



CHINA ORIENTAL GROUP COMPANY LIMITED

中國東方集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(在百慕達註冊成立的有限公司)

(Stock Code : 581)

(股份代號 : 581)



2010

Interim Report 中期報告

* For identification purposes only
僅供識別



Today, we hope that for every tree we plant,
it will bring a healthier and more beautiful environment
for the future as well as our next generation.

The picture below was taken on 7 April 2010 when more than 60 young volunteer league members of Jinxi Iron and Steel Company Limited participated in a tree-planting activity held at Luan Shui Wan Dam (灤水灣大壩) in Hebei within the same locality of Jinxi Iron and Steel. More than 450 willows were planted on that day. To ensure the survival rate of the trees planted, the Company also assigned staff to be responsible for managing and protecting the trees, and make tree replantings when necessary.

環境保護、節能減排。
環保的成果，並不能即時實現收益。
今天，我們多種的每一棵樹，希望為未來、
為下一代帶來更健康更優美的環境。

圖為2010年4月7日津西鋼鐵集團股份有限公司的60多名團員青年志願者在河北津西鋼鐵當地的灤水灣大壩的植樹活動，當日共栽植柳樹450多棵。為確保植樹成活率，津西鋼鐵更書成專人負責管理和保護，並對缺苗地段進行補植。



Contents

目錄



		Pages 頁次
Financial Highlights	財務摘要	2
Corporate Information	公司資料	5
Management Discussion and Analysis	管理層討論與分析	7
Business and Financial Review	業務和財務概覽	10
Other Information	其他資料	18
Report on Review of Interim Financial Information	中期財務資料的審閱報告	28
Condensed Consolidated Balance Sheet	簡明合併資產負債表	30
Condensed Consolidated Statement of Comprehensive Income	簡明合併綜合收益表	32
Condensed Consolidated Statement of Changes in Equity	簡明合併權益變動表	34
Condensed Consolidated Cash Flow Statement	簡明合併現金流量表	35
Notes to the Condensed Consolidated Interim Financial Information	簡明合併中期財務資料附註	36



Financial Highlights

財務摘要

FINANCIAL SUMMARY

Revenue	收入
Gross Profit	毛利
EBITDA ¹	扣除所得稅、財務淨成本、折舊及攤銷前溢利 ¹
Profit before income tax	除所得稅前溢利
Profit for the period	期內溢利
Profit for the period Attributable to Equity Holders of the Company	期內本公司權益持有者應佔溢利
Basic Earnings per Share (RMB)	每股基本收益(人民幣元)

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

財務摘要

For the six months ended 30 June
Unaudited Consolidated
截至六月三十日止六個月
未經審核合併

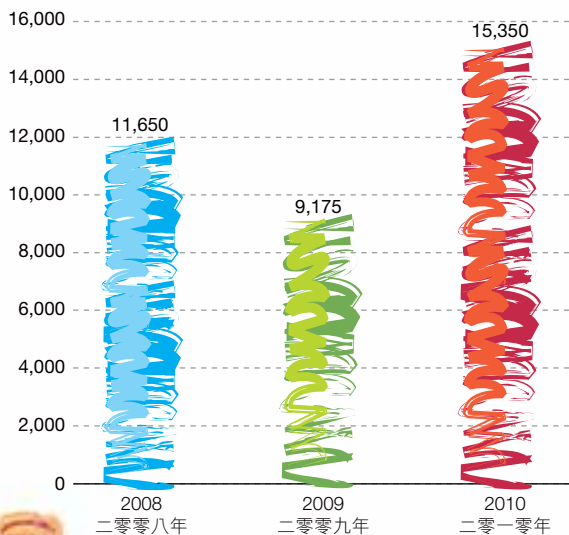
	2008 二零零八年 (RMB million) (人民幣百萬元)	2009 二零零九年 (RMB million) (人民幣百萬元)	2010 二零一零年 (RMB million) (人民幣百萬元)
Revenue	11,650	9,175	15,350
Gross Profit	1,351	754	1,396
EBITDA ¹	1,444	996	1,668
Profit before income tax	1,171	540	1,158
Profit for the period	866	394	872
Profit for the period Attributable to Equity Holders of the Company	835	358	798
Basic Earnings per Share (RMB)	0.29	0.12	0.27

¹ 本公司對EBITDA的定義為未扣除財務淨成本、無形資產攤銷、租賃土地及土地使用權攤銷、所得稅費用及折舊前之本期間溢利。

Revenue

收入

RMB million
人民幣百萬元

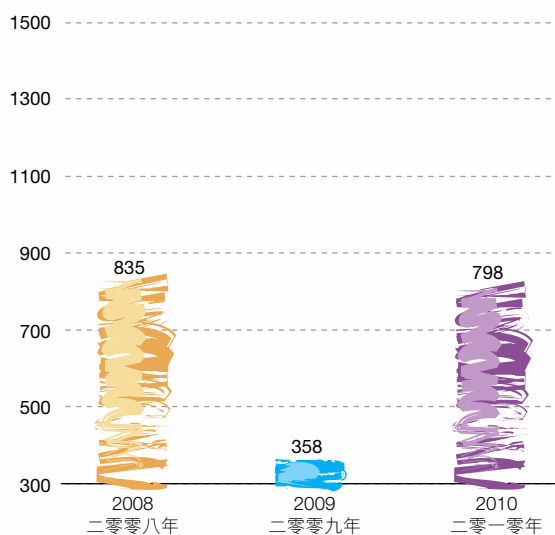


For the six months ended 30 June
截至六月三十日止六個月

Profit for the period Attributable to Equity Holders of the Company

期內本公司權益持有者應佔溢利

RMB million
人民幣百萬元



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

Financial Highlights

財務摘要

SELLING PRICE AND GROSS PROFIT/(LOSS) PER TONNE

每噸銷售價及毛利／(毛虧)

For the six months ended 30 June

Unaudited Consolidated

截至六月三十日止六個月

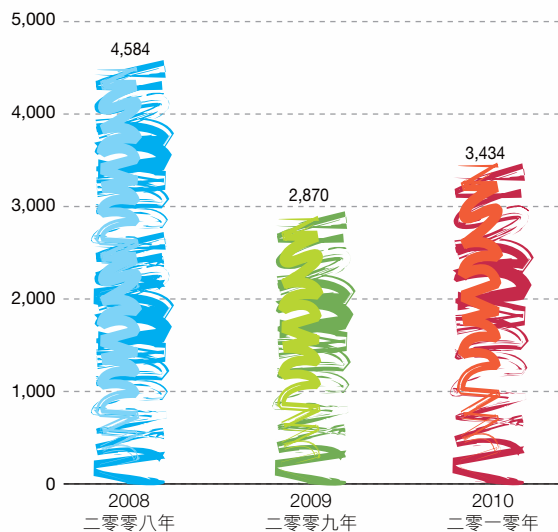
未經審核合併

		2008	2009	2010
		二零零八年	二零零九年	二零一零年
		(RMB)	(RMB)	(RMB)
		(人民幣元)	(人民幣元)	(人民幣元)
Selling Price per Tonne	每噸銷售價	4,584	2,870	3,434
Gross Profit/(Loss) per Tonne	每噸毛利／(毛虧)			
H-section steel	H型鋼	765	129	417
Strips and strip products	帶鋼及帶鋼類產品	454	308	301
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	391	(173)	228
Billets	鋼坯	449	317	197
Combined	綜合	532	235	313

Selling price per Tonne

每噸銷售價

RMB
人民幣元

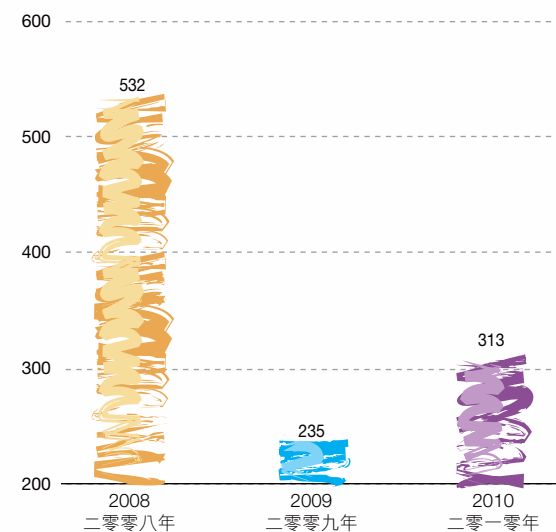


For the six months ended 30 June
截至六月三十日止六個月

Gross Profit per Tonne

每噸毛利

RMB
人民幣元



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

Financial Highlights

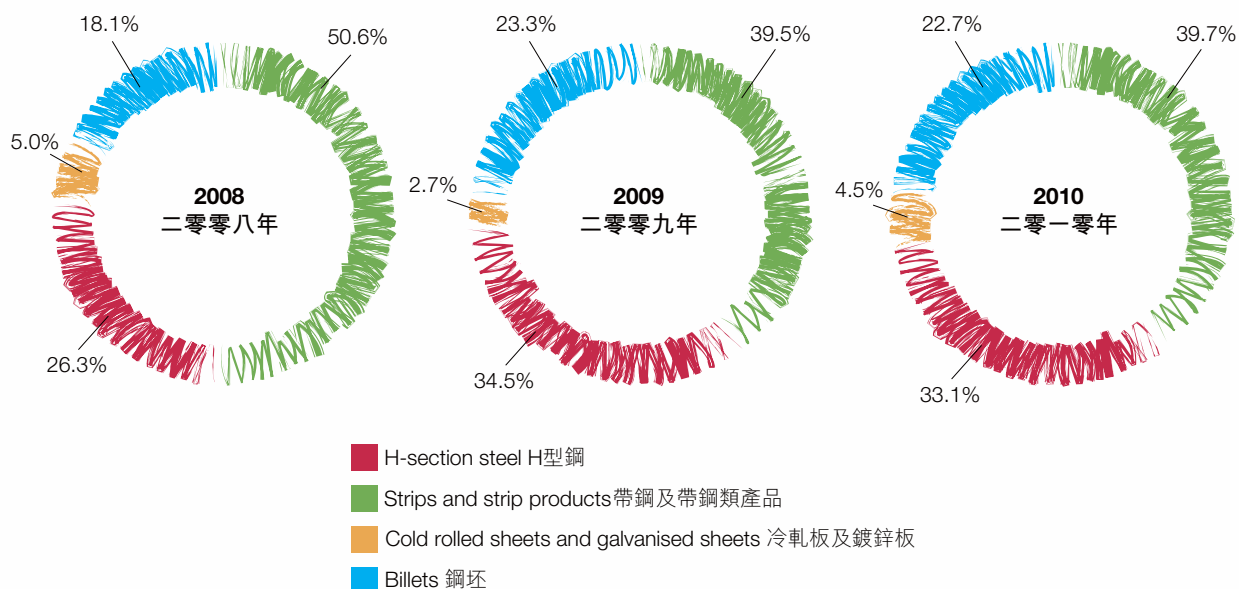
財務摘要

SALES VOLUME BY PRODUCTS

按產品種類劃分之銷量

		For the six months ended 30 June		
		Unaudited Consolidated		
		截至六月三十日止六個月		
		未經審核合併		
		2008	2009	2010
		二零零八年	二零零九年	二零一零年
		('000 tonnes)	('000 tonnes)	('000 tonnes)
		(千噸)	(千噸)	(千噸)
H-section steel	H型鋼	668	1,103	1,481
Strips and strip products	帶鋼及帶鋼類產品	1,285	1,261	1,772
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	126	87	202
Billets	鋼坯	460	743	1,015
Combined	綜合	2,539	3,194	4,470

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



Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

- Mr. Ondra Otradovec
- Mr. Jean-Paul Georges Schuler

Independent Non-executive Directors

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

COMPOSITION OF BOARD COMMITTEE

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

AUTHORISED REPRESENTATIVE

- Mr. Liu Lei
- Mr. Au Yeung Siu Kei

董事局

執行董事

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

非執行董事

- Ondra Otradovec 先生
- Jean-Paul Georges Schuler 先生

獨立非執行董事

- 高清舉先生
- 余統浩先生
- 黃文宗先生

董事委員會

審核委員會

- 黃文宗先生(主席)
- 高清舉先生
- 余統浩先生

薪酬委員會

- 韓敬遠先生(主席)
- 高清舉先生
- 余統浩先生
- 黃文宗先生

授權代表

- 劉磊先生
- 歐陽兆基先生

Corporate Information 公司資料

COMPANY SECRETARY

Mr. Au Yeung Siu Kei

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

AUDITORS

PricewaterhouseCoopers

COMPANY'S WEBSITE

www.chinaorientalgroup.com

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China
China Construction Bank
China Merchants Bank
China Minsheng Bank
ICBC (Asia)
Nanyang Commercial Bank

公司秘書

歐陽兆基先生

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港主要營業地點

香港灣仔
港灣道23號
鷹君中心9樓901-2及10室

百慕達主要股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited

香港股份過戶登記分處

卓佳證券登記有限公司

核數師

羅兵咸永道會計師事務所

公司網址

www.chinaorientalgroup.com

主要往來銀行

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





Management Discussion and Analysis 管理層討論與分析



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

本集團二零一零年上半年的銷售及業績比二零零九年同期有較理想的增長。

During the first half of 2010, the steel industry in the PRC has experienced a volatile period. The rise in iron ore prices after the Chinese new year, which is typically a low season in the industry, caused steel prices to increase significantly in March 2010. However, with the PRC government's introduction of measures to cool down the growth in the real estate industry and Europe's debt crisis, steel prices began to drop in mid-April of 2010. In July 2010, the Group is experiencing signs of steel price recovery which the Group believes to be sustainable.

