



# 興發鋁業控股有限公司 XINGFA ALUMINIUM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立之有限公司)  
(HKEX stock code: 98) (香港交易所股份代號: 98)



09

ANNUAL REPORT 年報

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## Corporate Information 公司資料

### Directors and Board Committees

#### Directors

##### *Executive Directors*

LUO Su (*Chairman*)  
 LUO Riming (*Chief Executive Officer*)  
 LIAO Yuqing  
 LAW Yung Koon (appointed on 28 April 2009)  
 WANG Zhihua

##### *Independent Non-executive Directors*

CHEN Mo  
 HO Kwan Yiu  
 LAM Ying Hung Andy

#### Board Committees

##### *Audit Committee*

LAM Ying Hung Andy (*Chairman*)  
 CHEN Mo  
 HO Kwan Yiu

##### *Remuneration Committee*

HO Kwan Yiu (*Chairman*)  
 CHEN Mo  
 LAM Ying Hung Andy  
 LUO Su

##### *Nomination Committee*

LUO Su (*Chairman*)  
 CHEN Mo  
 HO Kwan Yiu  
 LAM Ying Hung Andy

#### Company Secretary

WONG Siu Ki (*CPA, FCCA, ACA*)

### 董事及董事委員會

#### 董事

##### *執行董事*

羅蘇 (*主席*)  
 羅日明 (*行政總裁*)  
 廖玉慶  
 羅用冠 (於二零零九年四月二十八日獲委任)  
 王志華

##### *獨立非執行董事*

陳默  
 何君堯  
 林英鴻

#### 董事委員會

##### *審核委員會*

林英鴻 (*主席*)  
 陳默  
 何君堯

##### *薪酬委員會*

何君堯 (*主席*)  
 陳默  
 林英鴻  
 羅蘇

##### *提名委員會*

羅蘇 (*主席*)  
 陳默  
 何君堯  
 林英鴻

#### 公司秘書

黃兆麒 (*CPA, FCCA, ACA*)

## Corporate Information 公司資料

### Registered Office

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

### Head Office and Principal Place of Business

No. 23 Renhe Road, Nanzhuang Town,  
Chancheng District, Foshan City, Guangdong Province,  
People's Republic of China

### Principal Place of Business in Hong Kong

Suite 1513  
15th Floor, Tower 6  
The Gateway  
Harbour City  
Tsim Sha Tsui  
Kowloon  
Hong Kong

### Principal Bankers

Bank of China, Foshan Branch  
Agriculture Bank of China, Foshan Nanzhuang Sub-branch  
China Construction Bank Corporation, Foshan Branch

### Legal Advisers

#### As to Hong Kong law:

Leung & Lau

#### As to PRC law:

Jingtian & Gongcheng

#### As to Cayman Islands law:

Conyers Dill & Pearman

### 註冊辦事處

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

### 總辦事處及主要營業地點

中國  
廣東省佛山市禪城區南莊鎮  
人和路23號

### 香港主要營業地點

香港  
九龍  
尖沙咀  
海港城  
港威大廈  
第6座15樓  
1513室

### 主要往來銀行

中國銀行佛山分行  
中國農業銀行佛山南莊支行  
中國建設銀行股份有限公司佛山分行

### 法律顧問

#### 香港法律:

梁寶儀劉正豪律師行

#### 中國法律:

北京市競天公誠律師事務所

#### 開曼群島法律:

Conyers Dill & Pearman

## Corporate Information 公司資料

### Auditors

KPMG  
8th Floor, Prince's Building,  
10 Chater Road, Central, Hong Kong

### Share Registrars

#### Principal Share Registrar and Transfer Office in the Cayman Islands

Butterfield Fund Services (Cayman) Limited  
Butterfield House  
68 Fort Street  
P. O. Box 705  
Grand Cayman KY1-1107  
Cayman Islands

#### Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited  
26th Floor, Tesbury Centre,  
28 Queen's Road East  
Wanchai, Hong Kong.

### Compliance Adviser

ICBC International Capital Limited

### Investor Relations

Strategic Financial Relations (China) Limited

### Website

[www.xingfa.com](http://www.xingfa.com)

### Stock Code

00098

### 核數師

畢馬威會計師事務所  
香港中環遮打道10號  
太子大廈8樓

### 股份過戶登記處

#### 開曼群島股份過戶登記總處

Butterfield Fund Services (Cayman) Limited  
Butterfield House  
68 Fort Street  
P. O. Box 705  
Grand Cayman KY1-1107  
Cayman Islands

#### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 合規顧問

工銀國際融資有限公司

### 投資者關係

縱橫財經公關顧問(中國)有限公司

### 網址

[www.xingfa.com](http://www.xingfa.com)

### 股份編號

00098

## Chairman's Statement 主席報告



LUO Su, Chairman  
主席，羅蘇

I am pleased to present the 2009 annual results of Xingfa Aluminium Holdings Limited (“Xingfa” or the “Company” and, together with its subsidiaries, the “Group”).

For the year ended 31 December 2009, our Group continued to deliver positive performance. Turnover was approximately RMB1,871.5 million in 2009 (2008: RMB2,136.4 million). The decrease in turnover was mainly due to the drop of average market price of aluminium ingots during the year. We billed our customers the processing fee with reference to the market price of aluminium ingots, which has dropped by approximately 18.9% to about RMB11,966 per tonne (value-added tax excluded) (2008: RMB14,750 per tonne), while our processing fee remained steady in 2009. Net profit attributable to equity holder of the Company surged by 139.5% to RMB70.2 million compared with RMB29.3 million in 2008. The improvement in net profit was mainly attributable to the improvement in gross profit margin, net gains of aluminium future contracts and reduction in operating and finance expenses in 2009.

The Directors recommended the payment of a final dividend of RMB0.033 per ordinary share of the Company for the year ended 31 December 2009 (2008: RMB0.021), subject to the approval by the shareholders of the Company at the forthcoming Annual General Meeting. The pay-out ratio is about 20% based on the net profit in 2009.

本人欣然呈佈興發鋁業控股有限公司（「興發」或「本公司」，連同附屬公司統稱「本集團」）之二零零九年度業績。

截至二零零九年十二月三十一日止年度，本集團之業績繼續獲得出色表現。營業額於二零零九年約為人民幣1,871,500,000元（二零零八年：人民幣2,136,400,000元）。營業額下跌的主因為年內鋁錠之平均市價下跌。本集團參照鋁錠之市價向客戶收取加工費，而鋁錠之市價於二零零九年下跌約18.9%至每噸約人民幣11,966元（不包括增值稅）（二零零八年：每噸人民幣14,750元），惟本集團二零零九年之加工費維持穩定。本公司股權持有人應佔純利較二零零八年之人民幣29,300,000元增加139.5%至人民幣70,200,000元。純利率之增長主要是由於毛利率、鋁期貨合約之收益淨額增加，以及二零零九年營運及財務開支之下降所致。

董事會建議本公司派發截至二零零九年十二月三十一日止年度之期末股息每股普通股人民幣0.033元（二零零八年：人民幣0.021元），惟須經本公司股東於即將召開之股東週年大會上批准。按二零零九年純利計算，派息比率約為20%。

## Chairman's Statement 主席報告

Following the completion of the installation of the Asia-largest surface anodizing machines, powder coating machines and PVDF coating machines in the Sanshui factory, which enhanced our surface finishing capability, our Group has equipped seven new extrusion production lines, which will further enhance our annual production capacity in 2010. In addition, our Group has commenced the first phase construction of the two new production bases in Sichuan Province and Jiangxi Province, further extending our market coverage to South-West and South-East China.

With the gradual recovery of macro-economy and supportive government policies continuously stimulating market demand, we will execute our capacity expansion plan carefully and prudently in line with the market trend. The annual designed production capacity of the new Sanshui base is expected to reach 130,000 tonnes in 2010. The first phases of the two new plants in Sichuan Province and Jiangxi Province will be completed by the end of 2010 each with an annual designed production capacity of 50,000 tonnes. The ultimate capacity per annum of these two plants are 100,000 tonnes each. It is expected that the total production capacity of the Group will be able to hit 300,000 tonnes per annum by 2014, further strengthening Xingfa's leading industry position in China.

Being a market leader, Xingfa won the tender for several landmark projects in 2009, including electricity conductive aluminium profiles for metro locomotive of Guangzhou-Foshan train, Shenzhen International Commerce Center, the headquarters of the Government of the Hong Kong Special Administrative Region, Kingkey Finance Center Plaza in Shenzhen and Microsoft Asia-Pacific R&D Group Headquarter etc.

在三水廠區完成安裝全亞洲最大之表面電鍍、粉狀噴塗及氟碳噴塗生產線以提高表面處理效能後，本集團已為新建之柒套新擠壓生產線作出配備，以進一步增加本集團二零一零年之年產能。此外，本集團已開展四川省及江西省兩個新生產基地之第一期建設，將市場覆蓋範圍進一步擴展至中國西南及東南地區。

隨著宏觀經濟逐步復蘇及政府利好政策持續刺激市場需求，本集團將根據市場趨勢小心謹慎實施產能擴展計劃。預期新建三水生產基地之二零一零年設計年產能為130,000噸。位於四川省及江西省兩個新生產基地之第一期工程將於二零一零年底完成，各自之設計年產能為50,000噸。兩個新基地各自之最終年產能為100,000噸。預期本集團之總產能將可於二零一四年前達至300,000噸，進一步鞏固興發在中國的行業領導地位。

興發為引領市場，於二零零九年就多個地標性項目中標，包括為廣州—佛山鐵路地鐵機車提供導電鋁型材、深圳國際商業中心、香港特區政府總部、深圳京基金融中心廣場及微軟亞太研發集團總部等項目。



## Chairman's Statement 主席報告

With our ultimate goal to improve the gross profit margin and hence the bottom line growth, Xingfa has investigated its product mixing strategy to enhance the sales of higher margin products. Together with our advanced R&D capability, commitment to quality, established extensive and stable sales networks in the PRC and overseas, we are confident to capture more market shares both in the PRC and globally, bringing in greater returns to our shareholders.

On behalf of Xingfa, I would like to take this opportunity to thank every member of the Board, management and staff for contributing the success of the Group. Furthermore, I would like to express my appreciation to the customers and business partners and shareholders for their continuing support.

**LUO Su, Chairman**  
Hong Kong, 31 March 2010

基於本集團之最終目標為改善毛利率，從而增加利潤，因此興發已研究其產品結構組合策略，提高具有高毛利率產品之銷售額。憑藉本集團之先進研發能力、對質量之重視、在中國及海外已建立廣泛及穩定銷售網絡，本集團有信心於中國及全球取得更大之市場份額，為股東帶來更高回報。

本人謹藉此機會代表興發衷心感激本集團董事會各位成員、管理層及員工對本集團之成就所作出之貢獻。本人亦謹此對本集團之客戶、營業夥伴及股東一直以來之支持表示謝意。

**主席，羅蘇**  
香港，二零一零年三月三十一日





## Management Discussion and Analysis 管理層討論及分析



### Review of Operations

We are one of the leading aluminium profiles manufacturers in the PRC and our products are principally applied as construction and industrial materials. Currently, we are the largest provider of electricity conductive aluminium profile for metro vehicles in the PRC. Leveraging on our advanced R&D capability and commitment to quality, our Group has established extensive and stable sales networks in the PRC and overseas for the past 20 years. Our Group was awarded as the No.1 of the Top-Ten National Aluminium Profiles Enterprises by the China Non-Ferrous Metals Fabrication Industrial Association (“CNFA”) in 2003, and such status was re-confirmed by CNFA in February 2008.

In 2009, our Group won the tender for several landmark projects, including electricity conductive aluminium profiles for metro locomotive of Guangzhou-Foshan train, Shenzhen International Commerce Center, the headquarters of the Government of the Hong Kong Special Administrative Region, Kingkey Finance Center Plaza in Shenzhen and Microsoft Asia-Pacific R&D Group Headquarter etc.

### Turnover

Turnover and sales volume recorded approximately RMB1,871.5 million and 94,400 tonnes respectively for the year ended 31 December 2009 (2008: 2,136.4 million and 95,200 tonnes). The decrease in turnover was mainly due to the drop of average market price of aluminium ingots during the year.

We billed our customers the processing fee with reference to the market price of aluminium ingots, which has dropped by approximately 18.9% to about RMB11,966 per tonne (value-added tax excluded) (2008: RMB14,750 per tonne), while our processing fee remained steady in 2009.

### 營業回顧

本集團是中國之領先鋁型材製造商之一，產品主要用作建築及工業材料。目前，本集團是中國最大的機車導電鋁型材供應商。於過去二十年，本集團憑藉先進研發能力及對質量之重視，於中國及海外建立廣泛及穩定之銷售網絡。於二零零三年，本集團獲中國有色金屬加工工業協會（「有色加工協會」）評為「中國鋁型材企業十強第一名」，並於二零零八年二月獲有色加工協會再次確定有關地位。

於二零零九年，本集團就多個地標性項目中標，其中包括為廣州－佛山鐵路地鐵機車提供導電鋁型材、深圳國際商業中心、香港特區政府總部、深圳京基金融中心廣場及微軟亞太研發集團總部等項目。

### 營業額

截至二零零九年十二月三十一日止年度，營業額及銷量分別約為人民幣1,871,500,000元及94,400噸（二零零八年：2,136,400,000元及95,200噸）。營業額減少的主因為年內鋁錠之平均市價下跌。

本集團參照鋁錠之市價向客戶收取加工費，鋁錠之平均市價於二零零九年下跌約18.9%至每噸人民幣11,966元（不包括增值稅）（二零零八年：每噸人民幣14,750元）。然而，本集團二零零九年之加工費維持穩定。

## Management Discussion and Analysis 管理層討論及分析

Our sales volume also remained steady in 2009. Despite the negative impacts brought by the financial turmoil in the fourth quarter in 2008 which caused the drop of sales volume in the first half of 2009 by 12%, our Group's sales orders recovered quickly and managed to meet the annual sales target of approximately 94,400 tonnes in 2009 (2008: 95,200 tonnes). In particular, the sales volume of construction aluminium profiles increased by 16.6% to 72,850 tonnes (2008: 62,483 tonnes) after the enhancement of production capacity of surface finishing in our Sanshui factory, which offset the decrease in sales volume of industrial aluminium profiles by 34.2% to 21,524 tonnes in 2009 (2008: 32,733 tonnes).

The following table sets forth our turnover and its percentage of turnover by product category for the years ended 31 December 2008 and 2009:

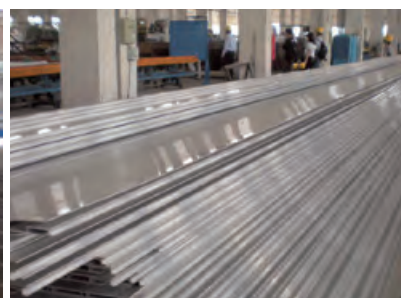
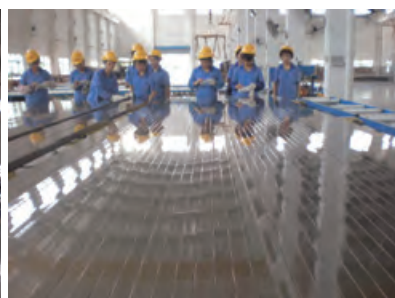
於二零零九年，本集團之銷量維持穩定。儘管金融風暴於二零零八年第四季帶來負面影響，使二零零九年上半年銷量下跌12%，在下半年本集團之銷售訂單數量迅速回升，最終達致二零零九年之年度銷售目標，約為94,400噸（二零零八年：95,200噸）。其中，三水廠區增加其表面處理生產能力後，建築鋁型材之銷量上升16.6%至72,850噸（二零零八年：62,483噸），抵銷工業鋁型材銷量下跌34.2%至二零零九年之21,524噸（二零零八年：32,733噸）之跌幅。

下表載列截至二零零八年及二零零九年十二月三十一日止年度按產品種類劃分之營業額及其百分比：

		2009 二零零九年		2008 二零零八年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
Manufacture and sale of aluminium profiles	生產及銷售鋁型材				
- Construction aluminium profiles	- 建築鋁型材	1,353,779	72.3	1,370,729	64.2
- Industrial aluminium profiles	- 工業鋁型材	366,115	19.6	654,593	30.6
		1,719,894	91.9	2,025,322	94.8
Others (Note)	其他 (附註)	151,587	8.1	111,046	5.2
Total	總計	1,871,481	100.0	2,136,368	100.0

Note: Our Group's other turnover represented turnover generated from the manufacture and sale of aluminium panels, moulds and spare parts and the provision of processing services.

附註：本集團其他營業額指製造及銷售鋁板、模具及零部件，以及提供加工服務所產生之營業額。



## Management Discussion and Analysis 管理層討論及分析

Our Group's turnover by geographical segments during the years ended 31 December 2008 and 2009 are as follows:

本集團於截至二零零八年及二零零九年十二月三十一日止年度按地域劃分之營業額如下：

		2009 二零零九年		2008 二零零八年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
The PRC	中國	1,718,429	91.8	1,938,424	90.7
North America	北美	3,254	0.2	46,110	2.2
Europe	歐洲	11,723	0.6	12,196	0.6
Hong Kong	香港	39,302	2.1	76,551	3.6
Asia Pacific (other than the PRC and Hong Kong)	亞太地區(中國及香港除外)	40,490	2.2	51,680	2.4
Others	其他	58,283	3.1	11,407	0.5
Total	總計	1,871,481	100.0	2,136,368	100.0

For the years ended 31 December 2008 and 2009, domestic sales in the PRC in aggregate accounted for approximately 90.7% and 91.8% of our Group's turnover respectively.

截至二零零八年及二零零九年十二月三十一日止年度，中國國內銷售總額佔本集團營業額分別約90.7%及91.8%。

Our Group also exports directly to the United States, Europe and other Asian countries. For the years ended 31 December 2008 and 2009, non domestic sales in aggregate accounted for approximately 9.3% and 8.2% of our Group's turnover respectively.

本集團產品亦直接出口至美國、歐洲及其他亞洲國家。截至二零零八年及二零零九年十二月三十一日止年度，非內銷總額佔本集團營業額分別約9.3%及8.2%。



## Management Discussion and Analysis 管理層討論及分析

The following table sets forth the sales volume and average selling prices of our principal products during the years ended 31 December 2008 and 2009:

下表載列本集團主要產品於截至二零零八年及二零零九年十二月三十一日止年度之銷量及平均售價：

		2009 二零零九年	2008 二零零八年	Change in % 變動%
<b>Construction aluminium profiles</b>	<b>建築鋁型材</b>			
Revenue (RMB'000)	營業額 (人民幣千元)	<b>1,353,779</b>	1,370,729	(1)
Quantity (tonnes)	數量 (噸)	<b>72,850</b>	62,483	17
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	<b>18,583</b>	21,938	(15)
<b>Industrial aluminium profiles</b>	<b>工業鋁型材</b>			
Revenue (RMB'000)	營業額 (人民幣千元)	<b>366,115</b>	654,593	(44)
Quantity (tonnes)	數量 (噸)	<b>21,524</b>	32,733	(34)
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	<b>17,010</b>	19,998	(15)
<b>Total</b>	<b>總計</b>			
Revenue (RMB'000)	營業額 (人民幣千元)	<b>1,719,894</b>	2,025,322	(15)
Quantity (tonnes)	數量 (噸)	<b>94,374</b>	95,216	(1)
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	<b>18,224</b>	21,271	(14)

### Cost of sales

Our cost of sales decreased by approximately 14.1% to RMB1,684.1 million (2008: RMB1,961.1 million) which was mainly due to the drop of average market price of aluminium ingots during the year.

### 銷售成本

本集團之銷售成本下跌約14.1%至人民幣1,684,100,000元(二零零八年:人民幣1,961,100,000元),主因為年內鋁錠之平均市價下跌。

		2009 二零零九年	2008 二零零八年	Change in % 變動%
Average market price of aluminium ingots (VAT included) (RMB)	鋁錠之平均市價 (包括增值稅) (人民幣元)	<b>14,000</b>	17,258	(19)

## Management Discussion and Analysis 管理層討論及分析

### Gross profit and gross profit margin

Gross profit margin improved to 10.0% (2008: 8.2%) whilst sale to production ratio at 97.0% in 2009 (2008: 99.9%).

The following table sets forth the gross profit margin of our aluminium profiles:

		2009 二零零九年	2008 二零零八年
Average gross profit margin	平均毛利率	<b>10.0%</b>	8.2%
- Industrial aluminium profiles	- 工業鋁型材	<b>17.0%</b>	13.4%
- Construction aluminium profiles	- 建築鋁型材	<b>7.3%</b>	5.7%

The improvement in gross profit margin was mainly due to the following factors:

1. We have concluded more sales order of electricity conductive aluminium profiles for metro-locomotive of Guangzhou-Foshan train in 2009, which has relative higher processing fee than other industrial materials.
2. Following the enhancement of surface finishing capacity through the installation of the Asia-largest anodising, powder coating and PVDF coating production lines at Guangdong Sanshui factory in the second half of 2009, better economy of scales were further enhanced.
3. The equipment utilisation ratio was further improved to 80.3% (2008: 79.4%).

### 毛利與毛利率

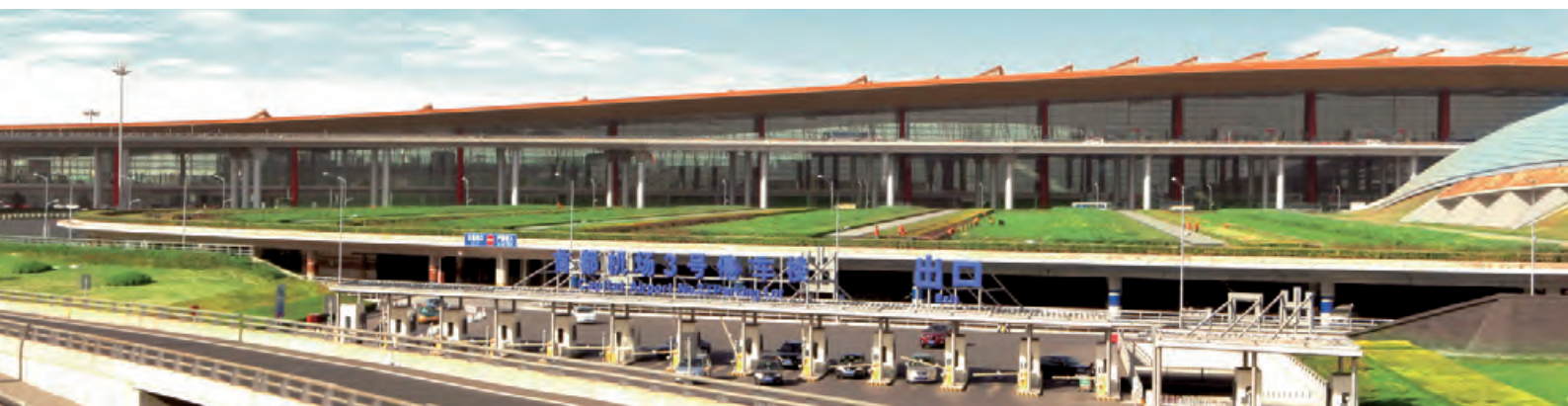
於二零零九年，毛利率上升至10.0%（二零零八年：8.2%），而銷售生產比率則為97.0%（二零零八年：99.9%）。

下表載列本集團鋁型材之毛利率：

		2009 二零零九年	2008 二零零八年
Average gross profit margin	平均毛利率	<b>10.0%</b>	8.2%
- Industrial aluminium profiles	- 工業鋁型材	<b>17.0%</b>	13.4%
- Construction aluminium profiles	- 建築鋁型材	<b>7.3%</b>	5.7%

毛利率上升主要是由於下列因素：

1. 在二零零九年，本集團就廣州－佛山鐵路地鐵機車之導電鋁型材完成多個銷售訂單，其加工費較其他工業材料為高。
2. 於二零零九年下半年，在廣東三水廠區安裝了全亞洲最大之表面電鍍、粉狀噴塗及氟碳噴塗生產線，以提高表面處理效能後，經濟規模獲得進一步改善。
3. 設備使用比率進一步提升至80.3%（二零零八年：79.4%）。



## Management Discussion and Analysis 管理層討論及分析

### Other revenue and other net income/(loss)

Our Group recorded other revenue and other net income of approximately RMB14.0 million in 2009 as compared to other net loss of approximately RMB4.7 million in 2008. This variance was mainly due to the net gains of aluminium future contracts of RMB7.7 million in 2009 as compared to the net losses of aluminium future contracts of RMB19.3 million in 2008. It comprises the following items:

### 其他收益及其他收入／(虧損)淨額

本集團於二零零九年錄得其他收益及其他收入淨額約人民幣14,000,000元，而於二零零八年錄得其他虧損淨額約人民幣4,700,000元。此差異主要是由於二零零九年鋁期貨合約僅錄得收益淨額人民幣7,700,000元，而二零零八年鋁期貨合約則錄得虧損淨額人民幣19,300,000元所致，其包括下列各項：

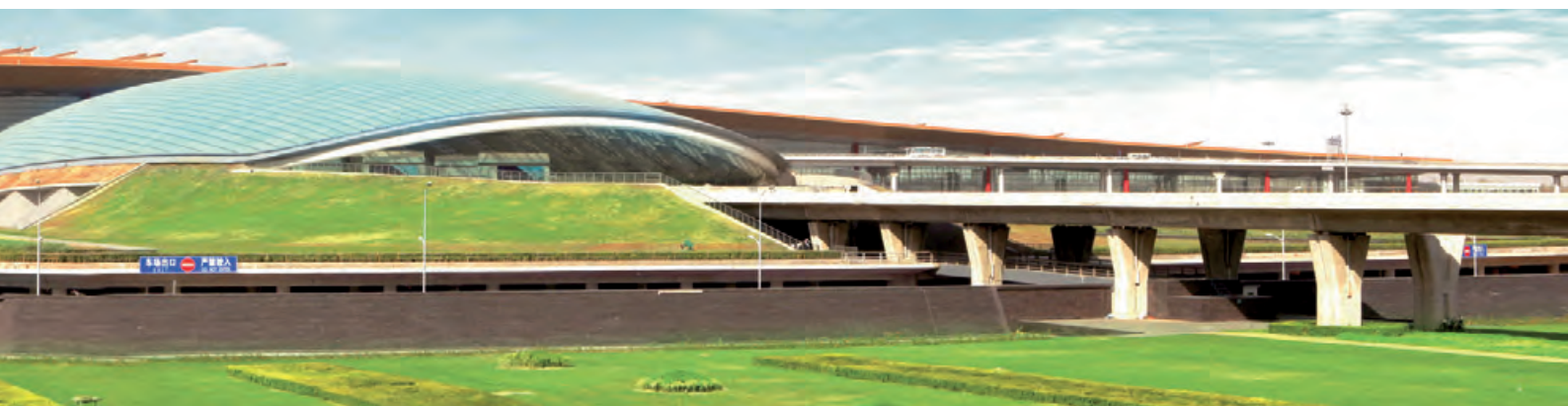
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Net realised and unrealised gains/(losses) of derivative financial instruments	衍生金融工具已變現及未變現收益／(虧損)淨額		
– aluminium future contracts	– 鋁期貨合約	7,701	(19,342)
– foreign exchange forward contracts	– 外匯遠期合約	497	(580)
Gain on disposal of assets held for sale	出售列為持作待售資產收益	–	11,637
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(240)	–
Net foreign exchange gains/(losses)	外匯收益／(虧損)淨額	151	(6,788)
Interest income	利息收入	4,430	6,622
Government grants	政府補貼	2,194	2,927
Rental income	租金收入	20	232
Others	其他	(790)	548
Other revenue and other net income/(loss)	其他收益及其他收入／(虧損)淨額	<b>13,963</b>	<b>(4,744)</b>

### Distribution costs

Distribution costs reduced by approximately 19.7% to RMB29.9 million in 2009 (2008: RMB37.3 million), while our distribution costs as a percentage of turnover also reduced to 1.6% (2008: 1.7%). Such decrease was consistent with the decrease in turnover during the year.

### 分銷成本

於二零零九年本集團之分銷成本減少約19.7%至人民幣29,900,000元（二零零八年：人民幣37,300,000元），而本集團分銷成本佔營業額之百分比下降至1.6%（二零零八年：1.7%）。有關年內下降與營業額下降為一致。



## Management Discussion and Analysis 管理層討論及分析



### Administrative expenses

Administrative expenses recorded RMB58.7 million in 2009, which was 5.1% lower than that in 2008 (2008: RMB61.9 million) and our administrative expenses as a percentage of turnover remained at 3.1% (2008: 2.9%). Such decrease was mainly due to the absence of an one-off IPO expenses of RMB9.61 million which incurred in 2008 but partially offset by the increase in pre-operating expenses of RMB2.5 million for our Jiangxi Yichun and Sichuan Chengdu new plants in 2009.

### Finance costs

Finance costs reduced by approximately 6.9% to RMB31.0 million in 2009 (2008: RMB33.3 million) as a result of the drop of average interest rate during the year.

### Profit for the year attributable to equity shareholders of the Company and the net profit margin

In 2009, our Group recorded profit for the year attributable to equity shareholders of the Company of approximately RMB70.2 million (2008: RMB29.3 million) while the net profit margin was also improved to 3.8% (2008: 1.4%). The improvement in net profit margin was mainly attributable to the improvement in gross profit margin, net gains of aluminium future contracts and savings in operating and finance expenses in 2009.

### 行政開支

於二零零九年，本集團行政開支錄得人民幣58,700,000元，較二零零八年下降5.1%（二零零八年：人民幣61,900,000元），而本集團之行政開支佔營業額之百分比維持於3.1%（二零零八年：2.9%）。有關下降主要是由於並無二零零八年所產生之一次性首次公開發售費用人民幣9,610,000元。但仍因二零零九年本集團於江西宜春及四川成都設立新廠房之營運前開支人民幣2,500,000元而部分獲得抵銷。

### 財務成本

於二零零九年，財務成本下降約6.9%至人民幣31,000,000元（二零零八年：人民幣33,300,000元），乃由於平均年利率均於年內有所下降。

### 公司股權持有人應佔年度溢利及純利率

於二零零九年，本集團錄得公司股權持有人應佔年度溢利約為人民幣70,200,000元（二零零八年：人民幣29,300,000元），而純利率進一步增加至3.8%（二零零八年：1.4%）。純利率之增長主要是由於毛利率增長，所持於鋁期貨合約之收益淨額，以及於二零零九年所節省之營運及行政開支所致。

## Management Discussion and Analysis 管理層討論及分析

### Analysis of Financial Position

#### Current and quick ratios

The following table sets out the summary of our Group's current and quick ratios as at 31 December 2008 and 2009:

		As at <b>31 December</b> <b>2009</b> 於二零零九年 十二月三十一日	As at 31 December 2008 於二零零八年 十二月三十一日
Current Ratio (Note)	流動比率 (附註)	<b>1.08</b>	1.21
Quick Ratio (Note)	速動比率 (附註)	<b>0.86</b>	0.95

*Notes:* Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year.

Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities at the end of the year.

Both current and quick ratio remained at a healthy level in 2009.

### 財務狀況分析

#### 流動及速動比率

下表載列本集團於二零零八年及二零零九年十二月三十一日之流動及速動比率概要：

*附註：* 流動比率以年終之流動資產總值除以流動負債總值計算。

速動比率以年終之流動資產總值與存貨之差額除以流動負債總值計算。

於二零零九年，本集團之流動比率及速動比率均保持相對穩定。





## Management Discussion and Analysis

### 管理層討論及分析

#### Gearing ratio

The following table sets out the summary of our Group's gearing ratio as at 31 December 2008 and 2009:

		As at 31 December 2009 於二零零九年 十二月三十一日	As at 31 December 2008 於二零零八年 十二月三十一日
Gearing ratio ( <i>Note</i> )	負債比率 (附註)	45.0%	39.4%

*Note:* Gearing ratio is calculated based on the total loans and borrowings divided by total assets and multiplied by 100%.

Our Group assumed more bank borrowings in 2009 to finance our capacity expansion plan at our new Jiangxi Yichun and Sichuan Chengdu plants.

#### Inventory Turnover Days

The following table sets out the summary of our Group's inventory turnover days during the two years ended 31 December 2008 and 2009:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年
Inventory turnover days ( <i>Note</i> )	存貨周轉天數 (附註)	48	41

*Note:* Inventory turnover days is calculated based on the average of the beginning and ending inventory balance before provision for the years divided by the total cost of sales during the years multiplied by 365 days.

Inventories balance as at the respective years ended 31 December 2008 and 2009 represents our raw materials, work in progress and the unsold finished goods.

#### 負債比率

下表載列本集團於二零零八年及二零零九年十二月三十一日之負債比率概要：

	As at 31 December 2009 於二零零九年 十二月三十一日	As at 31 December 2008 於二零零八年 十二月三十一日
Gearing ratio ( <i>Note</i> )	45.0%	39.4%

*附註：* 負債比率以貸款及借貸除以資產總值再乘以100%計算。

本集團於二零零九年承擔更多銀行借貸，以撥付擴展江西宜春及四川成都新廠房。

#### 存貨周轉期

下表載列本集團截至二零零八年及二零零九年十二月三十一日止兩個年度之存貨周轉期概要：

	For the year ended 31 December 截至十二月三十一日止年度	
	2009 二零零九年	2008 二零零八年
Inventory turnover days ( <i>Note</i> )	48	41

*附註：* 存貨周轉期以計提年內之撥備前之年初及年終之存貨結餘平均數除以年內之銷售成本總額再乘以365日計算。

於截至二零零八年及二零零九年十二月三十一日止各年之存貨結餘為原材料、在製品及未售出製成品之款項。

## Management Discussion and Analysis 管理層討論及分析



More products were produced at the year end of 2009 in order to fill up the secured sales order to be delivered in the first quarter of 2010. Such increase in inventories balance led to the slightly increase in inventory turnover days.

本集團於二零零九年年底，增加產品生產以應付於二零一零年首季交付的已簽訂銷售訂單。有關存貨結餘增長導致存貨周轉期微增。

### Debtors' Turnover days

The following table sets out the summary of our Group's debtors turnover days during the two years ended 31 December 2008 and 2009:

### 應收賬款記賬期

下表載列本集團截至二零零八年及二零零九年十二月三十一日止兩個年度之應收賬款記賬期概要：

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年
Debtors' turnover days (Note)	應收賬款記賬天數 (附註)	86	70

*Note:* Debtors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills receivables for the years divided by turnover during the years multiplied by 365 days.

