867,711,151 shares of the Company, representing approximately 29.62% of the issued share capital of the Company.

On 30 April 2008, AM Holdings AG entered into a put option agreement with ING Bank N.V. and Deutsche Bank Aktiengesellschaft, pursuant to which AM Holdings AG granted an option to ING Bank N.V. and Deutsche Bank Aktiengesellschaft over an aggregate of 509,780,740 Shares of the Company, representing 17.40% of the issued share capital of the Company.

- On 30 April 2008, AM Holdings AG and ING Bank N.V. entered into a put option agreement, pursuant to which AM Holdings AG granted an option to ING Bank N.V. to sell 289,990,800 Shares of the Company. As at 31 December 2010, ING Bank N.V. owned 289,990,800 Shares of the Company, representing 9.90% of the issued shares capital of the Company.
- On 30 April 2008, AM Holdings AG and Deutsche Bank Aktiengesellschaft entered into a put option agreement in which AM Holdings AG granted an option to Deutsche Bank Aktiengesellschaft to sell 219,789,940 Shares of the Company. As at 31 December 2010, Deutsche Bank Aktiengesellschaft owned 220,934,306 Shares of the Company, representing 7.54% of the issued shares capital of the Company.

Saved as disclosed above and in Directors' Interests and Short Positions in Securities sections, at 31 December 2010, 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：

- 於二零一零年十二月三十一日，Lakshmi Niwas Mittal先生和Usha Mittal太太直接擁有ArcelorMittal已發行股份40.84%和間接擁有ArcelorMittal已發行股份40.84%而ArcelorMittal間接擁有AM Holdings AG全部股本權益，AM Holdings AG實益擁有867,711,151股的本公司股份，約佔本公司已發行股份的29.62%權益。

於二零零八年四月三十日，AM Holdings AG分別與ING Bank N.V.和Deutsche Bank Aktiengesellschaft簽訂了一份認沽期權協議，據此AM Holdings AG分別授予ING Bank N.V.和Deutsche Bank Aktiengesellschaft一個認沽期權，合共509,780,740股的本公司股份，約佔本公司已發行股份的17.40%權益。

- 於二零零八年四月三十日，AM Holdings AG與ING Bank N.V.簽訂了一份認沽期權協議，據此AM Holdings AG授予ING Bank N.V.一個認沽期權可出售289,990,800股的本公司股份。於二零一零年十二月三十一日，ING Bank N.V.持有289,990,800股的本公司股份，約佔本公司已發行股份的9.90%權益。
- 於二零零八年四月三十日，AM Holdings AG與Deutsche Bank Aktiengesellschaft簽訂了一份認沽期權協議，據此AM Holdings AG授予Deutsche Bank Aktiengesellschaft一個認沽期權可出售219,789,940股的本公司股份。於二零一零年十二月三十一日，Deutsche Bank AG持有220,934,306股的本公司股份，約佔本公司已發行股份的7.54%權益。

除上文所披露者外與及董事於證券的權益和淡倉部份外，於二零一零年十二月三十一日，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。

CONNECTED TRANSACTIONS

During the year, the following transactions between certain connected parties (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant announcements and independent shareholders' approval, if necessary, had been made and obtained by the Company in accordance with Chapter 14A of the Listing Rules.

(1) Connected transaction

During the period between March to May 2010, Jinxi Jinlan purchased from Qian An Longba Charging Company Ltd. ("Qian An Longba"), an associate of a substantial shareholder of a subsidiary of the Company, certain quantities of hot rolled sheets on normal commercial terms for an aggregate consideration of approximately RMB 35.5 million.

(2) Continuing connected transactions

On 28 April 2008, Jinxi Limited entered into a framework agreement with ArcelorMittal Sourcing S.A., an associate of AM Holdings AG which is a substantial shareholder of the Company, for the purchase of iron ore and relevant products from ArcelorMittal Sourcing S.A. by the Group for the period from 28 April 2008 to 31 December 2010. The total amount of the aforesaid transaction for the year ended 31 December 2010 was RMB nil.

On 3 December 2008, Jinxi Limited entered into a framework agreement with Qianxi County Longba Charging Company Limited ("Longba Charging"), an associate of a substantial shareholder of a subsidiary of the Company, for the purchase of lime products and related products from Longba Charging by Jinxi Limited for the period from 3 December 2008 to 31 December 2010. The annual cap for this transaction for the year ended 31 December 2010 was revised from RMB 81,250,000 to RMB 116,250,000 as set out in the announcement dated 25 October 2010. The total amount of the aforesaid transaction for the year ended 31 December 2010 was RMB82.9 million (excluding VAT).

關連交易

於年內，按上市規則第14A章的規定，若干關連人士(按上市規則定義)與本集團進行的下列交易經已訂立及／或持續進行，而本公司已根據上市規則的規定作出相關公佈及獲得獨立股東批准(如需要)。

(1) 關連交易

於二零一零年三月至五月期間，津西金蘭根據一般商業條款向遷安市龍霸爐料有限責任公司二廠(「遷安龍霸」)(本公司附屬公司主要股東的聯系人士)採購若干數量的熱軋板，總代價為約人民幣3,550萬元。

(2) 持續關連交易

於二零零八年四月二十八日，津西鋼鐵與ArcelorMittal Sourcing S.A.(本集團主要股東AM Holdings AG的聯系人士)為本集團自ArcelorMittal Sourcing S.A.購買鐵礦石和相關產品訂立一份框架協議，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。上述交易於截至二零一零年十二月三十一日止年度的總額為人民幣零元。

於二零零八年十二月三日，津西鋼鐵與遷西縣龍霸爐料有限責任公司(「龍霸爐料」)，本公司附屬公司主要股東的聯系人士，就津西鋼鐵自龍霸爐料購買石灰產品和相關產品訂立一份框架協議，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。如日期為二零一零年十月二十五日的公告所載，該交易的截至二零一零年十二月三十一日止年度上限由人民幣81,250,000元修訂為人民幣116,250,000元。上述交易於截至二零一零年十二月三十一日止年度的總額(不含增值稅)為人民幣8,290萬元。

CONNECTED TRANSACTIONS (continued)

(2) Continuing connected transactions (continued)

On 3 December 2008, Jinxi Limited entered into a framework agreement with Qianxi County Jinxin Mining Company Limited ("Jinxin Mining"), an associate of a substantial shareholder of a subsidiary of the Company, for the purchase of iron powder and related products from Jinxin Mining by Jinxi Limited for the period from 3 December 2008 to 31 December 2010. The total amount of the aforesaid transaction for the year ended 31 December 2010 was RMB463.1 million (excluding VAT).

On 31 December 2008, Jinxi Limited, Jinxin Mining and Qianxi County Jinjin Mine Company Limited ("Jinjin Mine") entered into certain agreements and an authority mandatory agreement in relation to granting of the management and operation right of Jinjin Mine by Jinxi Limited to Jinxin Mining 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. The total amount of the aforesaid transaction for the year ended 31 December 2010 was RMB24.2 million.

關連交易(續)

(2) 持續關連交易(續)

於二零零八年十二月三日，津西鋼鐵與遷西縣金信礦業有限公司(「金信礦業」)，本公司附屬公司主要股東的聯繫人士，就津西鋼鐵自金信礦業購買鐵粉和相關產品訂立一份框架協議，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。上述交易於截至二零一零年十二月三十一日止年度的總額(不含增值稅)為人民幣46,310萬元。

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就津西鋼鐵授予金信礦業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。上述交易於截至二零一零年十二月三十一日止年度的總額為人民幣2,420萬元。

CONNECTED TRANSACTIONS (continued)

(2) Continuing connected transactions (continued)

On 10 March 2010, Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited ("Jinxi Jinlan"), an indirect non-wholly owned subsidiary of the Company, entered into a framework agreement with Foshan Jin Lan Import and Exports Company Limited ("Jin Lan I&E"), a company controlled by the daughter of Mr. Zhou Weijie who is a substantial shareholder of Jinxi Jinlan for the sale of iron and steel products by Jinxi Jinlan to Jin Lan I&E at a selling price not lower than the prevailing market price for the period from 10 March 2010 to 31 December 2012. The total amount of the aforesaid transaction for the year ended 31 December 2010 was RMB50.5 million (excluding VAT).

On 18 June 2010, Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Iron and Steel Group"), an indirect non-wholly owned subsidiary of the Company, entered into a framework agreement with Foshan Jin Lan Group Company Limited ("Jin Lan Group"), a connected person of the Group, for the sale of steel products by Jinxi Iron and Steel Group to Jin Lan Group for a period of approximately two years and seven months from 18 June 2010 to 31 December 2012. The total amount of the aforesaid transaction for the year ended 31 December 2010 was RMB nil.

On 18 June 2010, Hebei Jinxi Section Steel Company Limited ("Jinxi Section Steel"), an indirect non-wholly owned subsidiary of the Company, entered into a framework agreement with Jin Lan Group, a connected person of the Group, for the sale of steel products by Jinxi Section Steel to Jin Lan Group for a period of approximately two years and seven months from 18 June 2010 to 31 December 2012. The total amount of the aforesaid transaction for the year ended 31 December 2010 was RMB14.8 million (excluding VAT).

關連交易(續)

(2) 持續關連交易(續)

於二零一零年三月十日，佛山津西金蘭冷軋板有限公司(「津西金蘭」)，本公司間接非全資附屬公司，與佛山金蘭進口有限公司(「金蘭進出口」)，為津西金蘭主要股東周偉傑先生女兒所控制的一間公司，為津西金蘭以不低於現行市價向金蘭進出口出售鋼鐵產品訂立一份框架協議，由二零一零年三月十日至二零一二年十二月三十一日止。上述交易於截至二零一零年十二月三十一日止年度的總額(不含增值稅)為人民幣5,050萬元。

於二零一零年六月十八日，河北津西鋼鐵集團控股有限公司(「津西鋼鐵集團」)，本公司的間接非全資附屬公司，與佛山金蘭集團有限公司(「金蘭集團」)，本集團的關連人士，簽訂有關津西鋼鐵集團向金蘭集團銷售鋼鐵產品的框架協議，協議期由二零一零年六月十八日至二零一二年十二月三十一日的大約兩年七個月。上述交易於截至二零一零年十二月三十一日止年度的總額為人民幣零元。

於二零一零年六月十八日，河北津西型鋼有限公司(「津西型鋼」)，本公司的間接非全資附屬公司，與金蘭集團(本集團的關連人士)簽訂有關津西型鋼向金蘭集團銷售鋼鐵產品的框架協議，協議期由二零一零年六月十八日至二零一二年十二月三十一日的大約兩年七個月。上述交易於截至二零一零年十二月三十一日止年度的總額(不含增值稅)為人民幣1,480萬元。

CONNECTED TRANSACTIONS (continued)

(2) Continuing connected transactions (continued)

On 18 June 2010, Jinxi Iron and Steel Group, a 97.6% indirectly owned subsidiary of the Company, entered into a framework agreement with Qianxi Wang's Iron Ore Mill ("Qianxi Iron Ore Mill"), a connected person of the Group, in which Jinxi Iron and Steel Group would purchase iron powder from Qianxi Iron Ore Mill at prevailing market prices for a period of approximately two years and seven months from 18 June 2010 to 31 December 2012. The total amount of the aforesaid transaction for the year ended 31 December 2010 was RMB74.5 million (excluding VAT).

The aforesaid continuing connected transactions have been reviewed by Independent Non-Executive Directors of the Company. The Independent Non-Executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 64 to 67 of the Annual Report in accordance with paragraph 14A.38 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

關連交易(續)

(2) 持續關連交易(續)

於二零一零年六月十八日，津西鋼鐵集團，本公司間接擁有其97.6%權益的附屬公司，與遷西縣漢兒莊鄉王志紅鐵選廠(「遷西鐵選廠」)，本集團的關連人士，訂立一份框架協議，協議期由二零一零年六月十八日至二零一二年十二月三十一日的大約兩年七個月，津西鋼鐵集團按一般市場價向遷西鐵選廠購買鐵粉。上述交易於截至二零一零年十二月三十一日止年度的總額(不含增值稅)為人民幣7,450萬元。

上述持續關連交易已由本公司獨立非執行董事審閱。獨立非執行董事確認上述持續關連交易是(a)在本集團的一般及通常業務過程中訂立的；(b)以正常商業條款或以不遜於本集團從獨立第三方可得或獲取的條款訂立；(c)根據管制有關協議且為公平和合理並符合本公司股東整體利益的條款訂立。

根據香港會計師公會發佈的香港核證業務準則第3000號「歷史財務資料審核或審閱以外的鑒証工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據香港聯合交易所有限公司證券上市規則第14A.38條，核數師已就年報第64至67頁所載本集團披露的持續關連交易，發出無保留意見的函件，並載有其發現和結論。本公司已將核數師函件副本向香港聯合交易所有限公司提供。

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.

AUDITOR

PricewaterhouseCoopers retired and a resolution for their reappointment 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, 18 March 2011

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、贖回或出售本公司上市證券

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。

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，二零一一年三月十八日

* 僅供識別



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

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 72 to 235, which comprise the consolidated and company balance sheets as at 31 December 2010, 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 information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致中國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」)已審計列載於第72至235頁中國東方集團控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表。此合併財務報表包括於二零一零年十二月三十一日的合併和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、合併權益變動表及合併現金流量表，以及主要會計政策概要及其附註解釋資料。

董事就合併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布的香港財務報告準則及香港《公司條例》的披露規定編製合併財務報表，以令合併財務報表作出真實而公平的反映，及落實其認為編製合併財務報表所必要的內部控制，以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

AUDITOR'S RESPONSIBILITY

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

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

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

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

核數師的責任

我們的責任是根據我們的審計對該等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我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒布的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定合併財務報表是否不存在任何重大錯誤陳述。

審計涉及執行程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

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 2010, 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, 18 March 2011

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二零一零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，二零一一年三月十八日

Consolidated Balance Sheet

合併資產負債表

(All amounts in Renminbi ("RMB") thousands unless otherwise stated) As at 31 December 2010
(除另有指明外，所有金額均以人民幣(「人民幣」)千元為單位) 於二零一零年十二月三十一日止年度

		As at 31 December	
		於十二月三十一日	
		2010	2009
		二零一零年	二零零九年
	Note 附註		
ASSETS			
			8,573,732
			8,807,623
Non-current assets			
Property, plant and equipment	7	7,946,548	8,625,585
Leasehold land and land use rights	6	116,949	73,139
Investment properties	8	16,789	17,595
Intangible assets	9	36	-
Investment in an associate	11	10,557	10,297
Available-for-sale financial assets	15	116,172	-
Prepayments	18	264,663	-
Deferred income tax assets	27	102,018	81,007
		8,573,732	8,807,623
Current assets			
Available-for-sale financial assets	15	-	96,148
Properties under development	14	246,700	-
Inventories	16	4,085,745	2,598,021
Trade and notes receivables	17	3,524,441	1,197,067
Other current assets		10,594	14,191
Prepayments, deposits and other receivables	18	897,972	1,125,231
Financial assets at fair value through profit or loss		131	144
Amounts due from related parties	41(c)	999,590	364,196
Loan receivable		20,000	-
Restricted bank balances	19	159,945	342,486
Cash and cash equivalents	19	2,223,245	644,030
		12,168,363	6,381,514
Total assets		20,742,095	15,189,137
EQUITY			
Equity attributable to owners of the parent			
Ordinary shares	20	311,715	311,669
Share premium	20	2,190,291	2,189,695
Other reserves	21	1,278,429	1,192,190
Retained earnings		4,289,327	3,475,204
		8,069,762	7,168,758
Non-controlling interests		450,012	291,992
Total equity		8,519,774	7,460,750

Consolidated Balance Sheet (continued)

合併資產負債表(續)

(All amounts in RMB thousands unless otherwise stated) As at 31 December 2010
(除另有指明外，所有金額均以人民幣千元為單位) 於二零一零年十二月三十一日止年度

		As at 31 December	
		於十二月三十一日	
		2010	2009
		二零一零年	二零零九年
	Note		
	附註		
LIABILITIES			
Non-current liabilities			
Borrowings	24	5,791,030	758,857
Other long term payables	25	344,836	570,163
Deferred revenue	26	27,010	41,256
Amounts due to related parties	41(c)	-	37,404
		6,162,876	1,407,680
Current liabilities			
Trade payables	22	1,682,730	1,725,762
Accruals, advances from customers and other current liabilities	23	3,037,452	2,255,423
Amounts due to related parties	41(c)	267,436	269,218
Current income tax liabilities		179,033	136,532
Other long term payables-current portion	25	209,150	134,432
Borrowings	24	680,249	1,796,481
Dividends payable		3,395	2,859
		6,059,445	6,320,707
Total liabilities		12,222,321	7,728,387
Total equity and liabilities		20,742,095	15,189,137
Net current assets		6,108,918	60,807
Total assets less current liabilities		14,682,650	8,868,430

Han Jingyuan

韓敬遠

Chairman and Director

主席及董事

Shen Xiaoling

沈曉玲

Director

董事

The notes on pages 80 to 235 are an integral part of these financial statements.

第80至235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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 於二零一零年十二月三十一日

		As at 31 December	
		於十二月三十一日	
		2010	2009
		二零一零年	二零零九年
	Note 附註		
ASSETS			
Non-current assets			
Property, plant and equipment	物業、廠房及設備	7	1,100
Investments in subsidiaries	附屬公司投資	10(a)	433,100
Loans to subsidiaries	附屬公司貸款	10(b)	4,135,633
Available-for-sale financial assets	可供出售金融資產	15	51,567
			-
		4,621,400	2,814,167
Current assets			
Available-for-sale financial assets	可供出售金融資產	15	-
Inventories	存貨	16	-
Trade receivables	應收貿易賬款		2,411,390
Prepayments, deposits and other receivables	預付款項、按金及 其他應收賬款	18	47,347
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		131
Amounts due from related parties	應收關聯方款項		-
Restricted bank balances	受限制銀行結餘	19	26,830
Cash and cash equivalents	現金及現金等價物	19	1,339,605
			274,758
		3,825,303	274,758
Total assets	總資產		8,446,703
			3,088,925
EQUITY	權益		
Equity attributable to owners of the parent	歸屬於本公司權益持有者		
Share capital	股本	20	311,715
Share premium	股份溢價	20	2,190,291
Other reserves	其他儲備	21	254,936
(Accumulated losses)/Retained earnings	(累計虧損)/留存收益		(158,229)
			2,702
Total equity	權益合計		2,598,713
			2,699,903

Company Balance Sheet (continued)

公司資產負債表(續)

(All amounts in RMB thousands unless otherwise stated) As at 31 December 2010
(除另有指明外，所有金額均以人民幣千元為單位) 於二零一零年十二月三十一日止年度

		As at 31 December 於十二月三十一日	
		2010	2009
		二零一零年	二零零九年
	Note 附註		
LIABILITIES			
Non-current liabilities			
Borrowings	24	5,544,030	–
Current liabilities			
Trade payables	22	164,862	177,776
Accruals and other current liabilities		138,995	21,315
Borrowings	24	–	159,903
Amounts due to related parties		–	29,937
Dividends payable		103	91
		303,960	389,022
Total liabilities		5,847,990	389,022
Total equity and liabilities		8,446,703	3,088,925
Net current assets/(liabilities)		3,521,343	(114,264)
Total assets less current liabilities		8,142,743	2,699,903

Han Jingyuan
韓敬遠
Chairman and Director
主席及董事

Shen Xiaoling
沈曉玲
Director
董事

The notes on pages 80 to 235 are an integral part of these financial statements.

第80至235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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

		Note	Year ended 31 December	
		附註	二零一零年	二零零九年
			2010	2009
Revenue	收入	5	30,135,718	20,589,138
Cost of sales	銷售成本	30	(28,080,858)	(18,582,768)
Gross profit	毛利		2,054,860	2,006,370
Other income	其他收入	29	63,783	36,817
Distribution costs	分銷成本	30	(65,673)	(56,997)
Administrative expenses	行政費用	30	(301,407)	(283,534)
Other expenses	其他費用	30	(25,076)	(206,823)
Other gains/(losses)-net	其他收益/(虧損)-淨額	28	25,409	(80,545)
Operating profit	經營溢利		1,751,896	1,415,288
Finance income	財務收入	32	57,049	35,414
Finance costs	財務成本	32	(195,655)	(137,145)
Finance costs-net	財務成本-淨額		(138,606)	(101,731)
Share of results of associates	應佔聯營公司溢利	11	191	177
Profit before income tax	除所得稅前溢利		1,613,481	1,313,734
Income tax expense	所得稅費用	33	(428,030)	(341,293)
Profit for the year	年度溢利		1,185,451	972,441
Profit attributable to:	溢利歸屬於：			
Equity holders of the Company	本公司權益持有者		1,062,838	884,323
Non-controlling interests	非控制性權益		122,613	88,118
			1,185,451	972,441
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	36	人民幣0.36元	人民幣0.30元
- Diluted earnings per share	- 稀釋每股收益	36	人民幣0.36元	人民幣0.30元
The notes on pages 80 to 235 are an integral part of these financial statements.	第80至235頁的附註為財務報表的整體部分。			
Dividends	股息	37	266,750	221,834

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 2010
 (除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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	
		2010	2009
		二零一零年	二零零九年
Profit for the year	年度溢利	1,185,451	972,441
Other comprehensive income:	其他綜合收益：		
Fair value (losses)/gains on available-for-sale financial assets	可供出售金融資產的公允價值(虧損)/收益	15 (8,453)	8,453
Total comprehensive income for the year	年度綜合收益合計	1,176,998	980,894
Attributable to:	歸屬於：		
Equity holders of the Company	本公司權益持有者	1,054,385	892,776
Non-controlling interests	非控制性權益	122,613	88,118
		1,176,998	980,894

The notes on pages 80 to 235 are an integral part of these financial statements.