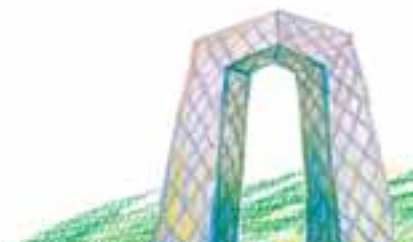
Compared with the stagnant market and global economic recession in the first half of 2009, the global market in the first half of 2010 displayed improved sentiment. With the support of the PRC government's stimulus package, economic conditions in the PRC economy also improved during the first half of 2010. However, the relatively high price of raw materials such as iron ore and coke, and the drop in steel prices in the second quarter of 2010 posed a severe challenge for domestic steel enterprises.

In 2010, management of the Group has also paid close attention to the iron ore and coke market and has closely monitored the inventory level of the Group by having regular meetings with its production and purchase departments in order to adopt flexible operational strategies to cope with the changes in the iron ore and coke market.

於二零一零年上半年期間，國內鋼鐵產業經歷反覆波動。在春節的淡季過後，由於預期鐵礦石價格上揚，鋼材價格於二零一零年三月份大幅攀升。但隨著中國政府對房地產行業增長降溫的調控政策出台，以及歐洲出現債務危機，鋼材價格自二零一零年四月中旬的高位回落。於二零一零年七月，集團注意到鋼價復甦跡象並預期可持續。

相對於二零零九年上半年市場需求呆滯及環球經濟不景情況，二零一零年上半年的環球市場氣氛有所好轉。在中國政府的振興措施支持下，中國經濟狀況於二零一零年上半年亦有所改善。但面對鐵礦石、焦煤等主要原材料價格處於較高水平，而鋼材售價於二零一零年第二季度下跌，對國內鋼鐵企業仍然構成嚴峻的挑戰。

自二零一零年起，集團管理層亦密切留意鐵礦石及焦煤市場，並且通過與生產及採購部門進行定期會議，嚴格監控集團的存貨水平，以採取靈活的營運策略應對鐵礦石及焦煤市場的變動。



Management Discussion and Analysis

管理層討論與分析



In addition, the Group has also continued to implement various cost control measures to reduce its production and operating costs during the first half of 2010, which included setting energy saving and consumption reduction targets in many aspects of the production process and controlling its expenditure budget strictly, thereby raising its overall operational efficiencies.

The Group continued to be a market leader in the PRC for H-section steels and is capable of producing a wide range of H-section steels. During the six months ended 30 June 2010, the Group sold 1.48 million tonnes of H-section steel.

Located in Foshan, Foshan Jin Xi Jin Lan Cold Rolled Sheet Co., Ltd. ("Jinxi Jinlan") returned to profitability in the first half of the year, driven by a market oriented product mix, better management and enhanced operational efficiencies.

另外，集團亦繼續實施多項成本控制措施，以降低其於二零一零年上半年的生產及營運成本，包括於多個生產環節訂立節能及減耗指標，以及嚴格實施支出預算，從而提升整體營運效益。

集團繼續領導中國的H型鋼市場，能夠生產多種H型鋼。截至二零一零年六月三十日止六個月，集團共售出148萬噸H型鋼。

位於佛山的佛山津西金蘭冷軋板有限公司（「津西金蘭」），由於市場導向的產品結構、管理改善及運營效率提高，津西金蘭在上半年度已扭虧為盈。



Management Discussion and Analysis 管理層討論與分析

With the full operation of both the production assets acquired from Tangshan Fengrun Qu Hengfeng Iron and Steel Company Limited and the production facilities leased from Qianxi County Jinxi Wan Tong Ductile Iron Pipe Co., Ltd. in the prior year, the Group's overall production capacity of crude steel is currently at 11 million tonnes per annum. Driven by the increased capacity, both production volume and sales volume grew substantially in the first half of 2010 when compared with that of the same period of 2009, as a result of which the Group experienced growth in sales and increased its profitability for the first half of 2010.

For the six months ended 30 June 2010, the Group recorded revenues of RMB15,350 million, representing an increase of 67.3% as compared with that of the corresponding period in the prior year. Given the increase in revenue and its effective cost control measures, the Group sustained growth in its operating profit in the first half of 2010 when compared with that of the corresponding period in prior year. During the period under review, the operating profit and profit for the period attributable to equity holders of the Company increased by 105.6% and 122.9%, respectively, as compared with those of the corresponding period last year.

During the first half of 2010, the Group purchased a piece of land located in Tangshan city, Hebei province for approximately RMB193 million as a property development project. The construction area is 310,000 sq m, and development planning for the site has begun. The project will be developed over three phases as a residential community targeting relatively high-income families in the area. The entire project is expected to be completed in four years.

Since the Group introduced the world's largest steel corporation ArcelorMittal as its strategic shareholder in 2008, collaboration between the two companies has grown considerably. ArcelorMittal appointed experienced executives to the Board to participate in decision making for the Group's business development. Technicians and management staff from ArcelorMittal were sent to our production sites on a regular basis to inspect their operations and provide professional advice.

隨著去年向唐山豐潤區恒豐鋼鐵有限公司購買的生產資產及向遷西縣津西萬通球墨鑄管有限公司租賃的生產設施全面投產，集團的粗鋼整體產能現時為每年1,100萬噸。產能上升令二零一零年上半年的產量及銷量較二零零九年同期大幅增長，因此，集團於二零一零年上半年的銷售錄得滿意增長，而盈利能力亦有所提升。

截至二零一零年六月三十日止六個月，集團錄得收入人民幣153.50億元，較去年同期增加67.3%。在收入增加及成本控制得宜的情況下，集團於二零一零年上半年的經營溢利較去年同期錄得令人滿意的增長。於回顧期內，經營溢利及期內本公司權益持有者應佔溢利分別較去年同期增加105.6%及122.9%。

集團於二零一零年上半年以約人民幣1.93億元購入一幅位於河北省唐山市的土地作為房地產發展項目。此項目的建築面積為31萬平方米，已開始發展規劃。有關的項目將分三個階段建造針對該地區較高收入家庭的住宅小區，預期四年內完成整個項目。

集團自二零零八年引入全球最大的鋼鐵企業安賽樂米塔爾為策略股東後，雙方的緊密合作不斷深化。安賽樂米塔爾除委派資深行政人員加入集團董事局，參與集團業務發展決策外，並定期派遣技術及管理人員到我們的生產基地視察營運狀況和提供專業意見。

Business and Financial Review

業務和財務概覽

BUSINESS REVIEW

Sales Volume

In the first half of 2010, the Group's total sales volume was 4.47 million tonnes (2009 corresponding period: 3.19 million tonnes), representing an increase of approximately 40%.

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

業績回顧

銷售量

二零一零年上半年本集團總銷售量為447萬噸(二零零九年同期:319萬噸),上升約40%。

本集團於期內銷售量如下:

		For the six months ended 30 June 截至六月三十日止六個月				
		2010 二零一零年		2009 二零零九年		Changes in sales volume 銷量變化
		Sales volume 銷量 (^{'000 tonnes}) (千噸)		Sales volume 銷量 (^{'000 tonnes}) (千噸)		
H-section steel	H型鋼	1,481	33.1%	1,103	34.5%	34.3%
Strips and strip products	帶鋼及帶鋼類產品	1,772	39.7%	1,261	39.5%	40.5%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	202	4.5%	87	2.7%	132.2%
Billets	鋼坯	1,015	22.7%	743	23.3%	36.6%
Total	合計	4,470	100.0%	3,194	100.0%	39.9%

During the period under review, the Group experienced a substantial increase in sales volume. This was mainly attributable to the increase in production capacity to 11 million tonnes through leveraging internal potential and leasing production facilities from external parties, which allowed the Group to meet its customers' increasing needs.

回顧期內,本集團銷量有較大升幅,主要是因為集團通過內部挖潛和外部租賃生產設施將產能提升至1,100萬噸,以滿足客戶對產品的上升需求。

Business and Financial Review

業務和財務概覽

Revenue

Revenue of the Group in the first half of 2010 was RMB15,350 million (2009 corresponding period: RMB9,175 million), representing an increase of approximately 67.3%

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

銷售額

二零一零年上半年本集團總銷售額為人民幣153.50億元(二零零九年同期：人民幣91.75億元)，增長約67.3%。

本集團於期內銷售額及不含增值稅之平均產品銷售單價如下：

		For the six months ended 30 June 截至六月三十日止六個月					
		2010 二零一零年		2009 二零零九年		Changes 變化	
		Average		Average		Average	
		Revenue	selling price	Revenue	Selling price	Revenue	selling price
		銷售額	平均銷售單價	銷售額	平均銷售單價	銷售額	平均銷售單價
		(RMB million)	(RMB/tonne)	(RMB million)	(RMB/tonne)	銷售額	平均銷售單價
人民幣		(百萬元)	(元/噸)	(百萬元)	(元/噸)		
H-section steel	H型鋼	5,228	3,530	3,281	2,974	59.3%	18.7%
Strips and strip products	帶鋼及帶鋼類產品	5,894	3,326	3,593	2,850	64.0%	16.7%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	898	4,446	344	3,952	161.0%	12.5%
Billets	鋼坯	3,330	3,281	1,950	2,624	70.8%	25.0%
Others	其他	-	N/A	7	N/A	N/A	N/A
			不適用		不適用	不適用	不適用
Total	合計	15,350	3,434	9,175	2,870	67.3%	19.7%

The increase in revenue was primarily due to an increase in sales volume of the Group's products and an increase in its average selling price by 19.7% to RMB 3,434 per tonne for the six months ended 30 June 2010 from RMB 2,870 per tonne for the corresponding period in 2009. Increase in sales volume and average selling price of the Group's products were mainly driven by improved demands during the first half of 2010, as the general economic conditions in the PRC continued to improve as compared to the corresponding period in 2009.