*附註：* 應收賬款記賬期以年內之年初及年終之交易應收款項及應收票據結餘之平均數除以年內之營業額再乘以365日計算。

The debtors' turnover days were slightly increased to 86 days in 2009 due to more sales orders were concluded in the fourth quarter of 2009 as compared to that in 2008.

於二零零九年，本集團之應收賬款記賬期微增至86日，乃主要由於相較二零零八年，更多訂單已於二零零九年第四季完成所致。

## Management Discussion and Analysis

### 管理層討論及分析

#### Creditors' Turnover days

The following table sets out the summary of our Group's creditors turnover days during the two years ended 31 December 2008 and 2009:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年
Creditors' turnover days ( <i>Note</i> )	應付賬款記賬天數 (附註)	34	26

*Note:* Creditors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the years divided by the total cost of sales during the years multiplied by 365 days.

More raw materials were procured at the year end of 2009 in view of the increase in secured sales order in the first quarter of 2010. Relative higher balances of trade and bills payables stood at the year end of 2009 which led to the slightly increase in creditors' turnover days.

#### Cash flow

The table below summarises our Group's cash flow during the two years ended 31 December 2008 and 2009:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'million 人民幣百萬元	2008 二零零八年 RMB'million 人民幣百萬元
Net cash generated from/(used in) operating activities	經營業務所得/(所用)現金淨額	150.1	(30.9)
Net cash used in investing activities	投資活動所用現金淨額	(320.5)	(247.8)
Net cash generated from financing activities	融資活動所得現金淨額	235.3	347.3

#### 應付賬款記賬期

下表載列本集團截至二零零八年及二零零九年十二月三十一日止兩個年度之應付賬款記賬期概要:

附註: 應付賬款記賬期以年內之年初及年終之交易應付款項及應付票據結餘之平均數除以年內之銷售成本總額再乘以365日計算。

本集團於二零零九年採底購更多原材料以應付二零一零年第一季所增加之有鎖定銷售訂單。於二零零九年年底之交易應付款項及應付票據結餘因而相對增多, 應付賬款記賬期微增。

#### 現金流量

下表概述本集團截至二零零八年及二零零九年十二月三十一日止兩個年度之現金流量:

## Management Discussion and Analysis 管理層討論及分析

We generally finance our operations through a combination of shareholders' equity, internally generated cash flows, bank borrowings and our cash and cash equivalents. Our Directors believe that on a long-term basis, our liquidity will be funded from operations and, if necessary, additional equity financing or bank borrowings.

### Capital expenditures

Capital expenditure was used for acquisition of property, plant and equipment and lease prepayment. In 2009, our Group's capital expenditures were approximately RMB85 million. The significant capital expenditures during the year were mainly for acquisition of plant and equipment for the Guangdong Sanshui factory and acquisition of lease prepayment for the Sichuan Chengdu and Jiangxi Yichun new plants.

### Loans and borrowings

As at 31 December 2009, our Group's loans and borrowings amounted to approximately RMB847.44 million (2008: RMB559.33 million).

### Banking facilities and guarantee

As at 31 December 2009, the banking facilities of our Group amounted to RMB1,267.22 million (2008: RMB879.35 million).

Certain banking facilities amounted to RMB328.00 million (2008: RMB773.00 million) were guaranteed by certain related parties of which approximately RMB268.80 million were utilised (2008: RMB511.09 million).

### Pledge of assets

Certain assets of our Group have been pledged to secure the bank borrowings of our Group. For details, please refer to notes 13 and 14 in notes to the consolidated financial statements.

本集團一般透過股東權益、內部產生之現金流量、銀行借貸及本集團之現金及現金等價物作為營運資金。董事會相信，長遠而言本集團之流動資金將來自營運及（如有需要）額外股本融資或銀行借貸。

### 資本開支

資本開支乃用作收購物業、廠房及設備及預付租金。於二零零九年，本集團之資本開支約為人民幣85,000,000元。年內之大額資本開支乃主要作為就廣東三水廠區收購廠房及設備，以及支付四川成都及江西宜春新廠房及預付租金。

### 貸款及借貸

於二零零九年十二月三十一日，本集團之貸款及借貸約為人民幣847,440,000元（二零零八年：人民幣559,330,000元）。

### 銀行信貸額度及擔保

於二零零九年十二月三十一日，本集團之銀行信貸額度為人民幣1,267,220,000元（二零零八年：人民幣879,350,000元）。

人民幣328,000,000元（二零零八年：人民幣773,000,000元）之若干銀行信貸額度已獲若干關連方擔保，其中約人民幣268,800,000元已動用（二零零八年：人民幣511,090,000元）。

### 資產抵押

本集團若干資產已抵押作為本集團銀行借貸之擔保。有關詳情，請參閱綜合財務報表附註13及14。

## Management Discussion and Analysis 管理層討論及分析

### Capital commitment

As at the close of business on 31 December 2009, we had capital commitments contracted but not provided for in respect of acquisition of property, plant and equipment of approximately RMB343.40 million (2008: RMB76.39 million).

### Contingent liabilities

As at 31 December 2009, our Group did not provide any guarantee in respect of liabilities of any company not being a member of our Group. Our Group had no material contingent liabilities as at 31 December 2009.

### Market Risk

We are, in the normal course of business, exposed to market risk such as foreign currencies risk, interest rate risk, commodity price risk on aluminium, credit risk and liquidity risk. Our risk management strategy aims to minimise the adverse effects of these risks on our financial performance.

### Foreign Currency Risk

As the Group's principal activities are carried out in the PRC, the Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the operations in the PRC, RMB, to which they relate. The transactions in foreign currency are primarily denominated in USD. The Group currently does not have a policy to exercise fair value hedges on foreign currency risk as the impact of foreign currency on the Group's total cost of sales are minimal. However, management monitors foreign currency exposure to ensure that the net exposure is kept to an acceptable level and will consider hedging significant transactions should the need arise.

### 資本承擔

於二零零九年十二月三十一日營業時間結束時，本集團就收購物業、廠房及設備已訂約但未撥備之資本承擔約人民幣343,400,000元（二零零八年：人民幣76,390,000元）。

### 或然負債

於二零零九年十二月三十一日，本集團並無就並非本集團成員公司之公司負債作出任何擔保。於二零零九年十二月三十一日，本集團並無重大或然負債。

### 市場風險

於一般業務過程中，本集團面對之市場風險包括外匯風險、利率風險、鋁商品價格風險、信貸風險及流動資金風險等。本集團之風險管理策略旨在將該等風險對本集團財務表現之不利影響減至最低。

### 外幣風險

由於本集團之主要業務在中國進行，故本集團因銷售及採購以營運所在地功能貨幣人民幣以外貨幣計值而面對外幣風險。外匯交易主要以美元列值。由於外幣對本集團總銷售成本之影響輕微，故本集團現時並無行使公平值對沖外幣風險之政策。然而，管理層監控外幣風險，確保淨風險維持在可接受水平，並將在需要時考慮對沖重大交易。

## Management Discussion and Analysis 管理層討論及分析

### Interest Rate Risk

The Group adopts a policy of ensuring that over 50% of its exposure to changes in interest rates on borrowings is on a fixed rate basis. The interest rates and terms of repayment of the Group's loans and borrowings are disclosed in note 29 in notes to the consolidated financial statements in this annual report.

### Commodity Price Risk on aluminium

Aluminium ingots are the major raw material of the Group's products which account for approximately 70% of total cost of sales in 2008 and 2009. Fluctuations on commodity price of aluminium will have a significant impact on the Group's earnings, cash flows as well as the value of the inventories. The Group uses its future contracts traded on the Shanghai Future Exchange to reduce its risks arising from fluctuations in aluminium price. The Group enters futures based on the inventories on hand, expected usage of aluminium and sales requirements. The Group considers that it is not cost effective to maintain a highly effective hedge on transaction basis.

Generally, the Group enters into futures contracts if the sales order of a particular customer exceed 25 tonnes. Given the Group applied its future contracts in the above-mentioned way, however, such application does not meet the definition of hedge accounting under IFRSs. Hence, the Group has not adopt hedge accounting. The notional contract value and the related terms of the commodity futures contracts of the Group are summarised as below:

The market value of futures contracts is based on quoted market price at the balance sheet date. The unrealised holding results on the futures contracts re-measured at fair value were approximately losses of RMB557,000 and gains of RMB879,000 as at 31 December 2008 and 2009 respectively and the changes in the fair value were recognised in the consolidated income statements.

### 利率風險

本集團採取政策確保超過50%之借貸利率變動風險來自固定利率。本集團銀行貸款及借貸之利率及還款期於本年報綜合財務報表附註29披露。

### 鋁商品價格風險

於二零零八年及二零零九年期間，鋁錠為本集團產品之主要原材料，佔總銷售成本約70%。鋁商品價格波動會對本集團之盈利、現金流量及存貨價值有重大影響。本集團在上海期貨交易所買賣鋁錠期貨合約，降低鋁價格波動產生之風險。本集團根據現有存貨、預期鋁用量及銷售要求進行鋁錠期貨交易。本集團認為，就各項交易進行高效對沖並不符合成本效益。

一般而言，倘若個別客戶之銷售訂單超過25噸，則本集團訂立鋁錠期貨合約。由於本集團以上述形式應用鋁錠遠期合約，且有關用途不符合國際財務報告準則對沖會計之定義，故本集團並無採納對沖會計。本集團商品期貨合約之合約面值及相關條款概述如下：

期貨合約市值以結算日市場報價計算。於二零零八年及二零零九年十二月三十一日，按公平值重新計量之鋁錠期貨合約未變現之持有損益分別約為虧損人民幣557,000元及收益人民幣879,000元，而公平值變動於綜合收益表中確認。

## Management Discussion and Analysis 管理層討論及分析

### Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and other receivables.

### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 5% to 10% of the Group's revenue is attributable to sales transactions with a single customer for the years ended 31 December 2008 and 2009.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available. Credit limit is established for each customer which represents the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed annually. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis. The Group chases the customers to settle the due balances and monitors the settlement progress on an ongoing basis.

The maximum exposure of credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheets, including derivative financial instruments. Except for the financial guarantees given by the Group as disclosed in note 32 in notes to the consolidated financial statements in this annual report, the Group does not provide guarantees which would expose the Group to the credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the respective balance sheet dates is disclosed in note 32 in notes to the consolidated financial statements in this annual report.

### 信貸風險

信貸風險指倘若客戶或金融工具交易方不能履行其合約責任而導致本集團財務虧損之風險，有關風險主要來自本集團之應收客戶款項及其他應收款項。

### 交易及其他應收款項

本集團之信貸風險主要受各客戶之個別情況影響。本集團客戶基礎之統計數據（包括客戶營運行業及國家之違約風險）對信貸風險產生之影響較小。截至二零零八年及二零零九年十二月三十一日止年度，本集團約5%至10%收益來自與單一客戶之銷售交易。

本集團已訂立信貸政策，於提供本集團之標準付款及交付條款及條件前，個別分析各新客戶之信貸評級。本集團之審閱包括外部評級（如適用）。就各客戶設立之信貸限額為毋須經董事會批准，但須每年檢討之最高公開數額。不符合本集團信貸標準之客戶可以預付形式與本集團交易。本集團會追討客戶結清到期餘額，並持續監察結算進度。

最大信貸風險為綜合資產負債表內各項金融資產之賬面值，包括衍生金融工具。除卻根據本年報綜合財務報表附註32中披露之財務擔保外，本集團不會提供擔保而令本集團面臨信貸風險。於各結算日對應最大信貸風險的財務擔保，於本年報綜合財務報表附註32披露。

## Management Discussion and Analysis 管理層討論及分析

Normally, the Group does not obtain collateral from customers. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

### Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term. The Group use activity-based costing to cost its products, which assists it in monitoring cash flow requirements. Typically the Group ensures that it has sufficient cash on demand to meet expected operation expenses for a period of 11 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains the lines of credit to mitigate liquidity risk with the maximum banking facilities and amounts utilised at the respective balance sheet dates are as disclosed in note 29 to notes to the consolidated financial statements in this annual report.

### Human resources

As at 31 December 2009, our Group employed a total of 2,776 full time employees in the PRC which included management staff, technicians, salespersons and workers. In 2009, our Group's total expenses on the remuneration of employees was RMB69.40 million and represents 3.7% of the turnover of our Group. Our Group's emolument policies are formulated based on the performance of individual employees, which will be reviewed regularly every year. Apart from the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or state-managed retirement pension scheme (for the PRC employees) and medical insurance, discretionary bonuses and employee share options are also awarded to employees according to the assessment of individual performance.

本集團一般不要求客戶提供抵押品。本集團就交易及其他應收款項之估計所產生虧損作出減值撥備。該撥備之主要部分為就同類資產組別所產生但尚未識別虧損作出之特定虧損部分。綜合虧損撥備乃根據同類金融資產過往之付款統計數據釐定。

### 流動資金風險

流動資金風險指本集團將無法履行到期之財務責任風險。本集團之政策乃定期監察流動資金需求及遵守借貸契約之情況，確保維持充足現金儲備及獲主要財務機構提供足夠信貸資金，以應付短期及長遠之流動資金需求。本集團採用作業成本法支付產品成本，以便監管現金流量需求。具體而言，本集團確保有足夠現金應付11天之預期營運開支，包括應付融資責任，惟不包括如自然災害等無法合理預計之特殊情況之潛在影響。此外，本集團維持信貸額以減低流動資金風險，於各結算日已動用之銀行信貸及數額上限於本年報綜合財務報表附註29披露。

### 人力資源

於二零零九年十二月三十一日，本集團在中國聘用合共2,776名全職僱員，包括管理員工、技術人員、銷售人員及工人。於二零零九年，本集團之僱員薪酬總開支為人民幣69,400,000元，佔本集團營業額3.7%。本集團之酬金政策乃按個別僱員之表現而制定，並會每年進行檢討。除根據強制性公積金計劃條例為香港僱員設立公積金計劃，或為中國僱員參與國家管理之退休福利計劃以及醫療保險外，本集團亦會根據個別表現評估向僱員提供酌情花紅及僱員購股權作為獎勵。



## Management Discussion and Analysis 管理層討論及分析

### Prospects

With our continuous development in our Guangdong Sanshui factory, further enhancement of our economy of scales and gross profit margin are expected to be seen in the near future. In the meantime, following the installation of the Asia-largest surface anodising, powder coating and PVDF coating production lines to enhance the surface finishing capability, coupled with the establishment of seven additional new extrusion production lines, our Group is ready to capture the expected uprising demand in 2010.

Apart from our new Guangdong Sanshui factory, we will continue to carry out our production capacity expansion plan in other parts of the PRC. With the two new production bases in Chengdu City of Sichuan Province and Yichun City of Jiangxi Province commenced their first phase development, it is expected that an annual production capacity of 50,000 tonnes of aluminium profiles of each plant are to be added to our Group by the end of 2011.

Looking forward, our Group will strive to capture the market opportunities throughout the PRC. Capacity growth ahead will be carefully and prudently blueprinted in line with the market trend, with the ultimate goal to expand the designed annual production capacity of each of the two new bases to 100,000 tonnes and to extend our market coverage to South-West and South-East China. Together with the production capacity expansion in our Guangdong Sanshui factory, the total capacity of aluminium profiles is planned to be reaching 300,000 tonnes per annum by 2014.

### 展望

隨著本集團廣東三水廠區之持續發展，預計於不久將來本集團之經濟規模及毛利率將進一步提升。同時，在安裝了全亞洲最大之表面電鍍、粉狀噴塗及氟碳噴塗生產線以提高表面處理效能後，加上七套新增擠壓生產線，本集團已為配合二零一零年預期日益增長之廣大需求作出準備。

除新建之廣東三水廠區外，本集團將繼續於中國其他地區實施產能擴展計劃。四川省成都市及江西省宜春市兩個新生產基地已開始第一期建設，預計各工廠於二零一一年底將為本集團增加50,000噸鋁型材之年產能。

展望未來，本集團將力求爭取中國之市場機遇。預先擴大產能並將根據市場趨勢進行小心及審慎規劃，最終目標為將兩個新基地各自之設計年產能增至100,000噸及將市場覆蓋範圍擴展至中國西南及東南地區。連同本集團廣東三水廠區之產能擴展，鋁型材之年度總產能計劃於二零一四年達至300,000噸。



## Directors and Senior Management 董事及高級管理人員

### Directors

#### Executive Directors

**Mr. LUO Su (羅蘇)**, aged 71, is the chairman of the Board, an executive Director and founder of the Group. He has over 18 years of experience in the aluminium profile industry. He is responsible for the overall management, operations, financial aspects, corporate directions and strategies of the Group. Mr. LUO Su is qualified as an 工業經濟師 (industrial economist) based on his previous experience with Nanhai Xingfa Aluminium Profiles Factory. Mr. LUO Su was certified as an outstanding entrepreneur of private enterprise by the People's Government of Foshan City in 2003, an outstanding entrepreneur by the China Non Ferrous Metals Industry Association in 2005 and received an outstanding Guangdong patent award for the patent titled 鋁合金扁鑄錠同水平熱頂鑄造裝置 (aluminium alloy flat ingot horizontal heat-top casting device) in 2005. Mr. LUO Su was a deputy to the 12th Session of the People's Congress of Foshan City for a term of five years from 2003 to 2008. Mr. LUO Su is the father-in-law of Mr. LIAO Yuqing, an executive Director.

**Mr. LUO Riming (羅日明)**, aged 53, is an executive Director and chief executive officer of the Company. He is responsible for the procurement and utilisation of equipment and infrastructure for the business of the Group. Mr. LUO Riming is also responsible for the procurement of raw materials and the assessment and selection of suitable suppliers. He has over 15 years of experience in the aluminium profile industry. Mr. LUO Riming joined the Group since the establishment of the Group in 1980s. Prior to joining the Group, Mr. LUO Riming has worked at Nanhai Hardware Factory (township enterprise), Nanhai Power Supply Bureau, Nanzhuang Electric Appliance and Furniture Factory, Guangdong Xingfa Aluminium Profiles Factory and Xingfa Group. Mr. LUO Riming obtained a bachelor's degree in economic management by the Guangdong Radio & TV University in 1998.

### 董事

#### 執行董事

羅蘇先生，71歲，董事會主席、執行董事兼本集團創辦人，擁有逾18年鋁型材行業經驗，負責本集團之整體管理、營運、財務事宜，制定公司宗旨及策略。羅蘇先生曾任職南海興發鋁型材廠，獲頒工業經濟師資格，於二零零三年獲佛山市人民政府評為傑出私營企業家，於二零零五年獲中國有色金屬工業協會評為傑出企業家，其鋁合金扁鑄錠同水平熱頂鑄造裝置專利於二零零五年獲得廣東省傑出專利獎。羅蘇先生於二零零三年至二零零八年五年間擔任佛山市第十二屆人大代表。羅蘇先生為執行董事廖玉慶先生之岳父。

羅日明先生，53歲，本公司執行董事兼行政總裁，負責本集團業務之設備及基礎設施採購及使用，亦負責採購原材料及評審並選定合適供貨商，擁有逾15年鋁型材行業經驗。羅日明先生於二十世紀八十年代本集團成立時加入本集團。加入本集團前，羅日明先生曾於南莊五金廠（鄉鎮企業）、南海供電局、南莊電器家具廠、廣東興發鋁型材廠及興發集團工作。羅日明先生於一九九八年獲得廣東廣播電視大學經濟管理學士學位。

## Directors and Senior Management 董事及高級管理人員

**Mr. LIAO Yuqing (廖玉慶)**, aged 41, is an executive Director. He is also the supervisor of the sales and marketing department in charge of the sales and marketing activities of the Group and is responsible for the planning, development, implementation and evaluation of the marketing strategies of the Group. Mr. Liao joined the Group in January 1993. Prior to that, Mr. Liao was in the military between 1986 to 1991. Mr. Liao worked at the Agricultural Bank of China Jiujiang Branch from 1991 to 1992. Mr. Liao is the son-in-law of Mr. LUO Su, the chairman of the Group and an executive Director.

**Mr. LAW Yung Koon (羅用冠)**, aged 52, is an executive director. He is responsible for the sales and marketing of our products in overseas market. Prior to joining the Group, Mr. Law was the general manager of Hang Fat Aluminium Profiles Company Limited, which was the sole distributor of the Group in Hong Kong and Macau and one of the suppliers of aluminium ingots.

**Mr. WANG Zhihua (王志華)**, aged 39, is an executive Director. Mr. Wang is responsible for managing capital for operations, human resources, promotion and advertising schemes for products of the Group. Prior to joining the Group in January 2003, from 1992 to 1997, Mr. Wang worked at Guanglian Industrial Co., Ltd. and the Guangzhou Branch of Huaxia Securities Co., Ltd. Mr. Wang obtained a bachelor's degree in statistics from the Jiangxi University of Finance and Economics in 1992. Mr. Wang was certified as a securities agent for the period from September 2001 to September 2004 by the Securities Association of China.

廖玉慶先生，41歲，本公司執行董事，兼任銷售及市場推廣部監事，負責銷售及市場推廣活動，並且負責規劃、開展、執行及檢討本集團之市場推廣策略。廖先生於一九九三年一月加入本集團。加入本集團前，廖先生於一九八六年至一九九一年服兵役，於一九九一年至一九九二年任職於中國農業銀行九江分行。廖先生為本集團主席兼執行董事羅蘇先生之女婿。

羅用冠先生，52歲，本公司執行董事，負責本集團產品於海外市場之銷售及市場推廣。於加入本集團前，羅先生為恆發鋁型材有限公司之總經理，該公司為本集團於香港及澳門之唯一分銷商，並為鋁錠供貨商之一。

王志華先生，39歲，本公司執行董事，負責管理本集團之營運資金、人力資源、產品宣傳及廣告策劃。二零零三年一月加入本集團前，王先生自一九九二年至一九九七年於廣聯實業有限公司及華夏證券有限公司廣州分公司工作，於一九九二年獲頒發江西財經大學統計學學士學位，於二零零一年九月至二零零四年九月期間獲中國證券業協會認可證券代理之資格。

## Directors and Senior Management 董事及高級管理人員

### Independent non-executive Directors

**Mr. CHEN Mo (陳默)**, aged 45, is an independent non-executive Director appointed on 29 February 2008. He has been a practising lawyer in the PRC since 1993 and has been a partner of Goldsun Law Firm (國信聯合律師事務所) since 1998. Mr. Chen was admitted as a lawyer by the Department of Justice of Guangdong Province in June 1989 and obtained three grade lawyer qualification (Third Grade Lawyer) from the Department of Personnel of Guangdong Province in 1999. Mr. Chen graduated from the Political Education Department of South China Normal University (華南師範大學) in 1986. He has been granted the 《律師從事證券法律業務資格證書》(Certificate of Engaging in Securities Law Business) jointly by the Ministry of Justice and China Securities Regulatory Commission in 1996, the 《律師從事集體科技企業產權界定法律業務資格證書》(Certificate of Engaging in Delimitation of Property Rights of Collective Science and Technology Enterprises) jointly by the Ministry of Justice, the Ministry of Science and Technology of the People's Republic of China and the State-owned Assets Supervision and Administration Commission of the State Council in 1998, and the 《上市公司獨立董事培訓結業證》(Certificate of Completion of Training on Independent Directors of Listed Companies) by the China Securities Regulatory Commission and the School of Management of Fudan University jointly in 2001.

**Mr. HO Kwan Yiu (何君堯)**, aged 47, is an independent non-executive Director appointed on 29 February 2008. Mr. Ho is a senior partner of a Hong Kong law firm where he acts as the head of that firm's litigation and also the principal representative of that firm's Guangzhou office. Mr. Ho was awarded the Postgraduate Certificate in Laws by the University of Hong Kong in 1986 and obtained his Bachelor of Laws degree from the Essex Institute of Higher Education (now known as Anglia Ruskin University) in 1987. Mr. Ho was first admitted as a solicitor in Hong Kong in 1988. He was also admitted as a solicitor in Singapore in 1995, England and Wales in 1997, and has been appointed as a China-appointed attesting officer since early 2006. Mr. Ho has over 20 years of legal practice experience.

### 獨立非執行董事

陳默先生，45歲，於二零零八年二月二十九日獲委任為本公司獨立非執行董事。陳先生自一九九三年起為中國執業律師，自一九九八年起為國信聯合律師事務所合夥人，一九八九年六月獲委任為廣東省司法廳律師，其後於一九九九年獲得廣東省人事廳三級律師資格。陳先生於一九八六年畢業於華南師範大學政治教育系，於一九九六年獲司法部及中國證券監督管理委員會聯合頒發《律師從事證券法律業務資格證書》，於一九九八年獲司法部、中華人民共和國科學技術部及國務院國有資產監督管理委員會頒發《律師從事集體科技企業產權界定法律業務資格證書》，於二零零一年獲中國證券監督管理委員會及復旦大學管理學院聯合頒發《上市公司獨立董事培訓結業證》。

何君堯先生，47歲，於二零零八年二月二十九日獲委任為獨立非執行董事。何先生是一間香港律師事務所之高級合夥人兼訴訟事務主管，亦為該行廣州辦事處首席代表。何先生於一九八六年取得香港大學法律研究生文憑，於一九八七年在Essex Institute of Higher Education (現稱安格利亞魯斯金大學)取得法律學士學位。何先生於一九八八年首先取得香港事務律師資格，於一九九五年取得新加坡事務律師資格，再於一九九七年取得英格蘭及韋爾斯事務律師資格，自二零零六年初獲委任為中國委託公證人，擁有逾20年法律執業經驗。

## Directors and Senior Management 董事及高級管理人員

On the community services aspect, Mr. Ho currently sits in the Law Society of Hong Kong as its Vice-President and Council Member. Besides, he was nominated as the Chairman of Duty Lawyer Service Council in 2005, Council member of the Duty Lawyer Service Council since 2002 and a member of other various government and advisory boards, such as the Legal Aid Services Council; the Board of Trustees and the Council of Lord Wilson Heritage Trust; the Costs Committee under S74(1)(d) of the Legal Practitioners Ordinance (Cap. 159); the Transport Advisory Committee of the Government of HKSAR. At the same time, Mr. Ho was also appointed as a Council member of Hong Kong Chamber of Commerce in China-Guangdong, an Arbitrator of Wuhan International Arbitration Court. Formerly, he served as a Co-opted Councillor of Heung Yee Kuk, the New Territories; a director, 3rd vice-chairman and chairman of the Board of Directors of Yan Oi Tong for the years 1993/1994, 1994/1995, 1995/1996 respectively.

**Mr. LAM Ying Hung Andy (林英鴻)**, aged 45, is an independent non-executive Director appointed on 29 February 2008. He is an associate member of various professional organisations, namely The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Company Secretaries and The Hong Kong Institute of Bankers. Mr. Lam is also a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He obtained his master's degree in professional accounting from The Hong Kong Polytechnic University. Mr. Lam has over 20 years of experience in the accounting, banking and finance sectors and currently is working as the General Manager of Viking Logistics Limited, a private company which is an airfreight operator and transportation company. Mr. Lam was also the president of Dragon Junior Chamber, a local chamber affiliated with Junior Chamber International Hong Kong in 2004 and was elected as the national vice president of the Junior Chamber International Hong Kong in 2005. Mr. Lam is the independent non-executive directors of Sino-Life Group Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

在社會服務方面，何先生現為香港律師會副會長和理事。此外，何先生於二零零五年擔任當值律師服務理事會主席，自二零零二年擔任當值律師服務理事會成員，亦是多個政府部門及顧問機構之成員，包括法律援助服務局、衛奕信勳爵文物信託受托人委員會法律執業者條例（第159章）第S74(1)(d)條之事務費委員會及香港特別行政區政府交通諮詢委員會。同時，何先生亦為中國香港（地區）商會－廣東理事局常務理事和武漢仲裁委員會國際仲裁院仲裁員。過往，何先生曾任新界鄉議局議會議員，於一九九三年至一九九四年、一九九四年至一九九五年及一九九五年至一九九六年間分別擔任仁愛堂董事局董事、第三屆副主席及主席。

**林英鴻先生**，45歲，於二零零八年二月二十九日獲委任為本公司獨立非執行董事。林先生為多家專業機構之會員，包括英國特許秘書及行政人員公會、香港公司秘書公會及香港銀行學會，亦是英國特許公認會計師公會及香港會計師公會資深會員。林先生在香港理工大學取得專業會計碩士學位，擁有逾20年會計、銀行和金融行業經驗，目前在私人空運貨物兼運輸公司偉程物流有限公司擔任總經理。林先生於二零零四年擔任騰龍青年商會會長，該商會是國際青年商會香港總會之地方分支機構，並於二零零五年獲選為國際青年商會香港總會副會長。林先生為中國生命集團有限公司獨立非執行董事，該公司股份於聯交所創業板上市。

## Directors and Senior Management 董事及高級管理人員

### Senior Management

**Mr. WONG Siu Ki (黃兆麒)**, aged 34, is the Chief Financial Officer and Company Secretary of the Company. Mr. Wong joined the Group in August 2007. He is responsible for overall financial planning, financial reporting, budgeting, investors' relations and implementing the Group's business strategies. Prior to joining the Group, Mr. Wong worked in an international accounting firm from 1997 to 2003. Subsequently, between 2004 to 2007, Mr. Wong was appointed as the Chief Financial Officer cum Company Secretary to a company listed on the main board of the Stock Exchange of Singapore. Mr. Wong holds a bachelor's degree in Accountancy with First class honours from The Hong Kong Polytechnic University. Mr. Wong is a fellow member with The Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.

**Mr. LIU Yuntang (劉允棠)**, aged 41, is the deputy general manager of the Company and is responsible for production management of the Group. Mr. Liu joined Guangdong Xingfa Aluminium Profiles Factory in 1993. Prior to joining the Group in October 1993, Mr. Liu worked at Nanhai Guangdong Cable Factory Co., Ltd. from 1991 to 1993. Mr. Liu was granted a bachelor's degree in engineering by the Guangdong Mechanics Institute in 1991. He was certified as assistant engineer in 1993 by the Nanhai City Science Technology Committee and certified as engineer in 2001 by the Foshan City Human Resources Bureau.

**Mr. WU Xikun (吳錫坤)**, aged 38, is the deputy general manager for technology and deputy chief engineer of the Company. Mr. Wu heads the research and development department and is responsible for the Group's production technology systems, development of new products branding. When Mr. Wu first joined the Group in July 1994, he worked at Guangdong Xingfa Aluminium Profiles Factory where he was a technician of the quality control section. Mr. Wu was granted a bachelor's degree in material science and engineering from the Guangdong University of Technology in 1994. Mr. Wu was nominated for the Top 10 Outstanding Youth of Foshan City in 2006.

### 高級管理人員

**黃兆麒先生**，34歲，本公司財務總監兼公司秘書。黃先生於二零零七年八月加入本集團，全面負責財務策劃、財務申報、制定預算、投資者關係及執行本集團業務策略。加入本集團前，黃先生自一九九七年至二零零三年間在一間國際會計師事務所工作，其後於二零零四年至二零零七年獲一家於新加坡交易所主板上市之公司委任為財務總監兼公司秘書。黃先生持有香港理工大學會計學學士（一級榮譽）學位，並為英國特許公認會計師公會資深會員、香港會計師公會會員及英格蘭及威爾斯特許會計師公會會員。

**劉允棠先生**，41歲，本公司副總經理，負責本集團之生產管理。劉先生於一九九三年加入廣東興發鋁型材廠。於一九九三年十月加入本集團前，劉先生於一九九一年至一九九三年任職於南海廣東電纜廠。劉先生於一九九一年獲授廣東機械學院學士學位。劉先生於一九九三年出任南海市科學技術委員會助理工程師，於二零零一年出任佛山市人力資源局工程師。

**吳錫坤先生**，38歲，本公司技術部副總經理兼副總工程師。吳先生為研發部總監，負責本集團之生產技術系統及開發新產品品牌。於一九九四年七月首次加入本集團時，吳先生為廣東興發鋁型材廠之質量監控部技術人員。吳先生於一九九四年獲廣東工業大學頒發材料科學與工程學士學位，於二零零六年獲選為佛山市十大傑出青年。

## Directors and Senior Management 董事及高級管理人員

**Mr. DU Jinhong (杜錦洪)**, aged 54, is the deputy general manager of the Company and chief financial officer of Xingfa Aluminium and is responsible for all financial and accounting matters of Xingfa Aluminium. Prior to joining the Group in 1999, Mr. Du was the director (designate) of the finance department and chief financial officer of Xingfa Group from 1999 to 2005. From 1992 to 1999, Mr. Du worked at Nanhai Hengxing Architectural Ceramics Factory (1992 to 1993) and Nanzhuang Town Economy Development Head Office (1993 to 1999). He was certified as assistant accountant by the Nanhai City Science Technology Committee in 1993. Mr. Du holds a diploma in economics management granted by the Guangdong Administrative University in 1997.

杜錦洪先生，54歲，興發鋁業副總經理兼財務總監，負責處理一切財務及會計事務。於一九九九年加入本集團前，杜先生於一九九九年至二零零五年擔任為興發集團之財務部主管兼財務總監。自一九九二年至一九九九年，杜先生先後任職於南海市恆興建築陶瓷廠（一九九二年至一九九三年）及南莊鎮經濟發展總公司（一九九三年至一九九九年）。杜先生於一九九三年獲南海市科學技術委員會評為助理會計師，於一九九七年獲廣東行政學院頒發經濟管理文憑。

## Report of the Directors 董事會報告

The directors (“Directors”) of Xingfa Aluminium Holdings Limited (“Company”) present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collected referred to as the “Group”), for the year ended 31 December 2009.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of other members of the Group are set out in note 15 in notes to the consolidated financial statements.

There were no significant changes in the nature of the Group’s principal activities during the year ended 31 December 2009.

### RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 December 2009 are set out in the consolidated income statement on page 61 of the annual report.

### DIVIDENDS

The Directors recommended the payment of a final dividend of RMB0.033 (2008: RMB0.021) per ordinary share for the year ended 31 December 2009, subject to the approval by the shareholders of the Company at the forthcoming Annual General Meeting. The pay-out ratio is about 20% based on net profit in 2009. The conversion of RMB into Hong Kong dollars shall be calculated on the average price of the medium prices of the conversion of RMB into Hong Kong dollars as announced by the People’s Bank of China one calendar week preceding the Annual General Meeting. Subject to the approval by the shareholders, the proposed final dividend is expected to be paid on or about 18 June 2010 to the shareholders whose names appear on the register of members of the Company on 3 June 2010.