第80至235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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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					Non-controlling interest 非控制性權益	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 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	6,489,940
	Comprehensive income							
	Profit for the year 年度溢利	-	-	-	884,323	884,323	88,118	972,441
	Other comprehensive income							
	Fair value gains on available-for-sale financial assets 可供出售金融資產的公允價值收益	-	-	8,453	-	8,453	-	8,453
	Total comprehensive income	-	-	8,453	884,323	892,776	88,118	980,894
	Transactions with owners							
	Employee share options scheme: - Value of employee services 僱員購股權計劃： - 僱員服務的價值	-	-	10,753	-	10,753	-	10,753
	Profit appropriation to statutory reserves 向法定儲備作出的溢利分配	21	-	-	28,021	(28,021)	-	-
	Dividends relating to 2009 二零零九年股息	41(c)	-	-	-	-	(20,837)	(20,837)
	Total transactions with owners	-	-	38,774	(28,021)	10,753	(20,837)	(10,084)
	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	7,460,750
	Balance at 1 January 2010							
	於二零一零年一月一日的結餘	311,669	2,189,695	1,192,190	3,475,204	7,168,758	291,992	7,460,750
	Comprehensive income							
	Profit for the year 年度溢利	-	-	-	1,062,838	1,062,838	122,613	1,185,451
	Other comprehensive income							
	Fair value losses on available-for-sale financial assets 可供出售金融資產的公允價值虧損	-	-	(8,453)	-	(8,453)	-	(8,453)
	Total comprehensive income	-	-	(8,453)	1,062,838	1,054,385	122,613	1,176,998
	Transactions with owners							
	Employee share options scheme: - Proceeds from shares issued - Value of employee services 僱員購股權計劃： - 發行股份所得款項 - 僱員服務的價值	20	46	596	-	642	-	642
	Profit appropriation to statutory reserves 向法定儲備作出的溢利分配	21	-	-	27,140	(27,140)	-	-
	Dividends relating to 2009 二零零九年股息		-	-	-	(221,575)	(5,730)	(227,305)
	Transaction with non-controlling interests (Note 10(a)(i)) 與非控制性權益的交易 (附註 10(a)(i))		-	-	-	-	40,000	40,000
	Deconsolidation of a Subsidiary (Note 10(a)(x)) 一間附屬公司終止合併入賬 (附註 10(a)(x))		-	-	-	-	1,137	1,137
	Total transactions with owners		46	596	94,692	(248,715)	35,407	(117,974)
	Balance at 31 December 2010							
	於二零一零年十二月三十一日的結餘	311,715	2,190,291	1,278,429	4,289,327	8,069,762	450,012	8,519,774

The notes on pages 80 to 235 are an integral part of these financial statements.

第 80 至 235 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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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	
		2010 二零一零年	2009 二零零九年
	Note 附註		
Cash flows (used in)/from operating activities	(用於)/來自經營活動的現金流量		
Cash (used in)/generated from operations	(用於)/產生自經營的現金 38	(1,243,105)	374,002
Interest received	已收利息	50,345	28,276
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	-	1
Interest paid	已付利息	(118,922)	(134,756)
Refund of prior year pre-paid income tax	上年度預繳所得稅退還	75,500	161,630
Income tax paid	已付所得稅	(482,040)	(177,603)
Net cash (used in)/generated from operating activities	(用於)/產生自經營活動的現金淨額	(1,718,222)	251,550
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	(194,285)	(930,821)
Proceeds from/(payment for) sales of property, plant and equipment	銷售物業、廠房及設備的所得款項/(付款)	1,792	(29)
Investment income on loan receivable	應收貸款投資收益	4,508	6,400
(Increase)/decrease in loan receivable	應收貸款(增加)/減少	(80,000)	130,000
Increase in available-for-sale financial assets	可供出售金融資產增加	(64,674)	(87,696)
(Increase)/decrease in amount due from related parties	關聯方應付款項(增加)/減少	(122,582)	207,348
Net cash used in investing activities	投資活動所耗的現金淨額	(455,241)	(674,798)
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	44,540	29,937
Repayment of borrowings from related parties	償還關聯方借款	(29,937)	(17,651)
Proceeds from Senior Notes	優先票據所得款項	5,651,767	-
Proceeds from borrowings	借款所得款項	2,672,344	3,118,524
Repayment of borrowings	償還借款	(4,202,807)	(2,769,390)
Dividends paid	已付股息	(268,271)	-
Capital injection by non-controlling interests	非控制性權益注資	40,000	-
Proceeds from issuance of ordinary shares	發行普通股所得款項	642	-
Cash paid relating to sales and leaseback transaction	就出售及回租交易已支付的現金	(202,690)	(33,227)
Decrease 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	174,500	10,625
Net cash from financing activities	融資活動產生的現金淨額	3,880,088	338,818
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	1,706,625	(84,430)
Effect of foreign exchange rate changes	外幣匯率變動的影響	(127,410)	(364)
Cash and cash equivalents, beginning of year	年初現金及現金等價物	644,030	728,826
Cash and cash equivalents, end of year	年終現金及現金等價物 19	2,223,245	644,030

The notes on pages 80 to 235 are an integral part of these financial statements.

第80至235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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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 principally 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 18 March 2011.

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」)於二零一一年三月十八日批准刊發。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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 Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of consolidated 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.

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，並就若干可供出售金融資產及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合併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。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting standards and interpretations

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

- HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

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

本集團已於二零一零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3號(修訂)「業務合併」，以及香港會計準則第27號「合併和單獨財務報表」、香港會計準則第28號「聯營投資」及香港會計準則第31號「合營中的權益」的相應修改，以未來適用法應用於收購日期為二零零九年七月一日或之後開始的首個年度報告期間或之後的業務合併。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting standards and interpretations (continued)

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

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

會計準則及詮釋的變化(續)

(a) 本集團已採納的新訂和已修改的準則(續)

此項修訂準則繼續對業務合併應用購買法，但與香港財務報告準則第3號比較，有若干重大更改。例如，收購業務的所有付款必須按收購日期的公允價值入賬，而分類為債務的或然付款須在綜合收益表重新計量。個別收購基準有不同選擇方案，可按公允價值或按非控制性權益應佔被收購方淨資產的比例，計量被收購方的非控制性權益。所有收購相關成本必須支銷。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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 12 (amendment), 'Income taxes'. The amendment provides an exception to the principles in the existing standard for measuring deferred tax assets or liabilities when investment property is measured at fair value. The amendment is effective for annual periods on or after 1 January 2012. This amendment is not expected to have a material impact on the Group's financial statements.

Since October 2010, the HKICPA has published Amendments to HKFRS 7, 'Financial instruments: Disclosures on derecognition', Additions to HKFRS 9, 'Financial instruments-Classification and measurement' for financial liability accounting and Amendments to HKAS 12, 'Income taxes' on Deferred tax: Recovery of underlying assets. Management is in the process of making an assessment of their impact and is not yet in a position to state what impact, if any, they may have on the Group's consolidated 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)

- 香港會計準則第12號(修改)「所得稅」。修改對現有的準則增加一個特例，當投資物業以公允價值計量時，以此計量遞延所得稅資產或負債。該修改於二零一二年一月一日年度及以後生效。這項修改預期不會對集團的財務報表產生重大影響。

二零一零年十月起，香港會計準則委員會已經對香港財務報告準則第7號進行修訂，金融工具：終止確認時披露，對香港財務報告準則第9號的增加，金融工具—對金融負債的分類和計量及修訂香港會計準則第12號，遞延稅項所得稅：相關資產回收。這個過程中管理層對其影響(如果有的話)作出評估，而不是陳述會對集團財務報表產生什麼影響。

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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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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 27 (revised) requires the effects of all transactions with non-controlling interests 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 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)

- 香港會計準則第27號(修訂)規定，如控制權沒有改變，則與非控制性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。修訂並無對本集團或本公司財務報表產生重大影響。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and considered this amendment did not have any impact to the Group as all the leases of land should still be classified as operating lease under the HKAS 17 (amendment).

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17號(修改)「租賃」刪去了有關租賃土地分類的具體指引，從而消除了與租賃分類一般指引的不一致性。因此，租賃土地必須根據香港會計準則第17號的一般原則，分類為融資或經營租賃，決定於租賃安排是否將資產所有權的大部份風險和報酬轉移至承租人。本集團已於二零一零年一月一日根據該等租約開始時已有的資料重新評估未到期租賃土地及土地使用權的分類，並認為由於所有土地租賃根據香港會計準則第17號(修改)仍應分類為經營租賃，故此修改對本集團並無任何影響。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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 36 (amendment), 'Impairment of assets', effective 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). The Group has treated the largest cash-generating unit to which goodwill is allocated for the purposes of impairment testing as an operating segment and the amendment does not have any 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)

- 香港會計準則第36號(修改)「資產減值」，由二零一零年一月一日起生效。此修訂澄清了為減值測試目的，商譽應分配到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(即在匯總類似經濟特質的經營分部之前)。本集團以商譽應變分配到的最大現金產出單元作為經營分部的減值測試目的及此修訂對本集團或本公司的財務報表並無任何影響。

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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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group (although they may affect the accounting for future transactions and events)

- HK(IFRIC) 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This is not relevant to the Group, as it does not distribute any non-cash assets to owners for the year ended 31 December 2010.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(b) 必須在二零一零年一月一日開始的財政年度首次採納的新訂和已修改準則及解釋，但目前與本集團無關(雖然其可能會影響未來的交易和事項的會計記賬)

- 香港(國際財務報告解釋委員會)一解釋公告第17號「向所有者分配非現金資產」(由二零零九年七月一日或之後起生效)。此項解釋在二零零八年十一月公佈。因為本集團截至二零一零年十二月三十一日止年度並沒有向所有者分配任何非現金資產，此項與本集團無關。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group (although they may affect the accounting for future transactions and events) (continued)

- HK(IFRIC) 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group as it does not receive from a customer any item of property, plant and equipment that the Group must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water).

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(b) 必須在二零一零年一月一日開始的財政年度首次採納的新和修改準則和解釋，但目前與本集團無關(雖然其可能會影響未來的交易和事項的會計記賬)(續)

- 香港(國際財務報告詮釋委員會)－解釋公告第18號「客戶資產轉讓」，適用於二零零九年七月一日或之後收到的資產轉讓。因為本集團並沒有從客戶收取任何物業、廠房及設備項目而本集團必須使用該項目以將客戶聯繫至網絡或向客戶持續供應貨品或服務(例如供應水、電或煤氣)的協議，此項與本集團無關。

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group (although they may affect the accounting for future transactions and events) (continued)

- HK(IFRIC) 9, 'Reassessment of embedded derivatives and HKAS 39, Financial instruments: Recognition and measurement', effective 1 July 2009. This is not currently applicable to the Group, as it has no embedded derivatives.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009. This is not currently applicable to the Group, as it has no hedging activities.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(b) 必須在二零一零年一月一日開始的財政年度首次採納的新和修改準則和解釋，但目前與本集團無關(雖然其可能會影響未來的交易和事項的會計記賬)(續)

- 香港(國際財務報告詮釋委員會)－解釋公告第9號「嵌入衍生工具的重估」及香港會計準則第39號「金融工具：確認和計量」，由二零零九年七月一日起生效。因為本集團並無嵌入衍生工具，目前不適用於本集團。
- 香港(國際財務報告詮釋委員會)－解釋公告第16號「境外經營的淨投資套期」，由二零零九年七月一日起生效。因為本集團並無套期活動，目前不適用於本集團。

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group (although they may affect the accounting for future transactions and events) (continued)

- HKAS 1 (amendment), 'Presentation of financial statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. This is not currently applicable to the Group, as it does not have any plans to settle a liability by the issue of equity.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(b) 必須在二零一零年一月一日開始的財政年度首次採納的新和修改準則和解釋，但目前與本集團無關(雖然其可能會影響未來的交易和事項的會計賬)(續)

- 香港會計準則第1號(修改)「財務報表的呈報」。此修改澄清了透過發行權益而對負債進行結算，則對該項負債被分類為流動或非流動是沒有關係的。因為本集團並無任何計劃透過發行權益結算負債，目前不適用於本集團。

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零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) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group (although they may affect the accounting for future transactions and events) (continued)

- HKFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective from 1 January 2010. This is not currently applicable to the Group, as it does not have such share-based payment transactions. All of its share-based payment transactions are equity-settled.
- HKFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. This is not relevant to the Group, as it does not have any non-current assets held for sale and discontinued operations.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(b) 必須在二零一零年一月一日開始的財政年度首次採納的新和修改準則和解釋，但目前與本集團無關(雖然其可能會影響未來的交易和事項的會計記賬)(續)

- 香港財務報告準則第2號(修改)「集團現金結算的以股份為基礎的支付交易」，由二零一零年一月一日起生效。因為本集團並沒有該等以股份為基礎的支付交易，所有以股份為基礎的支付交易均以權益結算，目前不適用於本集團。
- 香港財務報告準則第5號(修改)「持有待售非流動資產及終止經營」。因為本集團沒有持有任何持有待售非流動資產及終止經營，目前不適用於本集團。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted

- HKFRS 9, 'Financial instruments' introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets.
- Revised HKAS 24 (revised), 'Related party disclosures', issued in November 2009, supersedes HKAS 24, 'Related party disclosures', issued in 2003.
- Under 'Classification of rights issues' (amendment to HKAS 32), for rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivatives liabilities.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(c) 已公佈但於二零一零年一月一日未生效及無提早採納的新準則、修改和解釋

- 香港財務報告準則第9號「金融工具」，推出有關分類和計量金融工具的新規定，並很有可能影響本集團金融工具的會計入賬。
- 經修訂的香港會計準則第24號(修訂)「關聯方披露」，在二零零九年十一月發佈。此準則取代二零零三年發佈的香港會計準則第24號「關聯方披露」。
- 「配股的分類」(對香港會計準則第32號的修改)。此修改針對以發行人功能貨幣以外貨幣為單位的配股的會計入賬。之前，此等配股必須入賬為衍生負債。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted (continued)

- HK (IFRIC)-Int 19, 'Extinguishing financial liabilities with equity instruments'.
- Amendments to HK (IFRIC)-Int 14 'Prepayments of a minimum funding requirement' correct an unintended consequence of HK (IFRIC)-Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'.

The Group has not early adopted those third annual improvement project (2010) published in May 2010 by the HKICPA (to be effective in the financial year of 2011) in this consolidated financial statements and will apply those improvements in accordance with their respective effective dates, where applicable.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

(c) 已公佈但於二零一零年一月一日未生效及無提早採納的新準則、修改和解釋 (續)

- 香港(國際財務報告解釋委員會)－解釋公告第19號「以權益工具取代金融負債」。
- 香港(國際財務報告解釋委員會)－解釋公告第14號(修改)「最低資金規定的預付款」此修改更正了香港(國際財務報告解釋委員會)－解釋公告14和香港會計準則第19號「設定受益資產、最低資金規定及其相互關係」的一項意外後果。

本集團尚未在合併財務報表中採納由香港會計師公會在二零一零年五月發出的第三個對香港財務報告準則(二零一零年)的年度改進計劃(將在二零一一財政年度生效)。並會在該等改進的各自生效日應用。

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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 Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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。

本集團利用購買法將業務合併入賬。購買的對價根據於交易日期所給予資產、所產生或承擔的負債及發行的股本工具的公允價值計算。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。購買相關成本在產生時支銷。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。就個別收購基準，本集團可按公允價值或按非控制性權益應佔被購買方淨資產的比例，計量被收購方的非控制性權益。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend and receivable.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income (note 2.8).

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.

2. 重要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

附屬公司投資按成本扣除減值列賬。成本經調整以反映修改或有對價所產生的對價變動。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

轉讓的對價被購買方任何非控制性權益，以及被收購方任何之前權益在購買日期的公允價值，超過本集團應佔所購買可辨認淨資產公允價值的數額，列為商譽。就廉價購買而言，若該數額低於所購入附屬公司淨資產的公允價值，該差額直接在綜合收益表中確認(附註2.8)。

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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2. 重要會計政策摘要(續)

2.2 綜合賬目(續)

(b) 與非控制性權益的交易

本集團將其與非控制性權益進行的交易視為與本集團權益持有者進行的交易。來自非控制性權益的購買，所支付的任何對價與相關應佔所收購子公司淨資產賬面值的差額記錄為權益。向非控制性權益的處置的盈虧亦記錄在權益中。

當集團不再持有控制權或重大影響力，在主體的任何保留權益重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他綜合收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他綜合收益中確認的數額重新分類至損益。

如聯營的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他綜合收益中確認的數額重新分類至損益(如適當)。

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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.

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 other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements 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。

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，而應佔收購後其他綜合收益的變動則於其他綜合收益內確認。投資賬面值會根據累計的收購後變動而作出調整。如本集團應佔聯營公司的虧損等於或超過其在該聯營公司的權益，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，除非本集團對聯營公司已產生債務或已代聯營公司作出付款。

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)

2.2 Consolidation (continued)

Changes in accounting policy

The Group has changed its accounting policy for transactions with non-controlling interests and the accounting for loss of control or significant influence from 1 January 2010 when revised HKAS 27, 'Consolidated and separate financial statements', became effective. The revision to HKAS 27 contained consequential amendments to HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures'.

Previously transactions with non-controlling interests were treated as transactions with parties external to the group. Disposals therefore resulted in gains or losses in profit or loss and purchases resulted in the recognition of goodwill. On disposal or partial disposal, a proportionate interest in reserves attributable to the subsidiary was reclassified to profit or loss or directly to retained earnings.

Previously, when the group ceased to have control or significant influence over an entity, the carrying amount of the investment at the date control or significant influence became its cost for the purposes of subsequently accounting for the retained interests as associates, jointly controlled entity or financial assets.

The group has applied the new policy prospectively to transactions occurring on or after 1 January 2010. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the consolidated financial statements.

2. 重要會計政策摘要(續)

2.2 綜合賬目(續)

會計政策變動

本集團已由二零一零年一月一日(經修訂的香港會計準則27「合併及單獨財務報表」生效時)起更改其與非控制性權益交易的會計政策及失去控制權或重大影響力的會計入賬法。對香港會計準則27的修訂包含對香港會計準則28「聯營投資」及香港會計準則31「合營中的權益」的相應修改。

之前與非控制性權益的交易被視為與集團以外的人士進行的交易。處置因此導致在損益中入賬利得和損失，而購買則導致確認商譽。在處置或部份處置時，歸屬於子公司的儲備的按比例權益重新分類至損益或直接撥入留存收益。

之前，當本集團對某主體不再持有控制權或重大影響力時，其在控制或重大影響日期的投資的賬面值將成為保留權益後續入賬的成本，作為聯營、合營或金融資產。

本集團已自生效日期起對二零一零年一月一日或之後發生的交易以未來適用法應用新政策。因此，不需對財務報表之前確認的任何數額作出調整。

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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 management 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 company's functional and the group's presentation currency.

(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 分部報告

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。作出決策的管理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(本公司的功能貨幣及本集團的呈列貨幣)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 other comprehensive income.

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 other comprehensive income.

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其他綜合收益中確認。

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）之匯兌差額於其他綜合收益內列賬。

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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 in other comprehensive income.

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

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於其他綜合收益中確認。

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，均列入其他綜合收益內。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, finance leased assets 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 on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	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
Finance leased machinery	5-10 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、融資租賃資產和汽車等物業、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會流入本集團，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，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
融資租賃機器	5-10年

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if 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)

資產的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 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 used 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，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.

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。

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.

(b) Computer software

Computer software costs recognised as assets are amortised over their estimated useful lives of 3 years.

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。

(b) 計算機軟件

計算機軟件費用確認為資產，於三年估計使用年期作出攤銷。

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)

2.10 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, 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.

- (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 if expected to be settled within 12 months; otherwise, they are classified as non-current.

2. 重要會計政策摘要(續)

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。

- (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。倘預期於12個月內結算，則此類別的資產分類為流動資產；否則彼等分類為非流動資產。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

2.10.1 Classification (continued)

(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 end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'loan receivables', 'trade and notes receivables', 'other receivables' and 'cash and cash equivalents' in the balance sheet (Notes 2.14 and 2.15 respectively).

(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 it within 12 months of the end of the reporting period.

2. 重要會計政策摘要(續)

2.10 金融資產(續)

2.10.1 分類(續)

(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，惟不包括到期日為各報告期末起計逾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「應收貸款」、「應收貿易賬款及票據」、「其他應收賬款」和「現金及現金等價物」（附註2.14及2.15）。

(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報告期末起計12個月內出售的投資。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

2.10.2 Recognition and measurement

Regular way 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 consolidated 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，而交易成本賬自合併損益表扣除。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 and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

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。

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。

倘可供出售證券出售或減值，則於權益確認的累計公允價值調整計入利潤表「投資證券收益及虧損」。

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。

本集團用於釐定是否存在減值虧損客觀證據的標準如下：

- 發行人或欠債人遇上嚴重財政困難；
- 違反合同，例如逾期或拖欠償還利息或本金；

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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)

- The group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- 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.