銷售額上升主要由於本集團產品的銷售量上升及截至於二零一零年六月三十日止六個月平均售價較二零零九年同期的每噸人民幣2,870元上升19.7%至每噸人民幣3,434元。本集團產品的銷售量及平均售價上升主要因二零一零年上半年中國整體經濟狀況較二零零九年同期持續好轉，而帶動需求上升所致。

Business and Financial Review

業務和財務概覽

Cost of Goods Sold and Gross Profit

The consolidated gross profit of the Group in the first half of 2010 was RMB1,396 million (2009 corresponding period: RMB754 million), representing an increase of 85.1%. Gross profit margin was 9.1% (2009 corresponding period: 8.2%)

Average cost per tonne and gross profit per tonne during the period were as follows:

銷售成本及毛利

二零一零年上半年本集團的綜合毛利為人民幣13.96億元(二零零九年同期：人民幣7.54億元)，上升85.1%。毛利率為9.1%(二零零九年同期：8.2%)。

於期內每噸平均成本及毛利如下：

		For the six months ended 30 June 截至六月三十日止六個月					
		2010 二零一零年			2009 二零零九年		
	Average cost per tonne 每噸平均 成本 (RMB) (元)	Gross profit per tonne 每噸毛利 (RMB) (元)	Gross profit margin 毛利率	Average cost per tonne 每噸平均 成本 (RMB) (元)	Gross profit/(loss) per tonne 每噸毛利/ (毛虧) (RMB) (元)	Gross profit/(loss) margin 毛利/ (毛虧)率	
H-section steel	H型鋼	3,113	417	11.8%	2,845	129	4.3%
Strips and strip products	帶鋼及帶鋼類產品	3,025	301	9.1%	2,542	308	10.8%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	4,218	228	5.1%	4,125	(173)	(4.4%)
Billets	鋼坯	3,084	197	6.0%	2,307	317	12.1%
Total	合計	3,121	313	9.1%	2,635	235	8.2%

Gross profit per tonne of the Group's products increased to RMB313 for the six months ended 30 June 2010 from RMB 235 for the corresponding period in 2009, reflecting an increase of 33.2%. Gross profit margin increased to 9.1% for the six months ended 30 June 2010 from 8.2% for the corresponding period in 2009. The increase in gross profit margin was primarily due to a significant increase in the gross profit margins of H-section steel and cold rolled sheets and galvanised sheets, which were 11.8% and 5.1% respectively, for the first half of 2010, as compared to 4.3% and a gross loss margin of 4.4% respectively, for the corresponding period in 2009.

截至二零一零年六月三十日止六個月本集團產品每噸毛利由二零零九年同期人民幣235元升至人民幣313元，上升33.2%。截至二零一零年六月三十日止六個月毛利率由二零零九年同期8.2%升至9.1%。毛利率上升主要因二零一零年上半年H型鋼及冷軋板及鍍鋅板毛利率顯著上升，分別為11.8%及5.1%，而二零零九年同期則分別為毛利率4.3%及毛虧率4.4%。

Business and Financial Review 業務和財務概覽

ACCREDITATION FOR THE COMPANY AND ITS MANAGEMENT

The Group was awarded the title “2010 China Quality and Credible Enterprise” by the Market Research Centre of “China Association for Quality” 《中國質量萬里行》in March 2010.

Mr. Han Jingyuan, the Chairman of the Company, was named as “Outstanding Green Entrepreneur” 「環境保護優秀企業家」 by Environmental Protection magazine in April 2010 for his dedication to promoting environmental practices in the company.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2010, the Group had a workforce of approximately 13,000 and temporary staff of approximately 3,000. The staff cost included basic salaries and benefits. Staff benefits included discretionary bonus, medical insurance plans, pension scheme, unemployment insurance plan, maternity insurance plan and the fair value of share options, etc. Effective from July 2008, the Group implemented a workers’ injury insurance scheme. The amount of contribution made to the Social Insurance Bureau was calculated at 1.5% based on the workers’ wages. According to the Group’s remuneration policy, the employees’ package is based on the employees’ productivity and/or sales performance, and is consistent with the Group’s quality control and cost control targets.

INVESTOR RELATIONS

During the period under review, the Company maintained close contact with its investors, updating them on the Company’s business development and the impact from industry trends. In addition to the regular meetings with analysts and institutional investors, the Group also participated in large-scale investment forums and road shows held by institutional investors during the period under review, thereby enhancing investors’ understanding of and confidence in the Company. In the first half of 2010, the Group held a number of one-to-one investor meetings and arranged factory tours to Jinxi Jinlan plant and its production base in Qianxi County, Tangshan province for analysts and stock commentators.

公司及管理層取得的榮譽

本集團於二零一零年三月份獲得《中國質量萬里行》市場調查中心頒發的「二零一零年度中國質量信用企業」殊榮。

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

人力資源及薪酬政策

於二零一零年六月三十日，本集團僱用員工約13,000人及臨時工人約3,000人。職工成本包括基本薪金及福利，僱員福利包括酌情發放的花紅、醫療保險計劃、養老金計劃、失業保險計劃、生育保險計劃及購股權的公平值等。自二零零八年七月份起，本集團推行工傷保險並按員工發放工資的1.5%上繳社保部門。根據本集團的薪酬政策，僱員的整套福利與僱員的生產力及／或銷售業績掛鈎，與本集團質量控制及成本控制目標的一致。

投資者關係

公司在回顧期內與投資者維持緊密溝通，向他們介紹業務發展和更新行業趨勢的影響。於回顧期內，本集團除了與分析師和機構投資者定期會面之外，還積極參與由各大機構投資者安排的大型投資論壇以及路演活動，增進投資者對公司的瞭解和信心。於二零一零年上半年，本集團不但舉行了若干投資者單對單會議，還安排了分析師及股評家到佛山津西金蘭廠房及唐山市遷西縣的生產基地的參觀活動。

Business and Financial Review

業務和財務概覽

Investor relations activities provide an interactive platform, through which investors can gain a better understanding of the Company, while the Company can have a firm grasp of the attitude and expectation of investors. In future, the Company will continue to maintain close contact with investors and promote positive interaction between the Company.

FINANCIAL REVIEW

Capital Structure

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

As at 30 June 2010, the Group had cash and cash equivalent amounting to RMB813 million (31 December 2009: RMB644 million).

As at 30 June 2010, the Group's debt ratio, calculated by dividing the Group's total liabilities by total assets, was 51.4% (31 December 2009: 50.9%).

The net asset value per share of the Group as at 30 June 2010 was RMB2.65 (31 December 2009: RMB2.45), representing an increase of 8.2% as compared with that of 31 December 2009.

The consolidated interest expenses (including capitalised interest expenses) in the first half of 2010 amounted to RMB118.22 million (2009 corresponding period: RMB93.12 million). Interest coverage (earnings before interests and taxes divided by total interest expenses) was 10.7 times (2009 corresponding period: 6.6 times).

Capital Commitments

As at 30 June 2010, the Group had capital commitments of RMB1,681 million (31 December 2009: RMB2,950 million), which mainly consisted of capital commitments for the construction of a coking coal plant and other ancillary projects.

投資者關係活動是一個雙向的平臺，在讓投資者對公司有更充分瞭解的同時也幫助公司有效掌握投資者的取態以及期望。在未來公司會繼續維持與投資者的密切溝通和良性互動。

財務回顧

資本結構

本集團密切監察流動資金及財政資源，以保持穩健的財政狀況。

於二零一零年六月三十日，本集團的現金及現金等價物為人民幣8.13億元（二零零九年十二月三十一日：人民幣6.44億元）。

於二零一零年六月三十日，按本集團的總負債除以總資產計算，本集團的負債比率為51.4%（二零零九年十二月三十一日：50.9%）。

本集團於二零一零年六月三十日的每股淨資產值為人民幣2.65元（二零零九年十二月三十一日：人民幣2.45元），較二零零九年十二月三十一日上升8.2%。

二零一零年上半年合併利息支出（含資本化利息）共人民幣11,822萬元（二零零九年同期：人民幣9,312萬元）。利息盈利倍數（扣除利息支出前之稅前溢利除以利息支出）為10.7倍（二零零九年同期：6.6倍）。

資本性承擔

於二零一零年六月三十日，本集團的資本性承擔為人民幣16.81億元（二零零九年十二月三十一日：人民幣29.50億元），主要為焦化工程和其他配套工程項目的資本性承擔。

Business and Financial Review 業務和財務概覽

Financial Guarantee Contract

As at 30 June 2010, the Group's financial guarantee contract amounted to RMB30 million (31 December 2009: RMB 30 million) which reflected the provision of guarantees for bank borrowings in favour of third parties.

Pledge of Assets

As at 30 June 2010, the net book value of the Group's property, plant and equipment amounting to approximately RMB656 million (31 December 2009: approximately RMB1,463 million), land use rights amounting to approximately RMB61 million (31 December 2009: approximately RMB61 million), inventories amounting to approximately RMB151 million (31 December 2009: approximately RMB67 million), notes receivable amounting to approximately RMB110 million (31 December 2009: approximately RMB102 million) and restricted bank balances amounting to approximately RMB706 million (31 December 2009: approximately RMB342 million) had been pledged as security for the Group's bank facilities.

Exchange Risks

As at 30 June 2010, Renminbi, US dollar, HK dollar and Euro accounted for 77.9%, 17.6%, 4.5% and 0.0% of the Group's total bank balances (including restricted bank balances) respectively (31 December 2009: 81.8%, 17.9%, 0.3% and 0.0% respectively). As the majority of the sales, purchases of raw materials and bank borrowings of the Group were in Renminbi, the Group's exposure to foreign exchange risk remained relatively low.

Interest Rate Risk

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

財務擔保合同

於二零一零年六月三十日，本集團的財務擔保合同為人民幣3,000萬元(二零零九年十二月三十一日：人民幣3,000萬元)，為替第三方作銀行借貸擔保。

資產抵押

於二零一零年六月三十日，本集團賬面淨值約人民幣6.56億元(二零零九年十二月三十一日：約人民幣14.63億元)的物業、廠房及設備，約人民幣0.61億元(二零零九年十二月三十一日：約人民幣0.61億元)的土地使用權，約人民幣1.51億元(二零零九年十二月三十一日：約人民幣0.67億元)的存貨，約人民幣1.10億元(二零零九年十二月三十一日：約人民幣1.02億元)的應收票據及約人民幣7.06億元(二零零九年十二月三十一日：約人民幣3.42億元)的受限制銀行結餘，已作為本集團獲授銀行融資的抵押品。

匯率風險

本集團於二零一零年六月三十日的銀行存款結餘(包括受限制銀行結餘)中，人民幣、美元、港元和歐元分別佔77.9%、17.6%、4.5%及0.0%(二零零九年十二月三十一日：分別佔81.8%、17.9%、0.3%及0.0%)。由於本集團的大部份銷售、原材料採購及銀行借貸均以人民幣為主，因此本集團所承受的外匯風險相對較低。

利率風險

本集團若干借款的利率為可變動的。提高的利率將增加新借款及現有借款的利息成本。本集團目前並無使用衍生工具對沖其利率風險。

Business and Financial Review

業務和財務概覽

Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009 corresponding period: nil).

Post Balance Sheet Events

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

FUTURE PROSPECTS

Since June 2010, the PRC government has imposed additional measures to regulate the steel industry, including strict regulation regarding the expansion of steel production capacities and the abolition of the export tax refund on steel products with a goal of accelerating consolidation in the steel industry, reducing inefficient capacities and conserving resources, which are believed to be beneficial to the healthy development of the steel industry.

While the high market price of iron ore and the stagnant selling prices for steel products since April 2010 put tremendous pressure on small steel plants with low production efficiency, this challenging market environment also creates opportunities for industry consolidation. While the Group has not yet identified specific target, the Group intends to explore opportunities for strategic mergers and acquisitions, with an aim to achieve continued growth.

Moreover, the Group intends to continue to optimize its existing product mix according to changes in market demand, while actively engaging in developing new types of steel products. The Group also intends to enhance its profitability by offering products with greater market demand and lower competition.

In addition, the Group will continue to strengthen its cost control by further enhancing its internal operational management and production efficiency, as well as saving consumption of raw materials and energy.