興發鋁業控股有限公司（「本公司」）董事會（「董事」）呈報其年報，連同本公司及其附屬公司（統稱「本集團」）截至二零零九年十二月三十一日止年度之經審核綜合財務報表。

### 主要業務

本公司之主要業務為投資控股。本集團其他成員公司之主要業務詳情載於綜合財務報表附註之附註15。

於截至二零零九年十二月三十一日止年度內，本集團之主要業務性質並無重大變動。

### 業績及分配

本集團截至二零零九年十二月三十一日止年度之業績載於年報第61頁綜合收益表。

### 股息

董事建議派發截至二零零九年十二月三十一日止年度之期末股息每股普通股人民幣0.033元（二零零八年：人民幣0.021元），惟須經本公司股東於行將召開之股東週年大會上批准。按二零零九年純利計算，派息比率約為20%。人民幣兌換為港元須按股東週年大會前一週中國人民銀行所公佈人民幣兌換為港元之中位價格之平均價格兌換。待股東批准後，建議末期股息預期將於二零一零年六月十八日或左右派發予於二零一零年六月三日名列本公司股東名冊之股東。



## Report of the Directors 董事會報告

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 1 June 2010 to Thursday, 3 June 2010 both dates inclusive. During such period, no transfer of shares will be registered. In order to qualify for the proposed final dividend and the attendance in the forthcoming Annual General Meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 31 May 2010.

### FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 171.

### LOANS AND BORROWINGS

Details of the Group's loans and borrowings at the balance sheet date are set out in note 23 in notes to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 in notes to the consolidated financial statements.

### SHARE CAPITAL

Details of the Company's paid-in capital for the year ended 31 December 2009 are set out in note 27 in notes to the consolidated financial statements.

### 暫停辦理股份過戶登記

本公司將於二零一零年六月一日(星期二)至二零一零年六月三日(星期四)(包括首尾兩日)暫停辦理股份過戶登記。於該期間內,本公司將不會登記股份過戶。為符合資格獲派建議期末股息及出席行將召開之股東週年大會,所有填妥之過戶表格連同有關股票最遲須於二零一零年五月三十一日(星期一)下午四時三十分前送達本公司之香港股份過戶登記分處卓佳證券登記有限公司,地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

### 財務概要

本集團於過往五年之業績、資產及負債概要載於第171頁。

### 貸款及借貸

本集團於結算日之貸款及借貸詳情載於綜合財務報表附註之附註23。

### 物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註之附註13。

### 股本

本公司截至二零零九年十二月三十一日止年度之實繳股本詳情載於綜合財務報表附註之附註27。

## Report of the Directors 董事會報告

### SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (“Scheme”) on 29 February 2008. The Scheme became effective on 31 March 2008. The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

Participants under the Scheme include directors and employees of the Group or any entity (“Invested Entity”) in which the Group holds an equity interest; any suppliers, customers, advisers or consultants of the Group or any Invested Entity; any persons or entities that provide research development or other technological support to the Group or any Invested Entity; any holders of securities issued by any member of the Group or any Invested Entity; and any other groups or classes of participants whom the Board considers have contributed or will contribute to the Group.

The principal terms of the Scheme are summarised as follows:

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group must not exceed 41,800,000 Shares, being 10% of Shares in issue on the date of listing of the Shares on the Stock Exchange unless approval of the shareholders of the Company (“Shareholders”) has been obtained, and which must not in aggregate exceed 30% of the Shares in issue from time to time.

No share option was granted by the Company since its adoption. As at the date of this report, the total number of Shares available for issue under the Scheme is 41,800,000 Shares, which represents 10% of the issued Shares as at the date of listing of the Shares on the Stock Exchange.

The maximum number of Shares issued and to be issued upon exercise of the options granted to each eligible participant (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued Shares from time to time.

### 購股權計劃

本公司於二零零八年二月二十九日採納一項購股權計劃（「該計劃」）。該計劃於二零零八年三月三十一日生效。該計劃旨在讓本集團向獲挑選參與者授出購股權作為彼等對本集團貢獻之鼓勵或獎勵。

該計劃項下之參與者包括本集團或本集團持有股權之任何實體（「投資實體」）之董事及僱員；本集團或任何投資實體之任何供應商、客戶、顧問或諮詢人；向本集團或任何投資實體提供研發或其他科技支援之任何人士或實體；本集團任何成員公司或任何投資實體所發行證券之任何持有人；及任何董事會認為對本集團已或將作出貢獻之其他組別或類別之參與者。

該計劃之主要條款概述如下：

根據該計劃及本集團任何其他計劃將予授出之所有購股權獲行使而可予發行之最高股份數目不得超過41,800,000股股份，即股份於聯交所上市日期已發行股份之10%，除非已取得本公司股東（「股東」）批准，且不得超過不時已發行股份之30%。

自採納以來，本公司並無授予購股權。於本報告日期，根據該計劃可供發行之股份總數為41,800,000股股份，相當於股份於聯交所上市日期已發行股份之10%。

因於任何12個月期間發行予每名合資格參與者之購股權獲行使而已發行及將予發行股份之最高數目（包括已行使及未行使購股權），不得超過不時已發行股份1%。

## Report of the Directors 董事會報告

The subscription price for the Shares under the Scheme shall be such price as the board of Directors (“Board”) may in its absolute discretion determine at the time of grant of the option but the subscription price shall not be less than the highest of (i) the closing price of a Share as stated in the Stock Exchange’s daily quotation sheets on the date of the Board approving the grant of an option, which must be a business day (“Offer Date”); (ii) the average closing price of a Share as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during the period commencing immediately after the business day on which the option is deemed to be granted and accepted in accordance with the Scheme (“Commencement Date”) and expiring on such date of the expiry of the option as the Board may in its absolute discretion determine and which shall not exceed ten years from the Commencement Date but subject to the provisions for early termination thereof as set out in the Scheme.

Upon acceptance of the grant of an option, the grantee shall pay HK\$1.00 to the Company as nominal consideration for the grant.

The Scheme shall be valid and effective for a period of 10 years commencing on 31 March 2008.

Details of the Scheme are set out in the prospectus of the Company date 17 March 2008.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s articles of association (“Articles”) or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

該計劃項下股份之認購價將為董事會（「董事會」）可能於授出購股權時全權酌情釐定之有關價格，惟認購價不得低於下列之最高者：(i)於董事會批准授出購股權日期（必須為營業日（「發售日期」））股份於聯交所每日報價表所示之收市價；(ii)緊接發售日期前五個營業日股份於聯交所每日報價表所示之平均收市價；及(iii)股份面值。

購股權可於緊隨被視為已根據該計劃獲授予及接納之營業日後開始（「開始日期」）至董事會可能全權酌情決定該購股權屆滿日期之期間內隨時根據該計劃之條款獲全數或部分行使，有關期間不得超過開始日期起十年，惟須受該計劃所載之提早終止條文所限。

於接納授予購股權後，承授人須向本公司支付1.00港元作為授予之名義代價。

該計劃由二零零八年三月三十一日起10年內有效及生效。

該計劃之詳情載於本公司於二零零八年三月十七日刊發之售股章程。

### 優先購買權

本公司之組織章程細則（「細則」）或開曼群島（即本公司註冊成立之司法權區）法例並無優先購買權之規定，致使本公司必須按比例向現有股東提呈發售新股份。

## Report of the Directors 董事會報告

### PURCHASE, SALE 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 ended 31 December 2009.

### RESERVES

Details of movements in the reserves of the Group during the year are set out in note 28 in notes to the consolidated financial statements and in the consolidated statement of changes in equity.

### DISTRIBUTABLE RESERVES

As at 31 December 2009, the Company's reserves available for distribution calculated in accordance with the Companies, Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to RMB688,106,000 (2008: RMB669,155,000), of which RMB13,794,000 has been proposed as final dividend for the year.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2009, sales to the Group's five largest customers accounted for 22.6% (2008: 26.5%) of the Group's turnover where sales to the largest customer accounted for 6.2% (2008: 7.7%) of the Group's turnover.

For the year ended 31 December 2009, purchases from the five largest suppliers accounted for approximately 46.5% (2008: 69.6%) of the Group's total cost of purchase whereas purchases from the largest supplier accounted for approximately 11.2% (2008: 39.3%) of the Group's total cost of purchase.

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers during the year ended 31 December 2009.

### 購買、出售或贖回本公司上市證券

於截至二零零九年十二月三十一日止年度內，本公司或其附屬公司概無購買、出售或贖回任何本公司上市證券。

### 儲備

本公司儲備於年內之變動詳情載於綜合財務報表附註之附註28及綜合權益變動表。

### 可供分派儲備

於二零零九年十二月三十一日，本公司根據開曼群島公司法第22章（一九六一年法例第3號法例，經綜合及修訂）計算並可用作分派之儲備達人民幣688,106,000元（二零零八年：人民幣669,155,000元），其中人民幣13,794,000元建議用作派發本年度之期末股息。

### 主要客戶及供應商

截至二零零九年十二月三十一日止年度，本集團五大客戶所佔銷售額佔本集團營業額22.6%（二零零八年：26.5%），而向最大客戶之銷售額佔本集團營業額6.2%（二零零八年：7.7%）。

截至二零零九年十二月三十一日止年度，五大供應商之採購額佔本集團總採購成本約46.5%（二零零八年：69.6%），而向最大供應商之採購額佔本集團總採購成本約11.2%（二零零八年：39.3%）。

於截至二零零九年十二月三十一日止年度內，董事或彼等任何聯繫人士或任何股東（就董事所深知，擁有本公司已發行股本5%以上）概無擁有本集團五大客戶或五大供應商之任何實質權益。

## Report of the Directors 董事會報告

### DIRECTORS

The Directors during the year ended 31 December 2009 and up to the date of this report were:

#### Executive Directors

Mr. LUO Su (*Chairman*)  
Mr. LUO Riming (*Chief executive officer*)  
Mr. LIAO Yuqing  
Mr. LAW Yung Koon  
(appointed on 28 April 2009)  
Mr. WANG Zhihua

#### Independent non-executive Directors:

Mr. CHEN Mo  
Mr. HO Kwan Yiu  
Mr. LAM Ying Hung Andy

In accordance with Article 108(A) of the Articles, each Mr. LUO Su, Mr. LUO Riming, Mr. LAM Ying Hung Andy will retire from the office of Director by rotation and each of them, being eligible, will offer themselves for re-election at the forthcoming Annual General Meeting.

Each of Mr. LUO Su, Mr. LUO Riming, Mr. LIAO Yuqing and Mr. WANG Zhihua, has entered into a service agreement with the Company for a fixed term of three years commencing from 1 March 2008. Mr. LAW Yung Koon has entered into a service agreement with the Company for a fixed term of three years commencing from 1 May 2009.

Each of the independent non-executive Directors has been appointed for a fixed term of two years commencing from 1 March 2008 and their respective term of appointment has been renewed for a further two years commencing on 1 March 2010.

### 董事

於截至二零零九年十二月三十一日止年度內及截至本報告日期之董事如下：

#### 執行董事

羅蘇先生 (主席)  
羅日明先生 (行政總裁)  
廖玉慶先生  
羅用冠先生  
(於二零零九年四月二十八日獲委任)  
王志華先生

#### 獨立非執行董事：

陳默先生  
何君堯先生  
林英鴻先生

根據細則第108(A)條，羅蘇先生、羅日明先生及林英鴻先生各自將輪席退任董事職務，而彼等各自將合資格並願意於行將召開之股東週年大會上膺選連任。

羅蘇先生、羅日明先生、廖玉慶先生及王志華先生已各自與本公司訂立服務協議，由二零零八年三月一日起固定為期三年。羅用冠先生已與本公司訂立服務協議，由二零零九年五月一日起固定為期三年。

每名獨立非執行董事已獲委任固定任期，由二零零八年三月一日起為期兩年，彼等各自由二零一零年三月一日起連任兩年。

## Report of the Directors 董事會報告

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and the Company considered all the independent non-executive Directors to be independent.

### DIRECTORS’ AND SENIOR MANAGEMENT’S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 25 to 30 of the annual report.

#### Human resources

As at 31 December 2009, the Group had approximately 2,776 employees. The Group’s total staff costs, including wages and basic salaries, directors’ remuneration, commission, bonus, benefits in kind and retirement benefits scheme contribution was amounted to approximately RMB69.40 million (2008: RMB56.52 million).

The Group’s emolument policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group’s profitability, the Group may also provide discretionary bonuses to its employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the Group’s executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group’s remuneration packages include basic salaries and discretionary bonuses.

除上文所披露者外，概無建議於應屆股東週年大會上重選之董事與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

本公司已根據聯交所證券上市規則（「上市規則」）第3.13條自每名獨立非執行董事取得有關其獨立性之年度確認書，而本公司認為全體獨立非執行董事均為獨立人士。

### 董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於年報第25至30頁。

#### 人力資源

於二零零九年十二月三十一日，本集團聘用約2,776名僱員。本集團之員工成本總額約為人民幣69,400,000元（二零零八年：人民幣56,520,000元），包括工資及基本薪金、董事酬金、佣金、花紅、實物福利及退休福計劃供款。

本集團之酬金政策乃根據個別僱員之表現制定，並會定期進行檢討。視乎本集團之盈利能力而定，本集團亦可向其僱員提供酌情花紅，作為彼等對本集團作出貢獻之獎勵。有關本集團執行董事酬金組合之酬金政策主要旨在透過將執行董事之薪酬與其按所達到公司目標計量之表現掛鉤，讓本集團可挽留及激勵執行董事。

本集團酬金組合之主要部份包括基本薪金及酌情花紅。

## Report of the Directors 董事會報告

The Group operates a Mandatory Provident Fund Scheme (“MPF Scheme”) under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF Scheme. Contributions are made based on a percentage of the employees’ salaries and are charged to consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2009. The Group’s subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participated in a state managed retirement benefits scheme operated by the local government. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefits schemes. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the schemes and cost charged to the consolidated income statement represents contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

The directors’ fees are subject to shareholders’ approval at general meetings. Other emoluments are determined by the Company’s board of Directors with reference to Directors’ duties, responsibilities and performance and the results of the Group.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in the paragraph headed “Share Option Scheme” in this report.

### DIRECTORS’ INTERESTS IN CONTRACTS

Save as disclosed in note 8 in notes to the consolidated financial statements and in the paragraph headed “Connected transactions” in this report, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year ended 31 December 2009.

本集團根據強制性公積金計劃條例之規則及規例為其所有香港僱員設立一項強積金計劃（「強積金計劃」）。本集團所有於香港之僱員均須參與強積金計劃。供款按僱員基本薪金之某一百分比作出，並根據強積金計劃之規則於應予支付時在綜合收益表扣除。強積金計劃之資產與本集團之其他資產分開處理，由一獨立管理之基金持有。

在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。於二零零九年十二月三十一日，並無失效之供款以供來年扣減應付供款。本集團於中國之附屬公司遵照中國之適用規則，參與一項國家管理由當地政府經營之退休福利計劃。附屬公司須按工資成本之指定百分比向退休福利計劃供款。本集團就退休福利計劃之唯一責任為作出指定供款。

本年度內，本集團向計劃供款總額及於綜合收益表扣除之成本，代表本集團根據計劃規則按指定比率向計劃應付之供款數額。

董事袍金須於股東大會上獲得股東批准，其他酬金則由本公司董事會參照董事之職務、職責及表現以及本集團業績釐定。

為鼓勵董事及合資格僱員，本公司已採納一項購股權計劃，計劃詳情載於本報告「購股權計劃」一段內。

### 董事於合約之權益

除綜合財務報表附註之附註8及本報告「關連交易」一段所披露者外，於截至二零零九年十二月三十一日止年度內，概無董事於本公司、其控股公司或任何附屬公司所訂立任何對本集團業務重要之合約中直接或間接擁有重大權益。

## Report of the Directors 董事會報告

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

### 董事於本公司及其相聯法團之股份、 相關股份及債權證中之權益

As at 31 December 2009, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

於二零零九年十二月三十一日，按本公司根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第352條須予保存之登記冊所記錄，或根據上市規則附錄10所載上市公司董事進行證券交易的標準守則必須知會本公司及聯交所之資料，各董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證之權益及淡倉如下：

#### Long position

#### 好倉

Company/Name of associated corporations 公司／相聯法團名稱	Name of directors 董事姓名	Capacity 身份	Number and class of securities 證券數目及類別	Percentage shareholding in the same class of securities as at 31 December 2009 佔於二零零九年 十二月三十一日 同類證券持股量 百分比
Company 本公司	LUO Su 羅蘇	Beneficial owner 實益擁有人	136,978,600 ordinary Shares 136,978,600股 普通股	32.77%
Company 本公司	LUO Riming 羅日明	Beneficial owner 實益擁有人	96,495,300 ordinary Shares 96,495,300股 普通股	23.09%
Company 本公司	LIAO Yuqing 廖玉慶	Beneficial owner 實益擁有人	59,126,100 ordinary Shares 59,126,100股 普通股	14.15%



## Report of the Directors 董事會報告

Company/Name of associated corporations 公司／相聯法團名稱	Name of directors 董事姓名	Capacity 身份	Number and class of securities 證券數目及類別	Percentage shareholding in the same class of securities as at 31 December 2009 佔於二零零九年十二月三十一日同類證券持股量百分比
Company 本公司	LAW Yung Koon 羅用冠	Beneficial owner 實益擁有人	3,290,000 ordinary Shares 3,290,000股 普通股	0.79%
		Interest of spouse 配偶權益	1,710,000 ordinary Shares 1,710,000股 普通股	0.41%

### DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year ended 31 December 2009 were rights to acquire benefits by means of the acquisitions of Shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### DIRECTOR'S INTERESTS IN COMPETING BUSINESS

Save as disclosed in the prospectus of the Company dated 17 March 2008, none of the Directors hold any interests in any competing business against the Company or any of its subsidiaries for the year ended 31 December 2009.

### 董事購買股份之權利

於截至二零零九年十二月三十一日止年度內任何時間概無授予任何董事或彼等各自之配偶或未成年子女可透過購入本公司股份或債權證而獲益之權利，或由彼等行使任何該等權利；或由本公司或其任何附屬公司安排致使董事可於任何其他法人團體獲得該等權利。

### 董事於競爭業務之權益

除本公司於二零零八年三月十七日刊發之售股章程所披露者外，截至二零零九年十二月三十一日止年度，董事概無於任何與本公司或附屬公司進行競爭之業務中擁有任何權益。

## Report of the Directors 董事會報告

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO

Save as disclosed in the paragraph headed “Directors’ interests in shares, underlying shares and debentures of the Company and its associated corporations” above, as at 31 December 2009, no other person had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

### 根據證券及期貨條例第XV部須披露彼等之權益之主要股東及其他人士

除上文「董事於本公司及其相聯法團之股份、相關股份及債權證中之權益」一段所披露者外，於二零零九年十二月三十一日，概無其他人士於本公司之股份及相關股份中擁有權益或淡倉而須記錄於本公司根據證券及期貨條例第336條而存置之登記冊內。

### CONNECTED TRANSACTIONS

A. The following entities are connected parties of the Company and had transactions with the Group during the year ended 31 December 2009:

### 關連交易

A. 以下公司為本公司之關連人士，並於截至二零零九年十二月三十一日止年度內與本集團進行交易：

Name of the entity 公司名稱	Connection with the Company 與本公司之關係
廣東興發集團有限公司 (Guangdong Xingfa Group Co., Ltd.) (“Xingfa Group”) 廣東興發集團有限公司 (「興發集團」)	Owned as to 46%, 33% and 21% by Mr. LUO Su, Mr. LUO Riming and Mr. LIAO Yuqing respectively. Mr. LUO Su, Mr. LUO Riming and Mr. LIAO Yuqing are the controlling Shareholders (as defined in the Listing Rules) and each of them is an executive Director. 分別由羅蘇先生、羅日明先生及廖玉慶先生擁有46%、33%及21%。羅蘇先生、羅日明先生及廖玉慶先生為控股股東（定義見上市規則），而彼等各自為執行董事。
佛山市興發創新有限公司 (Foshan Xingfa Innovation Co., Ltd) (「興發創新」) （“Xingfa Innovation”） 佛山市興發創新有限公司 (「興發創新」)	Wholly owned by Xingfa Group since 30 April 2009. 由興發集團自二零零九年四月三十日起全資擁有。

## Report of the Directors 董事會報告

Name of the entity 公司名稱	Connection with the Company 與本公司之關係
佛山立興塗料有限公司 (Foshan Leahin Coating Co., Ltd.) (“Leahin Coating”)	Owned as to 51% by Xingfa Group. 由興發集團擁有51%。
佛山立興塗料有限公司 (「立興塗料」)	
佛山市興發幕牆門窗有限公司 (Foshan Xingfa Curtain Wall, Door & Window Co., Ltd.) (“Xingfa Curtain Wall”)	Owned as to 46% by Mr. LUO Su, as to 33% by Mr. LUO Riming and as to 21% by Mr. LIAO Yuqing. Mr. LUO Su, Mr. LUO Riming and Mr. LIAO Yuqing are the controlling Shareholders and each of them is an executive Director.
佛山市興發幕牆門窗有限公司 (「興發幕牆」)	分別由羅蘇先生、羅日明先生及廖玉慶先生擁有46%、33%及21%。羅 蘇先生、羅日明先生及廖玉慶先生為控股股東，而彼等各自為執行董 事。

B. During the year ended 31 December 2009, the Group has entered into the following connected transaction that is subject to reporting and announcement requirements.

On 30 December 2009, an indirectly wholly-owned subsidiary of the Company, 廣東興發鋁業有限公司 (Guangdong Xingfa Aluminium Co., Ltd.) (“Guangdong Xingfa”) (as the vendor) and Xingfa Group (as the purchaser) entered into an asset transfer agreement pursuant to which Guangdong Xingfa has agreed to sell, and Xingfa Group has agreed to purchase, certain foundation and structural construction of the smelting production lines and the related gas pipeline structures at a cash consideration of approximately RMB4.5 million. Details of the transaction are set out in the Company’s announcement dated 30 December 2009.

B. 於截至二零零九年十二月三十一日止年度內，本集團根據申報及公佈之規定，訂立下列關連交易。

於二零零九年十二月三十日，本公司間接全資附屬公司廣東興發鋁業有限公司（「廣東興發」）（作為賣方）與興發集團（作為買方）訂立資產轉讓協議。據此，廣東興發已同意出售，而興發集團亦已同意收購若干熔煉生產線之地基及結構性建築以及相關燃氣管道結構，現金代價約為人民幣4,500,000元。有關交易之詳情載列於本公司日期為二零零九年十二月三十日之公佈。

## Report of the Directors 董事會報告

C. During the year ended 31 December 2009, the following continuing connected transactions were non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and waivers from strict compliance with the announcement and independent Shareholders' approval requirement have been sought from the Stock Exchange.

1. The following is a brief description of the continuing connected transactions:

- i. Leasing of properties at Chancheng by Guangdong Xingfa from Xingfa Group and Xingfa Innovation  
廣東興發向興發集團及興發創新租用位於禪城之物業

C. 於截至二零零九年十二月三十一日止年度，下列持續關連交易為上市規則第14A.35條項下之非豁免持續關連交易，並已向聯交所尋求豁免嚴格遵守公佈及獨立股東批准之規定。

1. 以下為持續關連交易之簡介：

Guangdong Xingfa entered into following lease agreements with Xingfa Group and Xingfa Innovation respectively, each dated as of 28 July 2007, in respect of certain properties at our Chancheng Factory ("Chancheng Lease Agreements"), pursuant to which:

二零零七年七月二十八日，廣東興發分別與興發集團及興發創新就本集團禪城廠房之若干物業訂立下列租賃協議（「禪城租賃協議」），據此：

- (i) Guangdong Xingfa leased from Xingfa Group 12 industrial buildings, a dormitory, a research building and various structures with a total gross floor area of approximately 45,518.86 sq.m. situated at No. 23 Renhe Road, Nanzhuang Town, Chancheng District, Foshan City, Guangdong Province, the PRC; and
- (i) 廣東興發向興發集團租用中國廣東省佛山市禪城區南莊鎮人和路23號之十二幢工廠大廈、一幢宿舍、一幢研發大樓及多幢構築物，總建築面積約45,518.86平方米；及
- (ii) Guangdong Xingfa leased from Xingfa Innovation 3 industrial buildings, 3 warehouses, an exhibition hall, Levels 1 to 5 of an 8-storey office building and various structures with a total gross floor area of approximately 29,840.65 sq.m. and various structures situated at No. 54 Renhe Road, Nanzhuang Town, Chancheng District, Foshan City, Guangdong Province, the PRC.
- (ii) 廣東興發向興發創新租用中國廣東省佛山市禪城區南莊鎮人和路54號之三幢工廠大廈、三個倉庫、一個展覽廳、一幢8層高寫字樓之1至5樓和多個構築物，總建築面積約29,840.65平方米。

## Report of the Directors 董事會報告

The term of the Chancheng Lease Agreements commenced from 28 July 2007 and ended on 31 December 2009. The aggregate rental payable by our Group to Xingfa Group and Xingfa Innovation under the Chancheng Lease Agreements for the year ended 31 December 2009 was RMB8,731,000, which was determined with reference to the actual area occupied by our Group during the year.

禪城租賃協議由二零零七年七月二十八日開始，並已於二零零九年十二月三十一日屆滿。根據禪城租賃協議，截至二零零九年十二月三十一日止年度，本集團應付興發集團及興發創新之租金總額將為人民幣8,731,000元，乃經參考本集團年內實際佔用面積而釐定。

- ii. Purchase of coating materials by Guangdong Xingfa from Leahin Coating  
廣東興發向立興塗料購買噴塗原材料

During the year ended 31 December 2009, Guangdong Xingfa purchased from Leahin Coating paint materials for use in the surface finishing process.

於截至二零零九年十二月三十一日止年度內，廣東興發向立興塗料購買用於表面處理工序之噴塗原材料。

For the year ended 31 December 2009, Guangdong Xingfa spent approximately RMB8,124,000 on purchasing paint materials from Leahin Coating.

截至二零零九年十二月三十一日止年度，廣東興發動用約人民幣8,124,000元向立興塗料購買噴塗原材料。

- iii. Sale of aluminium profiles by Guangdong Xingfa to Xingfa Curtain Wall  
廣東興發向興發幕牆銷售鋁型材

During the year ended 31 December 2009, Guangdong Xingfa sold to Xingfa Curtain Wall certain construction materials specified by Xingfa Curtain Wall. The construction materials purchased by Xingfa Curtain Wall were further processed into window and curtain wall and sold to its customers.

於截至二零零九年十二月三十一日止年度內，廣東興發向興發幕牆出售興發幕牆指定之若干建材。興發幕牆會將購入之建材再加工為門窗及幕牆後向其客戶出售。

For the year ended 31 December 2009, Guangdong Xingfa sold construction materials to Xingfa Curtain Wall for approximately RMB33,140,000.

截至二零零九年十二月三十一日止年度，廣東興發銷售予興發幕牆之建材約人民幣33,140,000元。

## Report of the Directors 董事會報告

2. Set out below is the annual caps for the year ended 31 December 2009 of each of the continuing connected transactions set out above:

2. 下文載列每項持續關連交易截至二零零九年十二月三十一日止年度之年度上限：

**For the year ended  
31 December 2009  
截至二零零九年  
十二月三十一日止年度**

- |  |   |
|--|---|
| <p>i. Leasing of properties at Chancheng by Guangdong Xingfa from Xingfa Group and Xingfa Innovation</p> <p>i. 廣東興發向興發集團及興發創新租用位於禪城之物業</p>   | <p>RMB8,731,000<br/>人民幣8,731,000元</p>                     |
| <p>ii. Purchase of coating materials by Guangdong Xingfa from Leahin Coating</p> <p>ii. 廣東興發向立興塗料購買噴塗原材料</p>   | <p>RMB35,000,000<br/>人民幣35,000,000元</p>                   |
| <p>iii. Sale of aluminium profiles by Guangdong Xingfa to Xingfa Curtain Wall</p> <p>iii. 廣東興發向興發幕牆銷售鋁型材</p>   | <p>RMB70,000,000<br/>人民幣70,000,000元</p>                   |
| <p>3. Views of the independent non-executive Directors:</p> <p>The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:</p> | <p>3. 獨立非執行董事之觀點：</p> <p>獨立非執行董事已審閱上述持續關連交易，並確認該等交易乃：</p> |
| <p>(1) in the ordinary and usual course of business of the Company;</p>  | <p>(1) 於本公司一般及日常業務過程中進行；</p>                              |
| <p>(2) on normal commercial terms or terms no less favourable to the Company than terms available to or from independent third parties; and</p>  | <p>(2) 按一般商業條款或不遜於本公司向獨立第三方提供或取得之條款進行；及</p>               |
| <p>(3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.</p>  | <p>(3) 根據規管該等交易之相關協議並按公平合理之條款進行，且符合本公司股東之整體利益。</p>        |

## Report of the Directors 董事會報告

D. The Directors confirm that the material related party transactions as disclosed in note 32 in the notes to the consolidated financial statements fall under the definition of “connected transaction” or “continuing connected transaction” (as the case may be) in Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

KPMG, the auditors of the Company, have performed certain agreed-upon procedures on the continuing connected transactions pursuant to Rule 14A.38 of the Listing Rules and confirmed to the Board in writing that the transactions:

- (i) have been approved by the Board;
- (ii) are in accordance with the pricing policies of the Group;
- (iii) have been entered into in accordance with the terms and conditions under the relevant agreements governing the transactions; and
- (iv) have not exceeded the annual caps as disclosed above.

### CORPORATE GOVERNANCE

Throughout the year ended 31 December 2009, the Company has complied fully with the code requirements under the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Listing Rules. The Company’s corporate governance report for the year ended 31 December 2009 are set out in pages 48 to 58 of the annual report.

On 29 February 2008, our Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) (in force prior to 1 January 2009) as its own code of conduct for securities transactions (the “Old Code”). With effect from 1 April 2009, the Company has adopted a new set of codes for securities transactions on terms no less exacting than those set out in the Model Code (in force on 1 April 2009) as its own code of conduct for securities transactions (the “New Code”). Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards set out in the Old Code for the period from 1 January 2009 to 31 March 2009 and the New Code for the period from 1 April 2009 to 31 December 2009.

D. 董事確認，綜合財務報表附註之附註32所披露之重大關連方交易屬於上市規則第14A章定義下之「關連交易」或「持續關連交易」（視情況而定）。董事確認，本公司已遵守根據上市規則第14A章之披露規定。

本公司核數師畢馬威會計師事務所已根據上市規則第14A.38條就持續關連交易進行若干協定程序，並向董事會書面確認該等交易：

- (i) 已取得董事會批准；
- (ii) 為根據本集團之定價政策進行；
- (iii) 已根據規管該等交易之相關協議項下之條款及條件進行；及
- (iv) 並無超出上文披露之年度上限。

### 企業管治

於截至二零零九年十二月三十一日止年度內，本公司已全面遵守上市規則附錄14所載之企業管治常規守則（「企業管治守則」）之守則規定。本公司於截至二零零九年十二月三十一日止年度內之企業管治報告載於年報第48至58頁。

於二零零八年二月二十九日，本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）（於二零零九年一月一日前生效）作為其本身之證券交易操守守則（「舊守則」）。自二零零九年四月一日起，本公司已就證券交易而採納一套新守則，作為其本身之證券交易操守守則（「新守則」），新守則之條款並不比標準守則（於二零零九年四月一日生效）所載之條款寬鬆。經向全體董事作出具體查詢後，全體董事確認彼等於從二零零九年一月一日至二零零九年三月三十一日期間已遵守舊守則及於從二零零九年四月一日至二零零九年十二月三十一日期間已遵守新守則所載之規定標準。

## Report of the Directors 董事會報告

### SUBSEQUENT EVENTS

Details of subsequent events occurring after the balance sheet date are set out in note 33 in notes to the consolidated financial statements.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as at the date of this report.

### AUDITORS

The financial statements have been audited by KPMG who shall retire and, being eligible, will offer themselves for re-appointment at the forthcoming Annual General Meeting. A resolution will be proposed at the forthcoming Annual General Meeting to re-appoint KPMG as auditors of the Company.

On behalf of the Board of Directors

**LUO Su**  
*Chairman*

Hong Kong, 31 March 2010

### 結算日後事項

於結算日後發生之重大事項之詳情，載於綜合財務報表附註之附註33。

### 足夠公眾持股量

本公司根據公開資料及就董事所知，於本報告日期，本公司一直維持足夠公眾持股量。

### 核數師

財務報表已經畢馬威會計師事務所審核，而畢馬威會計師事務所將於即將舉行之股東週年大會上告退，並符合資格膺選連任。於應屆股東週年大會上將提呈一項決議案以續聘畢馬威會計師事務所為本公司核數師。

代表董事會

*主席*  
**羅蘇**

香港，二零一零年三月三十一日



## Corporate Governance Report 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Code on Corporate Governance Practices (“CG Code”) as set out in Appendix 14 to the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) as its own code of corporate governance. The directors of the Company (“Directors”) consider that throughout the year ended 31 December 2009, the Company has complied with the code provisions under the CG Code.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of the shareholders.

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company throughout the year ended 31 December 2009.

#### A. DIRECTORS’ SECURITIES TRANSACTIONS

On 29 February 2008, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (in force prior to 1 January 2009) as its own code of conduct for securities transactions (the “Old Code”). With effect from 1 April 2009, the Company has adopted a new set of codes for securities transactions on terms no less exacting than those set out in the Model Code (in force on 1 April 2009) as its own code of conduct for securities transactions (the “New Code”). Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards set out in the Old Code for the period from 1 January 2009 to 31 March 2009 and the New Code for the period from 1 April 2009 to 31 December 2009.

### 企業管治常規

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「企業管治守則」）作為其本身之企業管治守則。本公司董事（「董事」）認為，自本公司於截至二零零九年十二月三十一日止年度內，本公司一直遵守企業管治守則項下之守則條文。

董事致力維持本公司之公司管治，確保具有正式及具透明度程序保障及提升股東權益。

下文載列本公司於截至二零零九年十二月三十一日止年度內所採納及遵守之企業管治常規之詳細討論。

#### A. 董事進行之證券交易

於二零零八年二月二十九日，本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）（於二零零九年一月一日前生效）作為其本身之證券交易操守守則（「舊守則」）。自二零零九年四月一日起，本公司已就證券交易而採納一套新守則，作為其本身之證券交易操守守則（「新守則」），新守則之條款並不比標準守則（於二零零九年四月一日生效）所載之條款寬鬆。經向全體董事作出具體查詢後，全體董事確認彼等於從二零零九年一月一日至二零零九年三月三十一日期間已遵守舊守則及於從二零零九年四月一日至二零零九年十二月三十一日期間已遵守新守則所載之規定標準。

## Corporate Governance Report 企業管治報告

### B. BOARD OF DIRECTORS

#### (i) Board composition

The Board currently comprises a combination of executive Directors and independent non-executive Directors. As at the date of this report, the board of Directors (“Board”) consisted the following Directors:

#### *Executive Directors*

Mr. LUO Su (*Chairman*)  
 Mr. LUO Riming (*Chief executive officer*)  
 Mr. LIAO Yuqing  
 Mr. LAW Yung Koon (appointed on 28 April 2009)  
 Mr. WANG Zhihua

#### *Independent non-executive Directors*

Mr. CHEN Mo  
 Mr. HO Kwan Yiu  
 Mr. LAM Ying Hung Andy

The executive Directors, with the assistance from the senior management, form the core management team of the Company. The executive Directors have the overall responsibility for formulating the business strategies and development plan of the Group and the senior management are responsible for supervising and executing the plans of the Company and its subsidiaries (together, the “Group”).