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)

- 本集團基於與借款人的財政困難有關的經濟或法律原因，向借款人提供一般放款人不會考慮的特惠條件；
- 借款人有可能破產或進行其他財務重組；
- 因為財政困難而使該財務資產的活躍市場不再存在；或
- 可察覺的資料顯示自從初始確認後，某組財務資產的估計未來現金流量有可計量的減少，雖然該減少尚未能在該組別的個別財務資產內確定，有關資料包括：
 - (i) 該組別的借款人的還款狀況的不利變動；
 - (ii) 與該組別資產逾期還款相關連的全國性或地方經濟狀況。

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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)

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables category, 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 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.

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.

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)

本集團首先評估是否存在減值的客觀證據。

就貸款及應收賬款類別而言，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。

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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

(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. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also 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.

Impairment testing of trade and other receivables is described in note 2.14.

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. 重要會計政策摘要(續)

2.11 金融資產減值(續)

(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。倘股本投資被分類為可供出售金融資產，其公允價值出現重大或持續地低於取得成本亦為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。

貿易及其他應收賬款減值測試載於附註2.14。

當從附屬公司或聯營公司投資收到股利而股利超過該子公司或聯營在股利宣佈期間的總綜合收益時，或單獨財務報表投資的賬面值超過被投資方淨資產(包括商譽)的合併財務報表內的賬面值時，則必須對有關投資進行減值測試。

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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 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 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Development cost of properties comprises cost of land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties under development are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

Land use rights which are held for development for sale are classified as inventories and measured at the lower of cost and net realisable value.

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 發展中物業

發展中物業以成本及可變現淨值孰低列賬。可變現淨值考慮最終預計可變現價格，減去適用可變動銷售開支及預期竣工成本。

發展中物業發展成本包括土地使用權費用、建築成本、借貸成本及在建期間產生的專業費用。竣工後，發展中物業轉為持作銷售用途的可供出售物業。

發展中物業歸屬於流動資產，惟相關物業發展項目的建築工期預計超出正常經營周期者除外。

為開發銷售而持有的土地使用權分類為存貨，並按成本及可變現淨值較低者入賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Trade, notes and other receivables

Trade, notes and other receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade, notes 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, notes and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and cash in bank.

2.16 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.

2.17 Trade payables

Trade 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.

2. 重要會計政策摘要(續)

2.14 應收貿易賬款、票據及其他應收賬款

應收貿易賬款、票據及其他應收賬款為在日常業務過程中就已售商品應收客戶的款項。倘應收貿易賬款、票據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。

應收貿易賬款、票據及其他應收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減減值撥備計量。

2.15 現金及現金等價物

綜合現金流量表中，現金及現金等價物包括現金及銀行存款。

2.16 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)。

2.17 貿易應付賬款

貿易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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Trade payables (continued)

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

2.18 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.

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.

2. 重要會計政策摘要(續)

2.17 貿易應付賬款(續)

貿易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。

2.18 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。

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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Borrowings (continued)

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IAS 39 and the proceeds received. The benefit is accounted for in accordance with this standard. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

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)

2.18 借款(續)

政府的低於市場利率的借款被視作政府資助該借款根據國際會計準則第39號「金融工具：確認及計量」予以確認及計量。低於市場利率的利益按根據國際會計準則第39號釐定的借款的初始賬面值與收取的所得款項之間的差額予以確認。該利益根據該準則列賬。在識別借款利益擬予以補償成本時，實體應考慮其已或須滿足的條件及承擔的義務。

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)

2.19 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)

2.19 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)

2.19 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 and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 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.

2. 重要會計政策摘要(續)

2.19 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，惟遞延所得稅負債(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。

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.20 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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

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 31. 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.

2.21 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 (for example, an entity's share price);
- 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
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

2. 重要會計政策摘要(續)

2.20 僱員福利(續)

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31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。

2.21 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(例如，主體的股份價格)；
- 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
- 包括任何非可行權條件(例如，僱員留任之要求)之影響。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Share-based payments (continued)

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.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

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.

2.22 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. Provisions are not recognised for future operating losses.

2. 重要會計政策摘要(續)

2.21 以股份為基礎之付款(續)

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。

在期權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本在期權行使時撥入股本(面值)和股份溢價。

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。

2.22 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。概不就未來經營虧損確認撥備。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 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.

2.23 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)

2.22 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。

2.23 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)

2.24 Revenue recognition

(a) Sales of goods produced

Revenue comprises the fair value of the consideration received or receivable for the sale of goods 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 using the effective interest method. When a loan and 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 loan and receivables are recognised using the original effective interest rate.

2. 重要會計政策摘要(續)

2.24 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確認。倘貸款及應收賬款出現減值，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及應收款項採用原定實際利率確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 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.

2.25 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)

2.24 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。

2.25 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)

2.25 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. 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 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. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

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.

2.26 Contingent liabilities

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.

2.27 Dividends distribution

Dividends distribution to the Company's shareholders is recognised as a liability in the Group's consolidated 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 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。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。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及租賃本期的較早者予以折舊。

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。

2.26 或然負債

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。

2.27 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合併財務報表內確認為負債。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 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, by weighted average number of ordinary shares outstanding during the financial 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)

2.28 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除以該財政年度發行在外的普通股加權平均數計算。

(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. Most of the Group's 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 24.

The Group has not used any derivatives to hedge its exposure to interest rate risk for the year ended 31 December 2010 and 2009.

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。本集團絕大部份借款均為浮息借款，本集團須承受現金流量利率風險。最大利率風險於附註24中披露。

截至二零一零年及二零零九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 2010 and 2009.

The major foreign exchange risk exposure arises from the Group's importing and exporting activities and the Group's borrowings, 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, 19, 22 and 24 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

董事認為本集團在經營上不會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，截至二零一零年及二零零九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及本集團的借款，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。外匯風險降低因本集團收取及支付相同貨幣。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、19、22及24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\$, EUR€ 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%或8.5%，而非10%）；
- (b) 人民幣兌美元、歐元及港元（與美元掛鉤）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)

31 December 2010

Financial assets

Cash and cash equivalents	現金及現金等價物	2,223,245	(1,371)	(1,371)	1,371	1,371
Restricted bank balances	受限制銀行結餘	159,945	(99)	(99)	99	99
Amounts due from related parties	應收關聯方款項	999,590	(609)	(609)	609	609
Loan receivable	應收貸款	20,000	(67)	(67)	67	67

Financial liabilities

Bank borrowings	銀行借款	(862,249)	20,726	20,726	(20,726)	(20,726)
Amounts due to related parties	應付關聯方款項	(267,436)	51	51	(51)	(51)
Other long term payables	其他長期應付款	(553,986)	7,932	7,932	(7,932)	(7,932)

Total increase/(decrease)

二零一零年十二月三十一日

金融資產

現金及現金等價物	2,223,245	(1,371)	(1,371)	1,371	1,371
受限制銀行結餘	159,945	(99)	(99)	99	99
應收關聯方款項	999,590	(609)	(609)	609	609
應收貸款	20,000	(67)	(67)	67	67

金融負債

銀行借款	(862,249)	20,726	20,726	(20,726)	(20,726)
應付關聯方款項	(267,436)	51	51	(51)	(51)
其他長期應付款	(553,986)	7,932	7,932	(7,932)	(7,932)

合共增加/(減少)

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(續)

Interest rate risk

利率風險

-15% +15%

Carrying amount	Profit	Equity	Profit	Equity
賬面值	溢利	權益	溢利	權益

31 December 2010

Financial assets

Cash and cash equivalents	現金及現金等價物	2,223,245	(1,371)	(1,371)	1,371	1,371
Restricted bank balances	受限制銀行結餘	159,945	(99)	(99)	99	99
Amounts due from related parties	應收關聯方款項	999,590	(609)	(609)	609	609
Loan receivable	應收貸款	20,000	(67)	(67)	67	67

Financial liabilities

Bank borrowings	銀行借款	(862,249)	20,726	20,726	(20,726)	(20,726)
Amounts due to related parties	應付關聯方款項	(267,436)	51	51	(51)	(51)
Other long term payables	其他長期應付款	(553,986)	7,932	7,932	(7,932)	(7,932)

Total increase/(decrease)

二零一零年十二月三十一日

金融資產

現金及現金等價物	2,223,245	(1,371)	(1,371)	1,371	1,371
受限制銀行結餘	159,945	(99)	(99)	99	99
應收關聯方款項	999,590	(609)	(609)	609	609
應收貸款	20,000	(67)	(67)	67	67

金融負債

銀行借款	(862,249)	20,726	20,726	(20,726)	(20,726)
應付關聯方款項	(267,436)	51	51	(51)	(51)
其他長期應付款	(553,986)	7,932	7,932	(7,932)	(7,932)

合共增加/(減少)

Foreign exchange risk

外匯風險

-10% +10%

Carrying amount	Profit	Equity	Profit	Equity
賬面值	溢利	權益	溢利	權益

31 December 2010

Financial assets

Cash and cash equivalents	現金及現金等價物	2,223,245	102,023	102,023	(102,023)	(102,023)
Restricted bank balances	受限制銀行結餘	159,945	2,683	2,683	(2,683)	(2,683)
Trade and notes receivables	應收貿易賬款及票據	3,524,441	103	103	(103)	(103)
Deposits and other receivables (Note 18)	按金及其他應收賬款(附註18)	253,862	1,555	1,555	(1,555)	(1,555)
Other current assets	其他流動資產	10,594	19	19	(19)	(19)

Financial liabilities

Trade payables	應付貿易賬款	(1,682,730)	(19,517)	(19,517)	19,517	19,517
Other payables (i)	其他應付款項(i)	(472,751)	(14,323)	(14,323)	14,323	14,323
Borrowings	借款	(6,471,279)	(583,272)	(583,272)	583,272	583,272

Total (decrease)/increase

二零一零年十二月三十一日

金融資產

現金及現金等價物	2,223,245	102,023	102,023	(102,023)	(102,023)
受限制銀行結餘	159,945	2,683	2,683	(2,683)	(2,683)
應收貿易賬款及票據	3,524,441	103	103	(103)	(103)
按金及其他應收賬款(附註18)	253,862	1,555	1,555	(1,555)	(1,555)
其他流動資產	10,594	19	19	(19)	(19)

金融負債

應付貿易賬款	(1,682,730)	(19,517)	(19,517)	19,517	19,517
其他應付款項(i)	(472,751)	(14,323)	(14,323)	14,323	14,323
借款	(6,471,279)	(583,272)	(583,272)	583,272	583,272

合共(減少)/增加

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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)	

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 (續)

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Summarised sensitivity analysis (continued)

		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) (14,432)
Restricted bank balances	受限制銀行結餘	342,486	2,762	2,762	(2,762) (2,762)
Trade and notes receivables	應收貿易賬款及票據	1,197,067	6,023	6,023	(6,023) (6,023)
Deposits and other receivables (Note 18)	按金及其他應收 賬款(附註18)	514,308	109	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 20,676
Other payables (i)	其他應付款項(i)	(724,462)	(583)	(583)	583 583
Borrowings	借款	(2,555,338)	(66,244)	(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 2,994
Total (decrease)/increase	合共(減少)/增加		(67,171)	(67,171)	67,171 67,171

(i) Other payables include payables for purchase of property, plant and equipment, customer deposits and employee deposits as stated in Note 23.

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(續)

(i) 其他應付款項包括購買物業、廠房及設備之應付款項、客戶按金及僱員按金(載於附註23)。

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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 and notes 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, 19 and 41(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、應收貿易賬款及票據、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、19和41(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)

		Less than 1 year 1年內	Between 1 and 2 years 1至2年	Between 2 and 5 years 2至5年	Over 5 years 5年以上	Total 合計
At 31 December 2010	於二零一零年 十二月三十一日					
Borrowings	借款	680,249	202,000	3,623,745	1,965,285	6,471,279
Interests payments on borrowings (i)	借款利息支出 (i)	448,447	428,671	1,166,392	258,556	2,302,066
Trade payables	應付貿易賬款	1,682,730	-	-	-	1,682,730
Other payables	其他應付款項	532,069	-	-	-	532,069
Amounts due to related parties	應付關聯方款項	267,436	-	-	-	267,436
Finance lease liability	融資租賃負債	209,150	232,066	112,770	-	553,986
Interest payments on finance lease liability (ii)	就融資負債支付的利息 (ii)	49,166	26,250	5,455	-	80,871
Guarantee for bank borrowings of a third party	為第三方的銀行借款 出具擔保	-	-	-	30,000	30,000
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
Guarantee for bank borrowings of a third party	為第三方的銀行借款 出具擔保	-	-	-	30,000	30,000

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)

Notes to the Consolidated Financial Statements

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

- (i) The interest on borrowings is calculated based on borrowings held as at 31 December 2010 and 2009 without taking into account of future issues. Floating-rate interest is estimated using current interest rate as at 31 December 2010 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 2010 and 2009.

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.

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) 借款利息按二零一零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。浮動利率分別按二零一零年及二零零九年十二月三十一日的當時利率估算。
- (ii) 於二零一零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。

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。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management (continued)

Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by the total capitalisation. Total debt includes current and non-current borrowings, finance lease obligations and borrowings from related parties. Total capitalisation includes non-current borrowings, non-current portion of finance lease obligations and borrowings from related parties and the equity attributable to owners of the parent.

Total debt	債項總額
Total capitalisation	總資本
Debt-to-capital ratio	債項與權益比率

3. 財務風險管理(續)

3.2 資金風險管理(續)

與業內其他公司一樣，本集團亦是根據債項與資本比率監察資本狀況。債項與資本比率為債項總額除以總資本。債項總額包括流動及非流動借款、融資租賃負債及關聯公司借款。總資本包括非流動借款、融資租賃負債及關聯公司借款的非流動部份及歸屬於本公司權益持有人的權益。

2010 二零一零年	2009 二零零九年
7,279,223	3,497,274
14,205,628	8,497,778
51.2%	41.2%

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3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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 2010.

Assets

Financial assets at fair value through profit or loss
– Trading funds
Available-for-sale financial assets
– Equity securities (Note 15)

Total assets

資產

按公允價值計量且其變動計入損益表的金融資產
– 買賣資金
可供出售金融資產
– 股本證券(附註15)

總資產

3. 財務風險管理(續)

3.3 公允價值估計

下表透過估值法分析按公允價值計量的金融工具。不同級別界定如下：

- 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)。

下表呈列本集團於二零一零年十二月三十一日按公允價值計量的資產及負債。

	Level 1	Level 2	Level 3	Total
	第一級	第二級	第三級	總計
Financial assets at fair value through profit or loss				
– Trading funds	131	–	–	131
Available-for-sale financial assets				
– Equity securities (Note 15)	51,567	–	–	51,567
Total assets	51,698	–	–	51,698

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3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise liquid reserves fund classified as financial assets at fair value through profit or loss and equity securities classified as available-for-sale financial assets.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group has no level 2 or level 3 financial instruments as at 31 December 2010.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Certain available-for-sale financial assets measured at cost less accumulated impairment are disclosed in Note 15.

3. 財務風險管理(續)

3.3 公允價值估計(續)

在交投活躍市場買賣的金融工具的公允價值根據結算日的市場報價列賬。如果該報價可以容易地或規律地從交易市場、經銷商、經紀人、產業集團、股價服務機構或管理機構中獲得，並且這些報價是在真實、公平交易的基礎上呈現，該市場則視為活躍的。本集團持有的金融資產使用的市場報價是現行出價。該類工具屬於第一級。列入第一級的工具包括歸類為按公允價值計量且其變動計入損益表的金融資產的流動儲備資金及歸類為可供出售金融資產的股本證券。

在沒有交投活躍市場買賣的金融工具的公允價值利用估值方法釐定。於二零一零年十二月三十一日，本集團並無第二級或第三級金融工具。

倘一個或多個重大輸入數據並非根據可觀察市場數據釐定，則該項工具會被列入第三級。若干可供出售金融資產按成本減累計減值計量，披露於附註15。

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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 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 (“CGU”) 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 sheets and cold rolled sheets. The production lines were identified as CGUs separately.

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 CGU and also to apply a suitable discount rate in order to calculate the present value of those cash flows.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) 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(「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。

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。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

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

As at 31 December 2010, 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	117.7	122.4
Line 2	生產線 2	126.0	135.8

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)

(b) 物業、廠房及設備減值(續)

於二零一零年十二月三十一日，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)

(b) 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 2010 (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 at 31 December 2010, 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)

(b) 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二零一零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：

31 December 2010	
二零一零年十二月三十一日	
10% Lower	10% Higher
低 10%	高 10%

34,618	-
27,532	-

倘用於已折現現金流量的估計除稅前折現率較管理層於二零一零年十二月三十一日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：

31 December 2010	
二零一零年十二月三十一日	
10% Lower	10% Higher
低 10%	高 10%

-	-
-	18,529

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(c) 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)

(c) 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)

(d) Income taxes

The Group is subject to income taxes in numerous 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.

4.2 Critical judgements in applying the entity's accounting policies

(a) 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.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(d) 所得稅

本集團須繳納眾多司法權區的所得稅。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。

4.2 應用主體會計政策的關鍵判斷

(a) 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。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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

(a) Distinction between investment properties and owner-occupied properties (continued)

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.

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

The Group follows the guidance of HKAS 39 to determine when an available-for-sale financial asset 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 a financial asset 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.

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)

(a) 投資物業與業主自用物業的分別(續)

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。

(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金融資產減值。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)金融資產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，包括行業及分部表現、技術及營運之變動以及融資現金流等因素。

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

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 2010 and 2009 are as follows:

Sales:

Gross sales, less discounts and returns
– Strips and strip products
– H-Section steel products
– Billets
– Cold rolled sheets and galvanised sheets
– Others

Less: Sales taxes

銷售額：

銷售總額減折扣及退貨
– 帶鋼及帶鋼類產品
– H型鋼產品
– 鋼坯
– 冷軋板及鍍鋅板
– 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。截至二零一零年及二零零九年十二月三十一日止各年度的銷售額如下：

2010 二零一零年	2009 二零零九年
12,392,818	8,407,665
9,105,151	7,408,692
6,607,863	3,629,525
2,047,781	1,143,218
–	13,080
30,153,613	20,602,180
(17,895)	(13,042)
30,135,718	20,589,138

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5. SALES AND SEGMENT INFORMATION – GROUP

(continued)

(b) Segment information

The chief decision-maker has been identified as the management 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 considers the business from a business perspective. From a business perspective, the decision maker assesses the performance of iron and steel and real estate.

(i) Iron and steel – Manufacture and sale of iron and steel; and

(ii) Real estate – Development and sale of properties.

The decision-maker assesses the performance of the operating segments based on a measure of revenue and operating profit. This measurement is consistent with that in the annual financial statements.

For the year ended 31 December 2010, the properties of the real estate segment were still under development, and no sales revenue was recognised.

5. 銷售額及分部資料—本集團(續)

(b) 分部資料

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

根據該等報告，決策人從業務角度考慮業務。從業務角度，決策人評估鋼鐵及房地產表現。

(i) 鋼鐵—製造及銷售鋼鐵；及

(ii) 房地產—開發及銷售物業。

決策人根據計量收入及經營溢利評估經營分部表現。該計量與年度財務報表一致。

截至二零一零年十二月三十一日止年度，房地產分部物業仍處於發展中及無銷售確認。

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5. SALES AND SEGMENT INFORMATION-GROUP

(continued)

(b) Segment information (continued)

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets are determined after deducting related allowance that is reported as direct offsets in the balance sheet. Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, investment properties, intangible assets, investment in an associate, inventories, trade and notes receivables, prepayments, deposits and other receivables, other current assets, amounts due from related parties, restricted bank balances and cash and cash equivalents.

Segment liabilities are those operating liabilities that result from the operating activities of a segment.

The segment assets and liabilities as at 31 December 2010 are as follows:

		Iron and steel 鋼鐵	Real estate 房地產	Total 總計
Total assets	總資產	20,239,503	264,271	20,503,774
Total assets includes:	總資產包括：			
Investment in an associate	聯營公司投資	10,557	-	10,557
Segment assets for reportable segments	報告分部的分部資產			20,503,774
Unallocated:	未分配：			
Deferred income tax assets	遞延所得稅資產			102,018
Available-for-sale financial assets	可供出售金融資產			116,172
Financial assets at fair value through the profit and loss	以公允價值計量且其變動計入損益表的金融資產			131
Loan receivable	應收貸款			20,000
Total assets per balance sheet	資產負債表內的總資產			20,742,095

5. 銷售額及分部資料—本集團(續)

(b) 分部資料(續)

分部資產乃分部用於其經營活動的經營資產。分部資產扣除以資產負債表中直接抵銷呈報的相關津貼後釐定。分部資產主要包括租賃土地及土地使用權、物業、廠房及設備、投資物業、無形資產、聯營公司投資、存貨、應收貿易賬款及票據、預付款項、按金及其他應收款項、其他流動資產、應收關聯方款項、受限制銀行結餘及現金及現金等價物。

分部負債乃分部的經營活動所導致的經營負債。

於二零一零年十二月三十一日的分部資產及負債如下：

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5. SALES AND SEGMENT INFORMATION-GROUP (continued)

(b) Segment information (continued)

		Iron and steel 鋼鐵	Real estate 房地產	Total 總計
Total liabilities	總負債	5,474,963	93,651	5,568,614
Segment liabilities for reportable segments	報告分部的分部負債			5,568,614
Unallocated:	未分配：			
Current income tax liabilities	當期所得稅負債			179,033
Current borrowings	流動借款			680,249
Non-current borrowings	非流動借款			5,791,030
Dividends payable	應付股息			3,395
Total liabilities per balance sheet	資產負債表內的總負債			12,222,321

5. 銷售額及分部資料—本集團(續)

(b) 分部資料(續)

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:

		2010 二零一零年	2009 二零零九年
At 1 January	於一月一日	73,139	74,790
Additions	添置	45,607	-
Amortisation of leasehold land and land use rights (Note 30)	租賃土地及土地使用權攤銷(附註30)	(1,797)	(1,651)
At 31 December	於十二月三十一日	116,949	73,139

As at 31 December 2010, the net book value of leasehold land and land use rights of RMB 23 million (2009: RMB 61 million) was pledged as security for the Group's borrowings (Note 24).