股息

董事局不建議派發截至二零一零年六月三十日止六個月的中期股息(二零零九年同期：無)。

結算日後事項

自結算日後至本報告日止期間，並無發生重大影響本集團的事情需要披露。

未來展望

自二零一零年六月起，中國政府實施更多措施規管鋼鐵行業，包括嚴格規管鋼鐵產能擴張及取消鋼鐵產品出口退稅，以達到加快整合鋼鐵行業、減少低效產能及節省資源的目標，該等措施被認為有利於鋼鐵行業的健康發展。

儘管二零一零年自四月中旬後鐵礦石市場價格高企及鋼鐵產品售價滯停對產能較低的小型鋼鐵廠構成巨大壓力，然而充滿挑戰的市場環境亦為行業整合創造機遇。雖然目前集團並沒有明確收購目標，但集團將繼續尋求併購機會，達致持續增長的目標。

再者集團擬將繼續因應對市場需求變化優化現有產品結構，同時積極研發新鋼材產品；透過供應市場需求大、競爭相對較少的產品，擴闊集團利潤空間。

此外，集團將通過進一步提高其內部運營管理及生產效率，持續加強其成本控制，並且節省原材料及能源消耗。



Business and Financial Review 業務和財務概覽



In order to sustain long-term stable development and minimise the impact of fluctuations in the price of a single product series, the Group intends to continue to explore new businesses to broaden its source of revenue. As part of this strategy, the Group entered into property development business in the first half of 2010.

ArcelorMittal, one of the Group's major shareholders, is the world's largest steel corporation. It possesses a complete supply chain and extensive experiences in doing transnational businesses. The Group is now exploring opportunities for collaboration with ArcelorMittal on upstream steel projects.

The Group will continue to adopt a prudent management approach and will pay close attention to market developments to respond quickly to the changes in the second half of the year. The management will also strive to maintain the Group's competitive advantages in the face of various challenges in 2010 through the aforementioned measures.

為維持集團的長遠穩定發展，降低集團受到單一系列產品價格波動的影響，集團有意繼續開發新業務板塊以拓闊收益來源。作為此策略的一部份，本集團於二零一零年上半年開展了房地產開發業務。

集團的其中一個主要股東安賽樂米塔爾是全球最大的鋼鐵集團，擁有完整的供應鏈和廣泛的跨國業務經驗，集團正與安賽樂米塔爾就在鋼鐵行業上游的項目合作進行探討。

集團在下半年將維持審慎的經營態度，密切注視市場的發展，並因應形勢作出迅速應對。管理層亦將透過上述的多種舉措致力維持集團在二零一零年的重重挑戰環境下的競爭優勢。



Other Information 其他資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As of 30 June 2010, the long and short positions of the Directors, chief executives and their associates of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

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

董事於證券的權益及淡倉

於二零一零年六月三十日，根據證券及期貨條例（「證券及期貨條例」）第352條所存置的股東名冊記錄，或根據上市公司董事進行證券交易的標準守則本公司及聯交所獲知會，本公司董事、主要行政人員及其聯繫人士於本公司或任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券擁有以下好倉及淡倉：

持有本公司股份數目及於本公司的權益性質：

	Corporate Interest	Personal Interest	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比	Long/Short Position 好/淡倉
Mr. Han Jingyuan (Note 1) 韓敬遠先生(備註一)	1,317,502,849	–	44.97%	Long 好倉
	–	2,800,000	0.10%	Long 好倉
Mr. Zhu Jun 朱軍先生	–	2,400,000	0.08%	Long 好倉
Mr. Liu Lei 劉磊先生	–	2,400,000	0.08%	Long 好倉
Mr. Shen Xiaoling 沈曉玲先生	–	2,400,000	0.08%	Long 好倉
Mr. Gao Qingju 高清舉先生	–	1,686,000	0.06%	Long 好倉

Other Information 其他資料

Notes:

- As of 30 June 2010, Mr. Han Jingyuan beneficially owned 63.15% of the issued share capital of Wellbeing Holdings Limited ("Wellbeing Holdings") and held 16.09% of the issued share capital of Wellbeing Holdings on trust for the benefit of certain employees of a subsidiary of the Company. Wellbeing Holdings beneficially owned 1,255,849,124 shares of the Company representing approximately 42.87% of the issued share capital of the Company. Mr. Han is also beneficially owner of 100% of the issued share capital of Chingford Holdings Limited ("Chingford Holdings") which beneficially owned 61,653,725 shares of the Company representing approximately 2.10% of the issued shares of the Company at 30 June 2010.

At 30 June 2010, Mr. Han Jingyuan beneficially owns 2,800,000 shares representing approximately 0.10% of the issued share capital of the Company.

Save as disclosed above and in the section of "Equity-settled share option scheme" below, at 30 June 2010, none of the Directors and chief executives and their associates had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

EQUITY-SETTLED SHARE OPTION SCHEME

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

備註：

- 於二零一零年六月三十日，韓敬遠先生實益擁有 Wellbeing Holdings Limited (「Wellbeing Holdings」) 已發行股本 63.15%，並以信託方式為本公司附屬公司若干僱員的利益持有 Wellbeing Holdings 已發行股本 16.09%。Wellbeing Holdings 實益持有本公司 1,255,849,124 股，約佔本公司已發行股本 42.87%。韓先生實益持有 Chingford Holdings Limited (「Chingford Holdings」) 全部已發行股本，而 Chingford Holdings 於二零一零年六月三十日亦實益持有本公司 61,653,725 股，約佔本公司已發行股本 2.10%。

於二零一零年六月三十日，韓敬遠先生私人實益持有本公司 2,800,000 股，約佔本公司已發行股本 0.10%。

除上文所披露者和下述「以股權結算的購股權計劃」部份外，於二零一零年六月三十日，根據證券及期貨條例第 352 條所存置的股東名冊所記錄，或根據上市公司董事進行證券交易的標準守則本公司及聯交所獲知會，本公司董事、主要行政人員及其聯繫人士概無於本公司或任何相聯法團（定義見證券及期貨條例）的股份、相關股份及債券擁有任何權益及淡倉。

以股權結算的購股權計劃

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

Other Information 其他資料

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

Details of the share options outstanding during the current period were as follows:

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

於本期間內尚未行使的購股權詳情如下：

Date of grant	Exercisable period	Exercise price per share	Closing price per share immediately before the date of grant	No. of options outstanding at 1 Jan 2010	No. of options granted during the current period	No. of options exercised/ cancelled/ lapsed during the current period	No. of option outstanding at 30 June 2010	Approximate shareholding percentage of the underlying shares for the options in the share capital of the Company
授予日	可行使期間	每股行使價 HK\$ 港元	每股收市價 HK\$ 港元	購股權數目	購股權數目	購股權數目	購股權數目	購股權相關股份佔本公司股本的股權概約百分比
Mr. Han Jingyuan 韓敬遠先生	2009/2/24 to 2019/2/23	1.39	1.24	2,900,000	-	-	2,900,000	0.10%
Mr. Zhu Jun 朱軍先生	2009/2/24 to 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.09%
Mr. Liu Lei 劉磊先生	2009/2/24 to 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.09%

Other Information 其他資料

Date of grant 授予日	Exercisable period 可行使期間	Exercise price per share 每股行使價 HK\$ 港元	Closing price per share immediately before the date of grant 緊接購股權授予日前的每股收市價 HK\$ 港元	No. of options outstanding at 1 Jan 2010 於二零一零年一月一日未行使的購股權數目	No. of options granted during the current period 於本期間內已行使/註冊/授予的購股權數目	No. of options exercised/cancelled/lapsed during the current period 於本期間內已行使/註銷/失效的購股權數目	No. of option outstanding at 30 June 2010 於二零一零年六月三十日未行使的購股權數目	Approximate shareholding percentage of the underlying shares for the options in the share capital of the Company 購股權相關股份佔本公司股本的股權概約百分比
Mr. Shen Xiaoling 沈曉玲先生	2009/2/24 to 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.09%
Mr. Zhu Hao 朱浩先生	2009/2/24 to 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.09%
Mr. Muktesh Mukherjee Muktesh Mukherjee先生	2009/5/11 to 2019/5/10	1.50	1.49	2,600,000	-	-	2,600,000	0.09%
Mr. Jean-Paul Georges Schuler Jean-Paul Georges Schuler先生	2009/5/11 to 2019/5/10	1.50	1.49	2,000,000	-	-	2,000,000	0.07%
Mr. Ondra Otradovec Ondra Otradovec先生	2009/5/11 to 2019/5/10	1.50	1.49	2,000,000	-	-	2,000,000	0.07%
Mr. Gao Qingju 高清舉先生	2009/2/24 to 2019/2/23	1.39	1.24	2,000,000	-	-	2,000,000	0.07%

Other Information 其他資料

	Date of grant	Exercisable period	Exercise price per share	Closing price per share immediately before the date of grant	No. of options outstanding at 1 Jan 2010	No. of options granted during the current period	No. of options exercised/ cancelled/ lapsed during the current period	No. of option outstanding at 30 June 2010	Approximate shareholding percentage of the underlying shares for the options in the share capital of the Company
	授予日	可行使期間	每股行使價 HK\$ 港元	每股收市價 HK\$ 港元	購股權數目	購股權數目	購股權數目	購股權數目	購股權相關股份佔本公司股本的股權概約百分比
Mr. Yu Tung Ho 余統浩先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,000,000	-	-	2,000,000	0.07%
Mr. Wong Man Chung, Francis 黃文宗先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,000,000	-	-	2,000,000	0.07%
Employees 僱員	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	1,900,000	-	525,000	1,375,000	0.05%
	2009/12/29	2010/3/29 To 至 2019/12/28	2.84	2.77	148,780,000	-	-	148,780,000	5.08%
Total 合計					176,580,000	-	525,000	176,055,000	6.01%

Other Information 其他資料

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS

At 30 June 2010, the interests or short positions of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

董事認購股份或債券的權利

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

主要股東

於二零一零年六月三十日，本公司根據證券及期貨條例第336條所存置的股東名冊所記錄，每名人士（本公司董事或主要行政人員除外）於本公司股份及相關股份擁有的好倉或淡倉如下：

	Number of Shares held 所持股份數目	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比	Long/ Short Position 好／淡倉
Wellbeing Holdings	1,255,849,124	42.87%	Long 好倉
Mittal Steel Holdings AG ("Mittal Steel") (Note 1) (附註1)	867,711,151	29.62%	Long 好倉
	509,780,740	17.40%	Long 好倉
ING Bank N.V. (Note 2) (附註2)	289,990,800	9.90%	Long 好倉
	289,990,800	9.90%	Short 淡倉

Other Information 其他資料

	Number of Shares held 所持股份數目	Percentage of issued share capital 佔本公司已發行 股本百分比	Long/ Short Position 好／淡倉
Deutsche Bank Aktiengesellschaft (Note 3) (附註3)	220,934,306	7.54%	Long 好倉
	219,801,940	7.50%	Short 淡倉

Notes:

- As of 30 June 2010, Mr. Lakshmi Niwas Mittal and Mrs. Usha Mittal directly own 40.84% and indirectly own 40.84% of the issued share capital of ArcelorMittal which indirectly holds the entire equity interest in Mittal Steel which directly beneficially owns 867,711,151 shares of the Company, representing approximately 29.62% of the issued share capital of the Company.

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

- On 30 April 2008, Mittal Steel and ING Bank N.V. entered into a put option agreement, pursuant to which Mittal Steel granted an option to ING Bank N.V. to sell 289,990,800 shares of the Company. As at 30 June 2010, ING Bank N.V. owned 289,990,800 shares of the Company, representing 9.90% of the issued shares capital of the Company.

- On 30 April 2008, Mittal Steel and Deutsche Bank Aktiengesellschaft entered into a put option agreement in which Mittal Steel granted an option to Deutsche Bank Aktiengesellschaft to sell 219,789,940 shares of the Company. As at 30 June 2010, Deutsche Bank Aktiengesellschaft owned 220,934,306 shares of the Company, representing 7.54% of the issued shares capital of the Company.

Percentage of the Company's

issued
share capital
佔本公司已發行
股本百分比

備註:

- 於二零一零年六月三十日，Lakshmi Niwas Mittal先生和Usha Mittal太太直接擁有ArcelorMittal已發行股份40.84%和間接擁有ArcelorMittal已發行股份40.84%而ArcelorMittal間接擁有Mittal Steel Holdings AG ("Mittal Steel")全部的權益，彼直接實益持有本公司867,711,151股，約佔本公司已發行股本29.62%。

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

- 於二零零八年四月三十日，Mittal Steel與ING Bank N.V.簽訂了一份認沽期權協議，據此Mittal Steel授予ING Bank N.V.一個認沽期權可出售289,990,800股。於二零一零年六月三十日，ING Bank N.V.持有本公司289,990,800股，約佔本公司已發行股本9.90%。

- 於二零零八年四月三十日，Mittal Steel與Deutsche Bank Aktiengesellschaft簽訂了一份認沽期權協議，據此Mittal Steel授予Deutsche Bank Aktiengesellschaft一個認沽期權可出售本公司219,789,940股。於二零一零年六月三十日，Deutsche Bank AG持有本公司220,934,306股，約佔本公司已發行股本7.54%。

Other Information 其他資料

Saved as disclosed above, at 30 June 2010, no person, other than a Director or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文所披露者外，於二零一零年六月三十日，本公司根據證券及期貨條例第336條規定需要存置的股東名冊，概無任何人士（本公司董事或主要行政人員除外）於本公司股份及相關股份擁有權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2010.