### B. 董事會

#### (i) 董事會之組成

董事會現時由執行董事及獨立非執行董事組成。於本報告日期，董事會（「董事會」）包括以下董事：

#### *執行董事*

羅蘇先生（主席）  
 羅日明先生（行政總裁）  
 廖玉慶先生  
 羅用冠先生（於二零零九年  
 四月二十八日獲委任）  
 王志華先生

#### *獨立非執行董事*

陳默先生  
 何君堯先生  
 林英鴻先生

在高級管理層之協助下，執行董事組成本公司之核心管理隊伍。執行董事肩負為本集團制訂業務策略及發展計劃之整體責任，高級管理層則負責監察及執行本公司及其附屬公司（統稱「本集團」）之計劃。

## Corporate Governance Report 企業管治報告

### (ii) Board meetings

During the year ended 31 December 2009, there were two full board meetings held, at which:

- the Directors approved the annual results of the Group for the year ended 31 December 2008 and reviewed the results announcement, annual report and the circular to the shareholders of the Company in relation to the general mandate proposal and re-election of the Directors retiring by rotation; and
- the Directors approved the interim results of the Group for the six months ended 30 June 2009 and reviewed the results announcement.

During the year ended 31 December 2009, the Board also discussed and approved the following matters by way of circulation of written resolutions:

- the Directors approved the appointment of Mr. LAW Yung Koon as executive Director of the company;
- the Directors approved the signing of an investment agreement with the Management Committee of the South West Airport Economic Development Zone for investing in the South West Airport Economic Development Zone in Shuangliu County, Chengdu City, Sichuan Province, the PRC;
- the Directors approved the signing of an investment agreement with Management Committee of the Jiangxi Yi Chun Economic Development Zone for investing in the Jiangxi Yi Chun Economic Development Zone, Jiangxi Province, the PRC by establishing a wholly-owned subsidiary in Jiangxi Province, the PRC;

### (ii) 董事會會議

於截至二零零九年十二月三十一日止年度內，曾舉行兩次董事會全體會議，會上：

- 董事批准本集團截至二零零八年十二月三十一日止年度之全年業績，並審閱業績公佈、年報、有關建議授出一般授權及重選輪席退任之董事而致本公司股東通函；及
- 董事批准本集團截至二零零九年六月三十日止六個月之中期業績，並審閱業績公佈。

截至二零零九年十二月三十一日止年度，董事會同時以傳閱書面決議案之方式討論及通過下列事宜：

- 董事批准委任羅用冠先生為本公司執行董事；
- 董事批准與西南航空港經濟開發區管理委員會訂立一份投資協議，以在中國四川省成都市雙流縣西南航空港經濟開發區進行投資；
- 董事批准與江西宜春經濟開發區管理委員會訂立一份投資協議，透過於中國江西省成立一家全資附屬公司，在中國江西省宜春經濟開發區進行投資；

## Corporate Governance Report 企業管治報告

- the Directors approved the acquisition of land in Jiangxi Province in relation to its investment in the Jiangxi Yi Chun Economic Development Zone, Jiangxi Province, the PRC which constituted a discloseable transaction of the Company;

– 董事批准就其於中國江西省之江西宜春經濟開發區之投資收購一幅江西省土地，該收購構成本公司一項須予披露交易；
- the Directors approved the signing of a supplemental investment agreement with the Management Committee of the Jiangxi Yi Chun Economic Development Zone for the granting of a government subsidy to the Company in relation to its investment project in Jiangxi Province, the PRC;

– 董事批准與江西宜春經濟開發區管理委員會訂立一份補充投資協議，內容有關就本公司於中國江西省之投資項目向其授予政府補貼；
- the Directors approved the acquisition of land in Sichuan Province in relation to its investment in the South West Airport Economic Development Zone in Shuangliu County, Chengdu City, Sichuan Province, the PRC which constituted a discloseable transaction of the Company; and

– 董事批准就其於中國四川省成都市雙流縣西南航空港經濟開發區之投資收購一幅四川省土地，該收購構成本公司一項須予披露交易；及
- the Directors approved the signing of an asset transfer agreement with Xingfa Group for the sale and purchase of some fixtures which constituted a discloseable and connected transaction of the Company.

– 董事批准就若干固定裝置買賣與興發集團訂立一份資產轉讓協議，該協議構成本公司一項須予披露及關連交易。

Prior notices convening the Board meetings were despatched to the Directors setting out the matters to be discussed. At the meetings, the Directors were provided with the relevant documents to be discussed and approved. The company secretary of the Company is responsible for keeping minutes for the Board meetings.

載有將於董事會會議上商討事項之通告已在會議召開前寄發予董事。會議上，董事獲提供將予考慮及批准之有關文件。本公司之公司秘書負責將董事會會議記錄存檔。

## Corporate Governance Report 企業管治報告

### (iii) Attendance record

The following is the attendance record of the board meetings held by the Board during the year ended 31 December 2009:

#### **Executive Directors**

Mr. LUO Su (*Chairman*)  
Mr. LUO Riming (*Chief executive officer*)  
Mr. LIAO Yuqing  
Mr. WANG Zhihua  
Mr. LAW Yung Koon  
(appointed on 28 April 2009)

#### **Independent non-executive Directors**

Mr. CHEN Mo  
Mr. HO Kwan Yiu  
Mr. LAM Ying Hung Andy

### (iv) Independent non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, the Company has appointed three independent non-executive Directors. The Board considers that all independent non-executive Directors have appropriate and sufficient industry or finance experience and qualifications to carry out their duties so as to protect the interests of shareholders of the Company. One of the independent non-executive Directors, Mr. LAM Ying Hung Andy, has over 21 years in the accounting, banking and finance sectors and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

The Company has received their annual written confirmations from all independent non-executive Directors in respect of their independence. The Board considers that all independent non-executive Directors are being considered to be independent.

### (iii) 出席記錄

以下為董事會於截至二零零九年十二月三十一日止年度所舉行之董事會會議出席記錄：

#### **Attendance at meeting 會議出席率**

#### **執行董事**

羅蘇先生 (主席) 2/2  
羅日明先生 (行政總裁) 2/2  
廖玉慶先生 2/2  
王志華先生 1/2  
羅用冠先生 (於二零零九年  
四月二十八日獲委任) 1/1

#### **獨立非執行董事**

陳默先生 2/2  
何君堯先生 1/2  
林英鴻先生 2/2

### (iv) 獨立非執行董事

為符合上市規則第3.10(1)條，本公司委任三名獨立非執行董事。董事會認為，全體獨立非執行董事均具有合適及充足之業界或財務經驗及資格，以履行彼等之職責，以保障本公司股東之權益。其中一名獨立非執行董事林英鴻先生，在會計、銀行及財務界擁有逾21年經驗，並為英國特許會計師公會及香港會計師公會資深會員。

本公司已接獲全體獨立非執行董事就其獨立性而發出之年度書面確認。董事會認為全體獨立非執行董事均被視為獨立人士。

## Corporate Governance Report 企業管治報告

### (v) Relationship among members of the Board

Mr. LIAO Yuqing, an executive Director, is the son-in-law of Mr. LUO Su, an executive Director and the chairman of the Board. Save as aforesaid, there is no other family relationship between any of the Directors or chief executive officer. All of them are free to exercise their independent judgment.

### (vi) Director's training

To keep the Directors and senior management of the Group abreast of the latest development of Listing Rules, the Company has organised a seminar on the amendments of the Listing Rules for the Directors and senior management of the Group given by legal advisers of the Company.

### (v) 董事會成員間之關係

執行董事廖玉慶先生為執行董事兼董事會主席羅蘇先生之女婿。除上述者外，任何董事或主要行政人員之間概無任何其他家族關係。彼等全體均可作出獨立判斷。

### (vi) 董事之培訓

為確保董事及本集團高級管理層能掌握上市規則之最新發展，本公司已為董事及本集團高級管理層舉辦有關上市規則之修訂之講座，該講座由本公司法律顧問提供。

## C. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the chairman and the chief executive officer are segregated. Mr. LUO Su is the chairman of the Board who is chiefly responsible for managing the Board and while Mr. LUO Riming is the chief executive officer of the Company who takes charge of the supervision of the execution of the policies determined by the Board. The chairman also chairs the Board meetings and briefs the Board members on the issues discussed at the Board meetings.

## D. INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has been appointed for a fixed term of two years commencing from 1 March 2008 and their respective term of appointment has been renewed for a further two years commencing on 1 March 2010.

The independent non-executive Directors have attended the Board meetings and provided independent judgment on the issues discussed.

## C. 主席及行政總裁

主席及行政總裁兩者角色分立。羅蘇先生為董事會主席，主要負責管理董事會，而羅日明先生則為本公司行政總裁，負責監察及落實董事會釐定之政策。主席亦主持董事會會議，並向董事會成員簡介將於董事會會議上商討之事項。

## D. 獨立非執行董事

各獨立非執行董事之固定委任年期由二零零八年三月一日開始，為期兩年，彼等各自由二零一零年三月一日起連任兩年。

獨立非執行董事已出席董事會會議，並就所商討之事項提供獨立判斷。

## Corporate Governance Report 企業管治報告

### E. REMUNERATION OF DIRECTORS

The Company established a remuneration committee on 29 February 2008 with written terms of reference in compliance with the CG Code. The remuneration committee comprises Mr. HO Kwan Yiu (chairman), Mr. CHEN Mo, Mr. LAM Ying Hung Andy and Mr. LUO Su. The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

During the year ended 31 December 2009, the Board appointed Mr. LAW Yung Koon as an additional Director. The remuneration packages and the service agreement of Mr. LAW Yung Koon had been considered and approved by way of circulation of written resolutions by all members of the Board. As such, no remuneration committee meeting had been held during the year ended 31 December 2009. It is the Company's policy that the remuneration package of each Director and senior management shall be determined by reference to the duties, responsibilities, experience and qualifications of each candidate.

### F. NOMINATION OF DIRECTORS

The Company established a nomination committee on 29 February 2008 with written terms of reference in compliance with the CG Code. The nomination committee comprises Mr. LUO Su (chairman), Mr. HO Kwan Yiu, Mr. CHEN Mo and Mr. LAM Ying Hung Andy. The primary duties of the nomination committee are to make recommendations to the Board on the nominees for appointment as Directors and senior management of the Group.

During the year ended 31 December 2009, the nomination committee has considered and approved by way of written resolutions signed by all members of nomination committee (namely Mr. LUO Su, Mr. HO Kwan Yui, Mr. CHEN Mo and Mr. LAM Ying Hung Andy) the nomination of Mr. LAW Yung Koon as an executive Director.

### E. 董事薪酬

本公司已遵守企業管治守則，於二零零八年二月二十九日成立薪酬委員會，並以書面界定其職權範圍。薪酬委員會由何君堯先生（主席）、陳默先生、林英鴻先生及羅蘇先生組成。薪酬委員會之主要職責為檢討及釐定薪酬組合、花紅及其他應付董事及高級管理層之酬金。

於截至二零零九年十二月三十一日止年度，董事會委任羅用冠先生為額外董事。羅用冠先生之薪酬組合及服務協議透過在董事會全體成員間傳閱書面決議案之方式省覽及批准。因此，於截至二零零九年十二月三十一日止年度並無舉行薪酬委員會會議。根據本公司政策，每名董事及高級管理層之薪酬組合須參考各候選人之職責、責任、經驗及資格而釐定。

### F. 提名董事

本公司已遵守企業管治守則，於二零零八年二月二十九日成立提名委員會，並以書面界定其職權範圍。提名委員會由羅蘇先生（主席）、何君堯先生、陳默先生及林英鴻先生組成。提名委員會之主要職責為就提名委任為本集團董事及高級管理層之人士向董事會作出推薦意見。

於截至二零零九年十二月三十一日止年度，提名委員會以提名委員會全體成員（即羅蘇先生、何君堯先生、陳默先生及林英鴻先生）簽署書面決議案之方式省覽及批准提名羅用冠先生為執行董事。

## Corporate Governance Report 企業管治報告

According to the articles of association of the Company, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and offer themselves for re-election. The Directors to be retired by rotation shall be those who have been longest in office since their last appointment.

At a full Board meeting held on 31 March 2010, the Directors have reviewed the performance of the Directors who will retire at the forthcoming annual general meeting of the Company and approved to recommend the re-election of such Directors at the forthcoming annual general meeting of the Company.

### G. AUDITORS' REMUNERATION

For the year ended 31 December 2009, KPMG, the Group's external auditor, provided annual audit services and other service to the Company. A breakdown of the remuneration of the Group's external auditor is as follows:

根據本公司之組織章程細則，三分一董事須輪席退任，(如數目並非三或三之倍數，則為最接近但不少於三分一之整數)須退任並可重選連任。將予輪席退任之董事須為自彼等上一次獲委任起計任期為最長者。

在二零一零年三月三十一日舉行之董事會全體會議上，董事已檢討於本公司即將舉行之股東週年大會上退任董事之表現，並批准推薦該等董事於本公司行之將召股東週年大會上重選連任。

### G. 核數師酬金

於截至二零零九年十二月三十一日止年度，本集團外部核數師畢馬威會計師事務所向本公司提供年度核數服務及其他服務。本集團外部核數師之酬金明細如下：

**For the year ended  
31 December 2009**  
截至二零零九年  
十二月三十一日  
止年度  
(RMB'000)  
(人民幣千元)

<b>Audit service</b>	<b>核數服務</b>	
Annual audit services	年度核數服務	950
Other service	其他服務	400



## Corporate Governance Report 企業管治報告

### H. AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based upon the provisions and recommended practices of the CG Code on 29 February 2008. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. At present, members of the audit committee comprise Mr. LAM Ying Hung Andy (chairman), Mr. CHEN Mo and Mr. HO Kwan Yiu, being the three independent non-executive Directors of the Company.

During the year ended 31 December 2009, the audit committee has held two meetings, at which:

- the audit committee members have reviewed and discussed with the external auditors of the Company the Group's consolidated financial statements for the year ended 31 December 2008, who is of the opinion that such statement complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made;
- the audit committee have reviewed the reasonableness and fairness of the continuing connected transactions of the Company for the year ended 31 December 2009; and

### H. 審核委員會

本公司已根據企業管治守則之條文及建議常規，於二零零八年二月二十九日成立審核委員會，並以書面界定其職權範圍。審核委員會之主要職責為審閱及監察本集團之財務申報程序及內部監控系統。目前，審核委員會由三名本公司獨立非執行董事林英鴻先生（主席）、陳默先生及何君堯先生組成。

於截至二零零九年十二月三十一日止年度，審核委員會已舉行兩次會議，會上：

- 審核委員會成員已對本集團截至二零零八年十二月三十一日止年度之綜合財務報表作出審閱，並與本公司外聘核數師進行商討，其認為該報表符合適用會計準則、聯交所及法例規定，亦已作出足夠披露；
- 審核委員會亦已檢討本公司截至二零零九年十二月三十一日止年度之持續關連交易之合理性及公平性；及

## Corporate Governance Report 企業管治報告

- the audit committee members have reviewed and discussed with the external auditors of the Company the Group's unaudited consolidated financial statements for the six months ended 30 June 2009.

The following is the attendance record of the committee meetings held by the audit committee during the year ended 31 December 2009:

- 審核委員會已與本公司外部核數師審閱及討論本集團截至二零零九年六月三十日止六個月之未經審核綜合財務報表。

以下為審核委員會於截至二零零九年十二月三十一日止年度舉行委員會會議之出席紀錄：

### Attendance at meeting 會議出席率

Mr. CHEN Mo	陳默先生	2/2
Mr. HO Kwan Yiu	何君堯先生	1/2
Mr. LAM Ying Hung Andy	林英鴻先生	2/2

### I. DIRECTORS' AND AUDITORS' ACKNOWLEDGEMENT

All Directors acknowledge their responsibility for preparing the accounts for the year ended 31 December 2009.

The external auditors of the Company acknowledge their reporting responsibilities in the auditors' report on the consolidated financial statements for the year ended 31 December 2009.

### I. 董事及核數師確認

所有董事均已確認彼等編製截至二零零九年十二月三十一日止年度賬目之責任。

本公司外聘核數師已確認其於截至二零零九年十二月三十一日止年度綜合財務報表核數師報告內之申報責任。

## Corporate Governance Report 企業管治報告

### J. INTERNAL CONTROL

With a view to enhancing the Group's internal control system, the Company has appointed an accounting firm in the PRC during the year ended 31 December 2009 to review the internal control regarding the completeness, reasonableness and effectiveness of logistics management of the Group. The Group is in the process of improving and establishing the internal control measures as recommended by such accounting firm in certain areas, such as warehouse management.

The Board acknowledged that it is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board will conduct periodical review on the progress of the improvement and enhancement with an effort to enhance the internal control measures of the Group.

On behalf of the Board of Directors

**LUO Su**  
*Chairman*

Hong Kong, 31 March 2010

### J. 內部監控

為加強本集團之內部監控系統，於截至二零零九年十二月三十一日止年度，本公司已委任一家中國會計師事務所以就本集團物流管理之完整性、合理性及有效性審閱內部監控。本集團現正就若干方面（如倉庫管理）進行由該會計師事務所所建議之提升及制定內部監控措施。

董事會確認其負責本公司之內部監控系統，並檢討其效益。董事會將定期檢討提升及強化過程，致力加強本集團之內部監控措施。

代表董事會

*主席*  
**羅蘇**

香港，二零一零年三月三十一日

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告



### Independent auditor's report to the shareholders of Xingfa Aluminium Holdings Limited (Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Xingfa Aluminium Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), set out on pages 61 to 170, which comprise the consolidated and Company balance sheets as at 31 December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibility for the financial statements

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

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### 獨立核數師報告 致興發鋁業控股有限公司各股東 (於開曼群島註冊成立之有限公司)

我們已審核列載於第61至170頁興發鋁業控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,該等綜合財務報表包括於二零零九年十二月三十一日的綜合及貴公司資產負債表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

### 董事就財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例的披露規定編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製以及真實而公平地列報財務報表相關的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況作出合理的會計估計。

### 核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。本報告僅為股東(作為一個團體)編製,別無其他任何用途。我們並不就本報告之內容對任何其他人士承擔任何義務或負上任何責任。

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

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

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

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

### Opinion

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

#### KPMG

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong  
31 March 2010

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

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

我們相信，我們所獲得的審核憑證乃充足及適當地為我們的審核意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映貴公司及貴集團於二零零九年十二月三十一日的財務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

#### 畢馬威會計師事務所

執業會計師  
香港中環  
遮打道10號  
太子大廈8樓  
二零一零年三月三十一日

## Consolidated Income Statement 綜合收益表

(Expressed in Renminbi)  
(以人民幣列示)

for the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

		Notes	2009	2008
		附註	二零零九年 RMB'000 人民幣千元	二零零八年 RMB'000 人民幣千元
<b>Turnover</b>	營業額	4	<b>1,871,480</b>	2,136,368
Cost of sales	銷售成本		<b>(1,684,088)</b>	(1,961,110)
<b>Gross profit</b>	毛利		<b>187,392</b>	175,258
Other revenue	其他收益	5	<b>6,644</b>	9,781
Other net income/(loss)	其他收入／(虧損)淨額	5	<b>7,319</b>	(14,525)
Distribution costs	分銷成本		<b>(29,945)</b>	(37,301)
Administrative expenses	行政開支		<b>(58,749)</b>	(61,914)
<b>Profit from operations</b>	經營溢利		<b>112,661</b>	71,299
Finance costs	財務成本	6(a)	<b>(30,965)</b>	(33,282)
<b>Profit before taxation</b>	除稅前溢利		<b>81,696</b>	38,017
Income tax expenses	所得稅開支	7	<b>(11,488)</b>	(8,704)
<b>Profit for the year</b>	年度溢利		<b>70,208</b>	29,313
<b>Basic and diluted earnings per share (RMB yuan)</b>	每股基本及攤薄盈利 (人民幣元)	11	<b>0.168</b>	0.075

The notes on pages 68 to 170 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 28(b).

第68頁至第170頁所載附註為本財務報表的一部分。本公司權益股東應佔年度溢利之應付股息詳情載於附註28(b)。

## Consolidated Statement of Comprehensive Income

### 綜合全面收益表

for the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

(Expressed in Renminbi)  
(以人民幣列示)

		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
<b>Profit for the year</b>	年度溢利	<b>70,208</b>	29,313
<b>Other comprehensive income for the year:</b>	年度其他全面收益：		
Exchange differences on translation of financial statements of operations outside the People's Republic of China (the "PRC")	換算中華人民共和國（「中國」）以外業務之財務報表之匯兌差額	<b>90</b>	(592)
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>	本公司權益股東應佔年度全面收益總額	<b>70,298</b>	28,721

The notes on pages 68 to 170 form part of these financial statements.

第68頁至第170頁所載附註為本財務報表的一部分。

## Consolidated Balance Sheet

### 綜合資產負債表

(Expressed in Renminbi)  
(以人民幣列示)

at 31 December 2009  
於二零零九年十二月三十一日

		Notes	2009	2008
		附註	二零零九年 RMB'000 人民幣千元	二零零八年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	531,824	351,713
Lease prepayments	預付租金	14	295,753	153,661
Deferred tax assets	遞延稅項資產	26(b)	16,075	390
			<b>843,652</b>	505,764
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	17	244,210	196,332
Derivative financial instruments	衍生金融工具	18	879	-
Trade and other receivables	交易及其他應收款項	19	581,916	466,720
Pledged deposits	已抵押存款	20	89,552	36,646
Cash and cash equivalents	現金及現金等價物	21	279,836	214,905
			<b>1,196,393</b>	914,603
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	交易及其他應付款項	22	326,133	195,544
Loans and borrowings	貸款及借貸	23	697,443	559,329
Obligations under finance leases	融資租賃責任	24	22,321	-
Derivative financial instruments	衍生金融工具	18	83	1,137
Current tax payables	應付即期稅項	26(a)	19,264	595
			<b>1,065,244</b>	756,605
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>131,149</b>	157,998
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>974,801</b>	663,762
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Loans and borrowings	貸款及借貸	23	150,000	-
Obligations under finance leases	融資租賃責任	24	47,679	-
Deferred income	遞延收入	25	60,908	-
			<b>258,587</b>	-
<b>Net assets</b>	<b>資產淨值</b>		<b>716,214</b>	663,762
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	27	3,731	3,731
Reserves	儲備		712,483	660,031
<b>Total equity</b>	<b>權益總額</b>		<b>716,214</b>	663,762

Approved and authorised for issue by the board of directors on 31 March 2010.

**LUO Su**  
羅蘇  
Chairman  
主席

於二零一零年三月三十一日獲董事會批准及授權刊發。

**LUO Riming**  
羅日明  
Executive Director  
執行董事

The notes on pages 68 to 170 form part of these financial statements.

第68頁至第170頁所載附註為本財務報表的一部分。



**Balance Sheet****資產負債表**

at 31 December 2009

於二零零九年十二月三十一日

(Expressed in Renminbi)

(以人民幣列示)

		Notes 附註	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
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	309	620
Investments in subsidiaries	於附屬公司之投資	15	626,654	626,654
			<b>626,963</b>	627,274
<b>Current assets</b>	<b>流動資產</b>			
Trade and other receivable	交易及其他應收款項	19	63,370	31,943
Cash and cash equivalents	現金及現金等價物	21	3,936	20,356
			<b>67,306</b>	52,299
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payable	交易及其他應付款項	22	2,432	6,687
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>64,874</b>	45,612
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>691,837</b>	672,886
<b>Net assets</b>	<b>資產淨值</b>		<b>691,837</b>	672,886
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	27	3,731	3,731
Reserves	儲備	28(a)	688,106	669,155
<b>Total equity</b>	<b>權益總額</b>		<b>691,837</b>	672,886

Approved and authorised for issue by the board of directors on 31 March 2010.

已於二零一零年三月三十一日經董事會批准並授權刊發。

**LUO Su**  
羅蘇  
Chairman  
主席

**LUO Riming**  
羅日明  
Executive Director  
執行董事

The notes on pages 68 to 170 form part of these financial statements.

第68頁至第170頁之附註為本財務報表的一部分。

## Consolidated Statement of Changes in Equity 綜合權益變動表

(Expressed in Renminbi)  
(以人民幣列示)

for the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

		Attributable to equity shareholders of the Company 本公司權益股東應佔							
		PRC							
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Other reserve 其他儲備	statutory reserves 中國法定儲備	Exchanges reserves 匯兌儲備	Retained earnings 保留盈利	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		Note 27 附註27	Note 28(c)(i) 附註28(c)(i)	Note 28(c)(ii) 附註28(c)(ii)	Note 28(c)(i) 附註28(c)(i)	Note 28(c)(iii) 附註28(c)(iii)	Note 28(c)(iv) 附註28(c)(iv)		
Balance at 1 January 2008	於二零零八年一月一日之結餘	210,000	-	-	-	47,880	-	177,448	435,328
Changes in equity for 2008:	二零零八年之權益變動:								
Arising from Reorganisation (Note 27(c)(i))	產生自重組 (附註27(c)(i))	(209,822)	-	-	209,822	-	-	-	-
Share issued under the placing and global offering (Note 27(c)(ii))	配售及全球發售下發行之股份 (附註27(c)(ii))	959	217,763	-	-	-	-	-	218,722
Share issuance costs	股份發行成本	-	(19,009)	-	-	-	-	-	(19,009)
Capitalisation issue (Note 27(c)(iii))	資本化發行 (附註27(c)(iii))	2,594	(2,594)	-	-	-	-	-	-
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	-	(592)	29,313	28,721
Appropriation to reserves	轉撥至儲備	-	-	-	-	5,967	-	(5,967)	-
Balance at 31 December 2008	於二零零八年十二月三十一日之結餘	3,731	196,160	-	209,822	53,847	(592)	200,794	663,762
Balance at 1 January 2009	於二零零九年一月一日之結餘	3,731	196,160	-	209,822	53,847	(592)	200,794	663,762
Changes in equity for 2009:	二零零九年之權益變動:								
Dividends approved in respect of the previous year (Note 28(b))	有關上年度已獲批准之股息 (附註28(b))	-	-	-	-	-	-	(20,900)	(20,900)
Capital contribution	股東注資	-	-	3,054	-	-	-	-	3,054
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	-	90	70,208	70,298
Appropriation to reserves	轉撥至儲備	-	-	-	-	9,930	-	(9,930)	-
Balance at 31 December 2009	於二零零九年十二月三十一日之結餘	3,731	196,160	3,054	209,822	63,777	(502)	240,172	716,214

The notes on pages 68 to 170 form part of these financial statements. 第68頁至第170頁之附註為本財務報表的一部分。

## Consolidated Cash Flow Statement

### 綜合現金流量表

for the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣列示)

			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
		Notes 附註		
<b>Operating activities</b>	<b>經營活動</b>			
Cash generated from/(used in) operations	業務所得／(所用)現金	21(b)	158,609	(20,348)
Income tax and land appreciation tax paid by the subsidiary in the PRC	中國附屬公司已付所得稅及土地增值稅		(8,504)	(10,585)
<b>Net cash generated from/ (used in) operating activities</b>	<b>經營活動所得／(所用)現金淨額</b>		<b>150,105</b>	<b>(30,933)</b>
<b>Investing activities</b>	<b>投資活動</b>			
Interest received	已收利息		4,089	6,622
Proceeds from pledged deposits	已抵押存款所得款項		83,323	156,371
Payment for pledged deposits	已抵押存款付款		(136,229)	(160,595)
Acquisition of property, plant and equipment	收購物業、廠房及設備		(213,671)	(133,175)
Payment for purchase of net assets	購買資產淨值付款	16	-	(142,644)
Payment for lease prepayments	預付租金		(145,216)	-
Proceeds from disposal of assets classified as held for sale	出售列為持作待售資產所得款項		-	23,000
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		87,197	-
Payment of business tax and surcharges on disposal of lease prepayments	出售預付租金所付營業稅及附加費		-	(877)
Repayment of advances to related parties	向關連方償還墊款		-	3,533
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		<b>(320,507)</b>	<b>(247,765)</b>

## Consolidated Cash Flow Statement 綜合現金流量表

(Expressed in Renminbi)  
(以人民幣列示)

for the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

		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
		Notes 附註	
<b>Financing activities</b>	<b>融資活動</b>		
Interest paid	已付利息	(31,911)	(33,282)
Proceeds from loans and borrowings	貸款及借貸所得款項	1,142,542	897,625
Repayment of loans and borrowings	償還貸款及借貸	(854,428)	(715,296)
Proceeds from issuance of shares for global offering	就全球發售發行股份所得款項	-	218,722
Payment of share issuing costs	股份發行成本款項	-	(19,009)
Dividends paid	已付股息	(20,900)	-
Repayments of advances from related parties	關連方償還墊款	-	(1,447)
Net cash generated from financing activities	融資活動所得現金淨額	235,303	347,313
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>	<b>64,901</b>	<b>68,615</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日的現金及現金等價物</b>	<b>214,905</b>	<b>146,411</b>
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動之影響</b>	<b>30</b>	<b>(121)</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日的現金及現金等價物</b>	<b>279,836</b>	<b>214,905</b>

The notes on pages 68 to 170 form part of these financial statements. 第68至170頁所載附註為本財務報表的一部分。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 1 Company background and basis of presentation

#### (a) Reporting entity

Xingfa Aluminium Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 13 September 2007 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (the “Group”) are principally engaged in manufacturing and sales of aluminium profiles (the “Aluminium Profile Business”).

#### (b) Reorganisation

Pursuant to a reorganisation (the “Reorganisation”) of the Company and its subsidiaries now comprising the Group completed on 29 February 2008 to rationalise the Group structure for the public listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the operations of Aluminium Profile Business with the relevant assets and liabilities of Guangdong Xingfa Group Co., Ltd (“Xingfa Group”), Guangdong Xingfa Innovation Co., Ltd (“Xingfa Innovation”) and Foshan Xingfa Aluminium Co., Ltd. (“Foshan Xingfa”) (hereinafter collectively referred to as the “Predecessor Entities”), were transferred to the subsidiaries now comprising the Group by 28 July 2007 and the Company became the holding company of the subsidiaries now comprising the Group from 29 February 2008. The shares of the Company were listed on the Stock Exchange on 31 March 2008. Details of the Reorganisation are set out in the prospectus dated 17 March 2008 issued by the Company.

### 1 公司背景及呈列基準

#### (a) 呈報實體

興發鋁業控股有限公司（「本公司」）乃於二零零七年九月十三日根據開曼群島公司法第22章（一九六一年第3號法案，經綜合及修訂）於開曼群島註冊成立為獲豁免有限公司。本公司及其附屬公司（「本集團」）主要從事製造及銷售鋁型材業務（「鋁型材業務」）。

#### (b) 重組

根據本公司與本集團現時旗下附屬公司於二零零八年二月二十九日完成以整頓本集團架構，使本公司股份於香港聯合交易所有限公司（「聯交所」）主板公開上市之重組（「重組」），鋁型材業務之營運，連同廣東興發集團有限公司（「興發集團」）、廣東興發創新股份有限公司（「興發創新」）及佛山興發鋁型材有限公司（「佛山興發」）（以下統稱「前身公司」）之有關資產及負債，已於二零零七年七月二十八日轉讓予本集團現時旗下附屬公司，而自二零零八年二月二十九日起，本公司則成為本集團現時旗下附屬公司之控股公司。本公司之股份於二零零八年三月三十一日於聯交所上市。重組之詳情載於本公司於二零零八年三月十七日刊發之售股章程。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 1 Company background and basis of presentation (continued)

#### (c) Basis of presentation

Since all entities which took part in the Reorganisation were under common control of a group of ultimate equity shareholders (the “Controlling Shareholders”), the Group is regarded as a continuing entity resulting from the Reorganisation under common control. Accordingly, the Company has applied merger accounting to account for the Reorganisation in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), under which the consolidated financial statements have been prepared on the basis that the Company was the holding company of the Group as if the Aluminium Profile Business had been operated by the Group and the current group structure had been in existence from 1 January 2008, rather than from 29 February 2008.

Accordingly, the consolidated results of the Group for the year ended 31 December 2008 include the results of the Company and its subsidiaries now comprising the Group with effect from 1 January 2008 or since their respective dates of incorporation or being acquired, whichever is a shorter period.

All material inter-group transactions and balances have been eliminated on consolidation. In the opinion of the directors, the consolidated financial statements prepared on this basis present fairly the results of operations and the state of affairs of the Group as a whole.