The Group's leasehold land and land use rights are located in the PRC and the remaining lease period is between 30 years to 45 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：

於二零一零年十二月三十一日，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為人民幣2,300萬元(二零零九年：人民幣6,100萬元)(附註24)。

本集團的租賃土地及土地使用權位於中國，餘下租期介乎30年至45年。

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7. PROPERTY, PLANT AND EQUIPMENT

The Group

		Buildings	Machinery	Furniture and fixtures	Vehicles	Leasehold improvements	CIP	Finance leased machinery	Total
		樓宇	機器設備	辦公設備	汽車	租賃物業裝修	在建工程	融資租賃機器	總計
At 1 January 2009	於二零零九年一月一日								
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	在建工程轉入	113,472	677,659	12,897	8,578	-	(812,606)	-	-
Disposals (Note 38)	處置(附註38)	(820)	(6,269)	(1)	(3,451)	-	-	-	(10,541)
Transfer to CIP	在建工程轉出	(20,036)	(4,498)	-	-	-	24,534	-	-
Depreciation (Note 30)	折舊(附註30)	(113,123)	(612,803)	(12,807)	(15,988)	(55)	-	(90,275)	(845,051)
Impairment (Note 28)	減值(附註28)	(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
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度								
Opening net book amount	年初賬面淨值	2,235,733	5,103,083	53,699	57,530	372	503,000	672,168	8,625,585
Additions	添置	99	7,468	2,807	10,055	-	330,041	-	350,470
Transfer from CIP	在建工程轉入	53,089	203,150	9,170	11,073	-	(276,482)	-	-
Disposals and deductions (Note 38)	處置及減少(附註38)	(536)	(27,881)	(217)	(3,417)	-	(113,300)	-	(145,351)
Transfer to CIP	在建工程轉出	(7,325)	-	-	-	-	7,325	-	-
Depreciation (Note 30)	折舊(附註30)	(125,580)	(644,067)	(13,441)	(18,616)	(55)	-	(90,276)	(892,035)
Impairment	減值	-	7,879	-	-	-	-	-	7,879
Closing net book amount	年末賬面淨值	2,155,480	4,649,632	52,018	56,625	317	450,584	581,892	7,946,548
At 31 December 2010	於二零一零年十二月三十一日								
Cost	成本	2,736,110	7,201,385	95,301	123,840	1,337	450,584	800,000	11,408,557
Accumulated depreciation	累計折舊	(560,085)	(2,491,486)	(42,392)	(67,130)	(1,020)	-	(218,108)	(3,380,221)
Impairment	減值	(20,545)	(60,267)	(891)	(85)	-	-	-	(81,788)
Net book amount	賬面淨值	2,155,480	4,649,632	52,018	56,625	317	450,584	581,892	7,946,548

7. 物業、廠房及設備

本集團

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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:

Cost of sales	銷售成本
Administrative expenses	行政費用

As at 31 December 2010, the net book value of buildings and machinery of approximately RMB 175 million (2009: RMB 1,463 million) is pledged as security for the Group's current and non-current borrowings (Note 24).

For the year ended 31 December 2010, borrowing costs amounting to approximately RMB 15 million (2009: RMB 39 million) were capitalised into the cost of property, plant and equipment at an average capitalisation rate of 6.22% (2009: 6.33%) approximately.

The Directors noted indications that two production lines of a subsidiary engaged in the manufacture and sales of galvanised sheets and cold rolled sheets were subject to the impairment (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：

	2010 二零一零年	2009 二零零九年
	867,791	817,218
	24,244	27,833
	892,035	845,051

於二零一零年十二月三十一日，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為約人民幣1.75億元(二零零九年：人民幣14.63億元)(附註24)。

截至二零一零年十二月三十一日止年度，借貸成本約人民幣1,500萬元(二零零九年：人民幣3,900萬元)已按平均資本化比率約6.22%(二零零九年：6.33%)資本化為物業、廠房及設備的成本。

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和銷售鍍鋅板及冷軋板的生產線須進行減值(附註4.1)。

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)

The Directors reassessed the impairment of the relating assets as at 31 December 2010.

The recoverable amount of a CGU is determined based on higher of value-in-use and fair value less cost to sell. This calculation of fair value less cost to sell pre-tax cash flow projections based on financial budgets approved by management covering a ten-year period. Cash flows beyond the ten-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.

7. 物業、廠房及設備(續)

本集團(續)

董事重新評估相關資產於二零一零年十二月三十一日的減值。

現金產生單位的可收回金額按使用價值與公允價值減銷售成本的較高者計算。公允價值減銷售成本計算運用了稅前現金流量預測，其依據是管理層批准的十年期財務預算。超過十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：

2010 二零一零年	2009 二零零九年
5.46%-7.12%	6.06%-7.28%
2.00%	2.00%
14.50%	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。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。

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

At 1 January 2009	於二零零九年一月一日
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
Additions	添置
Disposal	處置
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
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度
Opening net book amount	年初賬面淨值
Additions	添置
Disposal	處置
Depreciation	折舊
Closing net book amount	年末賬面淨值
At 31 December 2010	於二零一零年十二月三十一日
Cost	成本
Accumulated depreciation	累計折舊
Net book amount	賬面淨值

7. 物業、廠房及設備(續)

本公司

	Furniture and fixtures	Vehicles	Total
	辦公設備	汽車	總計
At 1 January 2009			
Cost	801	2,179	2,980
Accumulated depreciation	(507)	(1,436)	(1,943)
Net book amount	294	743	1,037
Year ended 31 December 2009			
Opening net book amount	294	743	1,037
Additions	34	-	34
Disposal	(1)	(12)	(13)
Depreciation	(97)	(179)	(276)
Closing net book amount	230	552	782
At 31 December 2009			
Cost	826	2,165	2,991
Accumulated depreciation	(596)	(1,613)	(2,209)
Net book amount	230	552	782
Year ended 31 December 2010			
Opening net book amount	230	552	782
Additions	2	622	624
Disposal	-	(28)	(28)
Depreciation	(81)	(197)	(278)
Closing net book amount	151	949	1,100
At 31 December 2010			
Cost	828	2,760	3,588
Accumulated depreciation	(677)	(1,811)	(2,488)
Net book amount	151	949	1,100

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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 2009

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

Opening net book amount	年初賬面淨值	18,400
Depreciation (Note 30)	折舊(附註30)	(805)
Closing net book amount	年末賬面淨值	17,595

At 31 December 2009

Cost	成本	21,985
Accumulated depreciation	累計折舊	(4,390)
Net book amount	賬面淨值	17,595

Year ended 31 December 2010

Opening net book amount	年初賬面淨值	17,595
Depreciation (Note 30)	折舊(附註30)	(806)
Closing net book amount	年末賬面淨值	16,789

At 31 December 2010

Cost	成本	21,985
Accumulated depreciation	累計折舊	(5,196)
Net book amount	賬面淨值	16,789

For the year ended 31 December 2010, rental income arising from the investment properties amounted to RMB 1.31 million (2009: RMB 1.87 million) (Note 29).

As at 31 December 2010, the Directors of the Company assessed the fair value of the investment properties to be approximately RMB 49.4 million based on the prices in the active market (2009: RMB 38.4 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：

於二零零九年一月一日

成本	21,985
累計折舊	(3,585)
賬面淨值	18,400

截至二零零九年十二月三十一日止年度

年初賬面淨值	18,400
折舊(附註30)	(805)
年末賬面淨值	17,595

於二零零九年十二月三十一日

成本	21,985
累計折舊	(4,390)
賬面淨值	17,595

截至二零一零年十二月三十一日止年度

年初賬面淨值	17,595
折舊(附註30)	(806)
年末賬面淨值	16,789

於二零一零年十二月三十一日

成本	21,985
累計折舊	(5,196)
賬面淨值	16,789

截至二零一零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131萬元(二零零九年：人民幣187萬元)(附註29)。

於二零一零年十二月三十一日，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4,940萬元(二零零九年：人民幣3,840萬元)。

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9. INTANGIBLE ASSETS-GROUP

9. 無形資產－本集團

		Software 軟件	Goodwill 商譽	Total 總計
At 1 January 2009	於二零零九年一月一日			
Cost	成本	–	7,667	7,667
Accumulated amortisation and impairment	累計攤銷及減值	–	–	–
Net book amount	賬面淨值	–	7,667	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	7,667
Impairment (Note 28)	減值(附註28)	–	(7,667)	(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	7,667
Accumulated amortisation and impairment	累計攤銷及減值	–	(7,667)	(7,667)
Net book amount	賬面淨值	–	–	–
Year ended 31 December 2010	截至二零一零年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	–	–	–
Additions	添置	49	–	49
Amortisation (Note 30)	攤銷(附註30)	(13)	–	(13)
Closing net book amount	年末賬面淨值	36	–	36
At 31 December 2010	於二零一零年十二月三十一日			
Cost	成本	49	7,667	7,716
Accumulated amortisation and impairment	累計攤銷及減值	(13)	(7,667)	(7,680)
Net book amount	賬面淨值	36	–	36

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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

		2010 二零一零年	2009 二零零九年
Unlisted investments, at cost	非上市投資(按成本)	433,100	382,121

The subsidiaries at 31 December 2010 are as follows:

於二零一零年十二月三十一日
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	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
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)

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 已發行及繳足股本	Authorised capital 法定股本	Principal activities 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")	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」)	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	80.28% (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	80.28% (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	78.08% (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	78.08% (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\$38,770,501	HK\$80,000,000	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)	38,770,501港元	80,000,000港元	進出口貨物

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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		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	97.6% (Indirectly held) 97.6% (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
Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Co., Ltd. (「Zhengda Iron and Steel」)	PRC 19 December 2008	Limited liability company	69.3% (Indirectly held)	RMB50,000,000	RMB50,000,000	Manufacture and sales of steel products
河北津西鋼鐵集團正達鋼鐵有限公司 (「正達鋼鐵」)	中國 二零零八年十二月十九日	有限責任公司	69.3% (間接持有)	人民幣 50,000,000元	人民幣 50,000,000元	生產及銷售 鋼鐵產品
Tangshan Fengrun Qu Tong Yuan Trading Company Limited (「Tong Yuan Trading」)	PRC 22 May 2009	Limited liability company	69.3% (Indirectly held)	RMB100,000	RMB100,000	Purchase and sale of ferrous metal and coke
唐山市豐潤區通遠商貿有限公司 (「通遠商貿」)	中國 二零零九年五月二十二日	有限責任公司	69.3% (間接持有)	人民幣 100,000元	人民幣 100,000元	買賣黑色金屬及焦炭
Hebei Jinxi Boyuan Real Estate Co., Ltd. (「Boyuan Real Estate」) (i)	PRC 17 December 2009	Limited liability company	58.56% (Indirectly held)	RMB100,000,000	RMB100,000,000	Development and sales of real estate
河北津西博遠房地產開發有限公司 (「博遠房地產」) (i)	中國 二零零九年十二月十七日	有限責任公司	58.56% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	開發及銷售 房地產
Clear Precision Limited (「Clear Precision」) (ii)	BVI 22 July 2010	Limited liability company	100% (Directly held)	US\$2	US\$50,000	Investment holding
Clear Precision Limited (「Clear Precision」) (ii)	英屬維爾京群島 二零一零年七月二十二日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股

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	百分比	已發行及繳足股本	法定股本	主要業務
Beijing Jinxi Investment Holding Co., Ltd. ("Beijing Jinxi Investment") (iii)	PRC 26 August 2010	Limited liability company	97.6% (Indirectly held)	RMB60,000,000	RMB60,000,000	Investment holding
北京津西投資控股有限公司 (「北京津西投資」)(iii)	中國 二零一零年 八月二十六日	有限責任公司	97.6% (間接持有)	人民幣 60,000,000元	人民幣 60,000,000元	投資控股
Oriental Evertrust Finance Leasing Co. Ltd. ("Oriental Evertrust") (iv)	PRC 27 September 2010	Limited liability company	100% (Indirectly held)	US\$200,000,000	US\$200,000,000	Financial leasing and leasing
東方信遠融資租賃有限公司 (「東方信遠」)(iv)	中國 二零一零年 九月二十七日	有限責任公司	100% (間接持有)	200,000,000 美元	200,000,000 美元	金融租賃及租賃
Oriental Green Energy-Saving Environmental Protection Engineering Co., Ltd ("Oriental Green") (v)	PRC 20 October 2010	Limited liability company	97.6% (Indirectly held)	RMB50,000,000	RMB50,000,000	Environmental Protection Engineering
東方綠源節能環保工程有限公司 (「東方綠源」)(v)	中國 二零一零年 十月二十日	有限責任公司	97.6% (間接持有)	人民幣 50,000,000元	人民幣 50,000,000元	環境保護工程
Hebei Jinshun Energy-Saving Technology Development Co., Ltd ("Jinshun Energy-Saving") (vi)	PRC 17 November 2010	Limited liability company	97.6% (Indirectly held)	RMB100,000,000	RMB100,000,000	Research and development on recycling and energy-saving technology and other recycling business
河北津順節能技術開發有限公司 (「津順節能」)(vi)	中國 二零一零年 十一月十七日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	研發循環及節能技術及其他循環業務

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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		已發行及繳足股本	法定股本	主要業務
Beijing Jinxi Boyuan Real Estate Co., Ltd ("Beijing Real Estate") (vii)	PRC 18 November 2010	Limited liability company	97.6% (Indirectly held)	RMB100,000,000	RMB100,000,000	Development and sales of real estate
北京津西博遠房地產開發有限公司(「北京房地產」)(vii)	中國 二零一零年 十一月十八日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	開發及銷售房地產
China Oriental Singapore Pte. Ltd. ("China Oriental Singapore") (viii)	Singapore 29 November 2010	Limited liability company	100% (Indirectly held)	US\$ 1	Not applicable	Trading of iron ore and related products
China Oriental Singapore Pte. Ltd. (「China Oriental Singapore」)(viii)	新加坡 二零一零年 十一月二十九日	有限責任公司	100% (間接持有)	1美元	不適用	買賣鐵礦石及相關產品

(i) As at 1 January 2010, 100% of equity interest of Boyuan Real Estate was held by Jinxi Limited. Jinxi Limited entered into a share transfer agreement with Mr. Wang Zhihong. Pursuant to the share transfer agreement, Jinxi Limited disposed 40% of equity interest of Boyuan Real Estate on 1 January 2010 at a consideration of RMB 40 million.

(ii) Clear Precision was incorporated on 22 July 2010 by the Company solely. The paid-in capital of Clear Precision is USD 2.

10. 附屬公司投資及貸款—本公司(續)

(a) 附屬公司投資(續)

(i) 於二零一零年一月一日，津西鋼鐵擁有博遠房地產的100%權益。津西鋼鐵與王志紅先生簽訂一份股份轉讓協議。根據該股份轉讓協議，津西鋼鐵於二零一零年一月一日以代價人民幣4,000萬元處置40%博遠房地產權益。

(ii) Clear Precision由本公司於二零一零年七月二十二日獨資註冊成立。Clear Precision的繳足股本為2美元。

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

(a) Investments in subsidiaries (continued)

- (iii) Beijing Jinxi Investment was incorporated on 26 August 2010 by Jinxi Limited solely. The paid-in capital of Beijing Jinxi Investment is RMB 60 million.
- (iv) Oriental Evertrust was incorporated on 27 September 2010 by Clear Precision solely. The paid-in capital of Oriental Evertrust is USD 200 million.
- (v) Oriental Green was incorporated on 20 October 2010 by Beijing Jinxi Investment solely. The paid-in capital of Oriental Green is RMB 50 million.
- (vi) Jinshun Energy-Saving was incorporated on 17 November 2010 by Jinxi Limited solely. The paid-in capital of Jinshun Energy-Saving is RMB 100 million.
- (vii) Beijing Real Estate was incorporated on 18 November 2010 by Jinxi Limited solely. The paid-in capital of Beijing Real Estate is RMB 100 million.

10. 附屬公司投資及貸款－本公司(續)

(a) 附屬公司投資(續)

- (iii) 北京津西投資由津西鋼鐵於二零一零年八月二十六日獨資註冊成立。北京津西投資的繳足股本為人民幣6,000萬元。
- (iv) 東方信遠於二零一零年九月二十七日獨資註冊成立。東方信遠的繳足股本為2.00億美元。
- (v) 東方綠源由北京津西投資於二零一零年十月二十日獨資註冊成立。東方綠源的繳足股本為人民幣5,000萬元。
- (vi) 津西節能由津西鋼鐵於二零一零年十一月十七日獨資註冊成立。津西節能的繳足股本為人民幣1.00億元。
- (vii) 北京房地產由津西鋼鐵於二零一零年十一月十八日獨資註冊成立。北京房地產的繳足股本為人民幣1.00億元。

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

(a) Investments in subsidiaries (continued)

(viii) China Oriental Singapore was incorporated on 29 November 2010 by Fullhero solely. The paid-in capital of China Oriental Singapore is US\$ 1.

(ix) During the year ended 31 December 2010, Qianxi County Jinxi Yunda Transportation Co., Ltd. (“Yunda Transportation”), a former subsidiary of the Group, ceased operations and has been liquidated.

(x) As at 1 January 2010, Jinxi Limited held 60% of equity interest of Ping Quan County Jinyin Charging Co., Ltd (“Jinyin Charging”), which was accounted as a subsidiary of the Company. Jinxi Limited entered into a cooperation agreement (the “Cooperation Agreement”) with Mr. Du Chun, minority shareholder of Jinyin Charging on 6 April 2010. Pursuant to the Cooperation Agreement, from the date of the Cooperation Agreement to 5 April 2013 (the “Grant Period”), Jinxi Limited conveyed to Mr. Du Chun all the voting rights on the financial and operating policies of Jinyin Charging.

Pursuant to the Cooperation Agreement, Mr. Du Chun is exclusively entitled to the profit and net assets accumulated by Jinyin Charging during the Grant Period. As a return, Mr. Du Chun pays an annual contracting fee of RMB 2 million for three years, which is to be allocated among Jinyin Charging’s shareholders according to their equity percentage.

10. 附屬公司投資及貸款—本公司(續)

(a) 附屬公司投資(續)

(viii) China Oriental Singapore 由 Fullhero 於二零一零年十一月二十九日獨資註冊成立。China Oriental Singapore 的繳足股本為 1 美元。

(ix) 於截至二零一零年十二月三十一日止年度，本集團前附屬公司遷西縣津西運達運輸有限公司(「運達運輸」)終止營運並被清算。

(x) 於二零一零年一月一日，津西鋼鐵持有平泉縣津銀爐料有限公司(「津銀爐料」)60% 權益，並作為本公司之附屬公司。於二零一零年四月六日，津西鋼鐵與津銀爐料的少數股東杜春先生簽訂一份合作協議(「合作協議」)。根據合作協議，由合作協議日期起至二零一三年四月五日(「授予期間」)，津西鋼鐵授予杜春先生津銀爐料的財政及營運政策的全部投票權。

根據該合作協議，杜春先生於授予期間獨自享有津銀爐料累計的收益及淨資產。杜春先生在三年中每年支付合約費人民幣 200 萬元作為回報，根據權益比例分配予津銀爐料股東。

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

(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 US\$ 106.7 million (RMB 706.6 million equivalent) are unsecured and have a repayment term of 20 years, which bear interest at a rate of 8% per annum from 1 July 2010. 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 loans to Jinxi Jinlan amounting to US\$ 51 million (RMB 337.8 million equivalent) are unsecured and have a repayment term of 7 years, which bear interest at a rate of 7% per annum from 16 November 2010.

The rest of these loans to subsidiaries amounting to RMB 3,091.2 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)

(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1.067 億美元(相等於人民幣7.066 億元)為無抵押，還款期為20年，自二零一零年七月一日起按8%的年利率計息。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。

對津西金蘭提供的貸款為5,100 萬美元(相等於人民幣3.378 億元)，為無抵押，還款期為7年，自二零一零年十一月十六日起按7%的年利率計息。

該等對附屬公司貸款餘額人民幣30.912 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

		2010 二零一零年	2009 二零零九年
At 1 January	於一月一日	10,297	10,120
Acquisition of an associate (i)	收購一間聯營公司 (i)	14,674	–
Share of results of associates (Note 38)	應佔溢利 (附註 38)	191	177
Transfer to available-for-sale financial asset	轉撥至可供出售金融資產	(14,605)	–
At 31 December	於十二月三十一日	10,557	10,297

The information of the unlisted associated company at 31 December 2010 is as follows:

非上市聯營公司於二零一零年十二月三十一日的資料如下：

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)	145,299	114,757	88,694	743
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)	145,299	114,757	88,694	743

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

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11. INVESTMENT IN AN ASSOCIATE – GROUP (continued)

- (i) Pursuant to a capital contribution agreement dated 10 March 2010, Jinxi Limited, Qianxi County Hui Yin Trading Company Limited (“Hui Yin”) and Qianxi County Longba Charging Company Limited (“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. After the completion of capital contribution, Jinxi Limited, Hui Yin and Longba Charging’s existing shareholders will own 45%, 9% and 46% of equity interest of Longba Charging respectively.