購買、出售或贖回本公司上市證券

於截至二零一零年六月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct regarding securities transactions by the directors of the Company (the "Directors") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

上市公司董事進行證券交易的標準守則

本公司已採納有關本公司董事（「董事」）進行證券交易的操守準則，該操守準則的條款不低於香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十的上市發行人董事進行證券交易的標準守則（「標準守則」）所載的規定的標準。

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

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

AUDIT COMMITTEE AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has established an audit committee (the "Audit Committee") comprised all three independent non-executive Directors, namely Mr. Gao Qingju, Mr. Yu Tung Ho and Mr. Wong Man Chung, Francis with written term of reference in compliance with the requirements of the Listing Rules.

審核委員會和獨立非執行董事

本公司設有審核委員會（「審核委員會」），全部由三位獨立非執行董事，即高清舉先生、余統浩先生和黃文宗先生組成，其書面職責範疇是符合上市規則要求。

Other Information 其他資料

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2010 and PricewaterhouseCoopers, the auditor of the Company, has conducted its review on the unaudited condensed consolidated interim financial information in accordance with Hong Kong Standard on Review Engagements 2410 issued by the HKICPA.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, throughout the period except the following derivation:

Under Code Provision A.2.1 of the CG Code, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, Mr. Han Jingyuan serves as the Chairman of the Board and the Chief Executive Officer of the Group. The Board believes that there is no immediate need to segregate the roles of Chairman and the Chief Executive Officer of the Company because the role of chief executive officer/general manager of the Company's major operating subsidiaries are performed by other persons.

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

LIST OF DIRECTORS

At the date of this report, the Executive Directors of the Board are Mr. Han Jingyuan, Mr. Zhu Jun, Mr. Liu Lei, Mr. Shen Xiaoling, Mr. Zhu Hao, Mr. Muktesh Mukherjee. The Non-executive Directors are Mr. Ondra Otradovec and Mr. Jean-Paul Georges Schuler. The Independent Non-executive Directors are Mr. Gao Qingju, Mr. Yu Tung Ho and Mr. Wong Man Chung, Francis.

審核委員會已審閱截至二零一零年六月三十日止六個月的未經審核簡明合併中期財務資料。本公司核數師，羅兵咸永道會計師事務所已按照香港會計師公會頒佈之香港審閱準則第2410號對未經審核簡明合併中期財務資料進行了審閱。

遵守企業管治常規守則

董事認為，除下文所披露外，於該期間內，本公司一直遵守上市規則附錄十四所載的企業管治常規守則。

根據守則條文第A.2.1條，主席與首席執行官的角色應有區分，並不應由一人同時兼任。目前，韓敬遠先生擔任董事局主席和本集團首席執行官。董事局相信無需立即區分本公司的董事局主席及首席執行官職務，因本公司主要及實際營運的附屬公司的首席執行官／總經理職務已由其他人士擔任。

董事局在未來將考慮區分本公司的董事局主席及首席執行官的職務。

董事名單

於本報告日，本董事局的執行董事為韓敬遠先生、朱軍先生、劉磊先生、沈曉玲先生、朱浩先生及Muktesh Mukherjee先生，非執行董事為Ondra Otradovec先生及Jean-Paul Georges Schuler先生，獨立非執行董事為高清舉先生、余統浩先生和黃文宗先生。



Other Information 其他資料



APPRECIATION

The Group's encouraging results in the first half of 2010 were attributable to support from its staff and shareholders. The Board would like to take this opportunity to extend its deepest gratitude to its staff and shareholders. The Group will continue to pursue steady and healthy development in the second half of 2010, grow with its staff and share fruitful results with its shareholders.

By order of the Board

CHINA ORIENTAL GROUP COMPANY LIMITED

Han Jingyuan

Chairman and Chief Executive Officer

9 August 2010

感謝

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

承董事局命

中國東方集團控股有限公司

韓敬遠

董事局主席兼首席執行官

二零一零年八月九日



Report on Review of Interim Financial Information 中期財務資料的審閱報告

TO THE BOARD OF DIRECTORS OF CHINA ORIENTAL GROUP COMPANY LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 30 to 80, which comprises the condensed consolidated interim balance sheet of China Oriental Group Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2010 and the related condensed consolidated statements of comprehensive income, changes in equity and condensed consolidated cash flow statement for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致中國東方集團控股有限公司董事局
(於百慕達註冊成立之有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第30至80頁的中期財務資料，此中期財務資料包括中國東方集團控股有限公司(「貴公司」)及其附屬公司(合稱「貴集團」)於二零一零年六月三十日的簡明合併中期資產負債表與截至該日止六個月期間的相關簡明合併綜合收益表、簡明合併權益變動表和簡明合併現金流量表，以及主要會計政策概要和其他附註解釋。《香港聯合交易所有限公司證券上市規則》規定，就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」編製及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並按照委聘之條款僅向整體董事局報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。



Report on Review of Interim Financial Information 中期財務資料的審閱報告

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 9 August 2010

審閱範圍


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

結論

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

羅兵咸永道會計師事務所
執業會計師

香港，二零一零年八月九日



Condensed Consolidated Balance Sheet

簡明合併資產負債表

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

			Unaudited 未審核	Audited 經審核
			30 June 2010	31 December 2009
		Note	二零一零年	二零零九年
		附註	六月三十日	十二月三十一日
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	6	8,229,707	8,625,585
Leasehold land and land use rights	租賃土地及土地使用權	6	72,314	73,139
Investment properties	投資物業	6	17,193	17,595
Intangible assets	無形資產	6	33	-
Investment in associates	聯營公司投資		23,461	10,297
Deferred income tax assets	遞延所得稅資產		85,330	81,007
Total non-current assets	非流動資產合計		8,428,038	8,807,623
Current assets	流動資產			
Available-for-sale financial assets	可供出售金融資產	7	72,233	96,148
Properties under development	發展中物業	8	195,718	-
Inventories	存貨		3,175,855	2,598,021
Trade receivables	應收貿易賬款	9	1,738,423	1,197,067
Other current assets	其他流動資產		18,840	14,191
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	10	845,751	1,125,231
Loan receivable	應收貸款	11	20,000	-
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表的金融資產		122	144
Amounts due from related parties	應收關聯方款項	25(c)	777,005	364,196
Restricted bank balances	受限制銀行結餘		706,425	342,486
Cash and cash equivalents	現金及現金等價物		813,356	644,030
Total current assets	流動資產合計		8,363,728	6,381,514
Total assets	總資產		16,791,766	15,189,137
EQUITY	權益			
Equity attributable to equity holders of the Company	歸屬於本公司權益持有者			
Ordinary shares	普通股	12	311,715	311,669
Share premium	股份溢價	12	2,190,291	2,189,695
Other reserves	其他儲備	13	1,205,522	1,192,190
Retained earnings	留存收益		4,045,029	3,475,204
			7,752,557	7,168,758
Non-controlling interests	非控股股東權益		401,168	291,992
Total equity	權益合計		8,153,725	7,460,750

Condensed Consolidated Balance Sheet (continued) 簡明合併資產負債表(續)

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

			Unaudited 未審核 30 June 2010 二零一零年 六月三十日	Audited 經審核 31 December 2009 二零零九年 十二月三十一日
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	16	646,770	758,857
Other long-term payables	其他長期應付款	17	470,652	570,163
Deferred revenue	遞延收入		26,256	41,256
Amounts due to related parties	應付關聯方款項	25(c)	-	37,404
Total non-current liabilities	非流動負債合計		1,143,678	1,407,680
Current liabilities	流動負債			
Trade payables	應付貿易賬款	14	2,125,290	1,725,762
Accruals, advances from customers and other current liabilities	預提費用、預收客戶款項 及其他流動負債	15	2,561,404	2,255,423
Amounts due to related parties	應付關聯方款項	25(c)	346,868	269,218
Current income tax liabilities	應交所得稅		153,093	136,532
Other long-term payables – current portion	其他長期應付款 – 流動部分	17	175,736	134,432
Borrowings	借款	16	2,063,179	1,796,481
Dividends payable	應付股息		68,793	2,859
Total current liabilities	流動負債合計		7,494,363	6,320,707
Total liabilities	總負債		8,638,041	7,728,387
Total equity and liabilities	權益及負債合計		16,791,766	15,189,137
Net current assets	流動資產淨額		869,365	60,807
Total assets less current liabilities	總資產減流動負債		9,297,403	8,868,430

The notes on page 36 to 80 form an integral part of this condensed consolidated interim financial information.

第36至80頁的附註為本簡明合併中期財務資料的整體部分。

Condensed Consolidated Statement of Comprehensive Income 簡明合併綜合收益表

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

		Unaudited 未審核		
		Six months ended 30 June		
		2010	2009	
		截至六月三十日止六個月		
		二零一零年	二零零九年	
	Note 附註			
Revenue	收入	5	15,349,900	9,174,977
Cost of goods sold	銷售成本		(13,953,481)	(8,420,775)
Gross profit	毛利		1,396,419	754,202
Other income	其他收入		34,122	21,780
Distribution costs	分銷成本		(52,678)	(17,661)
Administrative expenses	行政費用		(148,297)	(130,954)
Other expenses	其他費用		(18,783)	(9,716)
Other gains/(losses) – net	其他盈利/(虧損) – 淨額		16,595	(20,548)
Operating profit	經營溢利	18	1,227,378	597,103
Finance income	財務收入		14,447	17,349
Finance costs	財務成本		(82,738)	(72,411)
Share of results of associates	應佔聯營公司業績		(1,510)	(2,207)
Profit before income tax	除所得稅前溢利		1,157,577	539,834
Income tax expense	所得稅費用	19	(285,813)	(145,463)
Profit for the period	期內溢利		871,764	394,371
Other comprehensive income:	其他綜合收益：			
Fair value losses on available-for-sale financial assets	可供出售金融資產的公允價值虧損		(23,915)	–
Total comprehensive income for the period	期內綜合收益虧損		847,849	394,371
Profit for the period attributable to:	期內溢利歸屬於：			
– equity holders of the Company	– 本公司權益持有者		797,994	358,231
– non-controlling interests	– 非控股股東權益		73,770	36,140
			871,764	394,371

The notes on page 36 to 80 form an integral part of this condensed consolidated interim financial information.

第36至80頁的附註為本簡明合併中期財務資料的整體部分。

Condensed Consolidated Statement of Comprehensive Income (continued) 簡明合併綜合收益表(續)

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

		Unaudited	
		未審核	
		Six months ended 30 June	
		2010	2009
		截至六月三十日止六個月	
		二零一零年	二零零九年
Note			
附註			
Total comprehensive income attributable to:	綜合收益合計歸屬於：		
– equity holders of the Company	– 本公司權益持有者	774,079	358,231
– non-controlling interests	– 非控股股東權益	73,770	36,140
		847,849	394,371
Earnings per share for profit attributable to equity holders of the Company during the period (express in RMB per share)	期內本公司權益持有者應佔溢利的每股收益 (每股人民幣元)		
– basic	– 基本	0.27	0.12
– diluted	– 稀釋	0.27	0.12
Dividends	股息	–	–

The notes on page 36 to 80 form an integral part of this condensed consolidated interim financial information.