### 1 公司背景及呈列基準 (續)

#### (c) 呈列基準

由於所有涉及重組之公司均受一組最終權益股東(「控權股東」)共同控制，故本集團被視為因重組產生受共同控制之持續經營實體。因此，本公司已根據香港會計師公會頒佈之會計指引第5號「共同控制合併之合併會計法」應用合併會計法就重組入賬，據此，綜合財務報表乃按本公司為本集團之控股公司，猶如鋁型材業務一直由本集團經營及現有集團架構自二零零八年一月一日(而非自二零零八年二月二十九日起)一直存在而編製。

因此，本集團截至二零零八年十二月三十一日止年度之綜合業績包括本公司及本集團現時旗下附屬公司由二零零八年一月一日或自其各自之註冊成立或被收購日期(以較短期間為準)起之業績。

集團內部之所有重大交易及結餘已於綜合入賬時對銷。董事認為，按此基準編製之綜合財務報表公平地呈列本集團之整體經營業績及財務狀況。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies

#### (a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual IFRSs promulgated by the International Accounting Standards Board (the “IASB”), International Accounting Standards (“IASs”) and related Interpretations. These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. A summary of the significant accounting policies adopted and consistently applied by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

#### (b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that derivative financial instruments are stated at their fair value as explained in note 2(d).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### 2 主要會計政策

#### (a) 合規聲明

本財務報表是按照國際財務報告準則（「國際財務報告準則」）編製。國際財務報告準則包括由國際會計準則委員會（「國際會計準則委員會」）頒佈的所有適用的個別國際財務報告準則、國際會計準則（「國際會計準則」）及相關詮釋。本財務報表亦符合香港公司條例的披露規定及香港聯交所證券上市規則的適用披露規定。本集團所採用及貫徹應用的主要會計政策概要載列如下。

國際會計準則理事會已頒佈若干新訂及經修訂國際財務報告準則，該等準則為於本集團及本公司本期會計期間首次生效或可提早採納。初次應用該等與本集團有關之香港財務報告準則所引致當前和以往會計期間之會計政策變動，已反映於該等財務報表內，有關資料列載於附註3。

#### (b) 財務報表之編製基準

財務報表之編製以歷史成本法為計量基準，惟於附註2(d)闡述之按公平值列賬之衍生金融工具除外。

管理層編製符合國際財務報告準則規定之財務報表時，須作出可能影響政策應用和所呈報資產、負債及收支金額的判斷、估計和假設。該等估計和相關假設乃根據過往經驗及管理層相信於該等情況下屬合理的各項其他因素作出，所得結果用作判斷該等無法從其他渠道直接獲得之資產及負債賬面值之基礎。實際結果可能與該等估計不同。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (b) Basis of preparation of the financial statements (continued)

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 35.

#### (c) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)).

### 2 主要會計政策 (續)

#### (b) 財務報表之編製基準 (續)

估計及相關假設會持續檢討。會計估計改變會在修訂估計期間(倘修訂僅影響該期間)及修訂期間及任何未來期間(倘修訂影響目前及未來期間)確認。

管理層應用國際財務報告準則時所作出對財務報表有重大影響的判斷及估計不確定因素之主要來源載於附註35。

#### (c) 附屬公司

附屬公司指由本集團控制的公司。當本集團有權控制公司的財務及經營政策，以自其業務中獲利，則該公司將被視為受本集團控制。在評估控制權時，會考慮目前可行使的潛在投票權。

於一間附屬公司之投資自控制開始當日起至控制結束當日期間於綜合財務報表內綜合入賬。集團內公司間結餘及交易以及集團內公司間交易產生之任何未變現溢利於編製綜合財務報表時悉數對銷。集團內公司間交易產生之未變現虧損以與未變現收益相同之方式對銷，惟僅於無減值證據時進行。

於本公司之資產負債表中，於一間附屬公司之投資按成本減去減值虧損列賬(見附註2(h))。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (d) Derivative financial instruments

The Group uses aluminium futures contracts and forward foreign exchange contracts to mitigate its market risk associated with aluminium price and foreign currency fluctuations. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

The Group does not adopt hedge accounting. Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss under “other net income/(loss)”.

#### (e) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (*Note 2(h)*).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (*see note 2(s)*).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

### 2 主要會計政策 (續)

#### (d) 衍生金融工具

本集團以鋁期貨合約及遠期外匯合約減輕鋁價及外幣波動的市場風險。根據其財務政策，本集團並無持有或發行衍生金融工具作交易用途。

本集團並無採納對沖會計處理法。衍生金融工具首先按公平值確認。公平值於各結算日重新計量。重新計量公平值之收益或虧損隨即於損益內之「其他收入／(虧損)淨額」一項確認。

#### (e) 物業、廠房及設備

物業、廠房及設備以成本減累計折舊及減值虧損於資產負債表列賬 (*附註2(h)*)。

自建物業、廠房及設備項目成本包括原材料成本、直接勞工費用、拆卸及搬遷項目以及恢復項目所在地原貌成本之初步估算(如適用)，以及生產成本及借貸成本 (*見附註2(s)*) 之適當部分。

物業、廠房及設備項目報廢或出售之收益或虧損按出售所得款項淨額與項目賬面值之差額釐定，並於報廢或出售日期於損益內確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (e) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings held for own use which are situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no more than 20 years after the date of completion.
- Plant and machinery 10 – 20 years
- Motor vehicles 3 – 10 years
- Office equipment and others 3 – 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

#### (f) Lease prepayments

Lease prepayments represent payments for land use rights to the PRC authorities. Land use rights are stated in the balance sheet at cost less accumulated amortisation and impairment losses (Note 2(h)). Amortisation is charged to profit or loss on a straight-line basis over the respective periods of the rights.

### 2 主要會計政策 (續)

#### (e) 物業、廠房及設備 (續)

折舊是採用直線法在物業、廠房及設備項目之估計可使用年內撇銷項目之成本或估值減估計剩餘價值(如有),計算方法如下:

- 位於租賃土地持作自用之樓宇於尚餘租期或估計可使用年期之較短期間(不得超過落成日期起計20年)內折舊。
- 廠房及機器 10至20年
- 汽車 3至10年
- 辦公室設備及其他 3至10年

倘物業、廠房及設備項目之各個部分擁有不同可使用年期,則該項目之成本值或估值按合理基準於各個部分間分配,且各個部分單獨折舊。資產之可使用年期及其剩餘價值(如有)每年進行檢討。

#### (f) 預付租金

預付租金指就土地使用權向中國機關支付之款項。土地使用權於資產負債表中按成本減累計攤銷及減值虧損列賬(附註2(h))。攤銷按直線法於權利有關期間在損益扣除。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

#### (i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

### 2 主要會計政策 (續)

#### (g) 租賃資產

倘本集團決定根據由一項或多項交易組成之安排於協定期內轉讓特定資產使用權以換取一筆或多筆款項，則有關安排屬於或包含租約。此乃根據有關安排性質評估而定，而不論有關安排是否為法律形式之租約。

#### (i) 本集團承租之資產之分類

本集團根據租賃持有，且所有權之絕大部分風險及回報已轉移到本集團之資產乃分類為根據融資租賃持有之資產。所有權之絕大部分風險及回報並無轉移到本集團之租賃分類為經營租賃。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (g) Leased assets (continued)

##### (ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(e). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(h). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

### 2 主要會計政策 (續)

#### (g) 租賃資產 (續)

##### (ii) 根據融資租賃收購之資產

倘本集團根據融資租賃收購資產之用途，則相等於所租賃資產之公平值之金額或（倘更低）有關資產之最低租賃付款之現值乃計入固定資產，而相應負債（扣除融資費用）乃記錄為融資租賃責任。誠如附註2(e)所載，折舊按有關租約之期限或（倘本集團將有可能取得資產之所有權）資產之可使用年期撤銷資產之成本值或估值之比率予以計提。減值虧損按附註2(h)所載之會計政策入賬。租賃付款固有之融資費用按租期於損益內扣除，以產生扣除各個會計期間負擔之剩餘價值之概約不變週期比率。或然租金乃於產生之會計期間於損益內扣除。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (g) Leased assets (continued)

##### (iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

#### (h) Impairment of assets

##### (i) Impairment of trade and other receivables

Trade and other receivables and other financial assets that are stated at amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;

### 2 主要會計政策 (續)

#### (g) 租賃資產 (續)

##### (iii) 經營租賃支出

如本集團使用根據經營租賃持有之資產，則根據租約支付之款項會在租期內之會計期間之損益中分期等額支銷，惟倘有其他能更清楚反映租賃資產所產生收益模式之入賬方式則除外。獲提供之租賃優惠於損益內確認為淨租金付款總額一部分。或然租金於所涉會計期間之損益扣除。

收購根據經營租賃持有之土地之成本於租期內按直線法攤銷。

#### (h) 資產減值

##### (i) 交易及其他應收款項減值

本集團於各結算日審閱按攤銷成本入賬之交易及其他應收款項以及其他金融資產，以釐定是否有客觀減值跡象。客觀減值跡象包括本集團發現有關一項或多項下列虧損事件之顯著資料：

- 債務人有重大財務困難；

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (i) Impairment of trade and other receivables (continued)

- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

The impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

### 2 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (i) 交易及其他應收款項減值 (續)

- 違反合約，例如拖欠利息或本金；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境之重大轉變對債務人有不利影響。

如出現任何有關證據，任何減值虧損按以下方式釐定及確認：

減值虧損按資產賬面值與估計未來現金流量現值（倘貼現影響重大，則以金融資產之原有實際利率（即於首次確認該等資產時計算之實際利率）貼現）之間之差額計算。如按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似之逾期情況等，且並無個別評估為減值，則有關資產會整體進行評估。整體評估有否減值之金融資產之未來現金流量乃按與該組資產具有類似信貸風險特徵之資產虧損紀錄計算。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (i) Impairment of trade and other receivables (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

### 2 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (i) 交易及其他應收款項減值 (續)

倘減值虧損金額於往後期間減少，而有關減少可與確認減值虧損後發生之事件客觀相關，則減值虧損會透過損益撥回。撥回減值虧損不得導致資產賬面值超出其於過往年間倘無確認減值虧損而應有之賬面值。

除計入交易及其他應收款項之應收貿易賬款及應收票據（視為不肯定可否收回而非不可收回）外，減值虧損會自相關資產直接撤銷，因此呆賬之減值虧損會於撥備賬記錄。倘本集團確認不可能收回應收賬款，有關款項會視為不可收回，並自應收貿易賬款及應收票據中直接撤銷，且會撥回在撥備賬中有關該債務之任何金額。其後收回先前自撥備賬扣除之金額自撥備賬撥回。撥備賬之其他變動及其後收回先前直接撤銷之金額均於損益確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- lease prepayment; and
- investments in subsidiaries

If any such indication exists, the asset's recoverable amount is estimated.

##### - Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

### 2 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (ii) 其他資產減值

本集團於各結算日審閱內部及外界資料，以確定下列資產有否減值跡象或先前確認之減值虧損是否不再存在或可能已減少：

- 物業、廠房及設備；
- 預付租金；及
- 於附屬公司之投資

倘存在任何有關跡象，則會估計資產之可收回金額。

##### - 計算可收回金額

資產之可收回金額為其公平值減銷售成本或使用價值之較高者。在評估使用價值時，會按可反映當時市場對貨幣時間價值及資產特定風險評估之稅前貼現率，將估計未來現金流量貼現至其現值。倘資產並無產生基本上獨立於其他資產所產生之現金流入，則以能獨立產生現金流入之最基本資產組別（即現金產生單位）釐定可收回金額。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (ii) Impairment of other assets (continued)

##### – Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

##### – Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### 2 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (ii) 其他資產減值 (續)

##### – 確認減值虧損

倘資產或其所屬現金產生單位之賬面值超過可收回金額，則於損益確認減值虧損。就現金產生單位確認之減值虧損會按比例減少該單位（或該組單位）內其他資產之賬面值，惟資產之個別賬面值不可減至低於其公平值扣減出售成本或使用價值（如能釐定）。

##### – 撥回減值虧損

倘用作計算可收回金額之估計出現有利變化，則會撥回減值虧損。

所撥回之減值虧損僅限於過往年度並未確認減值虧損時應有之資產賬面值。所撥回之減值虧損在確認撥回年度計入損益。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (iii) *Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(h)(i) and (ii)).

#### (i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須遵照國際會計準則第34號「中期財務報告」編製有關財政年度首六個月之中期財務報告。於中期期末，本集團採用等同該財政年度年底之減值測試、確認及撥回標準（見附註2(h)(i)及(ii)）。

#### (i) 存貨

存貨以成本或可變現淨值之較低者列賬。

成本使用加權平均成本法計算，並包括所有購買成本、兌換成本及將存貨運送至今日地點及變成現狀所涉之其他成本。

可變現淨值為日常業務過程中之估計售價，減去估計完成成本及進行出售所需之估計成本。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (i) Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### (j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 2(h)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

#### (k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

### 2 主要會計政策 (續)

#### (i) 存貨 (續)

當存貨售出時，該等存貨之賬面值於確認有關收入期間內支銷。將存貨撇減至可變現淨值之金額及存貨之所有虧損於撇減或虧損發生期間內支銷。任何存貨撇減之撥回乃透過於撥回產生期間內扣減支銷之存貨金額而予以確認。

#### (j) 交易及其他應收款項

交易及其他應收款項乃初步按公平值確認，其後按攤銷成本減呆賬減值撥備（見附註2(h)）列賬，惟倘應收款項乃向有關連人士提供且並無固定還款期或貼現影響微小之免息貸款則除外。於該等情況下，應收款項乃按成本值減呆賬減值撥備列賬。

#### (k) 計息借貸

計息借貸首先按公平值減應佔交易成本確認，其後按攤銷成本列賬，首次確認之金額與贖回價值之任何差額（連同任何應付利息及費用）於貸款期內以實際利率法於損益確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (l) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(p)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### (m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

#### (n) Employee benefit

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

### 2 主要會計政策 (續)

#### (l) 交易及其他應付款項

交易及其他應付款項首先按公平值確認。除根據附註2(p)(i)計算之財務擔保負債外，交易及其他應付款項其後按攤銷成本入賬，惟倘貼現影響並不重大，則按成本入賬。

#### (m) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、活期銀行及其他金融機構存款，以及可隨時兌換為已知金額之現金及毋須承受重大價值變動風險且於購入後三個月內到期之短期高流動投資。

#### (n) 僱員福利

薪金、年終花紅、有薪年假、向定額供款退休計劃作出之供款及非貨幣福利之成本於僱員提供相關服務之年度內計算。如延遲付款或結算並構成重大影響，則此等金額會以現值列賬。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

### 2 主要會計政策 (續)

#### (o) 所得稅

年內所得稅包括即期稅項及遞延稅項資產與負債之增減。即期稅項及遞延稅項資產與負債之增減於損益確認，惟有關於其他全面收益或直接於權益確認項目之即期稅項及遞延稅項資產與負債之增減則分別於其他全面收益或直接於權益確認。

即期稅項乃根據年內應課稅收入按報告日期已實施或大致實施的稅率計算之預計應付稅項，並會按過往年度之應付稅項調整。

可扣稅與應課稅暫時差額分別產生的遞延稅項資產及負債即財務報告所載資產與負債賬面值與相關稅基的差額。遞延稅項資產亦會來自未動用稅務虧損及未動用稅務抵免。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (o) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

### 2 主要會計政策 (續)

#### (o) 所得稅 (續)

除若干少數例外情況外，所有遞延稅項負債及所有遞延稅項資產（須可能有日後應課稅溢利可供動用該資產）均會確認。支持確認可扣稅暫時差額所產生遞延稅項資產的日後應課稅溢利包括撥回現有應課稅暫時差額所產生溢利，惟該等差額須與相同稅務機關及相同課稅公司有關，並預期於可扣稅暫時差額預期撥回的同一期間或遞延稅項資產所產生稅務虧損可撥回或結轉的各期間內撥回。釐定現有應課稅暫時差額是否支持確認未動用稅務虧損及抵免所產生遞延稅項資產的條件相同，即與同一稅務機關及課稅公司有關且預期於稅務虧損或抵免動用的期間撥回的差額會計算在內。

確認遞延稅項資產與負債的少數例外情況為首次確認並不影響會計或應課稅溢利的資產或負債（並非業務合併一部分）產生的暫時差額，以及有關投資附屬公司的暫時差額，如為應課稅差額，則本集團可控制撥回時間及該等差額於可見將來應不會撥回者，而如為可扣稅差額，即於可見將來或會撥回者。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (o) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

### 2 主要會計政策 (續)

#### (o) 所得稅 (續)

所確認遞延稅項金額乃根據預期資產及負債賬面值變現或結算方式，按結算日已頒佈或實質頒佈的稅率計算。遞延稅項資產及負債不會貼現。

於各結算日會檢討遞延稅項資產的賬面值，並會減少至不可能有足夠應課稅溢利供相關稅務優惠動用為止。有關減少會於應有足夠應課稅溢利時撥回。

分派股息產生的額外所得稅會於確認支付相關股息的負債時確認。

即期稅項結餘與遞延稅項結餘以及相關增減會分開呈列，且不會對銷。倘本公司或本集團可合法將即期稅項資產與即期稅項負債對銷，並符合下列其他條件，則可將即期稅項資產與即期稅項負債以及遞延稅項資產與遞延稅項負債互相對銷：

- 如為即期稅項資產及負債，本公司或本集團擬按淨額結算，或同時變現資產及結算負債；或

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (o) Income tax (continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

#### (p) Financial guarantees issued, provisions and contingent liabilities

##### (i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

### 2 主要會計政策 (續)

#### (o) 所得稅 (續)

- 如為遞延稅項資產及負債，則須與同一稅務機關所徵收所得稅有關：
  - 同一應課稅實體；或
  - 不同應課稅實體，計劃在預期有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現及清償該資產及該負債。

#### (p) 已發出之財務擔保、撥備及或然負債

##### (i) 已發出之財務擔保

財務擔保乃要求發行人（即擔保人）為擔保受益人（「持有人」）就特定債務人未能根據債務工具條款於到期時付款所招致損失賠償特定款項之合約。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

(p) **Financial guarantees issued, provisions and contingent liabilities (continued)**

(i) **Financial guarantees issued (continued)**

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2(p)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group, under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

### 2 主要會計政策 (續)

(p) **已發出之財務擔保、撥備及或然負債 (續)**

(i) **已發出之財務擔保 (續)**

倘本集團發出財務擔保，該擔保之公平值（即交易價格，除非該公平值能可靠地估計）首先確認為交易及其他應付款項之遞延收入。倘在發出該擔保時收取或應收取代價，則該代價根據適用於該類資產之本集團政策確認。

首先確認為遞延收入之擔保款額在擔保年期內於損益列為已發出之財務擔保之收入攤銷。此外，倘(i)擔保持有人可能根據擔保向本集團發出催繳通知；及(ii)向本集團提出之申索款額預期超過現時就該擔保入賬之交易及其他應付款項金額（即首次確認之金額）減累計攤銷，則根據附註2(p)(ii)確認撥備。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

(p) **Financial guarantees issued, provisions and contingent liabilities (continued)**

(ii) **Other provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### 2 主要會計政策 (續)

(p) 已發出之財務擔保、撥備及或然負債 (續)

(ii) 其他撥備及或然負債

當本集團或本公司因過往事件而須負上法律或推定責任，可能須為履行該責任而耗損經濟利益，並能可靠地估計時，則須就未能確定時間或金額之負債計提撥備。倘金額涉及重大時間價值，則有關撥備按預計履行責任所需支出之現值列賬。

倘不大可能需要耗損經濟利益，或其金額未能可靠地預測，則須披露有關責任為或然負債，惟耗損經濟利益之可能性極低者除外。當潛在責任須視乎一項或多項未來事件是否發生方可確定是否存在，則該等責任亦披露為或然負債，惟耗損經濟利益之可能性極低者除外。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

##### (i) Sale of goods

Revenue is recognised when the customer has accepted the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and goods return.

##### (ii) Services income

Revenue from services rendered is recognised in profit or loss upon the completion of transaction.

##### (iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

### 2 主要會計政策 (續)

#### (q) 收益確認

收益按已收或應收代價之公平值計量。倘本集團可能獲得經濟利益，且收益及成本（如適用）能可靠地計量，則按下列方式於損益確認收益：

##### (i) 銷售貨品

收益在客戶接收所有權相關之風險及回報時確認。收益並不包括增值稅或其他銷售稅，並已扣除任何交易折扣及退貨。

##### (ii) 服務收入

來自提供服務之收益於交易完成時於損益確認。

##### (iii) 經營租賃之租金收入

經營租賃之應收租金收入於相關租期內於損益分期等額確認，惟倘有其他方法能更清楚地反映使用租賃資產所得收益之模式則除外。租金優惠於損益確認為淨應收租金總額一部分。或然租金於所涉會計期間確認為收入。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (q) Revenue recognition (continued)

##### (iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

##### (v) Government grants

Government grants are recognised in the balance sheet initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and subsequently recognised as other revenue in profit or loss over the useful life of the assets.

#### (r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

### 2 主要會計政策 (續)

#### (q) 收益確認 (續)

##### (iv) 利息收入

利息收入按實際利息法累計確認。

##### (v) 政府補助金

倘可合理保證可收取政府補助金且本集團可符合有關條件，則政府補助金會首先於資產負債表確認。補償本集團所涉開支之補助金於相關開支產生之相同期間按系統性基準於損益內確認為收益。補償本集團資產成本之補助金初步確認為遞延收入，並其後於損益按資產之可使用年期確認為其他收益。

#### (r) 外幣換算

年內之外幣交易按交易日當日之匯率折算。以外幣為單位之貨幣性資產及負債按結算日當日之匯率折算。外匯收益及虧損於損益內確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (r) Translation of foreign currencies (continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Renminbi at the closing foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve.

#### (s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

### 2 主要會計政策 (續)

#### (r) 外幣換算 (續)

以外幣按歷史成本計算之非貨幣資產及負債按交易日當日之匯率換算。以外幣計值而以公平值列賬之非貨幣資產及負債乃按釐定公平值當日適用之匯率換算。

海外業務之業績按與交易日匯率相若之匯率換算為人民幣。資產負債表項目按結算日之匯率換算為人民幣。由此產生之匯兌差額直接於其他全面收益確認及於匯兌儲備中之權益獨立累計。

#### (s) 借貸成本

需要相當長時間方可作擬定用途或銷售之資產之收購、建設或生產直接相關之借貸成本撥作該資產成本一部分。其他借貸成本於產生期間予以支銷。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (s) Borrowing costs (continued)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

#### (t) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or, a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individual;

### 2 主要會計政策 (續)

#### (s) 借貸成本 (續)

當合資格資產產生開支、涉及借貸成本及將資產作擬定用途或銷售所需之活動進行時，開始將借貸成本資本化為該資產成本一部分。於合資格資產作擬定用途或銷售所需之絕大部分活動中止或完成時，將會暫停或不再將借貸成本資本化。

#### (t) 關連方

編製本財務報表時，倘符合下列條件，則視為本集團之關連方：

- (i) 該方能夠直接或透過一間或多間中介機構控制本集團或對本集團的財務及經營決策發揮重大影響力，或共同控制本集團；
- (ii) 本集團與該方受共同控制；
- (iii) 該方為本集團的聯營公司或本集團為合營夥伴的合營企業；
- (iv) 該方為本集團或本集團母公司之主要管理人員或有關人士的親屬，或受有關人士控制、共同控制或重大影響的公司；

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 2 Significant accounting policies (continued)

#### (t) Related parties (continued)

- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

#### (u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 2 主要會計政策 (續)

#### (t) 關連方 (續)

- (v) 該方為第(i)項所指人士的親屬或受該等人士控制、共同控制或重大影響的公司；或
- (vi) 該方為以本集團或本集團關連方之任何公司僱員為受益人的離職後福利計劃。

個別人士的親屬指與公司進行買賣時預期可影響相關個別人士或受相關人士影響的家族成員。

#### (u) 分部報告

經營分部及於財務報表中各分部項目內呈報之金額自定期提供予本集團最高行政管理人員就資源分配及評估本集團不同業務及地理位置之表現之財務資料中識別出來。

就財務呈報而言，除非分部具備相似之經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務之方法及監管環境之性質方面相似，否則各個重大經營分部不會進行合算。個別非重大之經營分部，如果符合上述大部分標準，則可進行合算。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 3 Changes in accounting policies

The IASB has issued one new IFRS, a number of amendments to IFRSs and new Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- IFRS 8, Operating segments
- IAS 1 (revised 2007), Presentation of Financial Statements
- IAS 23 (revised 2007), Borrowing costs
- Improvements to IFRSs (2008)
- IAS 27, Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to IFRS 7, Financial Instruments: Disclosures – Improving disclosures about financial instruments
- Improvements to IFRSs (2009)

### 3 會計政策變動

國際會計準則理事會公佈一項新訂國際財務報告準則以及多項國際財務報告準則修訂本及新詮釋，該等準則、修訂及詮釋於本集團及本公司目前會計期間首次生效及可供儘早採納。其中下列變動乃與本集團之財務報表有關：

- 國際財務報告準則第8號經營分部
- 國際會計準則第1號（二零零七年經修訂）財務報表之呈列
- 國際會計準則第23號（二零零七年經修訂）借貸成本
- 對二零零八年國際財務報告準則之改進
- 國際會計準則第27號綜合及獨立財務報表－投資於附屬公司、共同控制實體或聯營公司之成本
- 國際財務報告準則第7號金融工具：披露－改進金融工具之披露
- 對二零零九年國際財務報告準則之改進



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 3 Changes in accounting policies (continued)

The “Improvements to IFRSs (2008)” comprise a number of minor and non-urgent amendments to a range of IFRSs which the IASB has issued as an omnibus batch of amendments. These amendments have no material impact on the accounting policies already adopted by the Group. In addition, the amendments to IFRS 7 do not contain any additional disclosure requirements specifically applicable to the Group’s financial statements. The impact of the remainder of these developments is in the financial report is as follows:

- IFRS 8 requires segment disclosure to be based on the way that the Group’s chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group’s chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group’s financial statements into segments based on geographical areas. The adoption of IFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group’s most senior executive management, and has resulted in new reportable segments being identified and presented (see note 12). Corresponding amounts have also been provided on a basis consistent with the revised segment information.

### 3 會計政策變動 (續)

「對二零零八年國際財務報告準則之改進」包括國際會計準則委員會頒佈之對一系列國際財務報告準則之多項不屬重要且非迫切性之修訂，作一批統括修訂。該等修訂對本集團已採納之會計政策並無重大影響。此外，國際財務報告準則第7號之修訂並無包含特別適用於本集團財務報表之任何額外披露規定。於財務報告中其餘發展之影響如下：

- 國際財務報告準則第8號規定須根據本集團主要營運決策人考慮及管理本集團之方式披露分部資料，就各可報告分部之呈報金額作為向本集團主要營運決策人呈報之數據，以供評估分部表現及就營運事宜下決定。此規定有別於過往年度之分部資料呈報方式，過往之處理方式為按地域將本集團財務報表細分為多個分部。採納國際財務報告準則第8號導致分部資料之呈列方式更緊貼本集團最高行政管理人員所獲提供之內部呈報，並已導致確認及呈列之可報告分部（見附註12）。相應金額亦按與經修訂分部資料一致之基準提供。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 3 Changes in accounting policies (continued)

- The Group has early adopted an amendment in the “Improvements to IFRSs (2009)” which amended IFRS 8 such that measure of total assets for each reportable segment is only required to be presented if it is regularly provided to the Group’s chief operating decision maker. Segment assets are not reported to the Group’s chief operating decision maker regularly. As a result, reportable segment assets have not been presented in these financial statements.
- As a result of adoption of IAS 1 (revised 2007), details of changes in equity during the year arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the year, or otherwise in a new primary statement, the consolidated statement of comprehensive income and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

### 3 會計政策變動 (續)

- 本集團已提早採納「對二零零九年國際財務報告準則之改進」中對國際財務報告準則第8號作出之修訂，即僅須在定期向本集團之主要營運決策人提供各可報告分部總資產之計量時，方會呈列有關資料。分部資產並無定期呈報予本集團主要營運決策人。因此，可報告分部資產並無於該等財務報表中呈列。
- 由於採納國際會計準則第1號（二零零七年經修訂），期內因與權益股東進行交易而致權益出現變動之詳情與其他收支項目分開處理，並列入經修訂之綜合股東權益變動表。所有其他收支項目均在綜合收益表（倘有關項目被確認為年內部分損益）或另一新訂主要報表（綜合全面收益表）中呈列，而相應金額亦已重列，以符合新呈列方式。此項在呈列方式上之轉變對任何期間所呈報之損益、收支總額或資產淨值均無任何影響。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 3 Changes in accounting policies (continued)

- The amendments to IAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009 all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.
- In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Previously the Group immediately recognised all borrowing costs as an expense. This change in accounting policy was due to the adoption of IAS 23, Borrowing Costs (2007). In accordance with the transitional provisions of such standard, comparative figures have not been restated. The change in accounting policy had no material impact on earnings per share. The Group has capitalised borrowing costs with respect to property, plant and equipment under construction with effect from 1 January 2009.

### 3 會計政策變動 (續)

- 國際會計準則第27號之修訂，刪除收購前溢利產生之股息應確認為於接受投資公司之投資賬面值之減少（而非收益）之規定。因此，自二零零九年一月一日起，自附屬公司、聯營公司及共同控制實體應收取之所有股息（不論來自收購前或收購後溢利），將於本公司損益中確認，而於接受投資公司之投資賬面值將不會被減少，惟賬面值因接受投資公司宣派股息而被評定為減值則除外。在該等情況下，除於損益確認股息收入外，本公司將確認減值虧損。根據本修訂之過渡條文，此新政策將適用於在目前或未來期間之任何應收股息，先前期間之應收股息不會重列。
- 就與資本化之開始日期為於二零零九年一月一日或之後之合資格資產有關之借貸成本而言，本集團會將收購、建造或產生合資格資產直接應佔之借貸成本作為有關資產之部份成本予以資本化。以往，本集團即時將所有借貸成本確認為支銷。會計政策變動之原因是由於採納國際會計準則第23號借貸成本（二零零七年）所致。根據該準則之過渡條款，比較數字並無進行重列。會計政策之變動並無對每股盈利產生重大影響。於二零零九年一月一日起，本集團已就物業、廠房及在建設備之借貸成本予以資本化。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 4 Turnover

The Group is principally engaged in the manufacturing and sale of aluminium profiles.

Turnover represents the sales value of goods supplied to customers. Turnover excludes value added taxes or other sales taxes and is after allowance for goods returned and deduction of any trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		2009 二零零九年 <i>RMB'000</i> 人民幣千元	2008 二零零八年 <i>RMB'000</i> 人民幣千元
Manufacture and sale of aluminium profiles	製造及銷售鋁型材	1,719,894	2,025,322
Manufacture and sale of aluminium panels, moulds and spare parts	製造及銷售鋁板、 模具及零部件	146,839	109,102
Provision of processing services	提供加工服務	4,747	1,944
		<b>1,871,480</b>	<b>2,136,368</b>

The Group's customer base is diversified and does not include any individual customer with whom transactions have exceeded 10% of the Group's turnover.

Further details regarding the Group's principal activities are disclosed in note 12 to these financial statements.

### 4 營業額

本集團主要從事製造及銷售鋁型材。

營業額指向客戶供應之貨品銷售價值。營業額不包括增值稅或其他銷售稅，並已扣除退貨撥備及任何貿易折扣。於年內營業額確認之各個重要收益類別金額如下：

本集團客戶基礎多元化，且並不包括交易佔本集團營業額超過10%之任何個別客戶。

有關本集團主要業務之進一步詳情於該等財務報表附註12披露。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 5 Other revenue and other net income/(loss) 5 其他收益及其他收入／（虧損）淨額

		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
<b>Other revenue</b>	<b>其他收益</b>		
Interest income	利息收入	4,430	6,622
Government grants (i)	政府補貼(i)	2,194	2,927
Rental income	租金收入	20	232
		<b>6,644</b>	<b>9,781</b>
<b>Other net income/(loss)</b>	<b>其他收入／（虧損）淨額</b>		
Net realised and unrealised gains/(losses) on derivative financial instruments	衍生金融工具已變現及未變現收益／（虧損）淨額		
– aluminium future contracts	– 鋁期貨合約	7,701	(19,342)
– forward foreign exchange contracts	– 外匯遠期合約	497	(580)
Gain on disposal of assets held for sale	出售持作待售資產收益	–	11,637
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(240)	–
Foreign exchange gains/(losses)	外匯收益／（虧損）	151	(6,788)
Others	其他	(790)	548
		<b>7,319</b>	<b>(14,525)</b>

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 5 Other revenue and other net income/ (loss) (continued)

- (i) Government grants in form of cash subsidies were received from several bureaux of the local government in the PRC. The entitlement of certain government grants, amounted to RMB1,882,000 was unconditional and was under the discretion of the relevant bureaux. They were granted for research projects of the Group.

The entitlement of the remaining government grant is conditional. It was granted for subsidising assets acquisition of an investment project in Jiangxi Province of the PRC. The subsidy will be granted to the Group in three phases in accordance with the progress of development of the investment project. The first phase of subsidy in the amount of RMB62,469,000 has been received after the completion of payment for land use right of the investment project. This government grant is recorded as deferred income and is amortised over the useful life of the related asset (Note 25). The second and the third phases of subsidy will become unconditional upon the completion of the respective stages of aluminium profiles production lines installation and will be received after the approvals obtained from the relevant municipal government in the PRC.

### 6 Profit before taxation

#### (a) Finance costs

Interest expenses on bank loans	銀行貸款利息開支		
Less: interest expenses capitalised into construction in progress*	減：在建工程內資本化之利息開支*		

\* The borrowing costs have been capitalised at a rate of 4.496% to 5.184% (2008: Nil) per annum.

### 5 其他收益及其他收入／(虧損) 淨額(續)

- (i) 本集團獲中國若干地方政府發放政府現金補貼。若干政府補貼金(為數人民幣1,882,000元)由相關部門酌情無條件發出，作本集團研究項目之用。

其餘政府補貼金為有條件授出。有關補貼金用作收購中國江西省投資項目資產之津貼。該津貼將根據投資項目之發展過程分三期授予本集團。首期為數人民幣62,469,000元之津貼已於完成支付投資項目之土地使用權後收到。政府補助金計入遞延收入及按有關資產(附註25)之可使用年期攤銷。津貼之第二及第三期將於鋁型材生產線裝配之有關階段完成後成為無條件，並將於取得中國有關市政府批准後收到。

### 6 除稅前溢利

#### (a) 財務成本

	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
Interest expenses on bank loans	32,197	33,282
Less: interest expenses capitalised into construction in progress*	(1,232)	-
	30,965	33,282

\* 借貸成本已按年利率4.496%至5.184%(二零零八年：無)予以資本化。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 6 Profit before taxation (continued)

##### (b) Staff costs

		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
Salaries, wages and other benefits	薪金、工資及其他福利	65,823	53,425
Contributions to defined contribution retirement plan	向定額供款退休計劃供款	3,573	3,092
		<b>69,396</b>	<b>56,517</b>

##### (c) Other items:

		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
Depreciation (i)	折舊(i)	38,398	26,929
Amortisation of lease prepayments (i)	預付租金攤銷(i)	3,124	1,338
Research and development costs (ii)	研發成本(ii)	2,339	2,403
Increase in inventory provisions	存貨撥備增加	-	1,900
Impairment losses on trade and other receivables (note 19)	交易及其他應收款項減值虧損(附註19)	841	-
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	1,167	998
– other services	– 其他服務	422	1,050
Cost of inventories (i)	存貨成本(i)	1,684,088	1,961,110
Operating lease charges: (i)	經營租金: (i)		
– plants and machineries	– 廠房及機器	1,272	3,607
– properties	– 物業	9,998	11,046

#### 6 除稅前溢利 (續)

##### (b) 員工成本

		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
Salaries, wages and other benefits	薪金、工資及其他福利	65,823	53,425
Contributions to defined contribution retirement plan	向定額供款退休計劃供款	3,573	3,092
		<b>69,396</b>	<b>56,517</b>

##### (c) 其他項目:

		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
Depreciation (i)	折舊(i)	38,398	26,929
Amortisation of lease prepayments (i)	預付租金攤銷(i)	3,124	1,338
Research and development costs (ii)	研發成本(ii)	2,339	2,403
Increase in inventory provisions	存貨撥備增加	-	1,900
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Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	1,167	998
– other services	– 其他服務	422	1,050
Cost of inventories (i)	存貨成本(i)	1,684,088	1,961,110
Operating lease charges: (i)	經營租金: (i)		
– plants and machineries	– 廠房及機器	1,272	3,607
– properties	– 物業	9,998	11,046

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 6 Profit before taxation (continued)

#### (c) Other items: (continued)

- (i) Cost of inventories for the year ended 31 December 2009 includes RMB85,817,000 (2008: RMB75,627,000) relating to depreciation, amortisation expenses, operating lease charges and staff costs, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.
- (ii) Research and development costs include RMB1,187,000 (2008: RMB1,368,000) relating to staff costs of employees which amount is also included in total staff costs as disclosed in Note 6(b).