On 26 September 2010, Jinxi Limited entered into a cooperation agreement for the period of one year with Mr. Du Chun, one of the shareholders of Longba Charging. Pursuant to the cooperation agreement, Jinxi Limited conveyed to Mr. Du Chun all the voting rights on the financial and operating policies of Longba Charging for the consideration of RMB 3,870,000.

In the opinion of the directors of the Company, the Group cannot exercise any significant influence on this company and hence has classified these companies as available-for-sale financial assets of the Group.

From the date of capital contribution to 26 September 2010, the Group has recognised share of loss of Longba Charging amounting to RMB 68,557.

11. 聯營公司投資—本集團(續)

- (i) 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、遷西縣滙銀工貿有限公司(「滙銀」)及遷西縣龍霸爐料有限公司(「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，以及龍霸爐料現任股東進一步出資人民幣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。

於二零一零年九月二十六日，津西鋼鐵與龍霸爐料的股東之一杜春先生訂立一年期合作協議。根據合作協議，津西鋼鐵向杜春先生轉讓龍霸爐料的財務及經營政策的所有投票權，代價為人民幣3,870,000元。

本公司董事認為，本集團不能對本公司行使任何重大影響，因此已將該等公司分類為本集團可供出售金融資產。

自注資日期起至二零一零年九月二十六日，本集團已確認龍霸爐料應佔虧損人民幣68,557元。

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12. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

The Group

Assets as per consolidated balance sheet 合併資產負債表所示的資產

As at 31 December 2010 於二零一零年十二月三十一日

Available-for-sale financial assets (Note 15) 可供出售金融資產(附註15)

Trade and notes receivables (Note 17) 應收貿易賬款及票據(附註17)

Deposits and other receivables (Note 18) 按金及其他應收賬款(附註18)

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

Amounts due from related parties (Note 41(c)) 應收關聯方款項(附註41(c))

Loan receivable 應收貸款

Restricted bank balances (Note 19) 受限制銀行結餘(附註19)

Cash and cash equivalents (Note 19) 現金及現金等價物(附註19)

Total 總計

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)

Trade and notes receivables (Note 17) 應收貿易賬款及票據(附註17)

Deposits and other receivables (Note 18) 按金及其他應收賬款(附註18)

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

Amounts due from related parties (Note 41(c)) 應收關聯方款項(附註41(c))

Restricted bank balances (Note 19) 受限制銀行結餘(附註19)

Cash and cash equivalents (Note 19) 現金及現金等價物(附註19)

Total 總計

12. 金融工具(按類別) – 本集團及本公司

本集團

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
-----------------------	--	---	-------------

- - 116,172 116,172

3,524,441 - - 3,524,441

253,862 - - 253,862

- 131 - 131

999,590 - - 999,590

20,000 - - 20,000

159,945 - - 159,945

2,223,245 - - 2,223,245

7,181,083 131 116,172 7,297,386

- - 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

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12. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY (continued)

The Group (continued)

		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	
As at 31 December 2010	於二零一零年十二月三十一日	
Trade payables (Note 22)	應付貿易賬款 (附註 22)	1,682,730
Other payables	其他應付賬款	472,751
Borrowings (Note 24)	借款 (附註 24)	6,471,279
Other long-term payables (Note 25)	其他長期應付款 (附註 25)	553,986
Amounts due to related parties (Note 41(c))	應付關聯方款項 (附註 41(c))	267,436
Total	總計	9,448,182
As at 31 December 2009	於二零零九年十二月三十一日	
Trade payables (Note 22)	應付貿易賬款 (附註 22)	1,725,762
Other payables	其他應付賬款	724,462
Borrowings (Note 24)	借款 (附註 24)	2,555,338
Other long-term payables (Note 25)	其他長期應付款 (附註 25)	704,595
Amounts due to related parties (Note 41(c))	應付關聯方款項 (附註 41(c))	306,622
Total	總計	6,016,779

12. 金融工具 (按類別) – 本集團及本公司 (續)

本集團 (續)

Notes to the Consolidated Financial Statements

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12. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY (continued)

The Company

Assets as per company balance sheet	公司資產負債表所示資產
As at 31 December 2010	於二零一零年十二月三十一日
Available-for-sale financial assets (Note 15)	可供出售金融資產(附註15)
Deposits and other receivables (Note 18)	按金及其他應收賬款(附註18)
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
Restricted bank balances (Note 19)	受限制銀行結餘(附註19)
Cash and cash equivalents (Note 19)	現金及現金等價物(附註19)
Total	總計

12. 金融工具(按類別) – 本集團及本公司(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
-	-	51,567	51,567
47,127	-	-	47,127
-	131	-	131
26,830	-	-	26,830
1,339,605	-	-	1,339,605
1,413,562	131	51,567	1,465,260

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12. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY (continued)

12. 金融工具(按類別) – 本集團及本公司(續)

The Company (continued)

本公司(續)

		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
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)	-	-	96,148	96,148
Deposits and other receivables (Note 18)	按金及其他應收賬款(附註18)	1,094	-	-	1,094
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	-	144	-	144
Amounts due from related parties	應收關聯方款項	6,592	-	-	6,592
Restricted bank balances (Note 19)	受限制銀行結餘(附註19)	25,107	-	-	25,107
Cash and cash equivalents (Note 19)	現金及現金等價物(附註19)	124,164	-	-	124,164
Total	總計	156,957	144	96,148	253,249

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 2010	於二零一零年十二月三十一日	
Trade payables (Note 22)	應付貿易賬款(附註22)	164,862
Borrowings (Note 24)	借款(附註24)	5,544,030
Total	總計	5,708,892
As at 31 December 2009	於二零零九年十二月三十一日	
Trade payables (Note 22)	應付貿易賬款(附註22)	177,776
Borrowings (Note 24)	借款(附註24)	159,903
Amounts due to related parties	應付關聯方款項	29,937
Total	總計	367,616

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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 and notes receivables and loan receivable as follows:

- Group 1 – Bank acceptance notes
- Group 2 – Trade and notes receivables and loan receivable due from customers with no defaults in the past
- Group 3 – Trade and notes receivables and loan receivable due from customers with some defaults in the past

Trade and notes receivables and loan receivable

Group 1	第一類
Group 2	第二類
Group 3	第三類

The credit quality of 'Available-for-sale financial assets', 'Deposits and other receivables' and 'Amounts due from related parties' of the Group is disclosed in Notes 15, 18 and 41 (c) respectively.

13. 金融資產的信貨狀況

尚未到期亦沒有減值的金融資產的信貨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及票據和應收貸款分類如下：

- 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及票據和應收貸款
- 第三類－應收過往部分有拖欠記錄的客戶的貿易賬款及票據和應收貸款

應收貿易賬款及票據和應收貸款

	2010 二零一零年	2009 二零零九年
	3,447,559	1,078,962
	96,882	118,105
	-	-
	3,544,441	1,197,067

本集團「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」的信貨狀況分別於附註15、18及41(c)披露。

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13. CREDIT QUALITY OF FINANCIAL ASSETS (continued)

The Group categorise the cash in banks as follows:

- Group 1 – Major International banks
- Group 2 – Listed banks in PRC
- Group 3 – Subsidiary of listed banks and other banks in PRC

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

Group 1	第一類
Group 2	第二類
Group 3	第三類

None of the financial assets that are fully performing have been renegotiated in the last financial year.

13. 金融資產的信貨狀況(續)

本集團將其銀行存款分類如下：

- 第一類－主要國際銀行
- 第二類－中國上市銀行
- 第三類－中國上市銀行附屬機構及其他銀行

由於各方有高度信貸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貸風險極低。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	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
Group 1	第一類	512,944	32,190	512,911	32,350
Group 2	第二類	1,670,514	750,311	683,514	116,862
Group 3	第三類	198,774	203,330	170,000	–
		2,382,232	985,831	1,366,425	149,212

已全數履約的金融資產均沒有在上個財政年度重新磋商。

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14. PROPERTIES UNDER DEVELOPMENT – GROUP

14. 發展中物業—本集團

		2010 二零一零年	2009 二零零九年
Properties under development comprise:	發展中物業包括：		
– Construction costs	– 建設成本	111,195	–
– Land use rights	– 土地使用權	135,505	–
		246,700	–

The properties under development are all located in the PRC.
The related land use rights are on leases of 40 to 70 years.

發展中物業均位於中國。相關土地使用權租期為 40 至 70 年。

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

15. 可供出售金融資產

The Group

本集團

		2010 二零一零年	2009 二零零九年
Unlisted equity interest (i)	非上市權益 (i)	188,100	188,100
Additions (ii)	添置 (ii)	64,605	–
Less: provision for impairment	減：減值撥備	(188,100)	(188,100)
Net	淨值	64,605	–
Listed equity interest (iii)	上市權益 (iii)	96,148	87,695
Less: provision for impairment	減：減值撥備	(36,128)	–
(Less)/add: fair value (losses)/ gains transfer (from)/to equity (Note 21)	(減)/加：公允價值 (虧損)/收益轉撥 (自)/至權益(附註21)	(8,453)	8,453
Net	淨值	51,567	96,148
Total	總計	116,172	96,148
Less: non-current portion of available-for-sale financial assets	減：可供出售金融資產 的非即期部分	(116,172)	–
Current portion of available-for-sale financial assets	可供出售金融資產 的即期部分	–	96,148

Notes to the Consolidated Financial Statements

合併財務報表附註

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15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

The Group (continued)

- (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.

In August 2010, Jinxi Limited entered into a supplementary agreement with the aforesaid third-party shareholder of Jinjin Mine to extend the Lease Period to 30 September 2011.

The Lessee is exclusively entitled to the profit or loss and net assets accumulated during the Lease Period in return for 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.

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 2010 and 2009.

15. 可供出售金融資產(續)

本集團(續)

- (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。

於二零一零年八月，津西鋼鐵與上述津金礦業的第三方股東訂立補充協議，以延長租賃期間至二零一一年九月三十日。

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。

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，截至二零一零年及二零零九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。

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15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

The Group (continued)

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 2010, the Directors of the Company noted that there were impairment indications on the cost of the investment in Jinjin Mine as follows:

- a. The Group received 30% lease income of 2009 amounting to RMB 24 million from the Lessee during 2010. Lease income of 2009 and 2010 are cut down by 70% and 60% respectively.
- 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.

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.

15. 可供出售金融資產(續)

本集團(續)

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。

於二零一零年十二月三十一日，本公司董事留意到有跡象顯示津金礦業的投資成本出現減值：

- a. 本集團於二零一零年接獲承租人交付的二零零九年租賃收入的30%，達人民幣2,400萬元。二零零九年及二零一零年的租賃收入分別削減70%及60%。
- 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。

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。

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

The Group (continued)

- (ii) The additions of the Group's unlisted equity interest represented an investment in 10% shareholding, of Caofeidian Port Company, a company with the registered capital of RMB 950 million. As at 31 December 2010, RMB 50 million has been paid up by the shareholders of Caofeidian Port Company.

The rest of the additions amounting to RMB 14.6 million represent the Group's 45% equity interest in Longba Charging. On 26 September 2010, Jinxi Limited entered into a cooperation agreement for the period of one year with Mr. Du Chun, one of the shareholders of Longba Charging. Pursuant to the cooperation agreement, Jinxi Limited conveyed to Mr. Du Chun all the voting rights on the financial and operating policies of Longba Charging for the consideration of RMB 3.87 million (Note 11(i)).

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.

In the opinion of the directors of the Company, the Group cannot exercise any significant influence on Longba Charging and hence has classified Longba Charging as available-for-sale financial assets of the Group.

- (iii) 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 of 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.

15. 可供出售金融資產(續)

本集團(續)

- (ii) 本集團未上市股權的增加指對唐山市曹妃甸礦石碼頭有限公司10%股權的投資，該公司註冊資本為人民幣9.50億元。於二零一零年十二月三十一日，唐山市曹妃甸礦石碼頭有限公司的股東已結付人民幣5,000萬元。

股權增加的剩餘部分人民幣1,460萬元為本集團所持龍霸爐料的45%股權。於二零一零年九月二十六日，津西鋼鐵與龍霸爐料的股東之一杜春先生訂立一年期合作協議。根據合作協議，津西鋼鐵向杜春先生轉讓龍霸爐料的財務及經營政策的全部投票權，代價為人民幣387萬元(附註11(i))。

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。

本公司董事認為，本集團不能對龍霸爐料行使任何重大影響，因此，已將龍霸爐料分類為本集團可供出售金融資產。

- (iii) 本集團的上市權益指投資600,000,000股普通股，佔亞洲能源物流集團有限公司(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。

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15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

The Company

Listed equity interest	Less: provision for impairment	(Less)/add: fair value (losses)/gains transfer (from)/to equity	Net	Less: non-current portion of available-for-sale financial assets	Current portion of available-for-sale financial assets
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上市權益	減：減值撥備	(減)/加：公允價值(虧損)/收益轉撥(自)/至權益	淨值	減：可供出售金融資產的非即期部分	可供出售金融資產的即期部分
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15. 可供出售金融資產(續)

本公司

	2010 二零一零年	2009 二零零九年
	96,148	87,695
	(36,128)	-
	(8,453)	8,453
	51,567	96,148
	(51,567)	-
	-	96,148

16. INVENTORIES

The Group

Raw materials and materials in-transit	Work-in-progress	Finished goods	原材料及在途材料	在製品	製成品
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As at 31 December 2010, the net book value of inventories of RMB 89 million (2009: RMB 67 million) was pledged as security for the Group's notes payable and current borrowings (Notes 22 and 24).

The cost of inventories recognised as expense and included in cost of sales amounted to RMB 25,122 million (2009: RMB 16,110 million) (Note 30).

16. 存貨

本集團

	2010 二零一零年	2009 二零零九年
	3,383,136	1,898,272
	418,821	373,882
	283,788	325,867
	4,085,745	2,598,021

於二零一零年十二月三十一日，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8,900萬元(二零零九年：人民幣6,700萬元)(附註22及24)。

已確認為開支並計入銷售成本的存貨成本為人民幣251.22億元(二零零九年：人民幣161.10億元)(附註30)。

Notes to the Consolidated Financial Statements

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16. INVENTORIES (continued)

The Company

Raw materials and materials in-transit 原材料及在途材料

16. 存貨(續)

本公司

2010 2009
二零一零年 二零零九年

- 21,288

17. TRADE AND NOTES RECEIVABLES-GROUP

Accounts receivable

Notes receivable (a)

應收賬款

應收票據(a)

2010 2009
二零一零年 二零零九年

76,882 118,105

3,447,559 1,078,962

3,524,441 1,197,067

(a) As at 31 December 2010, the notes receivable were all bank acceptance notes, of which approximately RMB 55 million (2009: RMB 102 million) were pledged as security for issuing notes payable (Note 22).

The settlement of the notes receivables were guaranteed by banks with maturity dates within six months. The notes receivables can be convertible into cash and cash equivalent by paying discounting interests and the credit risks in respect of the notes receivables are considered to be low.

As at 31 December 2010 and 2009, the carrying amount of the Group's trade and notes 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.

17. 應收貿易賬款及票據－本集團

(a) 於二零一零年十二月三十一日，應收票據均為銀行承兌匯票，其中約人民幣0.55億元(二零零九年：人民幣1.02萬元)已為開具應付票據而抵押(附註22)。

應收票據到期日為六個月內，其結算由銀行擔保。應收票據透過支付貼現利息可轉換為現金及現金等價物及有關應收票據的信貸風險被視為較低。

於二零一零年及二零零九年十二月三十一日，本集團應收貿易賬款及票據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。

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) 截至二零一零年十二月三十一日止年度

17. TRADE AND NOTES RECEIVABLES – GROUP

(continued)

As at 31 December 2010 and 2009, the ageing analysis of trade and notes receivables was as follows:

Within 3 months	3個月內
4-6 months	4至6個月

As at 31 December 2010, accounts receivable pledged by letters of credit issued by the third parties was nil. (2009: RMB 43 million).

As at 31 December 2010, trade and notes receivables of RMB 77 million (2009: RMB 75 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 and notes receivables that are less than three months past due are not impaired. The ageing analysis of these trade and notes receivables was as follows:

Within 3 months	3個月內
-----------------	------

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

RMB	人民幣
US\$	美元

17. 應收貿易賬款及票據—本集團(續)

於二零一零年及二零零九年十二月三十一日，應收貿易賬款及票據的賬齡分析如下：

2010 二零一零年	2009 二零零九年
3,167,223	1,004,990
357,218	192,077
3,524,441	1,197,067

於二零一零年十二月三十一日，應收賬款為零(二零零九年：人民幣4,300萬元)為第三方開具的信用證作抵押。

於二零一零年十二月三十一日，應收貿易賬款及票據人民幣7,700萬元(二零零九年：人民幣7,500萬元)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。該等應收貿易賬款及票據的賬齡分析如下：

2010 二零一零年	2009 二零零九年
76,882	75,050

本集團應收貿易賬款及票據的賬面值乃以下列貨幣為單位：

2010 二零一零年	2009 二零零九年
3,523,412	1,117,898
1,029	79,169
3,524,441	1,197,067

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18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

Non-current

Prepayments for purchase of fixed assets

非即期

購買固定資產的預付款項

2010
二零一零年

2009
二零零九年

264,663

–

Current

Prepayments for purchase of inventories

Deposits and other receivables

Less: Impairment provision of deposits
and other receivables

即期

購買存貨的預付款項

按金及其他應收賬款

減：按金及其他應收賬款
之減值撥備

665,415

632,228

253,862

514,308

(21,305)

(21,305)

897,972

1,125,231

1,162,635

1,125,231

As at 31 December 2010 and 2009, the carrying amount of the Group's deposits and other receivables approximated their fair value.

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 2010, the directors concluded that there was significant uncertainty of obtaining the mining rights or recovering the advance payments.

The Company

Prepayments for purchase of inventories

Deposits and other receivables

本集團

於二零一零年及二零零九年十二月三十一日，本集團按金及其他應收賬款之賬面值近似其公允價值。

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。於二零一零年十二月三十一日，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。

本公司

2010
二零一零年

2009
二零零九年

220

221

47,127

1,094

47,347

1,315

Notes to the Consolidated Financial Statements

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19. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

The Group

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 2010, restricted bank balances were composed of the following items:

- Restricted bank balances amounting to approximately RMB 117.4 million were pledged as security for issuing notes payable of the Group (2009: RMB 124.7 million) (Note 22).
- Restricted bank balances amounting to approximately US\$ 4.2 million (RMB 27.6 million equivalent) were pledged as security for issuing letters of credit (2009: US\$ 4.2 million (RMB 28.4 million equivalent)).
- Restricted bank balances amounting to approximately RMB 14.9 million were pledged as security for current borrowings of the Group (2009: RMB 189.4 million) (Note 24).

19. 現金及現金等價物以及受限制銀行結餘

本集團

	2010	2009
	二零一零年	二零零九年
Cash and cash equivalents	2,223,245	644,030
Restricted bank balances	159,945	342,486
	2,383,190	986,516

於二零一零年十二月三十一日，受限制銀行結餘包括下列各項：

- 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1.174億元(二零零九年：人民幣1.247億元)(附註22)。
- 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2,760萬元)(二零零九年：美元420萬元(相等於人民幣2,840萬元))。
- 已為本集團流動借款而抵押的受限制銀行結餘約人民幣0.149億元(二零零九年：人民幣1.894億元)(附註24)。

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

19. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES (continued)

The Group (continued)

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 2010, restricted bank balances amounting to approximately US\$ 4.1 million (RMB 26.8 million equivalent) were pledged as security for issuing letters of credit (2009: US\$ 3.7 million (RMB 25.1 million equivalent)).

19. 現金及現金等價物以及受限制銀行結餘(續)

本集團(續)

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：

	2010 二零一零年	2009 二零零九年
RMB	1,336,132	806,790
US\$	1,043,143	177,226
HK\$	3,915	2,499
Euro	-	1
	2,383,190	986,516

本公司

	2010 二零一零年	2009 二零零九年
Cash and cash equivalents	1,339,605	124,164
Restricted bank balances	26,830	25,107
	1,366,435	149,271

於二零一零年十二月三十一日，已為開具信用證而抵押的受限制銀行結餘約美元410萬元(相等於人民幣2,680萬元)(二零零九年：美元370萬元(相等於人民幣2,510萬元))。

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19. 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:

US\$	美元
RMB	人民幣
HK\$	港元

19. 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：

	2010	2009
	二零一零年	二零零九年
	1,022,350	145,930
	340,181	863
	3,904	2,478
	1,366,435	149,271

20. SHARE CAPITAL AND PREMIUM – GROUP AND COMPANY

20. 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	Total 總計
At 1 January 2009 and 2010	於二零零九年及二零一零年一月一日	2,929,200	311,669	2,189,695	2,501,364
Employee share option scheme: – issuance of shares (Note 21(c))	僱員購股權計劃： – 股份發行(附註21(c))	525	46	596	642
At 31 December 2010	於二零一零年十二月三十一日	2,929,725	311,715	2,190,291	2,502,006

As at 31 December 2010 and 2009, 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 2010, the number of issued and fully paid ordinary shares is 2,929,725,000 shares (2009: 2,929,200,000 shares).