第36至80頁的附註為本簡明合併中期財務資料的整體部分。

Condensed Consolidated Statement of Changes in Equity 簡明合併權益變動表

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

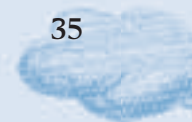
		Unaudited 未審核						
		Attributable to equity holders of the Company 本公司權益持有者應佔						
		Share capital 股本	Other reserves 其他儲備	Retained earnings 留存收益	Non-controlling interests 非控股股東權益		Total equity 權益合計	
Note 附註				Total 總計				
Balance at 1 January 2009	於二零零九年一月一日的結餘	2,501,364	1,144,963	2,618,902	6,265,229	224,711	6,489,940	
Comprehensive income	綜合收益							
Profit for the period	期內溢利	-	-	358,231	358,231	36,140	394,371	
Other comprehensive income	其他綜合收益	-	-	-	-	-	-	
Total comprehensive income	綜合收益合計	-	-	358,231	358,231	36,140	394,371	
Transactions with owners	與擁有人的交易							
Employee share option scheme:	僱員購股權計劃：							
- Value of employee services	- 僱員服務的價值	13	-	10,753	-	10,753	-	10,753
Total transactions with owners	與擁有人的交易合計		-	10,753	-	10,753	-	10,753
Balance at 30 June 2009	於二零零九年六月三十日的結餘	2,501,364	1,155,716	2,977,133	6,634,213	260,851	6,895,064	
Balance at 1 January 2010	於二零一零年一月一日的結餘	2,501,364	1,192,190	3,475,204	7,168,758	291,992	7,460,750	
Comprehensive income	綜合收益							
Profit for the period	期內溢利	-	-	797,994	797,994	73,770	871,764	
Other comprehensive income	其他綜合收益							
Fair value losses on available-for-sale financial assets	可供出售金融資產的公允價值收益	-	(23,915)	-	(23,915)	-	(23,915)	
Total comprehensive income	綜合收益合計	-	(23,915)	797,994	774,079	73,770	847,849	
Transactions with owners	與擁有人的交易							
Employee share option scheme:	僱員購股權計劃：							
- Value of employee services	- 僱員服務的價值	13	-	30,912	-	30,912	-	30,912
- Proceeds from shares issued	- 發行股份所得款項		642	-	642	-	642	
Profit appropriation to statutory reserves	向法定儲備作出的溢利分配		-	6,335	(6,335)	-	-	
Dividends relating to 2009	二零零九年股息		-	(221,834)	(221,834)	(5,731)	(227,565)	
Transaction with non-controlling interests	與非控股股東權益的交易		-	-	-	41,137	41,137	
Total transactions with owners	與擁有人的交易合計		642	37,247	(228,169)	(190,280)	35,406	(154,874)
Balance at 30 June 2010	於二零一零年六月三十日的結餘	2,502,006	1,205,522	4,045,029	7,752,557	401,168	8,153,725	

The notes on page 36 to 80 form an integral part of this condensed consolidated interim financial information.

第36至80頁的附註為本簡明合併中期財務資料的整體部分。

Condensed Consolidated Cash Flow Statement 簡明合併現金流量表

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



		Unaudited	
		未審核	
		Six months ended 30 June	
		2010	2009
		截至六月三十日止六個月	
		二零一零年	二零零九年
	<i>Note</i>		
	<i>附註</i>		
Net cash generated from/(used in) operating activities	22	618,986	(9,360)
Net cash used in investing activities		(172,210)	(261,548)
Net cash (used in)/generated from financing activities		(275,807)	163,838
Net increase/(decrease) in cash and cash equivalents		170,969	(107,070)
Cash and cash equivalents as at 1 January		644,030	728,826
Effect of foreign exchange rate changes		(1,644)	(131)
Cash and cash equivalents as at 30 June		813,356	621,625

The notes on page 36 to 80 form an integral part of this condensed consolidated interim financial information.

第36至80頁的附註為本簡明合併中期財務資料的整體部分。



Notes to the Condensed Consolidated Interim Financial Information

簡明合併中期財務資料附註

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

1 GENERAL INFORMATION

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

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

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

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

This condensed consolidated interim financial information was presented in RMB thousand, unless otherwise stated.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with HKAS 34, ‘Interim financial reporting’. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

1. 一般資料

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

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

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

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

除另有指明外，本簡明合併中期財務資料的金額均以人民幣千元為單位。

本簡明合併中期財務資料未經審核。

2. 編制基準

此截至二零一零年六月三十日止六個月的簡明合併中期財務資料乃按照香港會計準則第34號「中期財務報告」編製。此簡明合併中期財務資料應與截至二零零九年十二月三十一日止年度的年度財務報表(乃按照香港財務報告準則(「香港財務報告準則」)編製)一併閱覽。



Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied in this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

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

(a) New and amended standards adopted by the Group

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

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

3. 會計政策

除下述者外，編製本簡明合併中期財務資料所採納的會計政策乃與截至二零零九年十二月三十一日止年度的年度財務報表所採納者一致，此等會計政策載述於該等年度財務報表。

中期所得稅稅率採用適用於預期全年總溢利之稅率計算。

(a) 本集團採納的新和經修改準則

以下新訂和已修改的準則必須在二零一零年一月一日開始的財務年度首次採用。

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

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

3 ACCOUNTING POLICIES (continued)

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

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. This standard does not have any impact on the Group's condensed consolidated interim financial information for the six months ended 30 June 2010, as the Group has not entered into any business combination during the period.

- HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and considered this amendment did not have any impact to the Group as all the leases of land should still be classified as operating lease under the HKAS 17 (amendment).

3. 會計政策(續)

(a) 本集團採納的新和經修改準則(續)

此項修訂準則繼續對業務合併應用購買法，但與香港財務報告準則第3號比較，有若干重大更改。例如，收購業務的所有付款必須按收購日期的公允價值記錄，而分類為債務的或有付款其後須在利潤表重新計量。個別收購基準有不同選擇方案，可按公允價值或按非控制性權益應佔被收購方淨資產的比例，計量被收購方的非控制性權益。所有收購相關成本必須支銷。因本集團於截至二零一零年六月三十日止期間並沒有參與任何業務合併，故本標準不會對本集團的簡明合併財務資料有重大影響。

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

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

3 ACCOUNTING POLICIES (continued)

(b) Standards amendments and interpretations to existing standards effective in 2010 but not relevant to the Group

- 'Additional exemptions for first-time adopters' (Amendment to HKFRS 1) is effective for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing HKFRS preparer.
- HKAS 39 (Amendment), 'Eligible hedged items' is effective for annual periods beginning on or after 1 July 2009. That is not currently applicable to the Group, as it has no hedging activities.
- HKFRS 2 (Amendment), 'Group cash-settled share-based payment transaction' is effective for annual periods beginning on or after 1 January 2010. This is not currently applicable to the Group, as it does not have such share-based payment transactions, all of its share-based payment transactions are equity-settled.
- First improvements to Hong Kong Financial Reporting Standards (2008) were issued in October 2008 by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The improvement related to HKFRS 5 "Non-current assets held for sale and discontinued operations" is effective for annual periods beginning on or after 1 July 2009.

3. 會計政策(續)

(b) 於二零一零年生效但與本集團無關的準則修改和對現有準則的解釋

- 「首次採納者的額外豁免」(對香港財務報告準則第1號的修改)，由二零一零年一月一日或之後開始的年度期間起生效。此修改與本集團無關，因為本集團為香港財務報告準則的現行編製者。
- 香港會計準則第39號(修改)「合資格套期項目」由二零零九年七月一日或之後開始的年度期間起生效。目前不適用於本集團，因為本集團並無任何套期行為。
- 香港財務報告準則第2號(修改)「集團現金結算的以股份為基礎的支付交易」，由二零一零年一月一日或之後開始的年度期間起生效。目前不適用於本集團，因為本集團並無任何以股份為基礎的支付交易，所有以股份為基礎的支付交易均以權益進行結算。
- 香港會計師公會在二零零八年十月公佈了第一個對香港財務報告準則(二零零八年)的年度改進計劃。涉及香港財務報告準則第5號「持有待售的非流動資產及終止經營」的改進由二零零九年七月一日或之後開始的年度期間起生效。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

3 ACCOUNTING POLICIES (continued)

(b) Standards amendments and interpretations to existing standards effective in 2010 but not relevant to the Group (continued)

- Second improvements to Hong Kong Financial Reporting Standards (2009) were issued in May 2009 by the HKICPA. All improvements are effective in the financial year of 2010.

(c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2010 and have not been early adopted:

- HKFRS 9, 'Financial instruments' addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets.
- HKAS 24 (Revised) 'Related party disclosures' supersedes HKAS 24 'Related party disclosures' issued in 2003.
- Under 'Classification of rights issues' (Amendment to HKAS 32), for rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities.

3. 會計政策(續)

(b) 於二零一零年生效但與本集團無關的準則修改和對現有準則的解釋(續)

- 香港會計師公會在二零零九年五月公佈了第二個對香港財務報告準則(二零零九年)的年度改進計劃。所有改進由二零一零年財政年度起生效。

(c) 下列是已發出但在二零一零年一月一日開始的財務年度仍未生效的新準則、新解釋和對現有準則的修改和解釋，而本集團並無提早採納：

- 香港財務報告準則第9號「金融工具」針對金融工具的分類和計量，有可能影響本集團金融資產的會計處理。
- 香港會計準則第24號(修訂)「關聯方披露」取代在二零零三年發佈的香港會計準則第24號「關聯方披露」。
- 根據「配股的分類」(對香港會計準則第32號的修改)，對於獲得固定外幣金額的配股，當前規定此等配股必須作為衍生負債入賬。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

3 ACCOUNTING POLICIES (continued)

(c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2010 and have not been early adopted: (continued)

- Amendments to HK(IFRIC)-Int 14 'Prepayments of a minimum funding requirement' corrects an unintended consequence of HK(IFRIC)-Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'.
- HK(IFRIC)-Int 19, 'Extinguishing financial liabilities with equity instruments'.
- 'Limited exemption from comparative HKFRS 7 disclosures for first-time adopters' (Amendment to HKFRS 1).
- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the HKICPA. All improvements are effective in the financial year of 2011.

3. 會計政策(續)

(c) 下列是已發出但在二零一零年一月一日開始的財務年度仍未生效的新準則、新解釋和對現有準則的修改和解釋，而本集團並無提早採納：(續)

- 香港(國際財務報告解釋委員會)－解釋公告第14號「最低資金規定的預付款」的修改，更正了香港(國際財務報告解釋委員會)－解釋公告第14號「香港會計準則第19號－設定受益資產限額、最低資金規定及其相互關係」中非其解釋意向的後果。
- 香港(國際財務報告解釋委員會)－解釋公告第19號「以權益工具消除金融負債」。
- 「香港財務報告準則第7號對首次採納者的比較信息披露的有限度豁免」(對香港財務報告準則第1號的修改)。
- 香港會計師公會在二零一零年五月發出第三個對香港財務報告準則(二零一零年)的年度改進計劃。所有改進在二零一一年財政年度生效。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

3 ACCOUNTING POLICIES (continued)

(d) Properties under development

During the six months ended 30 June 2010, the Group entered into a new business segment, which is property development.