### 6 除稅前溢利 (續)

#### (c) 其他項目：(續)

- (i) 截至二零零九年十二月三十一日止年度，存貨成本包括與折舊、攤銷開支、經營租金及員工成本有關人民幣85,817,000元（二零零八年：人民幣75,627,000元），已計入上文或附註6(b)分開披露的各類開支總額。
- (ii) 研發成本包括僱員之員工成本人民幣1,187,000元（二零零八年：人民幣1,368,000元），已計入附註6(b)披露之員工成本總額中。

### 7 Income tax expenses

#### (a) Income tax expenses in the income statement represents:

### 7 所得稅開支

#### (a) 收益表內所得稅開支指：

		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
<b>Current tax</b>	<b>即期稅項</b>		
Provision for PRC income tax	中國所得稅撥備	27,173	8,862
Provision for PRC land appreciation tax	中國土地增值稅撥備	-	232
		27,173	9,094
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences	臨時差額產生及撥回	(15,685)	(390)
		(15,685)	(390)
		11,488	8,704



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 7 Income tax expenses (continued)

(a) **Income tax expenses in the income statement represents:** (continued)

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI, respectively.
- (ii) No provision has been made for Hong Kong Profit Tax as the Group does not earn any income subject to Hong Kong Profit Tax during the year.
- (iii) Pursuant to the income tax rules and regulations of the PRC, the PRC subsidiaries of the Group are liable to PRC enterprise income tax as follows:
- Guangdong Xingfa Aluminium Co., Ltd. (“Guangdong Xingfa”) is a wholly foreign owned enterprise and is entitled to tax concessions whereby the profit for the first two financial years beginning with the first profit-making year is exempted from income tax in the PRC and the profit for each of the subsequent three years is taxed at 50% of the prevailing tax rate set by the local authority. The prevailing tax rate of Guangdong Xingfa for the year ended 31 December 2009 is 25% (2008: 25%), but Guangdong Xingfa can continue to enjoy the existing preferential tax treatment until the end of above mentioned tax holidays. The income tax rate applicable to Guangdong Xingfa was 12.5% for 2009 (2008: 12.5%). 2008 and 2009 are the entity’s third and fourth profit making year respectively.

### 7 所得稅開支 (續)

(a) **收益表內所得稅開支指:** (續)

- (i) 根據開曼群島及英屬處女群島(「英屬處女群島」)規則及規例,本集團毋須繳納開曼群島及英屬處女群島之任何所得稅。
- (ii) 於年內,由於本集團並無賺取任何須繳納香港利得稅之收入,故並無就香港利得稅作出撥備。
- (iii) 根據中國所得稅規則及規例,本集團之中國附屬公司須按下列方式繳納中國企業所得稅:
- 廣東興發鋁業有限公司(「廣東興發」)為全外資企業,享有稅項寬免,由首個獲利年度起計首兩個財政年度之溢利獲豁免中國所得稅,其後三年各年之溢利按地方機關制定之當時稅率50%繳稅。廣東興發於截至二零零九年十二月三十一日止年度之現行稅率為25%(二零零八年:25%),惟廣東興發可繼續享有現有稅務優惠,直至上述稅務優惠期完結為止。二零零九年,廣東興發之適用所得稅稅率為12.5%(二零零八年:12.5%)。二零零八年及二零零九年分別為該公司之第三個及第四個獲利年度。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 7 Income tax expenses (continued)

(a) Income tax expenses in the income statement represents: (continued)

(iii) (continued)

- Foshan Xinggao Aluminium Co., Ltd. (“Xinggao Aluminium”), Xingfa Aluminium (Chengdu) Co., Ltd. (“Xingfa Chengdu”) and Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. (“Xingfa Jiangxi”) are limited liability companies established under the laws of the PRC and are wholly-owned subsidiaries of Guangdong Xingfa. They are liable to the PRC enterprise income tax at a rate of 25% for the year ended 31 December 2008 and 2009 or since their date of incorporation if applicable.

- (iv) Pursuant to the New Tax Law in the PRC, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by tax treaty) on various types of passive income such as dividends derived from sources within the PRC. As Guangdong Xingfa is held by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax.

### 7 所得稅開支 (續)

(a) 收益表內所得稅開支指：(續)

(iii) (續)

- 佛山興高鋁業有限公司(「興高鋁業」)、興發鋁業(成都)有限公司(「興發成都」)及廣東興發鋁業(江西)有限公司(「興發江西」)乃根據中國法律建立之有限公司，並為廣東興發之全資附屬公司，其須於截至二零零八年及二零零九年十二月三十一日止年度或自其註冊成立日期起(如適用)按25%之稅率繳納中國企業所得稅。

- (iv) 根據中國新稅法，由二零零八年一月一日起，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之所得與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入(如源於中國境內之股息)按10%稅率(除非按稅收協定減免)繳納預提稅。由於廣東興發由一間於香港註冊成立之附屬公司持有，故計算此預提稅適用之稅率為5%。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 7 Income tax expenses (continued)

(a) **Income tax expenses in the income statement represents:** (continued)

(iv) (continued)

According to the notice Caishui [2008] No. 1 released by the Ministry of Finance and the State Administration of Taxation, distributions of the pre-2008 retained profits of a foreign-invested enterprise to a foreign investor in 2008 or after are exempt from corporate income tax. As at 31 December 2009, the remaining undistributed pre-2008 profits of Guangdong Xingfa, which amounted to RMB105,153,000, are not subject to the 5% withholding tax in future distributions.

- (v) Pursuant to “Fo Fu Ban [2003] No. 46” and “Fo Di Shui Fa [2003] No. 68” issued by the relevant government authorities in Foshan, the land appreciation tax rate applicable to the Group is 1% on the sales proceed on disposal of land use right. Gain on disposal of land use right, net of land appreciation tax and surcharges, is subject to the relevant income tax rules and regulations of the PRC as mentioned above.

### 7 所得稅開支 (續)

(a) 收益表內所得稅開支指：(續)

(iv) (續)

根據財政部及國家稅務局發佈之財稅[2008]第1號通知，外商投資企業在二零零八年或之後向外國投資者分派二零零八年前之保留溢利，均可獲豁免繳納企業所得稅。於二零零九年十二月三十一日，廣東興發餘下之未分派二零零八年前溢利人民幣105,153,000元毋須繳納5%之預提稅。

- (v) 根據佛山市相關政府機關頒佈之「佛府辦[2003]46號」及「佛地稅發[2003]68號」，適用於本集團之土地增值稅為出售土地使用權之銷售所得款項之1%。出售土地使用權之收益扣除土地增值稅及附加費後，須遵守上述中國相關所得稅規則及規例。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 7 Income tax expenses (continued)

### 7 所得稅開支 (續)

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算之所得稅開支與會計溢利對賬：

		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
Profit before income tax	除所得稅前溢利	81,696	38,017
Notional tax on profit before taxation, calculated at the rates applicable to the jurisdiction concerned	按相關司法權區適用稅率計算之除稅前溢利之名義稅項	22,220	14,630
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	1,718	2,997
Effect of tax concession	稅務優惠之影響	(12,450)	(9,253)
Tax loss not recognised	未確認稅項虧損	-	156
Tax effect on land appreciation tax	土地增值稅之稅務影響	-	(58)
Provision for land appreciation tax	土地增值稅撥備	-	232
Income tax expenses	所得稅開支	11,488	8,704

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 8 Directors' remuneration

Details of directors' remuneration of the Group are as follows:

#### 8 董事酬金

本集團董事酬金詳情如下：

		2009 二零零九年				
		Salary, allowance and benefits Fees	in kind 薪金、津貼 及實物利益	Contribution to retirement benefit plan 退休福利 計劃供款	Bonus 花紅	Total 總計
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
<b>Executive directors</b>	<b>執行董事</b>					
Mr. LUO Su	羅蘇先生	780	121	-	-	901
Mr. LUO Riming	羅日明先生	680	125	7	-	812
Mr. LIAO Yuqing	廖玉慶先生	580	125	7	-	712
Mr. LAW Yung Koon (appointed on 28 April 2009)	羅用冠先生 (於二零零九年 四月二十八日獲委任)	338	-	7	-	345
Mr. WANG Zhihua	王志華先生	416	87	5	-	508
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. CHEN Mo	陳默先生	120	-	-	-	120
Mr. HO Kwan Yiu	何君堯先生	120	-	-	-	120
Mr. LAM Ying Hung, Andy	林英鴻先生	150	-	-	-	150
Total	總計	3,184	458	26	-	3,668

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 8 Directors' remuneration (continued)

### 8 董事酬金 (續)

		2008 二零零八年				
		Fees	Salary, allowance and benefits in kind	Contribution to retirement benefit plan	Bonus	Total
		袍金	薪金、津貼 及實物利益	退休福利 計劃供款	花紅	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive directors</b>	<b>執行董事</b>					
Mr. LUO Su	羅蘇先生	650	119	-	-	769
Mr. LUO Riming	羅日明先生	567	122	8	-	697
Mr. LIAO Yuqing	廖玉慶先生	483	122	8	-	613
Mr. WANG Zhihua	王志華先生	357	75	5	-	437
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. CHEN Mo	陳默先生	100	-	-	-	100
Mr. HO Kwan Yiu	何君堯先生	100	-	-	-	100
Mr. LAM Ying Hung, Andy	林英鴻先生	125	-	-	-	125
<b>Total</b>	<b>總計</b>	<b>2,382</b>	<b>438</b>	<b>21</b>	<b>-</b>	<b>2,841</b>

An analysis of directors' remuneration by the number of directors and remuneration range is as follows:

按董事人數及薪酬範圍的董事薪酬分析如下：

		2009 二零零九年	2008 二零零八年
		<b>Number of directors</b>	<b>Number of directors</b>
		<b>董事人數</b>	<b>董事人數</b>
Nil to HKD 1,000,000	零港元至1,000,000港元	<b>8</b>	<b>7</b>

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 9 Senior management remuneration

Of the five individuals with the highest emoluments, four are directors whose emoluments are disclosed in Note 8 during the year (2008: four). The aggregate of the emoluments in respect of the remaining one individual (2008: one) are as follows:

		2009 二零零九年 <i>RMB'000</i> 人民幣千元	2008 二零零八年 <i>RMB'000</i> 人民幣千元
Basic salaries, allowances and other benefits	基本薪金、津貼及其他福利	664	729
Contribution to retirement benefit plan	退休福利計劃供款	11	12
		<b>675</b>	<b>741</b>
		2009 二零零九年 <i>Number of individuals</i> 人數	2008 二零零八年 <i>Number of individuals</i> 人數
Nil to HKD 1,000,000	零港元至1,000,000港元	<b>1</b>	<b>1</b>

### 9 高級管理人員薪酬

五名最高薪酬人士中，四名為董事，彼等本年度的酬金於附註8披露（二零零八年：四名）。其餘一名（二零零八年：一名）最高薪酬人士的酬金總額如下：

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 10 Profit attributable to equity shareholders of the Company

The consolidated profit attributable to equity shareholders of the Company includes a loss of RMB5,962,000 (2008: loss of RMB18,865,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

### 10 本公司權益股東應佔溢利

本公司權益股東應佔綜合溢利包括虧損人民幣5,962,000元(二零零八年:虧損人民幣18,865,000元),已於本公司之財務報表中處理。

上述金額與本公司年內溢利之對賬如下:

		2009 二零零九年 <i>RMB'000</i> 人民幣千元	2008 二零零八年 <i>RMB'000</i> 人民幣千元
Amount of consolidated loss attributable to equity shareholders dealt with in the Company's financial statements	於本公司財務報表中處理權益股東應佔綜合虧損金額	(5,962)	(18,865)
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	上一財政年度溢利應佔之附屬公司末期股息, 於年內批准及派付	45,786	50,000
Company's profit for the year (Note 28(a))	本公司之年度溢利 (附註28(a))	39,824	31,135



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 11 Earnings per share

The calculation of basic earnings per share during the year ended 31 December 2009 was based on the profit attributable to equity shareholders of the Company of RMB70,208,000 (2008: RMB29,313,000) and the weighted average number of shares in issue during the year ended 31 December 2009 of 418,000,000 (2008: 391,789,000). For the year ended 31 December 2008, the weighted average number of the ordinary shares issued pursuant to Reorganisation which was completed on 28 February 2008 is calculated as if the shares had been outstanding throughout the year ended 31 December 2008.

#### 11 每股盈利

截至二零零九年十二月三十一日止年度每股基本盈利乃根據本公司權益股東應佔溢利人民幣70,208,000元(二零零八年:人民幣29,313,000元)及截至二零零九年十二月三十一日止年度已發行股份之加權平均數418,000,000股(二零零八年:391,789,000股)計算。截至二零零八年十二月三十一日止年度,計算根據重組(於二零零八年二月二十八日完成)而已發行普通股之加權平均數時,假設該等股份於截至二零零八年十二月三十一日止整個年度經已發行在外。

		2009 二零零九年 '000 shares 千股	2008 二零零八年 '000 shares 千股
Issued ordinary shares at 1 January	於一月一日之已發行普通股	418,000	-
Share issued upon Reorganisation	於重組後發行股份	-	311,410
Effect of shares issued on 31 March 2008	於二零零八年三月三十一日發行股份之影響	-	80,379
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	418,000	391,789

There were no dilutive potential ordinary shares in issue for the years ended 31 December 2009 and 2008, and therefore, the diluted earnings per share are the same as the basic earnings per share.

截至二零零九年及二零零八年十二月三十一日止年度,並無潛在攤薄普通股,故每股攤薄盈利與每股基本盈利相同。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 12 Segment reporting

The Group manages its businesses by product lines. In a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Industrial aluminium profiles: this segment manufactures and sells plain aluminium profiles, mainly for industrial usage.
- Construction aluminium profiles: this segment manufactures and sells construction aluminium profiles, including anodic oxidation aluminium profiles, electrophoresis coating aluminium profiles, powder coating aluminium profiles and PVDF coating aluminium profiles. Construction aluminium profiles are widely used in architecture decoration.

All other segments include the provision of processing services and manufacture and sale of aluminium panels, moulds and spare parts.

#### (a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

### 12 分部呈報

本集團按生產線管理其業務。按與向本集團最高級別執行管理層內部報告以進行資源分配及績效評估之資料一致之方式，本集團已呈列下列兩個可報告分部。

- 工業鋁型材：該分部製造及銷售光身鋁型材，主要用作工業用途。
- 建築鋁型材：該分部製造及銷售建築鋁型材，包括陽極氧化鋁型材、電泳塗裝鋁型材、粉末噴塗鋁型材及氟碳噴塗鋁型材。建築鋁型材廣泛用於建築裝修。

所有其他分部包括提供加工服務及製造及銷售鋁板、模具及零部件。

#### (a) 分部業績、資產及負債

為評估分部表現及於分部間分配資源，本集團最高級別執行管理層按以下基準監察各個報告分部應佔業績：

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 12 Segment reporting (continued)

#### (a) Segment results, assets and liabilities (continued)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2009 and 2008 is set out below:

### 12 分部呈報 (續)

#### (a) 分部業績、資產及負債 (續)

收益及開支乃參考該等分部所產生之銷售及該等分部所產生之開支或該等分部應佔資產折舊或攤銷所產生之其他開支分配至可報告分部。然而，某一分部向另一分部提供之協助（包括共用資產及專業技術）並不計算在內。

用於可報告分部溢利之表示方式為毛利。本集團高級執行管理層獲提供有關分部收益及溢利之分部資料。分部資產及負債並無定期向本集團高級執行管理層報告。

於分別截至二零零九年及二零零八年十二月三十一日止年度，有關向本集團最高級別執行管理層提供之資源分配及分部表現評估之本集團可報告分部之資料載列如下：

	Industrial aluminium profiles 工業鋁型材		Construction aluminium profiles 建築鋁型材		All other segments 所有其他分部		Total 總計	
	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	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	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	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
Reportable segment revenue Revenue from external customers	366,115	654,593	1,353,779	1,370,729	151,586	111,046	1,871,480	2,136,368
Reportable segment profit Gross profit	62,202	87,842	98,533	78,163	26,657	9,253	187,392	175,258

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 12 Segment reporting (continued)

### 12 分部呈報 (續)

#### (b) Reconciliations of reportable segment profit

#### (b) 可報告分部溢利之對賬

		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
Reportable segment profit derived from the Group's external customers	來自本集團外界客戶之可報告分部溢利	187,392	175,258
Other revenue	其他收益	6,644	9,781
Other net income/(loss)	其他收入／(虧損)淨額	7,319	(14,525)
Distribution costs	分銷成本	(29,945)	(37,301)
Administrative expenses	行政開支	(58,749)	(61,914)
Finance costs	財務成本	(30,965)	(33,282)
Consolidated profit before taxation	除稅前綜合溢利	<b>81,696</b>	38,017

#### (c) Geographic information

Analysis of the Group's turnover and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as over 90% of the turnover are generated from the PRC market.

#### (c) 地區資料

並無呈列本集團按地區市場劃分之營業額及業績分析以及本集團分部資產賬面值及添置物業、廠房及設備之分析，原因為逾90%之營業額均來自中國市場。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 13 Property, plant and equipment

#### 13 物業、廠房及設備

##### (a) The Group

##### (a) 本集團

		Buildings	Plant and machinery	Motor Vehicles	Office equipment and others	Construction in progress	Total
		樓宇	廠房及機器	汽車	辦公室設備及其他	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本:</b>						
At 1 January 2008	於二零零八年一月一日	-	252,623	4,284	5,863	3,200	265,970
Additions	添置	49,250	49,098	3,581	7,309	130,412	239,650
Transfer from construction in progress	轉撥自在建工程	188	3,498	-	-	(3,686)	-
Exchange difference	匯兌差額	-	-	-	(16)	-	(16)
At 31 December 2008	於二零零八年十二月三十一日	49,438	305,219	7,865	13,156	129,926	505,604
At 1 January 2009	於二零零九年一月一日	49,438	305,219	7,865	13,156	129,926	505,604
Additions	添置	1,026	93,621	3,425	6,178	206,197	310,447
Transfer from construction in progress	轉撥自在建工程	81,633	105,330	-	882	(187,845)	-
Disposals	出售	-	(106,703)	(199)	(257)	-	(107,159)
Exchange difference	匯兌差額	-	-	-	(1)	-	(1)
At 31 December 2009	於二零零九年十二月三十一日	132,097	397,467	11,091	19,958	148,278	708,891
<b>Accumulated depreciation:</b>	<b>累計折舊:</b>						
At 1 January 2008	於二零零八年一月一日	-	(123,888)	(1,864)	(1,211)	-	(126,963)
Charge for the year	本年度支出	(1,655)	(23,531)	(681)	(1,062)	-	(26,929)
Exchange difference	匯兌差額	-	-	-	1	-	1
At 31 December 2008	於二零零八年十二月三十一日	(1,655)	(147,419)	(2,545)	(2,272)	-	(153,891)
At 1 January 2009	於二零零九年一月一日	(1,655)	(147,419)	(2,545)	(2,272)	-	(153,891)
Charge for the year	本年度支出	(4,409)	(30,919)	(1,284)	(1,786)	-	(38,398)
Disposals	出售	-	14,992	179	51	-	15,222
At 31 December 2009	於二零零九年十二月三十一日	(6,064)	(163,346)	(3,650)	(4,007)	-	(177,067)
<b>Net book value:</b>	<b>賬面淨值:</b>						
At 31 December 2009	於二零零九年十二月三十一日	126,033	234,121	7,441	15,951	148,278	531,824
At 31 December 2008	於二零零八年十二月三十一日	47,783	157,800	5,320	10,884	129,926	351,713

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 13 Property, plant and equipment (continued)

### 13 物業、廠房及設備 (續)

#### (b) The Company

#### (b) 本公司

		<b>Office equipment and others</b> 辦公室設備及其他	
		<b>2009</b>	2008
		二零零九年	二零零八年
		<b>RMB'000</b>	<b>RMB'000</b>
		人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本:</b>		
At 1 January	於一月一日	775	-
Additions	添置	-	791
Disposals	出售	(258)	-
Exchange difference	匯兌差額	(1)	(16)
		<hr/>	<hr/>
At 31 December	於十二月三十一日	516	775
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Accumulated amortisation:</b>	<b>累計折舊:</b>		
At 1 January	於一月一日	(155)	-
Charge for the year	本年度支出	(103)	(156)
Disposals	出售	51	-
Exchange difference	匯兌差額	-	1
		<hr/>	<hr/>
At 31 December	於十二月三十一日	(207)	(155)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net book value:</b>	<b>賬面淨值:</b>		
At 31 December	於十二月三十一日	309	620

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 13 Property, plant and equipment (continued)

- (i) All properties owned by the Group are located in the PRC. Buildings represented medium-term leasehold properties.
- (ii) Up to the date of this report, the Group is in process of applying for the title certificate of one of its properties with carrying value of approximately RMB84,373,000 as at 31 December 2009 (2008: RMB4,077,000).
- (iii) Included in additions for the year ended 31 December 2008 are the purchase of property, plant and equipment amounted to RMB90,711,000 through the acquisition of 100% equity interests in Xinggao Aluminium (Note 16).
- (iv) Certain plants with carrying value of RMB21,774,000 was pledged as securities of bank loans of the Group as at 31 December 2009. (Note 23(b))
- (v) The Group had entered into a finance lease contract for certain production equipment expiring in three years on 25 December 2009. At the end of the respective lease term, the Group has the option to purchase the equipment at a price deemed to be a bargain purchase option. The lease contract did not include contingent rental.

At the balance sheet date, the net book value of machinery held under finance leases of the Group was RMB87,069,000 (2008: Nil).

### 13 物業、廠房及設備 (續)

- (i) 本集團擁有的全部物業均位於中國。該等樓宇為中期租賃物業。
- (ii) 截至本報告日期，本集團正在為其中一項於二零零九年十二月三十一日之賬面值約為人民幣84,373,000元（二零零八年：人民幣4,077,000元）之物業業權證辦理申請。
- (iii) 截至二零零八年十二月三十一日止年度，添置包括透過收購興高鋁業之100%股權而購買物業、廠房及設備人民幣90,711,000元（附註16）。
- (iv) 於二零零九年十二月三十一日，賬面值為人民幣21,774,000元之若干廠房已抵押作為本集團銀行貸款之擔保（附註23(b)）。
- (v) 本集團於二零零九年十二月二十五日就於三年內屆滿之若干生產設備訂立融資租賃合約。於有關租賃期結束後，本集團可選擇按被視為優惠購買價之價格購買該設備。租賃合約並不包括或然租金。

於結算日，本集團融資租賃下持有之機器之賬面淨值為人民幣87,069,000元（二零零八年：無）。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 14 Lease prepayments

### 14 預付租金

		The Group 本集團	
		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
<b>Cost:</b>	<b>成本：</b>		
At 1 January	於一月一日	154,999	-
Additions	添置	145,216	154,999
At 31 December	於十二月三十一日	300,215	154,999
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>		
At 1 January	於一月一日	(1,338)	-
Charge for the year	本年度支出	(3,124)	(1,338)
At 31 December	於十二月三十一日	(4,462)	(1,338)
<b>Carrying amount:</b>	<b>賬面值：</b>		
At 31 December	於十二月三十一日	295,753	153,661

(i) Interests in leasehold land represent prepayments of land use rights premium to the PRC authorities. The Group's leasehold land is located in the PRC, on which the Group's manufacturing plants were built.

(ii) Included in additions for the year ended 31 December 2008 is the additional prepayment of land use right premium amounted to RMB154,999,000 through the acquisition of 100% equity interests in Xinggao Aluminium (Note 16). The remaining period of this land use right was 47 years as at 31 December 2009.

(i) 租賃土地權益指預付中國機構之土地使用權費用。本集團之租賃土地位於中國，其上建有本集團生產廠房。

(ii) 截至二零零八年十二月三十一日止年度之添置包括透過收購興高鋁業之100%股權而額外預付土地使用權出讓金人民幣154,999,000元(附註16)。於二零零九年十二月三十一日，該土地使用權之餘下年期為47年。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 14 Lease prepayments (continued)

- (iii) Included in additions for the year ended 31 December 2009 is the prepayment of land use right premium to municipal government of RMB83,780,000 and RMB61,436,000 in Yichun City, Jiangxi Province and Chengdu City, Sichuan Province of the PRC respectively. The remaining period of the land use rights were both 50 years.
- (iv) A land use right with carrying value of RMB 150,870,000 was pledged as securities of bank loans of the Group as at 31 December 2009 (Note 23(b)).

#### 15 Investments in subsidiaries

#### 14 預付租金 (續)

- (iii) 截至二零零九年十二月三十一日止年度之添置包括分別於中國江西省宜春市及四川省成都市向市政府預付之土地使用權出讓金人民幣83,780,000元及人民幣61,436,000元。兩項土地使用權之餘下年期均為50年。
- (iv) 於二零零九年十二月三十一日，賬面值為人民幣150,870,000元之土地使用權已抵押作為本集團銀行貸款之擔保 (附註23(b))。

#### 15 於附屬公司之投資

		The Company 本公司	
		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
Unlisted Shares, at cost	非上市股份，按成本	626,654	626,654

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 15 Investments in subsidiaries (continued)

Details of subsidiaries of the Company at 31 December 2009 are set out below:

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid up capital 已發行及繳足資本	Attributable equity interest		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
China Xingfa (BVI) Limited ("Xingfa BVI")	BVI 2 October 2007 英屬處女群島 二零零七年十月二日	USD1,000 1,000美元	100%	-	Investment holding 投資控股
Xingfa Aluminium (Hong Kong) Limited ("Xingfa Hong Kong") 興發鋁業(香港)有限公司 ([興發香港])	Hong Kong 14 April 2008 香港 二零零八年四月十四日	HKD1,000 1,000港元	-	100%	Sales of aluminium profiles 銷售鋁型材
Guangdong Xingfa 廣東興發鋁業有限公司(i)(ii)	PRC 26 May 2006 中國 二零零六年五月二十六日	RMB360,040,000 人民幣 360,040,000元	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材
Xingfa Chengdu 興發鋁業(成都)有限公司(i)(iii)	PRC 7 July 2009 中國 二零零九年七月七日	RMB100,000,000 人民幣 100,000,000元	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材
Xingfa Jiangxi 廣東興發鋁業(江西)有限公司(i)(iii)	PRC 14 August 2009 中國 二零零九年八月十四日	RMB50,000,000 人民幣 50,000,000元	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材

- (i) The English translation of the Company names is for reference only. The official names of these companies are in Chinese.
- (ii) The subsidiary is a wholly foreign owned enterprise.
- (iii) The subsidiaries are limited liability companies.
- (iv) Liquidation and deregistration of Xinggao Aluminium, a subsidiary of the Group, was completed on 19 August 2009.

### 15 於附屬公司之投資 (續)

於二零零九年十二月三十一日，本公司之附屬公司詳情載列如下：

- (i) 公司名稱之英文翻譯僅供參考。該等公司之正式名稱為中文名稱。
- (ii) 該附屬公司為外商獨資企業。
- (iii) 該等附屬公司為有限公司。
- (iv) 本集團之附屬公司興高鋁業之清盤及撤銷註冊於二零零九年八月十九日完成。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 16 Purchase of assets and assuming of liabilities

On 26 July 2008, the Group acquired 100% of equity interests in Xingao Aluminium for a cash consideration of RMB142,698,000.

Prior to the acquisition, the principal activities of Xingao Aluminium were leasing the land use rights, buildings and machinery to the Group. The underlying set of the assets acquired and liabilities assumed was not integrated in forming a business to generate external revenues to the Group as a whole. As such, the directors are of the opinion that the acquisition of Xingao Aluminium is considered as a purchase of assets and assuming of liabilities which does not constitute a business combination for accounting purposes.

The directors considered that the total purchase consideration paid represented the fair value of assets acquired and the liabilities assumed. The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

#### 16 購買資產及承擔負債

於二零零八年七月二十六日，本集團收購興高鋁業之100%股權，現金代價為人民幣142,698,000元。

收購前，興高鋁業之主要業務為向本集團出租土地使用權、樓宇及機器。所收購之相關資產組別及所承擔之負債不予結合以組成整體為本集團產生外來收益之業務。因此，董事認為，就會計而言，收購興高鋁業被視為並不構成業務合併之購買資產及承擔負債。

董事認為，已付總購買代價相當於所收購資產及所承擔負債之公平值。於收購日期，收購對本集團之資產及負債有下列影響：

		<i>RMB'000</i> 人民幣千元
Property, plant and equipment ( <i>Note 13 (iii)</i> )	物業、廠房及設備 ( <i>附註13(iii)</i> )	90,711
Lease prepayments ( <i>Note 14 (ii)</i> )	預付租金 ( <i>附註14(ii)</i> )	154,999
Other receivables	其他應收款項	11,941
Cash and cash equivalents	現金及現金等價物	54
Other payables	其他應付款項	(115,007)
<b>Net identifiable assets and liabilities</b>	<b>可識別資產及負債淨額</b>	<b>142,698</b>
Consideration paid, satisfied in cash	已付代價，以現金支付	142,698
Cash acquired	已收購現金	(54)
<b>Net cash outflow</b>	<b>現金流出淨額</b>	<b>142,644</b>

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 17 Inventories

- (a) Inventories in the consolidated balance sheet comprise:

		The Group 本集團	
		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
Raw materials	原材料	132,515	117,992
Work in progress	在製品	30,750	14,295
Finished goods	製成品	80,945	64,045
		<b>244,210</b>	<b>196,332</b>

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

		The Group 本集團	
		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
Carrying amount of inventories sold	已售存貨賬面值	1,483,387	1,748,735
Write-down of inventories	撇減存貨	-	1,900
		<b>1,483,387</b>	<b>1,750,635</b>

Certain inventories with an aggregated carrying value of RMB146,900,000 were pledged as securities for bank loans of the Group as at 31 December 2008 (2009: Nil) (Note 23(b)).

於二零零八年十二月三十一日，賬面總值為人民幣146,900,000元之若干存貨抵押作本集團銀行貸款之擔保（二零零九年：無）（附註23(b)）。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 18 Derivative financial instruments

#### 18 衍生金融工具

		The Group 本集團			
		2009 二零零九年		2008 二零零八年	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
Aluminium futures contracts	鋁期貨合約	879	-	-	(557)
Forward foreign exchange contracts	遠期外匯合約	-	(83)	-	(580)
		<b>879</b>	<b>(83)</b>	-	(1,137)

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 18 Derivative financial instruments (continued)

#### (a) Aluminium future contracts

The Group uses commodity future contracts to mitigate its market risk of aluminium price fluctuation. The Group's policy on the mitigation of market risk of aluminium price fluctuation is set out in Note 29(e). The notional contract value outstanding at the balance sheet date and the related terms are summarised as below:

		The Group 本集團	
		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
Purchase contracts	採購合約		
Volume (tonne)	數量 (噸)	715	260
Market value	市值	12,161	2,995
Notional contract value	合約名義價值	11,282	3,552
Fair value	公平值	879	(557)
Contract maturity date	合約到期日	January, February, March, and April 2010 二零一零年 一月、二月、 三月及四月	January, February, and March 2009 二零零九年 一月、二月及 三月

The market value of future contracts is based on quoted market price at the balance sheet date. The net unrealised holding gains on the future contracts remeasured at fair value was RMB879,000 as at 31 December 2009 (2008: losses of RMB557,000) and the changes in the fair value were recognised in the consolidated income statement.

### 18 衍生金融工具 (續)

#### (a) 鋁期貨合約

本集團使用商品期貨合約緩解鋁價波動的市場風險。本集團減輕鋁價波動市場風險的政策載於附註29(e)。於結算日未平倉之名義合約價值及相關條款概述如下：

期貨合約市值以結算日市場報價計算。於二零零九年十二月三十一日，按公平值重新計量的期貨合約未變現的持有收益淨額為人民幣879,000元（二零零八年：虧損人民幣557,000元），而公平值變動於綜合收益表中確認。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 18 Derivative financial instruments (continued)

##### (b) Forward foreign exchange contracts

The Group has entered into forward foreign exchange contracts to mitigate its market risk of foreign exchange fluctuation. These instruments are used solely to mitigate the market risk associated with the Group's liabilities and not for trading or speculation purposes.