於二零一零年及二零零九年十二月三十一日，法定普通股總數為5,000,000,000股每股面值0.1港元的股份。

於二零一零年十二月三十一日，已發行及繳足普通股的股份數目為2,929,725,000股(二零零九年：2,929,200,000股)。

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

21. OTHER RESERVES – GROUP

21. 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 2009	於二零零九年一月一日的結餘	(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
Profit appropriation	溢利分配	-	-	27,140	-	-	27,140
Employee share option scheme	僱員購股權計劃：						
- Value of employee service	- 僱員服務的價值	-	-	-	67,552	-	67,552
Fair value losses on available-for-sale financial assets (Note 15)	可供出售金融資產 的公允價值虧損(附註15)	-	-	-	-	(8,453)	(8,453)
Balance at 31 December 2010	於二零一零年十二月 三十一日的結餘	(599)	19,144	1,004,948	254,936	-	1,278,429

(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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21. 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 of the Group 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.

21. 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若干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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21. OTHER RESERVES – GROUP (continued)

(c) Employee share option scheme

As approved by the Company's Board 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 meeting, certain share options were granted to selected directors and employees on 24 February 2009, 11 May 2009 and 29 December 2009, in an aggregate of 21,200,000 shares, 6,600,000 shares and 148,780,000 shares at an exercise price of HK\$ 1.39 per share, HK\$ 1.50 per share and HK\$ 2.84 per share respectively. These options are exercisable during several periods. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

All relevant directors and employees have accepted the share options above.

As approved by the Company's Special General Meeting, share options were granted to a director on 20 December 2010 ("Scheme A"), in an aggregate of 6,000,000 shares at the exercise prices of HK\$ 3.00 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:

21. 其他儲備－本集團(續)

(c) 僱員購股權計劃

經本公司董事局會議批准後，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、二零零九年五月十一日及二零零九年十二月二十九日獲授予若干購股權，涉及合共21,200,000股、6,600,000股及148,780,000股股份行使價分別為每股1.39港元，每股1.50港元及每股2.84港元。該等購股權於若干期間均可予以行使。本集團並無以現金購回或結算購股權的法定或推定責任。

全體相關董事及僱員均接納上述購股權。

經本公司特別股東大會批准，本公司於二零一零年十二月二十日向一名董事授出合共6,000,000股股份的購股權(「計劃A」)，行使價格為每股3.00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。購股權可於下列期間內予以行使：

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21. OTHER RESERVES – GROUP (continued)

(c) Employee share option scheme (continued)

- (i) up to 33% of the options on or after 20 December 2010;
- (ii) up to further 66% of the options on or after 20 December 2011;
- (iii) all the remaining options on or after 20 December 2012;

and in each case, not later than 16 May 2016.

In December 2010, the director has accepted the share options.

As approved by the Company's Board meeting, certain share options were granted to selected directors, employees and eligible persons on 24 December 2010 ("Scheme B"), in an aggregate of 47,100,000 shares at the exercise prices of HK\$ 3.182 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 33% of the options on or after 24 December 2010;
- (ii) up to further 66% of the options on or after 24 December 2011;
- (iii) all the remaining options on or after 24 December 2012;

21. 其他儲備—本集團(續)

(c) 僱員購股權計劃(續)

- (i) 於二零一零年十二月二十日或之後行使最多33%的購股權；
- (ii) 於二零一一年十二月二十日或之後行使最多額外66%的購股權；
- (iii) 於二零一二年十二月二十日或之後行使所有餘下購股權；

於任何情況下，不得遲於二零一六年五月十六日。

於二零一零年十二月，董事已接納購股權。

經本公司董事局會議批准後，經挑選董事、僱員及合資格人士已於二零一零年十二月二十四日獲授予若干購股權(「計劃B」)，涉及合共47,100,000股股份，行使價為每股3.182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) 於二零一零年十二月二十四日或之後行使最多33%的購股權；
- (ii) 於二零一一年十二月二十四日或之後行使最多額外66%的購股權；
- (iii) 於二零一二年十二月二十四日或之後行使所有餘下購股權；

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21. OTHER RESERVES – GROUP (continued)

(c) Employee share option scheme (continued)

and in each case, not later than 19 December 2020.

All relevant parties have accepted the share options as at 31 December 2010.

The fair value of options granted during the year ended 31 December 2010 were determined by using the Binomial valuation model, and the significant inputs into the model were as follows:

Scheme	計劃	A	B
Share price at the grant date (HK\$)	授出日期股份價格(港元)	3.18	3.17
Volatility	波幅	56.868%	55.160%
Expected dividends paid out rate	預計派息率	4.09%	4.10%
Annual risk-free interest rate	年度無風險利率	1.855%	2.906%
Fair value in HK\$ (million)	以(百萬)港元為單位的公允價值	6.254	48.712
RMB equivalent (million)	人民幣等值(百萬)	5.357	41.566

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 372 weeks. See Note 32 for the total expense recognised in the consolidated income statement for share options granted to the directors, employees and eligible persons.

21. 其他儲備－本集團(續)

(c) 僱員購股權計劃(續)

於任何情況下，不得遲於二零一零年十二月十九日。

於二零一零年十二月三十一日，所有相關人士已接納購股權。

於截至二零一零年十二月三十一日止年度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於過去372個星期的每日股價的統計數字分析計算而得。有關董事、僱員及合資格人士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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21. 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:

		2010 二零一零年		2009 二零零九年	
		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	2.62	176,580	–	–
Granted	已授出	3.16	53,100	2.62	176,580
Exercised	已行使	1.39	(525)	–	–
Lapsed	已失效	2.80	(6,905)	–	–
At 31 December	於十二月三十一日	2.74	222,250	2.62	176,580

Options exercised for the year ended 31 December 2010 resulted in 525,000 shares being issued at HK\$ 1.39 each. The related weighted average share price at the time of exercise was HK\$ 2.92 per share.

21. 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：

截至二零一零年十二月三十一日止年度行使購股權導致發行525,000股股份，每股發行之價格為1.39港元。行使時的相關加權平均股價為每股2.92港元。

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21. OTHER RESERVES – GROUP (continued)

(c) Employee share option scheme (continued)

Share options outstanding at 31 December 2010 and 2009 have the following expiry date and exercise prices as follows:

Expiry date 屆滿日期		Exercise price 行使價 HK\$ per share 每股港元	Number of options (thousands) 購股權數目(千份)	
			2010 二零一零年	2009 二零零九年
23 February 2019	二零一九年二月二十三日	1.39	20,500	21,200
10 May 2019	二零一九年五月十日	1.50	6,600	6,600
28 December 2019	二零一九年十二月二十八日	2.84	142,050	148,780
16 May 2016	二零一六年五月十六日	3.00	6,000	–
19 December 2020	二零二零年十二月十九日	3.18	47,100	–
			222,250	176,580

22. TRADE PAYABLES

The Group

Accounts payable 應付賬款
Notes payable (a) 應付票據(a)

22. 應付貿易賬款

本集團

	2010 二零一零年	2009 二零零九年
Accounts payable 應付賬款	1,433,538	1,360,498
Notes payable (a) 應付票據(a)	249,192	365,264
	1,682,730	1,725,762

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22. TRADE PAYABLES (continued)

The Group (continued)

- (a) As at 31 December 2010, all notes payable represented bank acceptance notes, of which RMB 45 million (2009: RMB 102 million) were secured by certain notes receivable (Note 17), RMB 145 million (2009: RMB 205 million) were secured by certain restricted bank balances (Note 19), and RMB 59 million (2009: RMB 59 million) were secured by certain inventories (Noted 16) and certain restricted bank balances (Note 19).

As at 31 December 2010 and 2009, the ageing analysis of the trade payables was as follows:

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

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

RMB	人民幣
US\$	美元

22. 應付貿易賬款(續)

本集團(續)

- (a) 於二零一零年十二月三十一日，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0.45億元(二零零九年：人民幣1.02億元)的銀行承兌匯票、以若干受限制銀行結餘(附註19)為抵押人民幣1.45億元(二零零九年：人民幣2.05億元)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19)為抵押人民幣5,900萬元(二零零九年：人民幣5,900萬元)的銀行承兌匯票。

於二零一零年及二零零九年十二月三十一日，應付貿易賬款的賬齡分析如下：

2010	2009
二零一零年	二零零九年
1,171,324	1,441,589
447,400	202,471
33,400	73,028
5,893	1,062
24,713	7,612
1,682,730	1,725,762

本集團應付貿易賬款的賬面值乃以下列貨幣為單位：

2010	2009
二零一零年	二零零九年
1,487,562	1,509,337
195,168	216,425
1,682,730	1,725,762

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22. TRADE PAYABLES (continued)

The Company

Accounts payable

As at 31 December 2010 and 2009, the ageing analysis of the trade payables was as follows:

Within 3 months

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

US\$

應付款項

3個月內

美元

22. 應付貿易賬款 (續)

本公司

2010 二零一零年	2009 二零零九年
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164,862	177,776
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於二零一零年及二零零九年十二月三十一日，應付貿易賬款的賬齡分析如下：

2010 二零一零年	2009 二零零九年
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164,862	177,776
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本集團應付貿易賬款的賬面值乃以下列貨幣為單位：

2010 二零一零年	2009 二零零九年
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164,862	177,776
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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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

23. 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)

(a) The breakdown of other payables as at 31 December 2010 and 2009 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
Others	其他

23. 預提費用、預收客戶款項及其他流動負債 – 本集團

2010 二零一零年	2009 二零零九年
396,961	181,716
1,914,673	1,156,894
84,739	8,103
13,546	6,892
627,533	901,818
3,037,452	2,255,423

(a) 於二零一零年及二零零九年十二月三十一日的其他應付賬款分類如下：

2010 二零一零年	2009 二零零九年
57,785	79,607
268,155	552,274
175,116	140,290
29,480	31,898
37,679	44,067
59,318	53,682
627,533	901,818

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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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

24. BORROWINGS

The Group

Non-current

Bank borrowings-
Secured (i)
Unsecured

非流動

銀行借款－
已抵押 (i)
無抵押

Other borrowings, unsecured (ii)
Senior Notes (iii)

其他借款－無抵押 (ii)
優先票據 (iii)

Current

Bank borrowings-
Secured (i)
Unsecured

流動

銀行借款－
已抵押 (i)
無抵押

Total borrowings

總借款

(i) As at 31 December 2010, secured borrowings amounting to RMB 38 million, out of total secured borrowings amounting to RMB 166 million, were secured by certain property, plant and equipment (Note 7) of the Group.

As at 31 December 2010, secured borrowings amounting to RMB 9 million, out of the total secured borrowings of RMB 166 million, were secured by certain restricted bank balances (Note 19) of the Group.

As at 31 December 2010, secured borrowings amounting to RMB 19 million, out of the total secured borrowings of RMB 166 million, were secured by certain inventories (Note 16) of the Group.

24. 借款

本集團

2010
二零一零年

2009
二零零九年

		38,000	483,857
		144,000	200,000
		182,000	683,857
		65,000	75,000
		5,544,030	–
		5,791,030	758,857
		128,261	791,134
		551,988	1,005,347
		680,249	1,796,481
		6,471,279	2,555,338

(i) 於二零一零年十二月三十一日，已抵押借款總額人民幣1.66億元中，為數人民幣0.38億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。

於二零一零年十二月三十一日，已抵押借款總額人民幣1.66億元中，為數人民幣0.09億元的已抵押借款以本集團的若干受限制銀行結餘(附註19)為抵押。

於二零一零年十二月三十一日，已抵押借款總額人民幣1.66億元中，為數人民幣0.19億元的已抵押借款以本集團的若干存貨(附註16)為抵押。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

24. BORROWINGS (continued)

The Group (continued)

As at 31 December 2010, other than the secured borrowings described above, current secured borrowings amounting to RMB 100 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.

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 19) 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.

24. 借款(續)

本集團(續)

於二零一零年十二月三十一日，除上文所披露的已抵押借款外，已抵押流動借款人民幣1.00億元以若干物業、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1.50億元的銀行借款額度為津西金蘭出具擔保。

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的若干物業、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19)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。

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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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

24. BORROWINGS (continued)

The Group (continued)

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 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.

- (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.
- (iii) On 18 August 2010, the Group issued US\$ 550 million Senior Notes, which bears interest at 8% per annum payable semi-annually, to finance its potential acquisitions and investments, capital expenditure projects and working capital requirements. These Senior Notes are wholly repayable on 18 August 2015.

On 17 November 2010, the Group issued US\$ 300 million Senior Notes, which bears interest at 7% per annum payable semi-annually, to refinance its outstanding short-term debts. These Senior Notes are wholly repayable on 17 November 2017.

24. 借款(續)

本集團(續)

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，已抵押流動借款為數人民幣1.50億元以若干物業、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，並由佛山金蘭根據一份二零零八年九月十二日的協議出具擔保。根據擔保合約，佛山金蘭以津西金蘭為受益人就銀行借款融資人民幣1.50億元作出擔保。

- (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期定期存款利率計算。
- (iii) 於二零一零年八月十八日，本集團發行5.50億美元的優先票據，以年利率8%計息，每半年結息償還，以資助其潛在收購及投資、資本支出項目及營運資金需求。該等優先票據須於二零一五年八月十八日償還。

於二零一零年十一月十七日，本集團發行3.00億美元的優先票據，以年利率7%計息，每半年結息償還，以資助其償付尚未償還的短期債務。該等優先票據須於二零一七年十一月十七日償還。

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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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

24. BORROWINGS (continued)

The Group (continued)

On 12 August 2010, Eastland International Trading Limited ("Eastland"), a company incorporated in British Virgin Islands and is wholly owned by Mr. Han Jingyuan, the chairman and the chief executive officer of the Company, subscribed for US\$21 million of the Senior Notes from the Initial Purchases through Credit Suisse Group AG. Subsequently Eastland sold US\$10 million of the Senior Notes on 15 October 2010. As a result, as at 31 December 2010 Eastland held US\$11 million of the Senior Notes.

As at 31 December 2010 and 2009, the Group's borrowings were repayable as follows:

Within 1 year	1年內
Between 1 and 2 years	1至2年
Between 2 and 5 years	2至5年
Over 5 years	5年以上

		Bank borrowings		Other borrowings and Senior Notes	
		銀行借款		其他借款及優先票據	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
Within 1 year	1年內	680,249	1,796,481	-	-
Between 1 and 2 years	1至2年	182,000	458,826	20,000	10,000
Between 2 and 5 years	2至5年	-	225,031	3,623,745	60,000
Over 5 years	5年以上	-	-	1,965,285	5,000
		862,249	2,480,338	5,609,030	75,000

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

		2010			2009		
		RMB	HK\$	US\$	RMB	HK\$	US\$
		人民幣	港元	美元	人民幣	港元	美元
Bank borrowings	銀行借款	4.86-12.00%	-	-	4.78-12.00%	2.13%	2.26-3%
Other borrowings	其他借款	2.25%	-	-	2.25%	-	-
Senior Notes	優先票據	-	-	7.00-8.00%	-	-	-

24. 借款(續)

本集團(續)

於二零一零年八月十二日，由本公司董事局主席兼首席執行官韓敬遠先生全資擁有，一間於英屬維爾京群島註冊成立的公司，Eastland International Trading Limited (「Eastland」)，透過 Credit Suisse Group AG 在首期購買中認購 2,100 萬美元優先票據。隨後 Eastland 於二零一零年十月十五日出售 1,000 萬美元優先票據。因此，於二零一零年十二月三十一日，Eastland 持有 1,100 萬美元的優先票據。

於二零一零年及二零零九年十二月三十一日，本集團的借款到期期限如下：

於結算日的實際利率如下：

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

24. BORROWINGS (continued)

The Group (continued)

The carrying amounts of current borrowings approximate their fair values.

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	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
Bank borrowings	銀行借款	182,000	683,857	179,568	683,857
Other borrowings	其他借款	65,000	75,000	59,721	66,280
Senior Notes	優先票據	5,544,030	-	5,544,030	-
		5,791,030	758,857	5,783,319	750,137

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, other borrowings and Senior Notes 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 2010, the carrying amount of the borrowings amounting to RMB 5,544 million is denominated in US\$, the remaining are denominated in RMB.

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.

24. 借款(續)

本集團(續)

流動借款的賬面值近似其公允價值。

非流動銀行借款及其他借款的賬面值及公允價值如下：

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、其他借款及優先票據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。

於二零一零年十二月三十一日，為數人民幣55.44億元借款之賬面值乃以美元計值，剩餘部分乃以人民幣計值。

於二零零九年十二月三十一日，為數人民幣1.60億元及6.70億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。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

24. BORROWINGS (continued)

The Group (continued)

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

The Company

Non-current

Senior Notes

Current

Bank borrowings, secured

Total borrowings

非流動

優先票據

流動

銀行借款，已抵押

總借款

The carrying amounts of current borrowings approximate their fair values.

24. 借款(續)

本集團(續)

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：

	2010 二零一零年	2009 二零零九年
6 months or less	670,949	1,523,278
6-12 months	191,300	957,060
	862,249	2,480,338

本公司

	2010 二零一零年	2009 二零零九年
Non-current	5,544,030	—
Current	—	159,903
Total borrowings	5,544,030	159,903

流動借款的賬面值近似其公允價值。

Notes to the Consolidated Financial Statements

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

24. BORROWINGS (continued)

The Company (continued)

The carrying amounts and fair value of the Senior Notes are as follows:

		Carrying amounts		Fair value	
		賬面值		公允價值	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
Senior Notes	優先票據	5,544,030	-	5,544,030	-

The fair values of Senior Notes are based on discounted cash flow approach using the prevailing market rates of interest available to the Company for financial institution with substantially the same terms and characteristics at the respective balance sheet dates.

As at 31 December 2010, the Company's Senior Notes are denominated in US\$.

As at 31 December 2009, the Company's borrowings are denominated in HK\$.

24. 借款(續)

本公司(續)

優先票據的賬面值與公允價值如下：

優先票據的公允價值使用本公司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。

於二零一零年十二月三十一日，本公司的優先票據以美元計值。

於二零零九年十二月三十一日，本公司的借款以港元計值。

25. OTHER LONG-TERM PAYABLES – GROUP

Non-current

Finance lease obligations (i)

Current

Finance lease obligations (i)

Total other long-term payables

非流動

融資租賃承擔 (i)

流動

融資租賃承擔 (i)

其他長期應付款總額

25. 其他長期應付款 – 本集團

	2010	2009
	二零一零年	二零零九年

	344,836	570,163
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	209,150	134,432
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	553,986	704,595
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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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

25. 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 2010, total minimum lease payments under the finance lease based on the PBOC interest rate as at the balance sheet date and their present values were as follows:

25. 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8.00億元。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8.00億元擔保。

於二零一零年十二月三十一日，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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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2010
 (除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

25. OTHER LONG-TERM PAYABLES – GROUP (continued)

25. 其他長期應付款 – 本集團 (續)

		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	209,150	49,166	258,316
Between 1 and 5 years	1至5年	344,836	31,705	376,541
		553,986	80,871	634,857

As at 31 December 2009, total minimum lease payments under the finance lease based on PBOC interest rate as at the balance sheet date and their present values were as follows:

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：

		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

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

25. OTHER LONG-TERM PAYABLES – GROUP

(continued)

For the year ended 31 December 2010 and 2009, no contingent-based rents were recognised as expenses.

The effective interest rate of the finance lease obligations of the Group is 9.12% (2009: 9.12%) per annum.

As at 31 December 2010, the fair value of the finance lease obligations approximated RMB 595 million (2009: RMB 754 million). The fair values were based on discounted cash flow using average borrowing rates of 5.62% per annum (2009: 6.17%).

26. DEFERRED REVENUE – GROUP

At 1 January 2009	於二零零九年一月一日
Addition	添置
Credited to the consolidated income statement	於合併利潤表內記賬
At 31 December 2009	於二零零九年十二月三十一日
Addition	添置
Credited to the consolidated income statement	於合併利潤表內記賬
At 31 December 2010	於二零一零年十二月三十一日

25. 其他長期應付款－本集團(續)

截至二零一零年及二零零九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% (二零零九年：9.12%)。

於二零一零年十二月三十一日，融資租賃承擔之公允價值約人民幣5.95億元 (二零零九年：人民幣7.54億元)。公允價值乃根據按平均借款年利率5.62%折現之現金流量計算 (二零零九年：6.17%)。

26. 遞延收入－本集團

Deferred government grant	Operating lease income (i)	Total
遞延政府補貼	經營租賃收入 (i)	總計
–	62,756	62,756
10,500	–	10,500
–	(32,000)	(32,000)
10,500	30,756	41,256
16,510	–	16,510
–	(30,756)	(30,756)
27,010	–	27,010

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26. 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 conveyed to Mr. Shen Xiaoling the voting rights on the financial and operating policies of Jinxi Mining during the Grant Period. Mr. Shen Xiaoling is exclusively entitled to the profit and net assets accumulated by Jinxi Mining during the Grant Period. Mr. Shen Xiaoling paid a total cash consideration of RMB 80 million as a return for the operating lease, and a deposit of RMB 10 million (Note 41 (c)) refundable after the leasing period.

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.