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

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

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

3. 會計政策 (續)

(d) 發展中物業

截至於二零一零年六月三十日止六個月，本集團設立新的物業發展業務分部。

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

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

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

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

4 PRINCIPAL SUBSIDIARIES OF THE GROUP

The principal subsidiaries at 30 June 2010 were as follows:

4. 本集團的主要附屬公司

於二零一零年六月三十日主要附屬公司如下：

Name 名稱	Place and date of incorporation 註冊成立 地點及日期	Legal status 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比	Issued and fully paid capital 已發行及 繳足股本	Authorised capital 法定股本	Principal activities 主要業務
Gold Genesis Development Limited ("Gold Genesis")	British Virgin Islands ("BVI") 英屬維爾京群島 (「英屬維爾京群島」) 21 February 2003 二零零三年 二月二十一日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$1 1美元	US\$50,000 50,000美元	Investment holding 投資控股
Good Lucky Enterprises Limited ("Good Lucky")	BVI 英屬維爾京群島 21 February 2003 二零零三年 二月二十一日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$1 1美元	US\$50,000 50,000美元	Investment holding 投資控股
First Glory Services Limited ("First Glory")	BVI 英屬維爾京群島 16 October 2003 二零零三年 十月十六日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$2 2美元	US\$50,000 50,000美元	Investment holding 投資控股
Accordpower Investments Limited ("Accordpower")	BVI 英屬維爾京群島 30 November 2004 二零零四年 十一月三十日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$2 2美元	US\$50,000 50,000美元	Investment holding 投資控股
Fullhero Investments Limited ("Fullhero")	BVI 英屬維爾京群島 3 May 2005 二零零五年 五月三日	Limited liability company 有限責任公司	100% (Directly held) (直接持有)	US\$2 2美元	US\$50,000 50,000美元	Investment holding 投資控股

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

4 PRINCIPAL SUBSIDIARIES OF THE GROUP (continued)

4. 本集團的主要附屬公司(續)

Name 名稱	Place and date of incorporation 註冊成立 地點及日期	Legal status 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比	Issued and fully paid capital 已發行及 繳足股本	Authorised capital 法定股本	Principal activities 主要業務
Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited") 河北津西鋼鐵集團股份 有限公司 (「津西鋼鐵」)	PRC 中國 24 December 1999 一九九九年 十二月二十四日	Joint stock company with limited liability 股份有限公司	97.6% (Indirectly held) (間接持有)	RMB 228.64 million 人民幣 2.2864 億元	RMB 228.64 million 人民幣 2.2864 億元	Manufacture and sales of iron and steel products 生產及銷售 鋼鐵產品
Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited ("Jinxi Jinlan") 佛山津西金蘭冷軋板 有限公司 (「津西金蘭」)	PRC 中國 26 December 2003 二零零三年 十二月二十六日	Limited liability company 有限責任公司	81.5% (Indirectly held) (間接持有)	US\$55,152,400 55,152,400 美元	US\$55,152,400 55,152,400 美元	Manufacture and sales of steel products 生產及銷售 鋼鐵產品
Oriental Fullhero Leasing Co., Ltd ("Shenzhen Leasing") 東方英豐租賃 有限公司 (「深圳租賃」)	PRC 中國 23 September 2005 二零零五年 九月二十三日	Limited liability company 有限責任公司	100% (Indirectly held) (間接持有)	US\$65,000,000 65,000,000 美元	US\$65,000,000 65,000,000 美元	Leasing and financial leasing 租賃及融資 租賃
Hebei Jinxi Section Steel Company Limited ("Jinxi Section Steel") 河北津西型鋼有限公司 (「津西型鋼」)	PRC 中國 30 May 2008 二零零八年 五月三十日	Limited liability company 有限責任公司	80% (Indirectly held) (間接持有)	RMB350 million 人民幣 3.5 億元	RMB350 million 人民幣 3.5 億元	Manufacture and sales of steel products 生產及銷售 鋼鐵產品
Suifenghe City Jinyin Trading Co., Ltd. ("Jinyin Trading") 綏芬河市津銀貿易有限公司 (「津銀貿易」)	PRC 中國 24 September 2008 二零零八年 九月二十四日	Limited liability company 有限責任公司	100% (Indirectly held) (間接持有)	RMB10 million 人民幣 1,000 萬元	RMB10 million 人民幣 1,000 萬元	Import and export of goods and technology 進出口貨物及技術

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

4 PRINCIPAL SUBSIDIARIES OF THE GROUP (continued)

4. 本集團的主要附屬公司(續)

Name 名稱	Place and date of incorporation 註冊成立 地點及日期	Legal status 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比	Issued and fully paid capital 已發行及 繳足股本	Authorised capital 法定股本	Principal activities 主要業務
Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Co., Ltd. ("Zhengda Iron and Steel") 河北津西鋼鐵集團正達鋼鐵 有限公司(「正達鋼鐵」)	PRC 中國 19 December 2008 二零零八年 十二月十九日	Limited liability company 有限責任公司	71% (Indirectly held) (間接持有)	RMB50 million 人民幣 5,000萬元	RMB50 million 人民幣 5,000萬元	Manufacture and sales of steel products 生產及銷售 鋼鐵產品
Tangshan Fengrun Qu Tong Yuan Trading Company Limited ("Tong Yuan Trading") 唐山市豐潤區通遠商貿 有限公司(「通遠商貿」)	PRC 中國 22 May 2009 二零零九年 五月二十二日	Limited liability company 有限責任公司	71% (Indirectly held) (間接持有)	RMB0.1 million 人民幣 10萬元	RMB0.1 million 人民幣 10萬元	Purchase and sale of ferrous metal and coke 買賣黑色金屬 及焦炭
Hebei Jinxi Boyuan Real Estate Co.,Ltd. ("Boyuan Real Estate") (i) 河北津西博遠房地產 開發有限公司 (「博遠房地產」)(i)	PRC 中國 17 December 2009 二零零九年 十二月十七日	Limited liability company 有限責任公司	60% (Indirectly held) (間接持有)	RMB100 million 人民幣 1億元	RMB100 million 人民幣 1億元	Development and sales of real estate 開發及銷售房地產

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

4 PRINCIPAL SUBSIDIARIES OF THE GROUP

(continued)

- (i) On 1 January 2010, Jinxi Limited entered into a share transfer agreement with Mr. Wang Zhihong. Pursuant to the share transfer agreement, Mr. Wang Zhihong acquired a 40% equity interest in Boyuan Real Estate at a consideration of RMB 40 million.
- (ii) During the six months ended 30 June 2010, Qianxi County Jinxi Yunda Transportation Co., Ltd. ("Yunda Transportation"), a former subsidiary of the Group, ceased operations and has been liquidated.
- (iii) On 6 April 2010, Jinxi Limited entered into a cooperation agreement (the "Cooperation Agreement") with Mr. Du Chun, minority shareholder of Ping Quan County Jinyin Charging Co., Ltd ("Jinyin Charging"). Pursuant to the Cooperation Agreement, from the date of the Cooperation Agreement to 5 April 2013 (the "Grant Period"), Jinxi Limited conveyed to Mr Du Chun the management and operating rights of Jinyin Charging.

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

4. 本集團的主要附屬公司(續)

- (i) 二零一零年一月一日，津西鋼鐵與王志紅先生簽訂一份股份轉讓協議。根據該股份轉讓協議，王志紅先生以代價人民幣4,000萬元獲得40%博遠房地產權益。
- (ii) 於截至二零一零年六月三十日止六個月內，本集團前附屬公司遷西縣津西運達運輸有限公司(「運達運輸」)終止營運並被清算。
- (iii) 於二零一零年四月六日，津西鋼鐵與平泉縣津銀爐料有限公司(「津銀爐料」)的少數股東杜春先生簽訂一份合作協議(「合作協議」)。根據合作協議，由合作協議日期起至二零一三年四月五日(「授予期間」)，津西鋼鐵授予杜春先生津銀爐料的管理及營運權。

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

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

5 SALES AND SEGMENT INFORMATION

(a) Sales

The Group is principally engaged in the manufacture and sales of iron and steel products. Sales recognised for the six months ended 30 June 2010 and 2009 were as follows:

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

5. 銷售額和分部資料

(a) 銷售額

本集團主要從事生產及銷售鋼鐵產品。截至二零一零年及二零零九年六月三十日止六個月確認的銷售額如下：

For the six months ended	
30 June	30 June
2010	2009
截至六月三十日止六個月	
二零一零年	二零零九年
Unaudited	Unaudited
未經審核	未經審核

	5,229,130	3,281,568
	5,896,319	3,592,960
	899,354	344,843
	3,332,486	1,953,359
	–	7,358
	15,357,289	9,180,088
	(7,389)	(5,111)
	15,349,900	9,174,977

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

5 SALES AND SEGMENT INFORMATION (continued)

(b) Segment information

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

Based on these reports, the decision-maker considers the business from a business perspective. From a business perspective, the decision maker assesses the performance of iron and steel and real estate.

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

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

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

For the six months ended 30 June 2010, the properties of the real estate segment are still under development, and no sales revenue were recognised.

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

5. 銷售額和分部資料(續)

(b) 分部資料

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

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

(i) 鋼鐵－製造及銷售鋼鐵；及

(ii) 房地產－開發及銷售物業。

決策人根據計量收入及經營溢利評估經營分部表現。該計量與年度財務報表一致。

截至二零一零年六月三十日止六個月，房地產分部物業仍處於發展中，房地產分部並無銷售收入確認。

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

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

5 SALES AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

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

The segment assets and liabilities as at 30 June 2010 and 31 December 2009 are as follows:

5. 銷售額和分部資料(續)

(b) 分部資料(續)

分部負債乃分部的經營活動所導致的經營負債。

二零一零年六月三十日及二零零九年十二月三十一日的分部資產及負債如下：

		Iron and steel 鋼鐵	Real estate 房地產	Total 總計
		Unaudited 未經審核		
As at 30 June 2010	於二零一零年六月三十日			
Total segment assets	分部資產合計	16,414,669	199,412	16,614,081
Unallocated:	未分配			
Deferred income tax assets	遞延所得稅資產			85,330
Available-for-sale financial assets	可供出售金融資產			72,233
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益表的金融資產			122
Loan receivable	應收貸款			20,000
Total assets per balance sheet	資產負債表的資產總額			16,791,766
Total segment liabilities	分部負債合計	5,666,181	40,025	5,706,206
Unallocated:	未分配			
Current income tax liabilities	應交所得稅			153,093
Current borrowings	流動借款			2,063,179
Non-current borrowings	非流動借款			646,770
Dividends payable	應付股息			68,793
Total liabilities per balance sheet	資產負債表的負債總額			8,638,041

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

5 SALES AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

As at 31 December 2009 於二零零九年十二月三十一日
Total segment assets 分部資產合計
Total segment liabilities 分部負債合計

5. 銷售額和分部資料(續)

(b) 分部資料(續)

	Iron and steel 鋼鐵	Real estate 房地產	Total 總計
	Audited 經審核		
	15,189,137	-	15,189,137
	7,728,387	-	7,728,387

6 CAPITAL EXPENDITURE

Six months ended 30 June 2010 截至二零一零年六月三十日止六個月
Opening carrying amount 於二零一零年
as at 1 January 2010 一月一日的期初賬面值
 Additions 添置
 Disposals 處置
 Depreciation and amortisation (Note 18) 折舊及攤銷(附註18)
Closing carrying amount as 於二零一零年六月三十日
at 30 June 2010 的期終賬面值
 Six months ended 30 June 2009 截至二零零九年六月三十日止六個月
Opening carrying amount 於二零零九年
as at 1 January 2009 一月一日的期初賬面值
 Additions 添置
 Disposals 處置
 Depreciation and amortisation (Note 18) 折舊及攤銷(附註18)
Closing carrying amount 於二零零九年六月三十日
as at 30 June 2009 的期終賬面值

6. 資本開支

	Property, plant and equipment 物業、廠房 及設備	Leasehold land and land use rights 租賃土地及 土地使用權	Investment properties 投資物業	Intangible assets 無形資產
	Unaudited 未經審核			
	8,625,585	73,139	17,595	-
	59,620	-	-	40
	(14,837)	-	-	-
	(440,661)	(825)	(402)	(7)
	8,229,707	72,314	17,193	33
	8,286,788	74,790	18,400	7,667
	942,564	-	-	-
	(2,736)	-	-	-
	(399,961)	(825)	(402)	-
	8,826,655	73,965	17,998	7,667

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

7. 可供出售金融資產

		As at	
		30 June 2010	31 December 2009
		於	
		二零一零年 六月三十日	二零零九年 十二月三十一日
		Unaudited	Audited
		未經審核	經審核
Non-current	非流動		
Unlisted equity interests (i)	非上市權益 (i)	188,100	188,100
Less: provision for impairment	減：減值撥備	(188,100)	(188,100)
Net	淨值	-	-
Current	流動		
Listed equity interests (ii)	上市權益 (ii)	72,233	96,148
Total	總計	72,233	96,148

- (i) The Group's unlisted equity interests represented the investment in 51% equity interest in Qianxi County Jinjin Mine Co., Ltd. ("Jinjin Mine"), an unlisted company in the PRC.