The notional contract value outstanding at the balance sheet date and the related terms are summarised as below:

#### 18 衍生金融工具 (續)

##### (b) 遠期外匯合約

本集團已訂立遠期外匯合約緩解外匯波動的市場風險。該等合約僅用以減輕與本集團負債有關的市場風險，而非用作買賣或投機用途。

於結算日未平倉之名義合約價值及相關條款概述如下：

		2009 二零零九年 The Group 本集團		
		Forward rates  遠期匯率	Notional amounts at original currency 按原有貨幣 計算的 名義金額 ( '000) (千元)	Fair values  公平值  RMB '000 人民幣千元
Sell RMB/Buy United States Dollars ("USD")	賣出人民幣／ 買入美元			
3 months to 6 months	三個月至六個月	6.8340	1,080	(13)
6 months to 1 year	六個月至一年	6.8294	1,578	(68)
6 months to 1 year	六個月至一年	6.7984	913	3
6 months to 1 year	六個月至一年	6.7984	2,089	13
Sell RMB/Buy Hong Kong Dollars ("HKD")	賣出人民幣／ 買入港元			
3 months to 6 months	三個月至六個月	0.8840	9,800	(18)
				(83)

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 18 Derivative financial instruments (continued)

#### (b) Forward foreign exchange contracts (continued)

		2008 二零零八年 The Group 本集團		
		Forward rates  遠期匯率	Notional amounts at original currency 按原有貨幣 計算的 名義金額 (’000) (千元)	Fair values  公平值 RMB’000 人民幣千元
Sell RMB/Buy USD Less than 3 months	賣出人民幣／買入美元 三個月內	6.8533	1,754	120
Sell RMB/Buy Euro 3 months to 6 months	賣出人民幣／買入歐元 三個月至六個月	9.6827	1,387	(700)
				(580)

The above derivatives are measured at fair value based on the valuation provided by the banks at the balance sheet date. The net unrealised holding losses on the forward contracts remeasured at fair value was RMB83,000 as at 31 December 2009 (2008: loss of RMB580,000) and the changes in the fair value were recognised in profit or loss.

上述衍生工具於結算日銀行提供之估值按公平值計量。於二零零九年十二月三十一日，按公平值重新計量之遠期合約未變現持有虧損淨額為人民幣83,000元（二零零八年：虧損人民幣580,000元），而公平值變動則於損益確認。

### 19 Trade and other receivables

		The Group 本集團		The Company 本公司	
		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	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
Trade receivables	交易應收款項	322,010	281,422	-	-
Bills receivable	應收票據	138,843	138,544	-	-
		460,853	419,966	-	-
Amounts due from subsidiaries	應收附屬公司款項	-	-	56,429	31,497
Other receivables, prepayments and deposits	其他應收款項、預付款項及 按金	121,063	46,754	6,941	446
		581,916	466,720	63,370	31,943

### 19 交易及其他應收款項



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 19 Trade and other receivables (continued)

Certain bills receivable with carrying value of RMB88,540,000 were pledged as securities for bank loans of the Group as at 31 December 2009 (Trade receivables of RMB25,000,000 and bills receivables of RMB26,346,000 were pledged as securities for bank loans of the Group as at 31 December 2008) (Note 23(b)).

Included in trade and other receivables are amounts due from related parties (Note 32(b)(i)). All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

#### (a) Ageing analysis

Included in trade and other receivables are trade receivables (net of impairment loss for bad and doubtful debts) and bills receivable with the following aging analysis as of the balance sheet date. The Group generally grants the credit period to customers ranges from 60 days to 90 days, according to the credit history of each customer. The Group's credit policy is set out in Note 29(a).

### 19 交易及其他應收款項 (續)

於二零零九年十二月三十一日，賬面值為人民幣88,540,000元之若干應收票據已抵押作為本集團銀行貸款之擔保（於二零零八年十二月三十一日，交易應收款項人民幣25,000,000元及應收票據人民幣26,346,000元已抵押作為本集團銀行貸款之擔保）(附註23(b))。

應收關連方款項計入交易及其他應收款項(附註32(b)(i))。所有其他交易及其他應收款項預期於一年內收回或確認為開支。

#### (a) 賬齡分析

交易及其他應收款項包括交易應收款項(扣除呆壞賬減值虧損)及應收票據，其於結算日之賬齡分析如下。根據每位客戶之信貸記錄，本集團授予客戶之信貸期一般介乎60日至90日。本集團之信貸政策載於附註29(a)。

		<b>The Group</b> 本集團	
		<b>2009</b> 二零零九年 <b>RMB'000</b> 人民幣千元	<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元
Current	即期	460,365	419,966
3 to 6 months past due	逾期三至六個月	115	-
More than 6 months past due	逾期六個月以上	373	-
Amount past due	逾期金額	488	-
		<b>460,853</b>	419,966

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 19 Trade and other receivables (continued)

#### (b) Impairment losses

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly (Note 2(h)).

The movements in the allowance for impairment in respect of trade and other receivables during the year are as follows:

Balance at 1 January	於一月一日之結餘	
Recognised	已確認	
Write off	撇銷	
Balance at 31 December	於十二月三十一日之結餘	

At 31 December 2009, the Group's trade debtor of RMB373,000 (2008: nil) was individually determined to be impaired. The individually impaired receivable related to a customer that was in financial difficulties and management assessed that the receivable is expected not to be recovered. Consequently, a specific allowance for doubtful debt of RMB373,000 was recognised.

Based on past experience, except for the above amounts that the customers were unable to repay the outstanding balance, the Group believes that no impairment allowance is necessary in respect of trade and bills receivable not past due. Over 99% of the total balances relate to customers that have a good track record with the Group.

### 19 交易及其他應收款項 (續)

#### (b) 減值虧損

有關應收賬款及應收票據之減值虧損於減值撥備中記錄，除非本集團信納收回金額之可能性不大，在此情況下，減值虧損直接於應收賬款及應收票據中撇銷(附註2(h))。

年內有關交易及其他應收款項減值準備之變動如下：

The Group 本集團	
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
470	470
841	-
(172)	-
<b>1,139</b>	470

於二零零九年十二月三十一日，本集團之應收賬款人民幣373,000元(二零零八年：無)被個別釐定為出現減值。該等個別減值應收款項與有財政困難之客戶有關，而管理層估計該等應收款項預期將不可收回。因此，已確認之特定呆賬撥備為人民幣373,000元。

根據過往經驗，除上述客戶未能償還餘下結餘之金額外，本集團相信並毋須就未逾期之交易應收款項及應收票據計提減值準備。逾99%之結餘總額與本集團具良好記錄之客戶有關。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 20 Pledged deposits

Bank deposits have been pledged to bank as securities for certain banking facilities (*Note 23(b)*) and bills payable (*Note 22*).

### 21 Cash and cash equivalents

(a) Cash and cash equivalents comprise:

### 20 已抵押存款

銀行存款已抵押予銀行作為若干銀行信貸 (*附註23(b)*) 及應付票據 (*附註22*) 之擔保。

### 21 現金及現金等價物

(a) 現金及現金等價物包括：

		The Group 本集團		The Company 本公司	
		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	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
Cash at bank and in hand	銀行及手頭現金	279,836	214,905	3,936	20,356

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 21 Cash and cash equivalents (continued)

### 21 現金及現金等價物 (續)

(b) Reconciliation of profit before taxation to cash generated from operations:

(b) 除稅前溢利與業務所得現金之對賬：

		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
		Notes 附註	
<b>Operating activities</b>	<b>經營業務</b>		
Profit before taxation	除稅前溢利	<b>81,696</b>	38,017
Adjustments for:	經下列各項調整：		
Depreciation	折舊	6(c) <b>38,398</b>	26,929
Amortisation	攤銷	6(c) <b>3,124</b>	1,338
Interest income on bank deposits	銀行存款利息收入	5 <b>(4,430)</b>	(6,622)
Interest expenses on bank loans	銀行貸款利息開支	6(a) <b>30,965</b>	33,282
Gain on disposal of assets classified as held for sale	出售列為持作待售資產收益	5 <b>-</b>	(11,637)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	5 <b>240</b>	-
Unrealised net (gain)/loss of derivative financial instruments	衍生金融工具未變現(收益)/虧損淨額	<b>(796)</b>	1,137
Foreign exchange loss/(gain)	外匯虧損/(收益)	<b>61</b>	(471)
Waivers of liabilities	豁免負債	28(c)(ii) <b>3,054</b>	-
Changes in working capital:	營運資金之變動：		
Change in inventories	存貨之變動	<b>(47,878)</b>	43,293
Change in trade and other receivables	交易及其他應收款項之變動	<b>(110,466)</b>	34,921
Change in trade and other payables	交易及其他應付款項之變動	<b>102,484</b>	(180,535)
Change in deferred income	遞延收入之變動	<b>62,157</b>	-
<b>Cash generated from/ (used in) operations</b>	<b>業務所得/(所用)現金</b>	<b>158,609</b>	(20,348)

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 22 Trade and other payables

Ageing analysis of the trade and bills payables is as follows:

		The Group 本集團		The Company 本公司	
		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	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
Amounts due to subsidiaries	應付附屬公司款項	-	-	665	4,648
Trade payables	交易應付款項	123,656	93,318	-	-
Bills payable (i)	應付票據(i)	66,000	28,807	-	-
Other payables and accruals	其他應付款項及應付費用	133,265	71,424	1,767	2,039
Deferred income (Note 25)	遞延收入(附註25)	3,212	1,995	-	-
		<b>326,133</b>	<b>195,544</b>	<b>2,432</b>	<b>6,687</b>

Included in trade and other payables are amounts due to related parties (Note 32(b)(ii)). All of the other trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

#### 22 交易及其他應付款項

交易應付款項及應付票據之賬齡分析如下：

交易及其他應付款項包括應付關連方款項(附註32(b)(ii))。所有其他交易及其他應付款項預期將於一年內償付或確認為收入或應要求償還。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 22 Trade and other payables (continued)

Included in trade and other payables are trade payables and bills payable with the following aging analysis as of the balance sheet date. The credit period granted by various suppliers ranges from 30 days to 90 days.

### 22 交易及其他應付款項 (續)

交易及其他應付款項包括交易應付款項及應付票據，其於結算日之賬齡分析如下。由不同供應商授予之信貸期介乎30日至90日。

		The Group 本集團	
		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
Due within 1 month or on demand	一個月內到期或 應要求償還	40,188	37,485
Due after 1 month but within 3 months	一個月後但三個月內到期	113,468	76,520
Due after 3 months but within 6 months	三個月後但六個月內到期	36,000	8,120
		<b>189,656</b>	<b>122,125</b>

(i) Bills payable as at 31 December 2009 and 2008 were secured by pledged bank deposits as disclosed in Note 20.

(i) 於二零零九年及二零零八年十二月三十一日之應付票據由附註20所披露之已抵押銀行存款擔保。

### 23 Loans and borrowings

(a) Loans and borrowings were repayable as follows:

### 23 貸款及借貸

(a) 貸款及借貸到期日如下：

		The Group 本集團	
		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
Within one year	一年內	697,443	559,329
After 2 years but within 5 years	兩年後但五年內	150,000	-
		<b>847,443</b>	<b>559,329</b>

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 23 Loans and borrowings (continued)

##### (b) Terms

		The Group 本集團	
		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
Secured bank loans	有抵押銀行貸款	425,813	260,329
Unsecured bank loans	無抵押銀行貸款	421,630	299,000
		<b>847,443</b>	<b>559,329</b>

The secured bank loans were secured by the following assets of the Group as at the balance sheet date.

於結算日，有抵押銀行貸款以本集團以下資產作抵押。

		The Group 本集團	
		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
Carrying value of assets:	資產賬面值：		
Property, plant and equipment (Note 13)	物業、廠房及設備 (附註13)	21,774	-
Lease prepayment (Note 14)	預付租金 (附註14)	150,870	-
Inventories (Note 17)	存貨 (附註17)	-	146,990
Trade receivables (Note 19)	交易應收款項 (附註19)	-	25,000
Bills receivable (Note 19)	應收票據 (附註19)	88,540	26,346
Pledged deposits (Note 20)	已抵押存款 (附註20)	47,085	25,036
Total	總計	<b>308,269</b>	<b>223,372</b>

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 23 Loans and borrowings (continued)

#### (b) Terms (continued)

The Group's banking facilities amounted to RMB328,000,000 (31 December 2008: RMB773,000,000) are guaranteed by the related parties.

Banking facilities of the Group totalling RMB1,267,222,000 (31 December 2008: RMB879,346,000) were utilised to the extent of RMB1,022,640,000 (31 December 2008: RMB594,085,000).

One (2008: Nil) of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 29(b). As at 31 December 2009, none of the covenants relating to drawn down facilities had been breached.

### 23 貸款及借貸 (續)

#### (b) 條款 (續)

本集團之銀行信貸人民幣328,000,000元(二零零八年十二月三十一日:人民幣773,000,000元)由關連方擔保。

於本集團合共人民幣1,267,222,000元(二零零八年十二月三十一日:人民幣879,346,000元)之銀行信貸中,人民幣1,022,640,000元(二零零八年十二月三十一日:人民幣594,085,000元)經已動用。

本集團一項(二零零八年:無)銀行信貸須待達成有關本集團若干資產負債表比率之契約(常見於與金融機構訂立之貸款安排)後方可作實。倘本集團違反該等契約,已提取之信貸須於要求時償還。本集團定期監察其是否遵守該等契約。有關本集團對流動資金風險之管理載於附註29(b)。於二零零九年十二月三十一日,並無違反任何有關已提取信貸之契約。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 24 Obligations under finance leases

As at 31 December 2009, the Group had obligations under finance leases repayable as follows:

#### 24 融資租賃責任

於二零零九年十二月三十一日，本集團須償還之融資租賃責任如下：

		The Group 本集團 2009 二零零九年	
		Present value of the minimum lease payments 最低租賃 付款之現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 付款總額 RMB'000 人民幣千元
Within one year	一年內	22,321	25,025
After 1 years but within 2 years	一年後但兩年內	23,315	25,025
After 2 years but within 5 years	兩年後但五年內	24,364	25,035
		47,679	50,060
		70,000	75,085
Less: total future interest expenses	減：未來利息開支總額		(5,085)
Present value of lease obligations	租賃責任之現值		70,000

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 25 Deferred income

The Group had received a government grant in connection with an acquisition of a land use right for the new production plant in Jiangxi Province of the PRC. The subsidy is granted to the Group as development fund of the investment project by local municipal government in the PRC.

This government grant is recorded as deferred income and is to be recognised as income on a straight-line basis over the expected useful live of related land use right (*Note 5(i)*).

### 25 遞延收入

本集團已收到有關就中國江西省新生產廠房收購土地使用權之政府補助金。該津貼由中國當地市政府授予本集團作為投資項目之發展資金。

此政府補助金記入遞延收入，並以直線法按有關土地使用權之預計可使用年期確認為收入（附註5(i)）。

		<b>The Group</b> <b>本集團</b> <b>2009</b> <b>二零零九年</b> <b>RMB'000</b> <b>人民幣千元</b>
Total deferred income	遞延收入總額	62,157
Less: current portion included in trade and other payables ( <i>note 22</i> )	減：計入交易及其他應付款項之即期部分（附註22）	(1,249)
		60,908

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 26 Income tax in the consolidated balance sheet

(a) Current taxation in the consolidated balance sheet represents:

#### 26 於綜合資產負債表內之所得稅

(a) 於綜合資產負債表內之即期稅項指：

		The Group 本集團	
		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
At 1 January	於一月一日	595	2,086
Provision for PRC income tax (Note 7(a))	中國所得稅撥備 (附註7(a))	27,173	8,862
Provision for PRC land appreciation tax (Note 7(a))	中國土地增值稅撥備 (附註7(a))	-	232
PRC income tax paid	已付中國所得稅	(8,504)	(10,353)
PRC land appreciation tax paid	已付中國土地增值稅	-	(232)
At 31 December	於十二月三十一日	19,264	595

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 26 Income tax in the consolidated balance sheet (continued)

### 26 於綜合資產負債表內之所得稅 (續)

#### (b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated balance sheet and the movements during the year are as follows:

#### (b) 已確認遞延稅項資產及負債：

年內於綜合資產負債表確認之遞延稅項資產／(負債)組成部分及變動如下：

		The Group 本集團					
		Change in fair value of derivative financial instruments 衍生金融 工具之 公平值變動 RMB'000 人民幣千元	Impairment loss on inventory 存貨之 減值虧損 RMB'000 人民幣千元	Impairment loss on bad and doubtful debts 呆壞賬 減值虧損 RMB'000 人民幣千元	Tax loss (i) 稅項虧損(i) RMB'000 人民幣千元	Government grant in deferred income 於遞延 收入內之 政府補助金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Deferred tax arising from	所產生之遞延稅項						
At 1 January 2008	於二零零八年 一月一日	-	-	-	-	-	-
Recognised in profit or loss	於損益內確認	153	237	-	-	-	390
At 31 December 2008	於二零零八年 十二月三十一日	153	237	-	-	-	390
At 1 January 2009	於二零零九年 一月一日	153	237	-	-	-	390
Recognised in profit or loss	於損益內確認	(241)	(237)	105	519	15,539	15,685
At 31 December 2009	於二零零九年 十二月三十一日	(88)	-	105	519	15,539	16,075

(i) The tax losses incurred by subsidiaries incorporated in the PRC expire five years after they are incurred.

(i) 於中國註冊成立之附屬公司所產生之稅項虧損於產生後五年屆滿。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 26 Income tax in the consolidated balance sheet (continued)

#### (c) Deferred tax assets/liabilities not recognised

No deferred tax assets in respect of accumulated tax losses in Xinggao Aluminium of RMB625,000 as at 31 December 2008 had been recognised as it is not probable that the future taxable profits against which the losses can be utilised will be generated. Xinggao Aluminium did not earn any taxable profits before its deregistration in August 2009.

At 31 December 2009, temporary differences relating to the undistributed profits of the Group's PRC subsidiaries amounted to RMB146,481,000 (2008: RMB59,445,000). Deferred tax liabilities of RMB7,324,000 (2008: RMB2,972,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of the foreign-invested enterprise and the directors have determined that the profits will not be distributed in the foreseeable future.

### 26 於綜合資產負債表內之所得稅 (續)

#### (c) 未確認遞延稅項資產／負債

於二零零八年十二月三十一日，並無就興高鋁業為數人民幣625,000元之累計稅項虧損確認遞延稅項資產，原因為並無可能產生虧損可予動用之未來應課稅溢利。興高鋁業於二零零九年八月撤銷註冊前並無賺取任何應課稅溢利。

於二零零九年十二月三十一日，有關本集團中國附屬公司未分配溢利之暫時差異為人民幣146,481,000元（二零零八年：人民幣59,445,000元）。遞延稅項負債人民幣7,324,000元（二零零八年：人民幣2,972,000元）並無就分派該等保留溢利應付之稅項予以確認，原因為本公司控制外商投資企業之股息政策，而董事已釐定並不會於可見將來分派溢利。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 27 Share capital

(a) Movements of the authorised and issued share capital of the Company during the year ended 31 December 2009 are as follows:

### 27 股本

(a) 截至二零零九年十二月三十一日止年度，本公司之法定及已發行股本之變動如下：

	Note	2009 二零零九年			2008 二零零八年		
		No. of Shares 股份數目 ( <i>'000</i> )	Nominal value of fully paid shares 繳足股份面值 HKD' <i>000</i> RMB <i>'000</i> 等值 人民幣千元		No. of Shares 股份數目 ( <i>'000</i> )	Nominal value of fully paid shares 繳足股份面值 HKD' <i>000</i> RMB <i>'000</i> 等值 人民幣千元	
<b>Authorised:</b>							
Ordinary shares of HK\$ 0.01 each	(c)	1,000,000	10,000		1,000,000	10,000	
<b>Ordinary shares, issued and fully paid:</b>							
At 1 January		418,000	4,180	3,731	-	-	-
Arising from the Reorganisation	(c)(i)	-	-	-	20,000	200	178
Shares issued under the placing and global offering	(c)(ii)	-	-	-	106,590	1,066	959
Capitalisation issue	(c)(iii)	-	-	-	291,410	2,914	2,594
At 31 December		418,000	4,180	3,731	418,000	4,180	3,731

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 27 Share capital (continued)

#### (b) Authorised share capital of the Company

The Company was incorporated on 13 September 2007 with an authorised share capital of HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each. On 29 February 2008, the authorised share capital of the Company was increased to HK\$200,000 by the creation of a further 10,000,000 shares of HK\$0.01 each. On 31 March 2008, the authorised share capital of the Company was increased to HK\$10,000,000 by the creation of a further 980,000,000 shares of HK\$0.01 each.

#### (c) Issue of share capital

##### (i) Upon Reorganisation

The Company was incorporated with 10,000,000 nil-paid ordinary shares at HK\$0.01 per share. On 29 February 2008, the ownership of Xingfa Aluminium Pte. Ltd. was transferred from the Controlling Shareholders to Xingfa BVI. After the completion of the Reorganisation on 29 February 2008, the Company acquired the ownership of Xingfa BVI from the Controlling Shareholders in consideration of which satisfied by:

- allotted and issued, credited as fully paid, 10,000,000 ordinary shares to the Controlling Shareholders; and
- credited as fully paid at par the 10,000,000 nil-paid ordinary shares issued on incorporation.

### 27 股本 (續)

#### (b) 本公司之法定股本

本公司於二零零七年九月十三日註冊成立，法定股本為100,000港元，分為10,000,000股每股面值0.01港元之股份。於二零零八年二月二十九日，透過新增另外10,000,000股每股面值0.01港元之股份，本公司法定股本增加至200,000港元。於二零零八年三月三十一日，透過新增另外980,000,000股每股面值0.01港元之股份，本公司法定股本增加至10,000,000港元。

#### (c) 發行股本

##### (i) 於重組時

本公司以10,000,000股每股面值0.01港元之未繳股款普通股註冊成立。於二零零八年二月二十九日，Xingfa Aluminium Pte. Ltd.之擁有權由控權股東轉讓予Xingfa BVI。於二零零八年二月二十九日重組完成後，本公司向控權股東收購Xingfa BVI之擁有權，其代價以下列方式支付：

- 向控權股東配發及發行10,000,000股入賬列為繳足之普通股；及
- 將於註冊成立時發行之10,000,000股未繳股款普通股按面值入賬列為繳足。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 27 Share capital (continued)

#### (c) Issue of share capital (continued)

##### (ii) Issue of shares under the placing and global offering

On 31 March 2008, the Company issued 106,590,000 ordinary shares of HK\$0.01 each, at a price of HK\$2.28 per share in connection with the placing and global offering, and raised gross proceeds of approximately HK\$243,025,000 (equivalent to RMB218,722,000). The proceeds of HK\$1,066,000 (equivalent to RMB959,000) representing the par value, were credited to the Company's share capital. The remaining proceeds of HK\$241,959,000 (equivalent to RMB217,763,000), before the share issue expenses of RMB19,009,000, were credited to the share premium account.

##### (iii) Capitalisation issue

On 31 March 2008, pursuant to the written resolution of shareholders of the Company passed on 29 February 2008, 291,410,000 ordinary shares of HK\$0.01 each of the Company were allotted and issued at par value to the Controlling Shareholders. The amount was paid up in full by applying an amount of HK\$2,914,000 (equivalent to RMB2,594,000) standing to the credit of the share premium account of the Company after the issue of shares under placing and global offering.

### 27 股本 (續)

#### (c) 發行股本 (續)

##### (ii) 根據配售及全球發售發行股份

於二零零八年三月三十一日，本公司就配售及全球發售按每股2.28港元之價格發行106,590,000股每股面值0.01港元之普通股，並籌集所得款項總額約243,025,000港元（相等於人民幣218,722,000元）。所得款項1,066,000港元（相等於人民幣959,000元）相當於面值，乃計入本公司股本。扣除股份發行開支人民幣19,009,000元前之餘下所得款項241,959,000港元（相等於人民幣217,763,000元）計入股份溢價賬。

##### (iii) 資本化發行

於二零零八年三月三十一日，根據本公司股東於二零零八年二月二十九日通過之書面決議案，本公司向控股股東按面值配發及發行291,410,000股每股面值0.01港元之普通股。該金額透過動用根據配售及全球發售而發行股份後本公司股份溢價賬中2,914,000港元（相等於人民幣2,594,000元）之進賬全數繳足。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 28 Reserves

##### (a) Movements of reserves

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

##### *The Company*

		Share premium 股份溢價 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2008	於二零零八年 一月一日	-	-	-	-	-
Arising from Reorganisation	因重組而產生	-	441,976	-	-	441,976
Share issued under the placing and global offering (Note 27(c)(ii))	根據配售及全球 發售發行之股份 (附註27(c)(ii))	217,763	-	-	-	217,763
Share issuance costs (Note 27(c)(ii))	股份發行成本 (附註27(c)(ii))	(19,009)	-	-	-	(19,009)
Capitalisation issue (Note 27(c)(iii))	資本化發行 (附註27(c)(iii))	(2,594)	-	-	-	(2,594)
Total comprehensive income for the year	年度全面收益總額	-	-	(116)	31,135	31,019
At 31 December 2008	於二零零八年 十二月三十一日	196,160	441,976	(116)	31,135	669,155
At 1 January 2009	於二零零九年 一月一日	196,160	441,976	(116)	31,135	669,155
Dividends approved in respect of the previous year	就去年批准之股息	-	-	-	(20,900)	(20,900)
Total comprehensive income for the year	年度全面收益總額	-	-	27	39,824	39,851
At 31 December 2009	於二零零九年 十二月三十一日	196,160	441,976	(89)	50,059	688,106

#### 28 儲備

##### (a) 儲備變動

本集團綜合權益各部分之期初及期末結餘之對賬載於綜合權益變動表。本公司個別權益組成部分於年初及年末之變動詳情載列如下：

##### 本公司

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 28 Reserves (continued)

### 28 儲備 (續)

#### (b) Dividends

#### (b) 股息

##### (i) Dividends payable to equity shareholders of the Company attributable to the year

##### (i) 本年度之應付本公司權益股東股息

	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
Final dividend proposed after the balance sheet date of RMB0.033 per ordinary share	13,794	20,900

A final dividend of RMB0.033 per ordinary share (2008: RMB0.021 per ordinary share) to all equity shareholders of the Company have been proposed by the directors and are subject to approved by the shareholders in the annual general meeting. No special dividend (2008: RMB0.029) was proposed to equity shareholders of the Company in 2009.

董事建議向全體本公司權益股東派發末期股息每股普通股人民幣0.033元(二零零八年:每股普通股人民幣0.021元),惟須待股東於股東週年大會上批准。於二零零九年並無建議向本公司權益股東派付特別股息(二零零八年:人民幣0.029元)。

The final dividends proposed after the balance sheet date has not been recognised as liabilities at the balance sheet date.

於結算日,於結算日後建議派付之末期股息並無確認為負債。

##### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

##### (ii) 於年內批准及派付之上一個財政年度之應付本公司權益股東股息

	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
Final and special dividends in respect of the previous financial year, approved and paid during the year, of RMB0.05 per ordinary share (2008: Nil)	20,900	-

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 28 Reserves (continued)

#### (c) Nature and purpose of reserves

##### (i) Share premium and other reserve

Under the Companies Law of the Cayman Islands, the funds in the share premium account and other reserve account of the Company are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

The other reserve of the Group represents the difference between (a) the nominal value of share capital and the existing balance on the share premium account of a subsidiary acquired; and (b) the nominal value of the shares issued by the Company in exchange under the Reorganisation of the Group on 29 February 2008.

The other reserve of the Company represents the difference between (a) the consolidated net assets of the subsidiaries acquired; and (b) the nominal value of the shares issued by the Company in exchange under the Reorganisation of the Group on 29 February 2008.

##### (ii) Capital reserve

On 30 June 2009, Xingfa Group and Xingfa Innovation had agreed to waive their remaining receivables due from the Group in connection with the operating lease of land use rights and plants respectively. These waivers of liabilities amounting to RMB2,004,000 and RMB1,050,000 for the year ended 31 December 2009 by Xingfa Group and Xingfa Innovation respectively were regarded as equity transactions and were recorded in capital reserve account.

### 28 儲備 (續)

#### (c) 儲備性質及用途

##### (i) 股份溢價及其他儲備

根據開曼群島公司法，本公司之股份溢價賬及其他儲備賬之資金可分派予股東，惟緊隨建議分派股息當日後，本公司能清償其於日常業務過程中到期之債務。

本集團之其他儲備指以下兩者之差額：(a)已收購附屬公司股份溢價賬之股本面值及現有結餘；與(b)本公司根據於二零零八年二月二十九日本集團重組為交換而發行之股份面值。

本公司之其他儲備指以下兩者之差額：(a)已收購附屬公司之綜合資產淨值；與(b)本公司根據於二零零八年二月二十九日本集團重組為交換而發行之股份面值。

##### (ii) 資本儲備

於二零零九年六月三十日，興發集團及興發創新同意豁免收取彼等分別就土地使用權及廠房之經營租賃餘下應收本集團之款項。截至二零零九年十二月三十一日止年度，興發集團及興發創新分別授予之該等負債豁免人民幣2,004,000元及人民幣1,050,000元被視為股權交易並計入資本儲備賬。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 28 Reserves (continued)

#### (c) Nature and purpose of reserves (continued)

##### (iii) PRC statutory reserves

Guangdong Xingfa is a wholly foreign owned enterprise in the PRC, it is required to transfer at least 10% of its net profit, as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity shareholders. Guangdong Xingfa has transferred a net profit of RMB9,930,000 (2008: RMB5,967,000) calculated base on 12% (2008: 12%) of its net profit under the PRC accounting rules and regulations to the statutory reserves in 2009.

##### (iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies outside the PRC.

##### (v) Distributable reserves

The aggregate amount of distributable reserves of the Company as at 31 December 2009 was RMB688,106,000 (2008: RMB669,155,000).

### 28 儲備 (續)

#### (c) 儲備性質及用途 (續)

##### (iii) 中國法定儲備

廣東興發為中國全外資企業，其須根據中國會計規則及規例將純利至少10%轉撥至法定一般儲備，直至儲備餘額達註冊資本的50%。撥款至該儲備必須於分派股息予權益股東前進行。於二零零九年，廣東興發已根據中國會計規則及規例按其純利12%（二零零八年：12%）計算之純利人民幣9,930,000元（二零零八年：人民幣5,967,000元）轉撥至法定儲備。

##### (iv) 匯兌儲備

匯兌儲備包括因換算中國境外公司財務報表所產生之所有匯兌差額。

##### (v) 可供分派儲備

於二零零九年十二月三十一日，本公司之可供分派儲備總額為人民幣688,106,000元（二零零八年：人民幣669,155,000元）。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 28 Reserves (continued)

#### (d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose, the Group defines net debt as loans and borrowings plus unaccrued proposed dividends, less cash and cash equivalents and pledged deposits. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

### 28 儲備 (續)

#### (d) 資本管理

本集團的主要資本管理目標為保障本集團持續經營的能力，按恰當風險水平為產品及服務定價，並以合理成本取得融資，以繼續為權益股東提供回報。

本集團定期檢討及積極管理其資本架構，以在維持較高借貸水平可能帶來較高股東回報與取得充裕資金狀況所帶來的裨益及保障之間的平衡，並就經濟環境的轉變對資本架構進行調整。

本集團按淨負債資產比率監控資本架構。就此而言，本集團將淨負債定義為貸款及借貸加未累計建議股息減現金及現金等價物以及已抵押存款。經調整資本包括權益之所有部份減未計提建議股息。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 28 Reserves (continued)

#### (d) Capital management (continued)

During 2009, the Group's strategy was to maintain the net debt-to-capital ratio below 90%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity shareholders, issue new shares or raise new debt financing.

### 28 儲備 (續)

#### (d) 資本管理 (續)

於二零零九年，本集團之策略乃將淨負債資產比率維持於90%之下。為維持或調整比率，本集團可能調整向權益股東支付股息、發行新股份或籌集新債務融資。

		The Group 本集團	
		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
		Notes 附註	
Current liabilities:	流動負債：		
– Loans and borrowings	– 貸款及借貸	23	697,443
– Obligation under finance lease	– 融資租賃責任	24	22,321
Non-current liabilities:	非流動負債：		
– Loans and borrowings	– 貸款及借貸	23	150,000
– Obligation under finance lease	– 融資租賃責任	24	47,679
Total debt	債務總額		917,443
Add: Proposed dividends	加：建議股息	28(b)	13,794
Less: Cash and cash equivalents	減：現金及現金等價物	21	(279,836)
Pledged deposits	已抵押存款	20	(89,552)
Adjusted net debt	經調整債務淨額		561,849
Total equity	權益總額		716,214
Less: Proposed dividends	減：建議股息	28(b)	(13,794)
Adjusted capital	經調整資本		702,420
Adjusted net debt-to-capital ratio	經調整淨負債資產比率		80%
			51%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及其附屬公司概不受外界資本規定限制。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 29 Financial risk management and fair values

Exposure to credit, liquidity, interest rate, currency and commodity price risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

##### (a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 60 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the balance sheet date, 16% (2008: 14%) and 33% (2008: 47%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively within the industrial aluminium profiles segment and construction aluminium profiles segment.

#### 29 金融風險管理及公平值

於信貸、流動資金、利率、貨幣及商品價格中所承受之風險於本集團之日常業務過程中產生。本集團所承受之該等風險及本集團用以管理該等風險之金融風險管理政策及常規載述如下。

##### (a) 信貸風險

本集團之信貸風險主要來自交易及其他應收款項。管理層已制定信貸政策，並持續監察該等信貸風險。就交易及其他應收款項而言，對所要求信貸超過一定金額之所有客戶進行個別信貸評估。該等評估側重於客戶過往於到期時之付款記錄及目前之付款能力，並考慮到個別客戶之資料以及客戶經營所在之經濟環境。交易應收款項於發票日期後60日至90日內到期。一般而言，本集團並不向客戶收取任何抵押品。

本集團所承受之信貸風險主要受各客戶而非客戶經營之行業或國家之個別特性所影響，因此信貸風險高度集中之情況主要於本集團對個別客戶有著重大風險承擔時產生。於結算日，交易及其他應收款項總額之16%（二零零八年：14%）及33%（二零零八年：47%）分別來自本集團工業鋁型材分部及建築鋁型材分部最大客戶及五大客戶。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 29 Financial risk management and fair values (continued)

#### (a) Credit risk (continued)

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet after deducting any impairment allowance. Except for the financial guarantees given by the Company as set out in note 31, the Group does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 31.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 19.