26. 遞延收入－本集團

- (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，津西鋼鐵授予沈曉玲先生於授予期間表決津西礦業財務及經營決策的權利。沈曉玲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。沈曉玲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租賃期間後退回的按金人民幣1,000萬元（附註41(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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27. 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:

At 1 January	於一月一日
Credited to the consolidated income statement (Note 33 (a))	於合併利潤表記賬 (附註33(a))
At 31 December	於十二月三十一日

27. 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：

2010 二零一零年	2009 二零零九年
56,836	54,268
75,312	56,972
132,148	111,240

(30,130)	(30,233)
102,018	81,007

遞延所得稅賬目的總變動如下：

2010 二零一零年	2009 二零零九年
81,007	7,461
21,011	73,546
102,018	81,007

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27. 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 2010.

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 2009	於二零零九年一月一日	57	12,474	10,646	-	23,177
(Charged)/Credited to the consolidated income statement	於合併利潤表(扣除)/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
Credited/(Charged) to the consolidated income statement	於合併利潤表記賬/(扣除)	-	26,223	-	(5,315)	20,908
At 31 December 2010	於二零一零年十二月三十一日	-	71,701	54,268	6,179	132,148

The directors are of opinion that the accumulated tax losses of RMB 204 million (2009: RMB 247 million) of a subsidiary are unlikely to be utilised before the losses expired. No deferred tax assets were recognised.

27. 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二零一零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2.04億元(二零零九年：人民幣2.47億元)的累計稅項虧損於虧損屆滿前將不大可能被使用。並無確認遞延稅項資產。

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27. DEFERRED INCOME TAX – GROUP (continued)

Deferred tax liabilities:

		Capitalised interest 資本化利息
At 1 January 2009	於二零零九年一月一日	(15,716)
Charged to the consolidated income statement	於合併利潤表扣除	(14,517)
At 31 December 2009	於二零零九年十二月三十一日	(30,233)
Charged to the consolidated income statement	於合併利潤表扣除	103
At 31 December 2010	於二零一零年十二月三十一日	(30,130)

The amount of profits on which withholding tax has not been recognised at 31 December 2010 is RMB 2,200,850,000 (2009: RMB 1,015,399,000).

27. 遞延所得稅—本集團(續)

遞延稅項負債：

於二零一零年十二月三十一日未確認預扣稅的溢利金額為人民幣2,200,850,000元(二零零九年：人民幣1,015,399,000元)。

28. OTHER GAINS/(LOSSES)-NET – GROUP

Other gains/(losses)-net:

Sales of raw materials and by-products	出售原材料及副產品	82,716	20,046
Provision for impairment of property, plant and equipment (Notes 7)	物業、廠房及設備 減值撥備(附註7)	-	(64,788)
Provision for impairment of goodwill (Notes 9)	商譽減值撥備 (附註9)	-	(7,667)
Provision for impairment of available- for-sale financial asset (Notes 15)	可供出售金融資產減值撥備 (附註15)	(36,128)	-
Loss on disposal of property, plant and equipment (Note 38)	處置物業、廠房及 設備的虧損(附註38)	(4,358)	(820)
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	(2,025)	(2,505)
Foreign exchange loss, net (Notes 34)	匯兌損失—淨額(附註34)	(16,795)	(3,608)
Others	其他	1,999	4,410
Total	總計	25,409	(80,545)

其他收益/(虧損)—淨額：

	2010 二零一零年	2009 二零零九年
其他收益/(虧損)—淨額：		
出售原材料及副產品	82,716	20,046
物業、廠房及設備 減值撥備(附註7)	-	(64,788)
商譽減值撥備 (附註9)	-	(7,667)
可供出售金融資產減值撥備 (附註15)	(36,128)	-
處置物業、廠房及 設備的虧損(附註38)	(4,358)	(820)
集團內公司間轉讓 物業、廠房及設備的 稅項開支	-	(25,613)
慈善捐款	(2,025)	(2,505)
匯兌損失—淨額(附註34)	(16,795)	(3,608)
其他	1,999	4,410
總計	25,409	(80,545)

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29. OTHER INCOME – GROUP

29. 其他收入 – 本集團

		2010 二零一零年	2009 二零零九年
Dividend income from financial assets at fair value through profit or loss (Note 38)	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38)	-	1
Rental income arising from investment properties (Note 8)	投資物業所產生的租金收入(附註8)	1,309	1,865
Income from operating leases (Notes 15(i), 26)	經營租賃之收入(附註15(i)、26)	56,825	32,000
Others	其他	5,649	2,951
Total	總計	63,783	36,817

30. EXPENSES BY NATURE – GROUP

30. 按性質呈列的開支 – 本集團

		2010 二零一零年	2009 二零零九年
Employee benefit expense (Note 31)	員工福利開支(附註31)	592,253	471,838
Changes in inventories of finished goods and work in progress (Note 16)	製成品及在製品的存貨變動(附註16)	(2,860)	(303,284)
Raw materials used (Note 16)	所用原材料(附註16)	25,124,376	16,412,965
Utilities	能源	1,550,434	1,221,704
Amortisation of leasehold land and land use rights (Notes 6)	租賃土地及土地使用權攤銷(附註6)	1,797	1,651
Depreciation of property, plant and equipment (Notes 7)	物業、廠房及設備折舊(附註7)	892,035	845,051
Amortisation of intangible assets (Note 9)	無形資產攤銷(附註9)	13	-
Depreciation of investment properties (Notes 8)	投資物業折舊(附註8)	806	805
Operating lease expenses in respect of land use rights	有關土地使用權的經營租賃費用	9,890	9,221
Impairment provision for other receivables (Notes 18)	其他應收賬款的減值撥備(附註18)	-	21,305
Reversal of provisions for declines in the value of inventories (Note 38)	就存貨價值下降之撥備撥回(附註38)	-	(45,511)
Provision for impairment of available-for-sale financial assets (Notes 15)	可供出售金融資產減值撥備(附註15)	-	188,100
Auditors' remuneration	核數師酬金	5,600	3,500
Others	其他	298,670	302,777
		28,473,014	19,130,122

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31. EMPLOYEE BENEFIT EXPENSE – GROUP

31. 員工福利開支 – 本集團

	2010 二零一零年	2009 二零零九年
Staff costs (including directors' emoluments) 員工成本(包括董事酬金)		
– Salaries and welfare 一薪金及福利	444,297	416,045
– Pension costs-defined contribution plans (a) 一退休金成本一定額供款統籌退休金計劃(a)	80,404	45,040
– Share options granted to directors, eligible persons and employees (Notes 21) 一授予董事、合資格人士及僱員購股權(附註21)	67,552	10,753
	592,253	471,838

(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 2010 and 2009, 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 – 一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。截至二零一零年及二零零九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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31. EMPLOYEE BENEFIT EXPENSE – GROUP (continued)

31. 員工福利開支—本集團(續)

(b) Directors' and senior management's emoluments

(b) 董事及高級管理層酬金

The emoluments of every director for the years ended 31 December 2010 and 2009, on a named basis, are set out as below:

截至二零一零年及二零零九年十二月三十一日止年度，各董事的酬金(以姓名為準)截列如下：

Name of Director 董事姓名	Fees 袍金	Salaries and allowances 薪金及津貼	Bonus 花紅	Fair value of	Pension	Total 總計
				employee share options granted 已授出僱員購股權的公允價值	costs – defined contribution plans 退休金成本 – 定額供款統籌退休金計劃	
2010		二零一零年				
Mr. Han Jingyuan	546	5,167	1,290	2,074	10	9,087
Mr. Zhu Jun	420	1,342	355	941	10	3,068
Mr. Liu Lei	260	1,092	293	941	10	2,596
Mr. Shen Xiaoling	360	1,154	334	941	10	2,799
Mr. Zhu Hao	260	433	43	941	10	1,687
Mr. Muktesh Mukherjee	260	433	87	1,133	10	1,923
Mr. Ondra Otradovec	260	-	-	872	-	1,132
Mr. Jean-Paul Georges Schuler	260	-	-	254	-	514
Mr. Wong Man Chung, Francis	260	-	43	817	-	1,120
Mr. Gao Qingju	260	-	-	724	-	984
Mr. Yu Tung Ho	303	-	-	724	-	1,027
	3,449	9,621	2,445	10,362	60	25,937
2009		二零零九年				
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. Muktesh Mukherjee	264	-	-	1,582	8	1,854
Mr. Ondra Otradovec	264	-	-	1,217	-	1,481
Mr. Jean-Paul Georges Schuler	264	-	-	1,217	-	1,481
Mr. Wong Man Chung, Francis	264	-	-	635	-	899
Mr. Gao Qingju	264	-	-	635	-	899
Mr. Yu Tung Ho	308	-	-	635	-	943
	3,266	8,237	3,750	10,146	65	25,464

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31. 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 2010 and 2009. The emoluments of the independent non-executive directors during the year are approximately RMB3.1 million (2009: RMB 2.5 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

The five individuals whose emoluments were the highest in the Group for the year include four (2009: five) directors whose emoluments are reflected in the analysis presented above.

For the years ended 31 December 2010 and 2009, 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.

31. 員工福利開支－本集團(續)

(b) 董事及高級管理層酬金(續)

於二零一零年及二零零九年內，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310萬元(二零零九年：人民幣250萬元)。

(c) 五名最高薪酬人士

五名最高薪酬人士包括：

2010 二零一零年	2009 二零零九年
4	5
1	–
5	5

本年度本集團五位最高薪酬人士包括四位(二零零九年：五位)董事，其酬金已於上文的分析中呈列。

截至二零一零年及二零零九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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31. EMPLOYEE BENEFIT EXPENSE – GROUP (continued)

31. 員工福利開支 – 本集團 (續)

(c) Five highest paid individuals (continued)

(c) 五名最高薪酬人士 (續)

The remuneration of the five highest paid individuals for the years ended 31 December 2010 and 2009 fell within the following bands:

截至二零一零年及二零零九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	
		2010	2009
		二零一零年	二零零九年
RMB 1 to RMB 1,000,000 (approximately HK\$ 1 to HK\$ 1,175,185)	人民幣 1 元至 人民幣 1,000,000 元 (約 1 港元至 1,175,185 港元)	–	–
RMB 1,000,001 to RMB 2,000,000 (approximately HK\$ 1,175,186 to HK\$ 2,350,370)	人民幣 1,000,001 元至人民幣 2,000,000 元 (約 1,175,186 港元至 2,350,370 港元)	–	1
RMB 2,000,001 to RMB 3,000,000 (approximately HK\$ 2,350,371 to HK\$ 3,525,554)	人民幣 2,000,001 元至人民幣 3,000,000 元 (約 2,350,371 港元至 3,525,554 港元)	2	2
RMB 3,000,001 to RMB 4,000,000 (approximately HK\$ 3,525,555 to HK\$ 4,700,739)	人民幣 3,000,001 元至人民幣 4,000,000 元 (約 3,525,555 港元至 4,700,739 港元)	2	1
RMB 4,000,001 to RMB 5,000,000 (approximately HK\$ 4,700,740 to HK\$ 5,875,924)	人民幣 4,000,001 元至人民幣 5,000,000 元 (約 4,700,740 港元至 5,875,924 港元)	–	–
RMB 5,000,001 to RMB 6,000,000 (approximately HK\$ 5,875,925 to HK\$ 7,051,109)	人民幣 5,000,001 元至人民幣 6,000,000 元 (約 5,875,925 港元至 7,051,109 港元)	–	–
RMB 6,000,001 to RMB 7,000,000 (approximately HK\$ 7,051,110 to HK\$ 8,226,294)	人民幣 6,000,001 元至人民幣 7,000,000 元 (約 7,051,110 港元至 8,226,294 港元)	–	–
RMB 7,000,001 to RMB 8,000,000 (approximately HK\$ 8,226,295 to HK\$ 9,401,478)	人民幣 7,000,001 元至人民幣 8,000,000 元 (約 8,226,295 港元至 9,401,478 港元)	–	–
RMB 8,000,001 to RMB 9,000,000 (approximately HK\$ 9,401,479 to HK\$ 10,576,663)	人民幣 8,000,001 元至人民幣 9,000,000 元 (約 9,401,479 港元至 10,576,663 港元)	–	1
RMB 9,000,001 to RMB 10,000,000 (approximately HK\$ 10,576,664 to HK\$ 11,751,848)	人民幣 9,000,001 元至人民幣 10,000,000 元 (約 10,576,664 港元至 11,751,848 港元)	1	–

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32. FINANCE INCOME AND COSTS – GROUP

32. 財務收入及成本—本集團

		2010 二零一零年	2009 二零零九年
Interest expenses	利息費用		
– borrowings	– 借款	(247,091)	(112,908)
– discount of notes receivable	– 應收票據折現	(7,886)	(3,846)
– finance lease liabilities	– 融資租賃負債	(52,881)	(59,517)
Net foreign exchange gains on borrowings (Note 34)	借款的匯兌收益淨額 (附註34)	97,624	256
Finance costs	財務成本	(210,234)	(176,015)
Less: amounts capitalised on qualifying assets (Note 7)	減：合資格資產資本化 的金額(附註7)	14,579	38,870
Total finance costs (Note 38)	財務成本總額(附註38)	(195,655)	(137,145)
Interest income on bank deposits	銀行存款的利息收入	18,396	9,800
Interest from loans to a third party (i)	借予第三方貸款的利息(i)	34,145	18,476
Income from loan receivable	應收貸款收入	4,508	7,138
Finance income (Note 38)	財務收入(附註38)	57,049	35,414
Finance costs, net	財務成本，淨額	(138,606)	(101,731)

(i) Pursuant to a loan agreement entered into between Jinxi Limited and Tangshan City Jinxi Iron and Steel Group Co., Ltd. (“Tangshan Jinxi Group”) in May 2010, the loans provided by Jinxi Limited to Tangshan Jinxi Group amounted to RMB 893.2 million as at 31 December 2010. These loans were secured by Tangshan Jinxi Group’s 100% equity in Qianxi County Jinxi Wan Tong Ductile Iron Pipes Co., Ltd. (“Jinxi Wan Tong”) and all of the assets purchased or constructed by using the proceeds of the loans. They bore interest at 5.3% and were repayable on 31 December 2010. This related interest was received during December 2010.

(i) 根據津西鋼鐵與唐山津西鋼鐵集團有限公司(「唐山津西集團」)於二零一零年五月訂立的貸款協議，津西鋼鐵於二零一零年十二月三十一日向唐山津西集團提供的貸款為人民幣8.932億元。該等貸款由唐山津西集團於遷西縣津西萬通球墨鑄管有限公司(「津西萬通」)的100%權益及貸款所得款項購入或在建的資產作為抵押。該等貸款以5.3%計息及須於二零一零年十二月三十一日償還。相關利息已於二零一零年十二月收取。

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33. 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 27)	遞延所得稅 (附註27)

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 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 Hong Kong tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for profit tax purposes (2009: 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.

33. 所得稅費用—本集團

(a) 所得稅費用包括：

	2010 二零一零年	2009 二零零九年
Current income tax	449,041	414,839
Deferred income tax	(21,011)	(73,546)
	428,030	341,293

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(二零零九年：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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33. 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 was 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. The effective tax rate of Jinxi Jinlan for the year ended 31 December 2010 was 12.5% (2009: nil).

Shenzhen Leasing was 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 2010 was 11% (2009: 10%).

33. 所得稅費用—本集團(續)

(a) 所得稅費用包括：(續)

由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會議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內，逐步上調至25%。獲豁免或減免之優惠政策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計稅項虧損狀況。

津西金蘭符合外商投資生產性企業的資格，並於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。於截至二零一零年十二月三十一日止年度，其有效稅率為12.5% (二零零九年：零)。

深圳租賃符合服務性企業的資格，並於特別經濟區成立。經地方稅局於二零零八年九月十四日審批，深圳租賃自二零零八年一月一日起，享有一年稅務豁免及其後兩年50%稅務寬減。因此，於截至二零一零年十二月三十一日止年度，其有效稅率為11% (二零零九年：10%)。

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33. INCOME TAX EXPENSE-GROUP (continued)

(a) Income tax expense represents: (continued)

Oriental Evertrust was qualified as a service industry enterprise and was established in Tianjin Binhai Hi-tech Industrial Development Area. Pursuant to a framework agreement with Administrative Committee of Tianjin Binhai Hi-tech Industrial Development Area on 19 September 2010, Oriental Evertrust was entitled to a two-year full exemption followed by a three-year 50% tax deduction effective from 1 January 2011.

- (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 25.35% (2009: 23.88%) to respective profits of the consolidated entities for the years ended 31 December 2010 and 2009 as follows:

33. 所得稅費用—本集團(續)

(a) 所得稅費用包括：(續)

東方信遠符合服務性企業的資格，並於天津濱海高新技術產業開發區成立。根據與天津濱海高新技術產業開發區的行政委員會於二零一零年九月十九日簽訂的框架協議，東方信遠可享有兩年稅務豁免及其後三年50%稅務寬減，並由二零一一年一月一日起生效。

- (b) 本集團除稅前溢利的稅項於截至二零一零年及二零零九年十二月三十一日止年度合併實體的溢利因採用加權平均稅率25.35%(二零零九年：23.88%)計算的理論總額的差異分別如下：

		2010 二零一零年	2009 二零零九年
Profit before taxation	除稅前溢利	1,613,481	1,313,734
Taxation calculated at statutory tax rate	按法定稅率計算的稅項	408,946	322,520
Effect of tax exemption of subsidiaries	附屬公司稅項豁免的影響	(5,507)	(6,356)
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	17,070	24,680
Utilisation of previously unrecognised tax losses	先前未確認稅項虧損的使用	(8,286)	(14,936)
Effect of other non-taxable income	其他不須課稅收入的影響	-	(44)
Effect of non-deductible expenses	不可扣減開支的影響	15,807	15,429
		428,030	341,293

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34. NET FOREIGN EXCHANGE GAINS/(LOSSES)

The exchange differences credited/(charged) in the consolidated income statement are included as follows:

Other losses – net (Note 28)	其他虧損－淨額(附註28)
Finance costs – net (Note 32)	財務成本－淨額(附註32)

34. 匯兌收益／(虧損)淨額

於合併利潤表內記賬／(扣除)之匯兌差異載列如下：

2010	2009
二零一零年	二零零九年
(16,795)	(3,608)
97,624	256
80,829	(3,352)

35. 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 60.64 million (2009: RMB 75.81 million).

35. 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6,064萬元(二零零九年：人民幣7,581萬元)。

36. 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.