#### (b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

### 29 金融風險管理及公平值 (續)

#### (a) 信貸風險 (續)

所承受之最高信貸風險(不計及任何所持抵押品)為於資產負債表內各金融資產(包括衍生金融工具)之賬面值(經扣除任何減值準備)。除附註31所述本公司作出之財務擔保外,本集團並無提供任何其他擔保,致使本集團或本公司須承受信貸風險。於結算日,就該等財務擔保所須承受之最高信貸風險於附註31披露。

有關本集團就交易及其他應收款項須承受之信貸風險之進一步量化披露資料載於附註19。

#### (b) 流動資金風險

流動資金風險指本集團無法履行到期的財務責任風險。本集團的政策乃定期監察流動資金需求及遵守借貸契約的情況,確保維持充足現金儲備及獲主要財務機構提供足夠信貸資金,以應付短期及長遠的流動資金需求。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 29 Financial risk management and fair values (continued)

##### (b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group can be required to pay:

#### 29 金融風險管理及公平值 (續)

##### (b) 流動資金風險 (續)

下表詳述於結算日本集團之金融負債之剩餘合約到期款項，乃按合約未貼現現金流量（包括按合約利率或（如浮動）按於結算日之現行利率計算之利息款項）及本集團須支付之最早日期計算：

		2009 二零零九年				2008 二零零八年			
		Contractual undiscounted cash outflow/(inflow)				Contractual undiscounted cash outflow/(inflow)			
		合約未貼現現金流出/(流入)				合約未貼現現金 流出/(流入)			
		More than 1 Within 1 year or on demand	More than 2 year but less than 2 years	More than 2 years but less than 5 years	Balance sheet carrying amount	Within 1 year or on demand	Balance sheet carrying amount		
		一年內或 應要求	一年後 但兩年內	兩年後 但五年內	Total 總計	一年內或 應要求	Total 總計	資產負債表 賬面值	資產負債表 賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank loans	銀行貸款	717,030	5,657	165,900	888,587	847,443	577,582	577,582	559,329
Finance lease liabilities	融資租賃負債	25,025	25,025	25,035	75,085	70,000	-	-	-
Trade and other payables	交易及其他應付款項	326,133	-	-	326,133	326,133	195,544	195,544	195,544
		1,068,188	30,682	190,935	1,289,805	1,243,576	773,126	773,126	754,873
Forward foreign exchange contracts	遠期外匯合約								
- outflow	- 流出	47,308	-	-	47,308		26,038	26,038	
- inflow	- 流入	(48,325)	-	-	(48,325)		(27,675)	(27,675)	

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 29 Financial risk management and fair values (continued)

#### (c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings from banks. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

#### (i) Interest rate profile

The following table details the interest rate profile of the Group's interest bearing borrowings at the balance sheet date.

### 29 金融風險管理及公平值 (續)

#### (c) 利率風險

本集團之利率風險主要來自銀行借貸。按浮動利率及固定利率發出之借貸分別令本集團須承受現金流量利率風險及公平值利率風險。本集團由管理層監察之利率概況載於下文(i)。

#### (i) 利率概況

下表詳列本集團於結算日計息借貸之利率概況。

		The Group 本集團			
		2009 二零零九年		2008 二零零八年	
		Effective interest rates	Amount	Effective interest rates	Amount
		實際利率	金額 '000 千元	實際利率	金額 '000 千元
Fixed rate borrowings:	定息借貸：				
Finance lease liabilities	融資租賃負債	4.38%	70,000		-
Bank loans	銀行貸款	4.78%	433,540	4.62% - 5.31%	356,346
			503,540		356,346
Variable rate borrowings	浮息借貸				
Bank loans	銀行貸款	1.29% - 5.31%	413,903	4.9% - 6.61%	202,983
Total borrowings	借貸總額		917,443		559,329
Fixed rate borrowings as a percentage of total borrowings	定息借貸佔借貸總額百分比		55%		64%

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 29 Financial risk management and fair values (continued)

#### (c) Interest rate risk (continued)

##### (ii) Sensitivity analysis

At 31 December 2009, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately RMB6,555,000 (2008: RMB 1,367,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis has been performed on the same basis for 2008.

#### (d) Currency risk

Renminbi is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government. The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars and United States dollars.

##### (i) Forecast transactions

Depreciation or appreciation of the Renminbi against foreign currencies can affect the Group's results. The Group hedges certain of its estimated foreign currency exposure in respect of committed future sales and purchases and highly probable forecast sales and purchases. The Group used forward exchange contracts to mitigate its currency risk. All of the forward exchange contracts have maturities of less than one year after the balance sheet date.

### 29 金融風險管理及公平值 (續)

#### (c) 利率風險 (續)

##### (ii) 敏感度分析

於二零零九年十二月三十一日，估計利率整體上調／下調100個基點，而其他所有變數維持不變，於除稅及保留溢利後，本集團之溢利將減少／增加約人民幣6,555,000元（二零零八年：人民幣1,367,000元）。

上述敏感度分析乃經假設利率變動已於資產負債表日出現後釐定，並已應用於在該日已存在之衍生及非衍生金融工具所承受之利率風險上。上調或下調100個基點指管理層對利率於直至下一個年度結算日期間之合理可能變動之評估。分析已按與二零零八年相同之基準進行。

#### (d) 貨幣風險

人民幣並非可自由兌換之貨幣，而將資金匯出中國須受中國政府所施予之外匯限制。本集團主要透過以與其業務相關之功能貨幣以外之貨幣計值之銷售及購買承受貨幣風險。該風險主要來自港元及美元。

##### (i) 預期交易

人民幣兌外幣貶值或升值可影響本集團業績。本集團對其若干有關已作出日後銷售及購買以及極有可能進行之預期銷售及購買之估計外幣風險承擔進行對沖。本集團使用遠期外匯合約減輕其貨幣風險。所有遠期外匯合約之到期日為於結算日後一年內。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 29 Financial risk management and fair values (continued)

#### (d) Currency risk (continued)

##### (ii) Exposure to currency risk

The following table details the Group's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year end date. Difference resulting from the translation of the financial statements of foreign operations into the Group's presentation currency is excluded.

### 29 金融風險管理及公平值 (續)

#### (d) 貨幣風險 (續)

##### (ii) 外幣風險承擔

下表詳列本集團於結算日在以公司有相關功能貨幣以外之其他貨幣計值之已確認資產或負債所產生之貨幣風險承擔。就呈列目的而言，風險承擔之金額以人民幣列示，並以年結日之現貨率換算。換算海外業務財務報表至本集團呈列貨幣所產生之差額並不包括在內。

		31 December 2009 二零零九年十二月三十一日			31 December 2008 二零零八年十二月三十一日		
		HKD 港元 '000 千元	USD 美元 '000 千元	Euro 歐元 '000 千元	HKD 港元 '000 千元	USD 美元 '000 千元	Euro 歐元 '000 千元
Trade and other receivables	交易及其他應收款項	3,405	10,735	-	1,669	7,925	300
Cash and cash equivalents	現金及現金等價物	21,647	5,703	-	621	185	-
Pledged deposits	已抵押存款	-	5	8	-	-	90
Trade and other payables	交易及其他應付款項	(535)	(717)	(38)	-	(477)	(48)
Loans and borrowings	貸款及借貸	(69,800)	(5,660)	-	-	(1,671)	(1,300)
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生之風險總額	(45,283)	10,066	(30)	2,290	5,962	(958)
Notional amounts of forward foreign exchange contracts	遠期外匯合約之名義金額	9,800	5,659	-	-	1,754	1,387
Net exposure	風險淨額	(35,483)	15,725	(30)	2,290	7,716	429

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 29 Financial risk management and fair values (continued)

#### (d) Currency risk (continued)

##### (ii) Exposure to currency risk (continued)

###### Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the balance sheet date had changed at that date, assuming all other risk variables remained constant.

		2009 二零零九年		2008 二零零八年	
		Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利之影響 '000 千元	Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利之影響 '000 千元
United States Dollars	美元	1%	601	6%	2,294
Hong Kong Dollars	港元	1%	349	6%	103

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the balance sheet date for presentation purposes.

### 29 金融風險管理及公平值 (續)

#### (d) 貨幣風險 (續)

##### (ii) 外幣風險承擔 (續)

###### 敏感度分析

下表顯示倘本集團於結算日有重大風險承擔之匯率於該日有所變動，並假設所有風險變數維持不變，本集團之除稅後溢利及保留溢利可能出現之即時變動。

上表呈列之分析結果指對本集團各公司以有關功能貨幣計量之除稅後溢利之合計即時影響，並就呈列目的按結算日匯率換算為人民幣。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 29 Financial risk management and fair values (continued)

#### (d) Currency risk (continued)

##### (ii) Exposure to currency risk (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2008.

#### (e) Commodity price risk on aluminium

Aluminium ingots are the major raw materials of the Group's products which account for approximately 80% of total cost of sales. Fluctuations on commodity price of aluminium will have a significant impact on the Group's earnings, cash flows as well as the value of the inventories. The Group uses its future contracts traded on the Shanghai Futures Exchange to reduce its risks arising from fluctuations in aluminium price. The Group enters future contracts based on the inventories on hand, expected usage of aluminium and sales requirements. The Group considers that it is not cost effective to maintain a highly effective hedge on transaction basis.

The outstanding balances of aluminium future contracts entered as at the balance sheet date are disclosed in Note 18.

### 29 金融風險管理及公平值 (續)

#### (d) 貨幣風險 (續)

##### (ii) 外幣風險承擔 (續)

敏感度分析假設匯率變動經已應用以重新計量該等於結算日讓本集團須承受外幣風險之本集團所持金融工具，包括以貸款人及借款人功能貨幣以外貨幣計值之集團內公司間應付款項及應收款項。分析並不包括換算海外業務財務報表至本集團呈列貨幣所產生之差額。分析已按與二零零八年相同之基準進行。

#### (e) 鋁材之商品價格風險

鋁錠為本集團產品之主要原材料，佔總銷售成本約80%。鋁商品價格之波動會對本集團之盈利、現金流量及存貨價值有重大影響。本集團在上海期貨交易所買賣期貨合約，降低鋁價格波動之風險。本集團根據手頭存貨、預期鋁用量及銷售要求訂立期貨合約。本集團認為，就各項交易進行高效對沖並不符合成本效益。

於結算日所訂立鋁期貨合約之水平倉結餘披露於附註18。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 29 Financial risk management and fair values (continued)

#### (e) Commodity price risk on aluminum (continued)

##### Sensitivity analysis

The following commodity price sensitivity is calculated based on the outstanding aluminium future contracts of the Group as at the balance sheet date, assuming 10% (2008: 10%) shift of future contract price is as follows:

Profit increase as future contract price increased	因期貨合約價增加而使溢利增加
--	----------------

A 10% (2008: 10%) decrease in future contract prices of aluminium would have had the equal but opposite effect on the above aluminium future contracts to the amounts shown above, on the basis that all other variables remain constant.

#### (f) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2009 and 2008 because of the short maturities of these instruments.

### 29 金融風險管理及公平值 (續)

#### (e) 鋁材之商品價格風險 (續)

##### 敏感度分析

下列商品價格敏感度乃按本集團於結算日之未平倉鋁期貨合約，假設期貨合約價格變動10%（二零零八年：10%）計算如下：

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
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1,064	262
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假設其他變量維持不變，鋁期貨合約價格下跌10%（二零零八年：10%）將對上述鋁期貨合約構成上表所示相等金額但相反之影響。

#### (f) 公平值

於二零零九年及二零零八年十二月三十一日，所有金融工具按與其公平值並無重大差異之金額列賬，原因為該等工具於短期內到期。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 30 Commitments

### 30 承擔

#### (a) Capital commitments

Capital commitments outstanding as at 31 December not provided for in the financial statements were as follows:

#### (a) 資本承擔

於十二月三十一日，於財務報表並無撥備的未履行資本承擔如下：

		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
Contracted for	已訂約		
– To build a new aluminium profile production base in Chengdu City	– 於成都市建立新鋁型材生產基地	125,702	–
– To build a new aluminium profile production base in Yichun City	– 於宜春市建立新鋁型材生產基地	111,148	–
– Purchase of property, plant and equipment for the production base in Sanshui District, Foshan City	– 為佛山市三水區之生產基地購買物業、廠房及設備	106,548	76,389
		<b>343,398</b>	76,389
Authorised but not contracted for	已授權但未訂約	<b>741,480</b>	–
Total:	總計：	<b>1,084,878</b>	76,389



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 30 Commitments (continued)

##### (b) Operating lease commitments

As at 31 December, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		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
Within 1 year	一年內	581	2,797
After one year but within two years	一年後但兩年內	-	415
		<b>581</b>	<b>3,212</b>

#### 30 承擔 (續)

##### (b) 經營租約承擔

於十二月三十一日，根據不可撤銷經營租約應付的未來最低租金總額如下：

		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
		581	2,797
		-	415
		<b>581</b>	<b>3,212</b>

#### 31 Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2009.

As at 31 December 2009, contingent liabilities of the Company were as follows:

		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
Guarantees given to banks by the Company in respect of banking facilities utilised by certain subsidiaries	本公司就若干附屬公司動用之銀行信貸而向銀行提供之擔保	572,830	444,000

As at the balance sheet date, the Directors do not consider it probable that a claim will be made against the Company under any of the guarantees.

#### 31 或然負債

於二零零九年十二月三十一日，本集團並無重大或然負債。

於二零零九年十二月三十一日，本公司之或然負債如下：

		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
<b>The Company</b> 本公司			
		572,830	444,000

於結算日，董事認為本公司不大可能因任何擔保而遭提出申索。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 32 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

During the year ended 31 December 2009, the directors are of the view that related parties of the Group include the following individuals/companies:

#### Name of related party 關連方名稱

LUO Su  
羅蘇  
LUO Riming  
羅日明  
LIAO Yuqing  
廖玉慶  
LUO Zhiyong

羅志勇  
CHEN Hongzai

陳洪再  
Foshan Leahin Coating Co., Ltd. (“Leahin Coating”)  
(佛山立興塗料有限公司) (i)  
佛山立興塗料有限公司(「立興塗料」) (i)  
Xinggao Aluminium  
(佛山市興高鋁業有限公司) (i) (ii)  
佛山市興高鋁業有限公司(i)(ii)  
Foshan Xinghui Ceramics Co., Ltd. (“Foshan Xinghui”)  
(佛山市興輝陶瓷有限公司) (i)  
佛山市興輝陶瓷有限公司(「佛山興輝」) (i)  
Guangdong Xingfa Curtain Wall, Door & Window Co., Ltd.  
(“Xingfa Curtain Wall”) (廣東興發幕牆門窗有限公司) (i)  
廣東興發幕牆門窗有限公司(「興發幕牆」) (i)  
Xingfa Group

興發集團  
Xingfa Innovation

興發創新

### 32 重大關連方交易

除本財務報表其他部分所披露的交易及結餘外，本集團亦進行以下重大關連方交易：

於截至二零零九年十二月三十一日止年度，董事認為以下人士／公司為本集團的關連方：

#### Relationship with the Group 與本集團關係

Controlling Shareholder  
控權股東  
Controlling Shareholder  
控權股東  
Controlling Shareholder  
控權股東  
Close family member of a  
Controlling Shareholder  
控權股東之親屬  
Key management personnel  
of Xingfa Group  
興發集團之主要管理人員  
Effectively owned by the  
Controlling Shareholders  
由控權股東實際擁有  
Effectively owned by the  
Controlling Shareholders  
由控權股東實際擁有  
Effectively owned by the  
Controlling Shareholders  
由控權股東實際擁有  
Effectively owned by the  
Controlling Shareholders  
由控權股東實際擁有  
Effectively owned by the  
Controlling Shareholders  
由控權股東實際擁有

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 32 Material related party transactions

(continued)

- (i) The English translation of the company names is for reference only. The official names of these companies are in Chinese.
- (ii) Upon the completion of acquisition of 100% equity interest of Xinggao Aluminium by the Group on 26 July 2008, Xinggao Aluminium has become the wholly-owned subsidiary of Guangdong Xingfa and is no longer a related party of the Group from that date.

##### (a) Transactions

###### (i) Sales and purchase

		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
Sales of goods to	銷售貨品予		
– Xingfa Curtain Wall	– 興發幕牆	33,140	33,412
Purchases of raw materials from	購買原材料自		
– Leahin Coating	– 立興塗料	8,124	12,623
– Xingfa Curtain Wall	– 興發幕牆	916	–
Total	總計	9,040	12,623

###### (ii) Rental income

		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
Leahin Coating	立興塗料	–	80
Xingfa Curtain Wall	興發幕牆	–	85

#### 32 重大關連方交易 (續)

- (i) 該等公司的英文譯名僅供參考。該等公司的正式名稱為中文名稱。
- (ii) 於本集團於二零零八年七月二十六日收購興高鋁業之100%股權完成後，興高鋁業已成為廣東興發之全資附屬公司，而自當日起不再為本集團之關連方。

##### (a) 交易

###### (i) 買賣

		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
Sales of goods to	銷售貨品予		
– Xingfa Curtain Wall	– 興發幕牆	33,140	33,412
Purchases of raw materials from	購買原材料自		
– Leahin Coating	– 立興塗料	8,124	12,623
– Xingfa Curtain Wall	– 興發幕牆	916	–
Total	總計	9,040	12,623

###### (ii) 租金收入

		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
Leahin Coating	立興塗料	–	80
Xingfa Curtain Wall	興發幕牆	–	85

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 32 Material related party transactions

(continued)

(a) Transactions (continued)

(iii) Operating lease arrangements

		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
Operating lease expenses charged by	支付經營租金予		
– Xingfa Group	– 興發集團	6,630	8,113
– Xingfa Innovation	– 興發創新	2,101	2,603
– Xinggao Aluminium#	– 興高鋁業#	–	3,083
Total	總計	<b>8,731</b>	13,799

# Included in operating lease expenses paid to Xinggao Aluminium were operating lease expenses charged up to the completion date of acquisition of the entire equity interests in Xinggao Aluminium by the Group in 2008.

# 支付予興高鋁業之經營租金包括截至本集團於二零零八年收購興高鋁業全部股權完成日期支銷之經營租金。

(iv) Receipt on behalf of the Group

		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
Xingfa Innovation	興發創新	787	–
Xingfa Group	興發集團	2,858	–
Total	總計	<b>3,645</b>	–

(iv) 代表本集團收取之款項

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 32 Material related party transactions (continued)

##### (a) Transactions (continued)

##### (v) Financial guarantees

Certain banking facilities utilised by the Group were guaranteed by the following related parties as at the balance sheet date.

LUO Su, LUO Riming, and LIAO Yuqing	羅蘇、羅日明及廖玉慶	<b>30,000</b>	259,600
Xingfa Group, LUO Su, LUO Riming and LIAO Yuqing	興發集團、羅蘇、 羅日明及廖玉慶	<b>238,800</b>	243,513
Xingfa Group, Foshan Xinghui, LUO Su, CHEN Hongzai, LUO Riming and LIAO Yuqing	興發集團、佛山興輝、 羅蘇、陳洪再、 羅日明及廖玉慶	-	7,980
Total	總計	<b>268,800</b>	511,093

The Group did not issue financial guarantees to banks in respect of banking facilities to either the related parties or third parties as at 31 December 2009 and 2008.

#### 32 重大關連方交易 (續)

##### (a) 交易 (續)

##### (v) 財務擔保

於結算日，本集團已動用之若干銀行信貸由下列關連方擔保。

<b>The Group</b> 本集團	
<b>2009</b> 二零零九年 <b>RMB'000</b> 人民幣千元	2008 二零零八年 <b>RMB'000</b> 人民幣千元
<b>30,000</b>	259,600
<b>238,800</b>	243,513
-	7,980
<b>268,800</b>	511,093

於二零零九年及二零零八年十二月三十一日，本集團並無就銀行信貸向關連方或第三方發出財務擔保。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 32 Material related party transactions (continued)

#### (a) Transactions (continued)

##### (vi) Disposal of assets to Xingfa Curtain Wall and Xingfa Group

The Group disposed of certain lease prepayments, property, plant and equipment and investment property to Xingfa Curtain Wall at an aggregate consideration of RMB23,000,000 during the year ended 31 December 2008.

On 30 December 2009, the Group and Xingfa Group entered into an asset transfer agreement pursuant to which the Group has agreed to sell the foundation and structural construction of the smelting production lines and the related gas pipeline structures at a cash consideration of RMB4,500,000. The consideration has not been settled as at 31 December 2009.

##### (vii) Acquisition of equity interests of Xinggao Aluminium

Pursuant to an extraordinary general meeting held on 25 July 2008, the shareholders approved the Group to acquire 100% equity interests in Xinggao Aluminium at a consideration of RMB142,698,000 from LUO Zhiyong, LUO Riming and LIAO Yuqing (the "Acquisition").

The Acquisition was completed on 26 July 2008 and Xinggao Aluminium has become the wholly-owned subsidiary of the Company since that date (Note 16).

### 32 重大關連方交易 (續)

#### (a) 交易 (續)

##### (vi) 向興發幕牆及興發集團出售資產

截至二零零八年十二月三十一日止年度，本集團以總代價人民幣23,000,000元向興發幕牆出售若干預付租金、物業、廠房及設備和投資物業。

於二零零九年十二月三十日，本集團及興發集團訂立資產轉讓協議。據此，本集團同意以現金代價人民幣4,500,000元，出售熔煉生產線及相關氣體管道結構之基礎及結構性建設。於二零零九年十二月三十一日，該代價仍未獲償付。

##### (vii) 收購興高鋁業之股權

根據於二零零八年七月二十五日舉行之股東特別大會，股東批准本集團以代價人民幣142,698,000元向羅志勇、羅日明及廖玉慶收購興高鋁業之100%股權（「收購」）。

收購於二零零八年七月二十六日完成，興高鋁業自當日起已成為本公司之全資附屬公司（附註16）。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 32 Material related party transactions (continued)

##### (b) Balances with related parties

As at the balance sheet date, the Group had the following balances with related parties:

##### (i) Trade and other receivables

Trade related	與貿易有關
Xingfa Curtain Wall	興發幕牆
Non-trade related	與非貿易有關
Xingfa Innovation	興發創新
Xingfa Group	興發集團

##### (ii) Trade and other payables

Trade related	與貿易有關
Leahin Coating	立興塗料

The amounts due from/(to) related parties are unsecured, interest free and have no fixed terms of repayment.

#### 32 重大關連方交易 (續)

##### (b) 與關連方的結餘

於結算日，本集團與關連方的結餘如下：

##### (i) 交易及其他應收款項

2009	2008
二零零九年	二零零八年
RMB'000	RMB'000
人民幣千元	人民幣千元

	4,840	6,045
	350	-
	4,718	1,312
	5,068	1,312
	9,908	7,357

##### (ii) 交易及其他應付款項

2009	2008
二零零九年	二零零八年
RMB'000	RMB'000
人民幣千元	人民幣千元

	2,286	3,001
--	-------	-------

應收／(應付)關連方款項為無抵押、免息且無固定還款期。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 32 Material related party transactions

(continued)

#### (c) Key management personnel compensation

Remuneration for key management personnel, including the amounts paid to the Group's directors as disclosed in Note 8 and the senior management as disclosed in Note 9, is as follows:

	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
Short-term employee benefits 短期僱員福利	4,596	3,832
Contribution to retirement benefit plan 退休福利計劃供款	53	39
	<b>4,649</b>	<b>3,871</b>

Total remuneration is included in "staff costs" (Note 6(b)).

### 32 重大關連方交易 (續)

#### (c) 主要管理人員酬金

主要管理人員之酬金(包括附註8及附註9分別所披露支付予本集團董事及高級管理人員的金額)如下:

	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
Short-term employee benefits 短期僱員福利	4,596	3,832
Contribution to retirement benefit plan 退休福利計劃供款	53	39
	<b>4,649</b>	<b>3,871</b>

酬金總額計入「員工成本」(附註6(b))。

### 33 Non-adjusting post balance sheet event

After the balance sheet date the directors proposed a final dividend. Further details are disclosed in note 28(b).

### 34 Comparative figures

As a result of the application of IAS 1 (revised 2007), Presentation of financial statements, and IFRS 8, Operating segments, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 3.

### 33 非調整結算日後事項

於結算日後，董事建議派發末期股息。進一步詳情於附註28(b)披露。

### 34 比較數字

由於應用國際會計準則第1號(二零零七年經修訂)「財務報表之呈列」及國際財務報告準則第8號「經營分部」，部分比較數字已經調整致使與本年度之呈列方式一致，並就於二零零九年首次作披露之項目提供比較數字。詳情披露於附註3。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 35 Significant accounting estimates and judgements

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

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing these financial statements. The principal accounting policies are set forth in note 2. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of these financial statements.

#### (a) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value.

The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future years is adjusted if there are significant changes from previous estimation.

### 35 重大會計估計及判斷

本集團不斷評估估計及判斷，並按過往經驗及其他因素（包括對未來事件之合理預期）作出估計及判斷。

在審閱該等財務報表時需要考慮重大會計政策之選用、影響該等會計政策應用範圍之判斷及其他不明朗因素，以及所呈報業績是否易受情況及假設變動所影響。主要會計政策已載於附註2。本集團相信下列重大會計政策涉及在編製該等財務報表時所採用之最重要判斷及估計。

#### (a) 折舊

物業、廠房及設備經計及估計剩餘價值後，在估計可使用年內以直線法折舊。

本集團每年檢討資產的可使用年限及剩餘價值（如有）。倘過往估計有重大改變，則調整日後年度的折舊開支。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 35 Significant accounting estimates and judgements (continued)

#### (b) Impairments

- (i) In considering the impairment losses that may be required for certain property, plant and equipment and lease prepayments, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.

- (ii) Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of aging analysis and evaluation of collectibility. A considerable level of judgment is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer.

An increase or decrease in the above impairment losses would affect the net profit or loss in future years.

- (iii) Impairment losses for inventories are assessed and provided based on the directors' regular review of market price against inventories costs. A considerable level of judgment is exercised by the directors when assessing the market price.

An increase or decrease in the above impairment losses would affect the net profit or loss in future years.

### 35 重大會計估計及判斷 (續)

#### (b) 減值

- (i) 考慮若干物業、廠房及設備及預付租金的減值虧損時，須釐定該等資產的可收回數額。可收回款項為淨售價與使用值兩者之較高者。由於未必能取得該等資產的既有市場報價，故難以精確估計售價。釐定使用值時，將預期有關資產所得現金流量貼現至其現值時，需要對營業額水平及營運成本金額等項目作出重大判斷。本集團會運用一切可得資料，釐定可收回款項之合理約數，包括根據對營業額及營運成本等項目之合理且可以證據支持之假設和預測作出之估計。

- (ii) 呆壞賬減值虧損按董事定期檢討的賬齡分析和可收回程度評估進行評估及撥備。董事在評估各客戶的信用評級及過往收賬紀錄時使用大量判斷。

上述減值虧損的任何增減均會影響未來年度的純利或虧損淨值。

- (iii) 存貨減值虧損按董事定期對市價與存貨成本的檢討進行評估及撥備。董事在評估市價時須行使大量判斷。

上述減值虧損的任何增減均會影響未來年度的純利或虧損淨值。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 36 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2009

Up to the date of issue of these financial statements, the IASB has issued of the following amendments, new standards and interpretations which are not yet effective for the accounting year ended 31 December 2009 and which have not been adopted in these financial statements.

IFRS 3 (Revised), *Business combinations*  
國際財務報告準則第3號(經修訂), 業務合併

Amendments to IAS 27, *Consolidated and separate Financial statements*  
國際會計準則第27號修訂本, 綜合及個別財務報表

Amendments to IAS 39, *Financial instruments: Recognition and measurement*  
國際會計準則第39號修訂本, 金融工具: 確認及計量

IFRIC 17, *Distribution of non-cash assets to owners*  
國際財務報告詮釋委員會第17號, 向擁有人分派非現金資產

Improvement to IFRSs 2009  
對二零零九年國際財務報告準則之改進

Amendments to IFRS 2, *Share-based payment – Group cash-settled share-based payment transaction*  
香港財務報告準則第2號修訂本, 以股份為基礎之付款—集團以現金結算以股份為基礎之付款交易

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

### 36 於截至二零零九年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響

截至本財務報表的刊發日期, 國際會計準則委員會已頒佈下列各項於截至二零零九年十二月三十一日止會計年度尚未生效的修訂、新準則及詮釋, 而本財務報表並無採納該等修訂、新準則及詮釋。

**Effective for  
accounting periods  
beginning on or after  
於下列日期或之後  
開始的會計期間生效**

1 July 2009  
二零零九年七月一日

1 July 2009  
二零零九年七月一日

1 July 2009  
二零零九年七月一日

1 July 2009  
二零零九年七月一日

1 July 2009 or  
1 January 2010  
二零零九年七月一日或  
二零一零年一月一日

1 January 2010  
二零一零年一月一日

本集團正評估預期首次應用該等修訂期間的影響。迄今為止, 本集團認為採納上述修訂、新準則及詮釋不會嚴重影響本公司的經營業績及財務狀況。

## Five Years Summary 五年概要

		2009	2008	2007	2006	2005
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		二零零九年	二零零八年	二零零七年	二零零六年	二零零五年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Property, plant and equipment	物業、廠房及設備	531,824	351,713	139,007	191,847	202,280
Investment property	投資物業	-	-	-	3,756	3,943
Lease prepayments	預付租金	295,753	153,661	-	81,484	83,162
Deferred tax assets	遞延稅項資產	16,075	390	-	-	465
Net current assets/(liabilities)	流動資產／(負債)淨額	131,149	157,998	376,321	75,388	(37,899)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>974,801</b>	<b>663,762</b>	<b>515,328</b>	<b>352,475</b>	<b>251,951</b>
Non-current liabilities	非流動負債	(258,587)	-	(80,000)	(235)	-
<b>Net assets</b>	<b>資產淨值</b>	<b>716,214</b>	<b>663,762</b>	<b>435,328</b>	<b>352,240</b>	<b>251,951</b>
<b>Capital and reserves</b>	<b>股本及儲備</b>					
Share capital	股本	3,731	3,731	210,000	225,000	155,041
Reserves	儲備	712,483	660,031	225,328	98,101	68,683
<b>Total equity attributable to equity holders of the Company</b>	<b>本公司股權持有人應佔權益總額</b>	<b>716,214</b>	<b>663,762</b>	<b>435,328</b>	<b>323,101</b>	<b>223,724</b>
Minority interests	少數股東權益	-	-	-	29,139	28,227
<b>Total equity</b>	<b>權益總額</b>	<b>716,214</b>	<b>663,762</b>	<b>435,328</b>	<b>352,240</b>	<b>251,951</b>
<b>Operating results</b>	<b>經營業績</b>					
Turnover	營業額	1,871,480	2,136,368	2,148,674	1,861,244	1,309,103
<b>Profit before taxation</b>	<b>除稅前溢利</b>	<b>81,696</b>	<b>38,017</b>	<b>290,923</b>	<b>66,164</b>	<b>36,877</b>
Income tax (expenses)/credit	所得稅(開支)/抵免	(11,488)	(8,704)	677	(5,875)	(11,062)
<b>Profit for the year</b>	<b>年度溢利</b>	<b>70,208</b>	<b>29,313</b>	<b>291,600</b>	<b>60,289</b>	<b>25,815</b>
<b>Attributable to:</b>	<b>歸屬:</b>					
Equity holders of the Company	本公司股權持有人	70,208	29,313	291,750	59,377	24,774
Minority interests	少數股東權益	-	-	(150)	912	1,041
<b>Profit for the year</b>	<b>年度溢利</b>	<b>70,208</b>	<b>29,313</b>	<b>291,600</b>	<b>60,289</b>	<b>25,815</b>
<b>Basic and diluted earnings per share (RMB yuan)</b>	<b>每股基本及攤薄盈利(人民幣元)</b>	<b>0.168</b>	<b>0.075</b>	<b>0.937</b>	<b>0.191</b>	<b>0.080</b>

## Five Years Summary 五年概要

### Notes:

- (i) The Company was incorporated in the Cayman Islands on 13 September 2007 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to the Reorganisation, the Company became the holding company of the Group on 29 February 2008.
- (ii) Although the Reorganisation was not completed until 29 February 2008, the Group is regarded as a continuing group resulting from the Reorganisation. The consolidated financial statements have been prepared on the basis that the Company has been treated as the holding company of the Group since 1 January 2005, rather than from 29 February 2008. Accordingly, the consolidated results of the Group for the five years ended 31 December 2009 have been prepared as if the Aluminium Profile Business had been operated by the subsidiaries now comprising the Group and the group structure immediately after the Reorganisation had been in existence since 1 January 2005. This financial summary includes the consolidated results of the Company and its subsidiaries now comprising the Group with effect from 1 January 2005 or since their respective dates of incorporation, whichever is a shorter period. The consolidated balance sheets at 31 December 2005, 2006, 2007 are the combination of the balance sheets of the Company and its subsidiaries now comprising the Group at 31 December 2005, 2006 and 2007. In the opinion of the directors, the resulting consolidated financial statements give a more meaningful view of the results and state of affairs of the Group as a whole.
- (iii) The calculation of basic earnings per share for the three years ended 31 December 2005, 2006 and 2007 is based on the profit attributable to equity holders of the Company and the 311,410,000 shares in issue as at the date of the Prospectus, as if the shares were outstanding throughout the entire period.
- (iv) The summary above does not form part of the audited consolidated financial statements.

### 附註：

- (i) 本公司乃於二零零七年九月十三日根據開曼群島公司法第22章（一九六一年第3號法案，經綜合及修訂）於開曼群島註冊成立為獲豁免有限公司。根據重組，本公司於二零零八年二月二十九日成為本集團之控股公司。
- (ii) 儘管重組於二零零八年二月二十九日方告完成，惟本集團被視為因重組而產生之持續集團。綜合財務報表乃按本公司被視為自二零零五年一月一日（而並非自二零零八年二月二十九日）起成為本集團之控股公司而編製。因此，本集團截至二零零九年十二月三十一日止五個年度之綜合業績已經編製，猶如鋁型材業務由本集團現時旗下附屬公司自二零零五年一月一日起經營，且緊隨重組後之集團架構自二零零五年一月一日起一直存在。本財務概要包括本公司及本集團現時旗下附屬公司由二零零五年一月一日起或自其各自之註冊成立日期以來（以較短期為準）之綜合業績。於二零零五年、二零零六年及二零零七年十二月三十一日之綜合資產負債表乃將本公司及本集團現時旗下附屬公司於二零零五年、二零零六年及二零零七年十二月三十一日之資產負債表合併所得。董事認為，所產生之綜合財務報表提供較有意義之本集團整體業績及財務狀況。
- (iii) 截至二零零五年、二零零六年及二零零七年十二月三十一日止三個年度之每股基本盈利乃按本公司股權持有人應佔溢利及於售股章程日期已發行股份311,410,000股計算，獲如該等股份於整段期間一直流通在外。
- (iv) 上述概要並不組成經審核綜合財務報表之一部分。

Suite 1513, 15/F, Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong

香港九龍尖沙咀海港城港威大廈第6座15樓1513室

Tel 電話: 852-2175 5388 Fax 傳真: 852-2175 5383

No. 23 Renhe Road, Nanzhuang Town, Chancheng District,

Foshan City, Guangdong Province, China (Postcode: 528061)

中國廣東省佛山市禪城區南莊鎮人和路23號 (郵編: 528061)

Tel 電話: 86-757-8533 2727 Fax 傳真: 86-757-8538 7628

Website 網址: [www.xingfa.com](http://www.xingfa.com)