36. 每股溢利

基本

基本每股溢利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。

		2010	2009
		二零一零年	二零零九年
Profit attributable to equity holders of the Company	本公司權益持有者應佔溢利	1,062,838	884,323
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千股)	2,929,663	2,929,200
Basic earnings per share (RMB per share)	基本每股溢利(每股人民幣元)	0.36	0.30

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36. EARNINGS PER SHARE (continued)

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. 每股溢利(續)

稀釋

稀釋每股溢利乃在假設所有可稀釋的潛在普通股被兌換後，根據已發行普通股的加權平均股數計算。本公司僅有一類可稀釋的潛在普通股：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，釐定按公平值(釐定為本公司股份的平均年度市價)可購入的股份數目。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。

		2010 二零一零年	2009 二零零九年
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	1,062,838	884,323
Weighted average number of ordinary shares in issue used in calculating basic earnings per share (thousands)	用於計算每股基本溢利的已發行普通股加權平均數(千股)	2,929,663	2,929,200
Adjustments for options (thousands)	購股權調整(千股)	7,052	7,052
Weighted average number of ordinary shares and potential ordinary shares issued as the denominator in calculating diluted earnings per share (thousands)	計算稀釋每股溢利時作為分母的已發行普通股及潛在普通股加權平均數(千股)	2,936,715	2,936,252
Diluted earnings per share (RMB per share)	稀釋每股溢利(每股人民幣元)	0.36	0.30

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37. DIVIDENDS

37. 股息

		2010 二零一零年	2009 二零零九年
Interim, paid	中期，已派付	—	—
Final, proposed (a, b)	末期，擬分派 (a, b)	266,750	221,834
		266,750	221,834

(a) At a meeting held on 18 March 2011, the Board proposed a final dividend in respect of the year ended 31 December 2010 of HK\$313.48 million (approximately RMB 266.75 million), representing HK\$0.107 per ordinary share.	(a) 於二零一一年三月十八日舉行的會議上，董事局建議派發截至二零一零年十二月三十一日止年度末期股息3.1348億港元（約人民幣2.6675億元），即每股普通股0.107港元。
(b) 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.	(b) 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的末期股息2.5194億港元（約人民幣2.2183億元），即每股普通股0.086港元。

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38. CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit before taxation to cash generated from operations is as follows:

Profit before income tax	除所得稅前溢利	1,613,481	1,313,734
Adjustments for:	調整：		
Impairment provision for receivables (Notes 18, 30)	應收賬款減值撥備 (附註 18、30)	-	21,305
Depreciation (Notes 7, 30)	折舊 (附註 7、30)	892,035	845,051
Depreciation of investment properties (Notes 8, 30)	投資物業折舊 (附註 8、30)	806	805
Amortisation of leasehold land and land use rights (Notes 6, 30)	租賃土地及土地使用權攤銷 (附註 6、30)	1,797	1,651
Amortisation of intangible assets (Notes 9, 30)	無形資產攤銷 (附註 9、30)	13	-
Amortisation of long-term deferred assets	長期遞延資產攤銷	-	363
Reversal of provisions for declines in the value of inventories (Note 30)	就存貨價值下降之撥備撥回 (附註 30)	-	(45,511)
Impairment provision for intangible asset (Notes 9, 28)	無形資產減值撥備 (附註 9, 28)	-	7,667
Impairment provision for property, plant and equipment (Note 7, 28)	物業、廠房及設備減值撥備 (附註 7, 28)	-	64,788
Share of results of associates (Note 11)	應佔聯營公司溢利 (附註 11)	(191)	(177)
Loss on disposal of property, plant and equipment, net (Note 28)	處置物業、廠房及設備淨虧損 (附註 28)	4,358	820
Exchange loss (Note 28)	匯兌虧損 (附註 28)	16,795	3,608
Finance income (Note 32)	財務收入 (附註 32)	(57,049)	(35,414)
Dividend income on financial assets at fair value through profit or loss (Note 29)	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 29)	-	(1)
Finance costs (Note 32)	財務成本 (附註 32)	195,655	137,145
Share-based payment (Note 31)	以股份為基礎之付款 (附註 31)	67,552	10,753
Impairment provision for available-for-sale financial assets (Note 15)	可供出售金融資產減值撥備 (附註 15)	36,128	188,100

38. 營運產生的現金

(a) 除稅前溢利與經營活動的現金流入的調節表如下：

	2010 二零一零年	2009 二零零九年
除所得稅前溢利	1,613,481	1,313,734
調整：		
應收賬款減值撥備 (附註 18、30)	-	21,305
折舊 (附註 7、30)	892,035	845,051
投資物業折舊 (附註 8、30)	806	805
租賃土地及土地使用權攤銷 (附註 6、30)	1,797	1,651
無形資產攤銷 (附註 9、30)	13	-
長期遞延資產攤銷	-	363
就存貨價值下降之撥備撥回 (附註 30)	-	(45,511)
無形資產減值撥備 (附註 9, 28)	-	7,667
物業、廠房及設備減值撥備 (附註 7, 28)	-	64,788
應佔聯營公司溢利 (附註 11)	(191)	(177)
處置物業、廠房及設備淨虧損 (附註 28)	4,358	820
匯兌虧損 (附註 28)	16,795	3,608
財務收入 (附註 32)	(57,049)	(35,414)
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 29)	-	(1)
財務成本 (附註 32)	195,655	137,145
以股份為基礎之付款 (附註 31)	67,552	10,753
可供出售金融資產減值撥備 (附註 15)	36,128	188,100

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38. CASH GENERATED FROM OPERATIONS (continued)

(a) Reconciliation of profit before taxation to cash generated from operations is as follows: (continued)

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	14	(4)
Increase in inventories and properties under development	存貨及發展中物業增加	(1,734,424)	(985,073)
Decrease in restricted bank balances	受限制銀行結餘減少	8,041	8,587
Increase in trade and notes receivables, prepayments, deposits and other receivables and other current assets	應收貿易賬款及票據、預付款項、按金及其他應收賬款及其他流動資產增加	(3,212,043)	(435,874)
Increase in amount due from related parties	應收關聯方款項增加	(7,606)	(219,579)
Increase/(decrease) 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增加/(減少)	954,767	(488,672)
Decrease in deferred revenue	遞延收入減少	(14,246)	(21,500)
(Decrease)/increase in amount due to related parties	應付關聯方款項(減少)/增加	(8,988)	1,430
Cash (used in)/generated from operations	(用於)/來自經營的現金	(1,243,105)	374,002

(b) Major non-cash transactions:

For the year ended 31 December 2010, the Group endorsed bank acceptance notes to the supplier for purchase of property, plant and equipment amounting to approximately RMB 352 million (2009: approximately RMB 315 million).

38. 營運產生的現金(續)

(a) 除稅前溢利與經營活動的現金流入的調節表如下:(續)

	2010 二零一零年	2009 二零零九年
	14	(4)
	(1,734,424)	(985,073)
	8,041	8,587
	(3,212,043)	(435,874)
	(7,606)	(219,579)
	954,767	(488,672)
	(14,246)	(21,500)
	(8,988)	1,430
Cash (used in)/generated from operations	(1,243,105)	374,002

(b) 主要非現金交易:

截至二零一零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3.52億元(二零零九年：約人民幣3.15億元)。

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38. CASH GENERATED FROM OPERATIONS (continued)

(c) In the cash flow statement, proceeds from sales of property, plant and equipment comprise:

Net book amount from sales and deductions of property, plant and equipment (Note 7)	物業、廠房及設備銷售及減少的賬面淨值(附註7)	145,351	10,541
Write off of impairment	減值撇銷	(7,879)	—
Disposal of a subsidiary	出售一間附屬公司	(7,924)	—
Loss on disposals of property, plant and equipment (Note 28)	處置物業、廠房及設備虧損(附註28)	(4,358)	(820)
Non-cash assets received (i)	已收非現金資產(i)	(123,398)	(9,750)
Proceeds from/(payment for) disposal of property, plant and equipment	處置物業、廠房及設備所得款項/(付款)	1,792	(29)

(i) Non-cash assets received mainly represented bank acceptance notes received from deductions of property, plant and equipment.

38. 營運產生的現金(續)

(c) 於現金流量表內，出售物業、廠房及設備所得款項包括：

2010	2009
二零一零年	二零零九年
145,351	10,541
(7,879)	—
(7,924)	—
(4,358)	(820)
(123,398)	(9,750)
1,792	(29)

(i) 收取的非現金資產主要指就物業、廠房及設備減少收取的銀行承兌匯票。

39. FINANCIAL GUARANTEE CONTRACTS – GROUP

Guarantee for bank borrowings of a third party	為第三方的銀行借款 出具擔保	30,000	30,000
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As at 31 December 2010, Jinxi Limited provided guarantee for bank borrowings in favour of a third party amounting to RMB 30 million (2009: RMB 30 million). The fair values of these financial guarantee contracts are not significant.

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

39. 財務擔保合約—本集團

2010	2009
二零一零年	二零零九年
30,000	30,000

於二零一零年十二月三十一日，津西鋼鐵為第三方的銀行借款出具擔保，人民幣3,000萬元(二零零九年：人民幣3,000萬元)。該等財務擔保合約的公允價值並不重大。

本公司董事認為該責任將不會造成經濟利益資源流出。

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40. COMMITMENTS – GROUP

(a) Capital commitments

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

Purchase of property, plant and equipment	購買物業、廠房及設備
– Contracted but not provided for	– 已訂約但未撥備
– Authorised but not contracted for	– 已授權但未訂約

At a meeting held on 23 March 2010, the directors of Jinxi Limited have resolved to terminate the rolled sheet project, and the capital commitment authorised but not contracted of approximately RMB 765 million were released.

(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:

No later than one year	1年內
Later than one year and no later than five years	1年以上，5年以內
Later than five years	5年以上

40. 承擔—本集團

(a) 資本承擔

於結算日尚未產生的資本開支如下：

2010 二零一零年	2009 二零零九年
1,846,386	1,936,442
131,977	1,013,127
1,978,363	2,949,569

根據二零一零年三月二十三日津西鋼鐵召開的董事局會議，決議中止中厚板工程，相應的已授權但未訂約的資本承諾減少約人民幣7.65億元。

(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：

2010 二零一零年	2009 二零零九年
184,549	54,612
53,176	179,208
170,383	178,714
408,108	412,534

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41. RELATED PARTY TRANSACTIONS

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

- (a) For the years 2010 and 2009, 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 唐山津西集團	Shareholder of Jinxi Limited and its legal representative is Mr. Guo Feizhi, one of the key executives of Jinxi Limited 津西鋼鐵的股東，其法定代表郭飛芝先生為津西鋼鐵主要行政人員之一
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") 佛山金蘭集團有限公司 ("金蘭集團")	Controlled by Mr. Zhou Weijie, a director of Jinxi Jinlan 由津西金蘭董事周偉傑先生控制
Foshan Jin Lan 佛山金蘭	Minority shareholder of Jinxi Jinlan 津西金蘭的少數股東

41. 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。

- (a) 於二零一零年及二零零九年內，董事認為以下公司及人士為本集團的關聯方：

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41. RELATED PARTY TRANSACTIONS (continued)

- (a) For the years 2010 and 2009, 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
Foshan Jin Lan Import and Export Co., Ltd. ("Jin Lan Import and Export") 佛山金蘭進出口有限公司 (「金蘭進出口」)	Controlled by the family members of Mr. Zhou Weijie, a director of Jinxi Jinlan 由津西金蘭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") 佛山金蘭有色金屬製品有限公司(「金蘭有色金屬」)	Foshan Jin Lan's subsidiary 佛山金蘭的附屬公司
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
Hui Yin 滙銀	Substantial shareholder of Jinxi Section Steel 津西型鋼少數股東
Tangshan Fengnan Qu Jinxi Fenggang Iron and Steel Co., Ltd. ("Jinxi Fenggang") 唐山市豐南區津西豐鋼鋼鐵有限公司(「津西豐鋼」)	Its legal representative is Mr. Han Li, the legal representative of Jinxi Limited 其法定代表為津西鋼鐵的法定代表韓力先生

41. 關聯方交易 (續)

- (a) 於二零一零年及二零零九年內，董事認為以下公司及人士為本集團的關聯方：(續)

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41. RELATED PARTY TRANSACTIONS (continued)

- (a) For the years 2010 and 2009, 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
Qianxi County Han'erzhuang Village Wang Zhihong Iron Ore Mill ("Qianxi Iron Ore Mill") 遷西縣漢兒莊鄉王志紅鐵選廠 (「遷西鐵選廠」)	Controlled by Mr. Wang Zhihong, substantial shareholder of Boyuan Real Estate 由博遠房地產的主要股東王志紅先生控制
Hebei Province Jing Yuan Education Foundation ("Jing Yuan Foundation") 河北省靜遠教育基金 (「靜遠基金」)	Its legal representative is Mr. Han Jingyuan, a director of the Company 本公司董事韓敬遠先生為其法定代表
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. Wang Zhihong 王志紅先生	Minority shareholder of Boyuan Real Estate 博遠房地產的少數股東

41. 關聯方交易 (續)

- (a) 於二零一零年及二零零九年內，董事認為以下公司及人士為本集團的關聯方：(續)

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41. RELATED PARTY TRANSACTIONS (continued)

(b) Save as disclosed elsewhere in the consolidated financial statements, during the years 2010 and 2009, 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
– Jinxi Fenggang	– 津西豐鋼
– Jinxi Wan Tong	– 津西萬通
– Jin Lan Import and Export	– 金蘭進出口
– Jin Lan Group	– 金蘭集團
– 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
– Foshan Jin Lan	– 佛山金蘭

(ii) Purchase of raw materials

– Qianxi Iron Ore Mill	– 遷西鐵選廠
– Zhongxing Iron Mine	– 中興礦業
– Longba Charging	– 龍霸爐料
– Jinxi Fenggang	– 津西豐鋼

41. 關聯方交易 (續)

(b) 除本合併財務報表中已披露外，於二零一零年及二零零九年內，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

2010 二零一零年	2009 二零零九年
151,532	–
62,629	19,589
50,527	59,801
14,849	32,075
–	4,697
–	4,163
279,537	120,325
7,759	4,781
781	–
8,540	4,781

(ii) 購買原材料

2010 二零一零年	2009 二零零九年
74,546	–
70,015	88,170
67,593	69,949
1,340	–
213,494	158,119

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41. RELATED PARTY TRANSACTIONS (continued)

(b) Save as disclosed elsewhere in the consolidated financial statements, during the years 2010 and 2009, 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 was unsecured, bore interest at a rate of 3.25% per annum and was fully repaid during 2010.

- 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 2010, the loan has not been repaid.

41. 關聯方交易 (續)

(b) 除本合併財務報表中已披露外，於二零一零年及二零零九年內，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%的年利息計息及於二零一零年悉數償還。

- 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。截至二零一零年十二月三十一日，該貸款並未償還。

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41. RELATED PARTY TRANSACTIONS (continued)

- (b) Save as disclosed elsewhere in the consolidated financial statements, during the years 2010 and 2009, 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 (continued)

- 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 2010, the loan was renewed with other terms unchanged.

(iv) Key management compensation

Key management includes executive and non-executive directors. The compensation paid or payable to key management for employee services is shown below:

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Post-employment benefits	離職後福利
Share-based payments	以股份為基礎的支付

41. 關聯方交易 (續)

- (b) 除本合併財務報表中已披露外，於二零一零年及二零零九年內，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 (續)

- 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%的年利率計息並於一年內償還。

截至二零一零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。

(iv) 關鍵管理人員酬金

主要管理人員包括執行及非執行董事。就僱員服務而已付或應付關鍵管理人員的酬金如下：

	2010 二零一零年	2009 二零零九年
Salaries and other short-term employee benefits	18,674	16,609
Post-employment benefits	60	65
Share-based payments	11,853	10,183
	30,587	26,857

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41. RELATED PARTY TRANSACTIONS (continued)

- (c) As at 31 December 2010 and 2009, 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:

41. 關聯方交易 (續)

- (c) 於二零一零年及二零零九年十二月三十一日，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：

		2010 二零一零年	2009 二零零九年
Amounts due from related parties	應收關聯方款項		
Non-trade balances	非貿易結餘		
– Tangshan Jinxi Group (i)	– 唐山津西集團 (i)	893,245	361,512
– Jinxi Fenggang (ii)	– 津西豐鋼 (ii)	95,000	–
– Jinxi Wan Tong	– 津西萬通	11,345	–
		999,590	361,512
Trade balances	貿易結餘		
– Jin Lan Import and Export (Note 41 (b)(i))	– 金蘭進出口 (附註 41(b)(i))	–	1,436
– Longba Charging (Note 41 (b)(i))	– 龍霸爐料 (附註 41(b)(i))	–	723
– Jin Lan Nonferrous Metals (Note 41 (b)(i))	– 金蘭有色金屬 (附註 41(b)(i))	–	525
		–	2,684
		999,590	364,196
Amounts due to related parties	應付關聯方款項		
Non-current	非流動		
Non-trade balances	非貿易結餘		
Borrowing from a related party	關聯方提供的借款		
– Foshan Jin Lan (iii)	– 佛山金蘭 (iii)	–	37,404

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

41. RELATED PARTY TRANSACTIONS (continued)

- (c) As at 31 December 2010 and 2009, 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)

Amounts due to related parties (continued) 應付關聯方款項(續)

Current 流動

Non-trade balances 非貿易結餘

Borrowing from related parties 關聯方提供的借款

– Hui Yin (Note 41 (b)(iii))

– Wangzhihong (iv)

– Foshan Jin Lan (iii)

– Wellbeing (Note 41 b(iii))

– 滙銀 (附註 41(b)(iii))

– 王志紅 (iv)

– 佛山金蘭 (iii)

– Wellbeing (附註 41 b(iii))

2010

二零一零年

2009

二零零九年

170,000

170,000

46,554

–

37,404

–

–

29,937

253,958

199,937

Deposit from a related party

– Mr. Shen Xiaoling (Note 26)

來自關聯方的按金

– 沈曉玲先生 (附註 26)

10,000

10,000

Dividends payable due to

– Tangshan Jinxi Group

– Zhongxing Iron Mine

– Hui Yin (v)

應付予以下主體的股息

– 唐山津西集團

– 中興礦業

– 滙銀 (v)

–

18,130

–

2,535

–

20,837

–

41,502

Others 其他

– Mr. Du Chun

– Foshan Jin Lan

– Longba Quarrying

– Jinxi Wan Tong

– Mr. Han Jingyuan

– 杜春先生

– 佛山金蘭

– 龍霸採石

– 津西萬通

– 韓敬遠先生

–

3,600

383

383

–

1,815

–

1,308

4

45

387

7,151

Trade balances 貿易結餘

Trade payables 應付貿易賬款

– Zhongxing Iron Mine (Note 41 (b)(ii))

– Jinxi Fenggang (Note 41 (b)(ii))

– Qianxi Iron Ore Mill (Note 41 (b)(ii))

– Longba Charging (Note 41 (b)(ii))

– 中興礦業 (附註 41(b)(ii))

– 津西豐鋼 (附註 41(b)(ii))

– 遷西鐵選廠 (附註 41(b)(ii))

– 龍霸爐料 (附註 41(b)(ii))

1,632

214

1,038

–

421

–

–

10,414

3,091

10,628

267,436

269,218

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

41. RELATED PARTY TRANSACTIONS (continued)

(c) As at 31 December 2010 and 2009, 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 a newly revised agreement entered into in December 2010, the loans provided by Jinxi Limited to Tangshan Jinxi Group totalled to RMB 893.2 million as at 31 December 2010. Those loans are 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 one year.

(ii) During the year ended 31 December 2010, Shenzhen Leasing provided an entrusted loan to Jinxi Fenggang, amounting to RMB 60 million. The loan is unsecured, bears interest at an 8% per annum and is repayable within one year. As at 31 December 2010, the loan has not been repaid.

Pursuant to a certain agreement entered into in December 2010, the receivables from Jinxi Fenggang amounting to RMB 35 million is unsecured, bears interest at a 0.9% per annum and is repayable within 45 days. As at 31 December 2010, the receivables have not been repaid.

41. 關聯方交易 (續)

(c) 於二零一零年及二零零九年十二月三十一日，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) 根據二零一零年十二月新修訂的協議，津西鋼鐵於二零一零年十二月三十一日向唐山津西集團提供的貸款合共人民幣8.932億元。該等貸款由唐山津西集團於津西萬通的全部權益及用貸款購入或在建的全部資產作為抵押。該等貸款按5.3%計息及一年內償還。

(ii) 於截至二零一零年十二月三十一日止年度，深圳租賃向津西豐鋼提供委託貸款，金額為人民幣6,000萬元。該貸款為無抵押，以年利率8%計息及須於一年內償還。於二零一零年十二月三十一日，該貸款尚未償還。

根據二零一零年十二月訂立的若干協議，應收津西豐鋼的賬款人民幣3,500萬元為無抵押，以年利率0.9厘計息及須於45天內償還。於二零一零年十二月三十一日，該應收賬款尚未償還。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

41. RELATED PARTY TRANSACTIONS (continued)

- (c) As at 31 December 2010 and 2009, 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)
- (iii) 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. As at 31 December 2010, the rest of the loan has not been repaid.
- (iv) Pursuant to certain agreements, the Group and Wang Zhihong lent certain loans to Boyuan Real Estate on a proportional basis according to their respective shareholdings percentage in Boyuan Real Estate. These loans are unsecured, bore interest at a rate of 5.31% per annum and are repayable within one year. As at 31 December 2010, such loans have not been repaid.
- (v) 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. Such dividend was fully paid during 2010.

41. 關聯方交易 (續)

- (c) 於二零一零年及二零零九年十二月三十一日，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)
- (iii) 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。於二零一零年十二月三十一日，貸款餘額尚未償付。
- (iv) 根據若干協議，本集團與王志紅向博遠房地產按彼等各自所持博遠房地產的股權比例出借若干貸款。該等貸款為無抵押，以5.31%的年利率計息及須一年內償還。於二零一零年十二月三十一日，該等貸款尚未償還。
- (v) 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。該股息於二零一零年悉數支付。

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 2010
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一零年十二月三十一日止年度

41. RELATED PARTY TRANSACTIONS (continued)

- (c) As at 31 December 2010 and 2009, 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)

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.

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

Amounts due to related parties 應付關聯方的款項

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 5.81% per annum (2009: 5.40% per annum).

No provision has been required for the years ended 31 December 2010 and 2009 for the loan made to related parties. The related parties have no default history.

42. APPROVAL OF ACCOUNTS

These consolidated financial statements were approved by the Board on 18 March 2011.

41. 關聯方交易 (續)

- (c) 於二零一零年及二零零九年十二月三十一日，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)

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。

應付關聯方的非流動款項的賬面值及公允價值如下：

Carrying amounts		Fair value	
賬面值		公允價值	
2010	2009	2010	2009
二零一零年	二零零九年	二零一零年	二零零九年
-	37,404	-	35,178

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 5.81% (二零零九年：每年 5.40%) 為基準。

就提供予關聯方的貸款而言，截至二零一零年及二零零九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。

42. 批准賬目

董事局於二零一一年三月十八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 non-controlling interests, 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				
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Revenue	收入	30,135,718	20,589,138	19,388,183	13,498,555	9,782,116
Profit before income tax	除所得稅前溢利	1,613,481	1,313,734	113,601	1,450,354	1,233,236
Income tax expense	所得稅費用	(428,030)	(341,293)	(70,643)	(256,617)	(210,886)
Profit for the year	年度溢利	1,185,451	972,441	42,958	1,193,737	1,022,350
Profit attributable to:	溢利歸屬於：					
Equity holders of the Company	本公司權益持有者	1,062,838	884,323	44,032	1,159,657	1,032,754
Non-controlling interests	非控制性權益	122,613	88,118	(1,074)	34,080	(10,404)
		1,185,451	972,441	42,958	1,193,737	1,022,350

本集團截至前五個財政年度的合併利潤表及合併資產、負債與非控制性權益概要載列如下：

合併利潤表

Consolidated Assets, Liabilities and Non-controlling Interests

		As at 31 December 於十二月三十一日				
		Audited 經審核				
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Total assets	總資產	20,742,095	15,189,137	14,136,057	10,162,120	8,221,367
Total liabilities	總負債	(12,222,321)	(7,728,387)	(7,646,117)	(3,466,016)	(2,619,918)
Non-controlling interests	非控制性權益	(450,012)	(291,992)	(224,711)	(147,414)	(122,322)
		8,069,762	7,168,758	6,265,229	6,548,690	5,479,127

合併資產、負債與非控制性權益



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