In December 2008, Jinxi Limited entered into certain cooperation agreements (the "Cooperation Agreements") with the third-party shareholder of Jinjin Mine. Pursuant to the Cooperation Agreements, from the incorporation date of 5 August 2008 to 31 January 2011 (the "Lease Period"), Jinxi Limited conveyed to the third-party shareholder of Jinjin Mine (the "Lessee") all the voting rights on the financial and operating policies of Jinjin Mine.

The Lessee is exclusively entitled to the profit or loss and net assets accumulated during the Lease Period in return for paying leasing fees to Jinxi Limited. The Lessee is also responsible for preserving and increasing the value of the net assets of Jinjin Mine at the end of Lease Period. The leasing fees are determined based on the local iron powder market price and are to be adjusted quarterly.

- (i) 本集團的非上市權益指投資以取得一間中國非上市公司遷西縣津金礦業有限公司(「津金礦業」)的51%股權。

於二零零八年十二月，津西鋼鐵與津金礦業的第三方股東訂立若干合作協議(「合作協議」)。根據合作協議，自註冊成立日期(即二零零八年八月五日)起至二零一一年一月三十一日(「租賃期間」)，津西鋼鐵授予津金礦業的第三方股東(「承租人」)有關津金礦業的財務及經營政策的所有投票權。

承租人於租賃期間內獨家享有累計溢利或虧損及資產淨值，作為向津西鋼鐵支付租賃開支的回報。承租人亦負責於租賃期間結束時保持及增加津金礦業的淨資產價值。該等租賃開支乃根據當地鐵粉市場價格釐定並按季度進行調整。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

(i) (continued)

In the opinion of the Directors of the Company, the Group is not able to exercise any significant influence on Jinjin Mine during the Lease Period and hence the investment in Jinjin Mine was accounted for as available-for-sale financial assets for the six months ended 30 June 2010 and for the year ended 31 December 2009.

The unlisted equity interests offer return through the lease income. As the investment does not have any quoted market price in the active market, the range of reasonable fair value estimate is so significant and the probabilities of the various estimates cannot be reasonably assessed, the Directors of the Company are of the opinion that its fair values cannot be reliably measured.

As at 30 June 2010, the Directors of the Company noted that there were impairment indications on the cost of the investment in Jinjin Mine as follows:

- a. No lease income was received by the Group from the Lessee for six months ended 30 June 2010 (for the year ended 31 December 2009: none) and it is expected that no lease income would be received by the Group for the rest of the Lease Period.
- b. The recoverability of the payment for mining rights, which accounted for a significant portion of the net assets of Jinjin Mine, was in doubt due to the uncertainty in obtaining the licence of mining rights.

The investment in Jinjin Mine was fully impaired as the Directors of the Company considered that these impairment indications would continue to exist and no value of the financial assets is expected to be recovered in the foreseeable future.

7. 可供出售金融資產(續)

(i) (續)

本公司董事認為，本集團並不能在租賃期間對津金礦業行使任何重大影響，因此，截至二零一零年六月三十日止六個月及截至二零零九年十二月三十一日止年度已確認於津金礦業的投資為可供出售金融資產。

非上市權益，透過租賃收入提供回報。由於該等投資於活躍市場並無任何市場報價，公允價值合理估計的範圍相當廣闊，而對各項估計的可能性無法合理作出評估，故本公司董事認為其公允價值無法可靠計量。

於二零一零年六月三十日，董事留意到有跡象顯示津金礦業的投資成本出現減值：

- a. 截至二零一零年六月三十日止六個月，本集團並未從承租人收取任何租賃收入(截至二零零九年十二月三十一日止年度：零)，並預期於租賃期餘下期間不會收到任何租賃收入。
- b. 採礦權付款是否可收回(佔津金礦業淨資產的重大部分)由於不大可能獲得採礦權許可證，而存在不明朗因素。

本公司董事認為該等值因素依然存在及金融資產並無價值可於可見未來收回，可供出售金融資產獲全數減值。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

- (ii) The Group's listed equity interests represented the investment in 600,000,000 ordinary shares of Asia Energy Logistics Group Limited, a company listed on The Stock Exchange of Hong Kong Limited.

The fair value of the listed equity interests was determined based on their quoted market prices at the balance sheet date.

8 PROPERTIES UNDER DEVELOPMENT

Properties under development comprise: 發展中物業包括：

- Construction costs 一 建築成本
- Land use rights 一 土地使用權

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

7. 可供出售金融資產(續)

- (ii) 本集團的上市權益指投資 Asia Energy Logistics Group Limited(一間在香港聯合交易所有限公司上市的公司) 600,000,000 股普通股。

上市權益公允價值乃根據其於結算日的市場報價釐定。

8. 在建物業

As at	
30 June 2010	31 December 2009
於	
二零一零年 六月三十日	二零零九年 十二月三十一日
Unaudited 未經審核	Audited 經審核

2,278	-
193,440	-
195,718	-

發展中物業均位於中國。相關土地使用權租期為四十至七十年。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

9 TRADE RECEIVABLES

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

(i) As at 30 June 2010, notes receivable of approximately RMB 110 million (31 December 2009: RMB 102 million) were pledged as security for issuing notes payable (Note 14).

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

9. 應收貿易賬款

As at	
30 June 2010	31 December 2009
於	
二零一零年 六月三十日	二零零九年 十二月三十一日
Unaudited 未經審核	Audited 經審核
152,234	118,105
1,586,189	1,078,962
1,738,423	1,197,067

(i) 於二零一零年六月三十日，為開具應付票據而抵押的應收票據為約人民幣1.10億元(二零零九年十二月三十一日：人民幣1.02億元)(附註14)。

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

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

9 TRADE RECEIVABLES (continued)

As at 30 June 2010 and 31 December 2009, the ageing analysis of trade receivables was as follows:

Within 3 months	3個月內
4-6 months	4至6個月

As at 30 June 2010, accounts receivable amounted to approximately RMB 100 million (31 December 2009: approximately RMB 43 million) were letters of credit issued by third parties.

9. 應收貿易賬款(續)

於二零一零年六月三十日及二零零九年十二月三十一日，應收貿易賬款的賬齡分析如下：

As at	
30 June 2010	31 December 2009
於	
二零一零年 六月三十日	二零零九年 十二月三十一日
Unaudited 未經審核	Audited 經審核
1,695,018	1,004,990
43,405	192,077
1,738,423	1,197,067

於二零一零年六月三十日，應收賬款約人民幣1億元為第三方開具的信用證(二零零九年十二月三十一日：約人民幣4,300萬元)。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

10 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

10. 預付款項、按金及其他應收賬款

		As at	
		30 June	31 December
		2010	2009
		於	
		二零一零年	二零零九年
		六月三十日	十二月三十一日
		Unaudited	Audited
		未經審核	經審核
Prepayments for purchase of inventories	購買存貨預付款項	479,439	632,228
Deposits and other receivables	按金及其他應收賬款	387,617	514,308
Less: Impairment provision of deposits	減：按金減值撥備	(21,305)	(21,305)
		845,751	1,125,231

11 LOAN RECEIVABLE

11. 應收貸款

		As at	
		30 June	31 December
		2010	2009
		於	
		二零一零年	二零零九年
		六月三十日	十二月三十一日
		Unaudited	Audited
		未經審核	經審核
Loan to a third party (i)	第三方貸款(i)	20,000	—

(i) The loan was unsecured, bore interest at a rate of 8% per annum and repayable within one year.

(i) 貸款為無抵押、以8釐的年利率計息且須於一年內償還。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

12 SHARE CAPITAL

12. 股本

		Number of shares (thousands) 股份數目 (千股)	Amount (unaudited) 金額(未經審核)		
			Ordinary shares 普通股	Share premium 股份溢價	Total 總計
As at 1 January 2010	於二零一零年 一月一日	2,929,200	311,669	2,189,695	2,501,364
Employee share option scheme: – issuance of shares (Note 13(a))	僱員購股權計劃： – 股份發行 (附註 13(a))	525	46	596	642
As at 30 June 2010	於二零一零年 六月三十日	2,929,725	311,715	2,190,291	2,502,006
As at 1 January 2009 and 30 June 2009	於二零零九年 一月一日及 二零零九年 六月三十日	2,929,200	311,669	2,189,695	2,501,364

As at 30 June 2010 and 31 December 2009, the total number of authorised ordinary shares is 5,000,000,000 shares with a par value of HK\$ 0.1 per share.

As at 30 June 2010, the number of issued and fully paid ordinary shares is 2,929,725,000 shares (31 December 2009: 2,929,200,000 shares).

於二零一零年六月三十日及二零零九年十二月三十一日，法定普通股總數為5,000,000,000股為每股面值0.1港元的股份。

於二零一零年六月三十日，已發行及繳足普通股的股份數目為2,929,725,000股(二零零九年十二月三十一日：2,929,200,000股)。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

13 OTHER RESERVES

13. 其他儲備

		Merger reserve 合併儲備	Capital surplus 資本公積	Statutory reserve 法定儲備	Employee Share Options 僱員 購股權 (a)	Available- for-sale financial assets 可供出售 金融資產	Total 總計
		Unaudited 未經審核					
As at 1 January 2010	於二零一零年 一月一日	(599)	19,144	977,808	187,384	8,453	1,192,190
Profit appropriation	溢利分配	-	-	6,335	-	-	6,335
Employee share option scheme:	僱員購股權計劃：						
- Value of employee services	- 僱員服務的價值	-	-	-	30,912	-	30,912
Fair value losses on available- for-sale financial assets	可供出售金融資產的 公允價值虧損	-	-	-	-	(23,915)	(23,915)
As at 30 June 2010	於二零一零年 六月三十日	(599)	19,144	984,143	218,296	(15,462)	1,205,522
As at 1 January 2009	於二零零九年 一月一日	(599)	19,144	949,787	176,631	-	1,144,963
Employee share option scheme:	僱員購股權計劃：						
- Value of employee services	- 僱員服務的價值	-	-	-	10,753	-	10,753
As at 30 June 2009	於二零零九年 六月三十日	(599)	19,144	949,787	187,384	-	1,155,716

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

13 OTHER RESERVES (continued)

(a) Employee share option scheme

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

		For the six months ended (unaudited) 截至止六個月(未經審核)			
		30 June 2010 二零一零年六月三十日		30 June 2009 二零零九年六月三十日	
		Average exercise price in HK\$ 每股 平均行使價 港元	Number of options (thousands) 購股權數目 (千份)	Average exercise price in HK\$ 每股 平均行使價 港元	Number of options (thousands) 購股權數目 (千份)
At 1 January	於一月一日	2.62	176,580	-	-
Granted	已授出	-	-	1.42	27,800
Exercised	已行使	1.39	(525)	-	-
Cancelled	已註銷	-	-	-	-
At 30 June	於六月三十日	2.62	176,055	1.42	27,800

Options exercised for the six months ended 30 June 2010 resulted in 525,000 shares being issued at the average price of HK\$1.39 each. The related weighted average share price at the time of exercise was HK\$2.92 per share.

13. 其他儲備(續)

(a) 僱員購股權計劃

尚未行使的購股權數目及其相關加權平均行使價的變動如下：

截至二零一零年六月三十日止六個月已行使的購股權共525,000股，每股發行平均價為1.39港元。行使時的相關加權平均股價為每股2.92港元。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

14 TRADE PAYABLES

14. 應付貿易賬款

		As at	
		30 June	31 December
		2010	2009
		於	
		二零一零年	二零零九年
		六月三十日	十二月三十一日
		Unaudited	Audited
		未經審核	經審核
Accounts payable	應付賬款	1,446,340	1,360,498
Notes payable (i)	應付票據 (i)	678,950	365,264
		2,125,290	1,725,762

(i) As at 30 June 2010, all notes payable represented bank acceptance notes, of which RMB 110 million were secured by certain notes receivable (*Note 9*), RMB 455 million were secured by restricted bank balances carrying at approximately RMB 172 million, and RMB 114 million were secured by inventories and restricted bank balances carrying at approximately RMB 151 million and RMB 46 million respectively.

As at 31 December 2009, all notes payable represented bank acceptance notes, of which RMB 102 million were secured by certain notes receivable (*Note 9*), RMB 205 million of which were secured by restricted bank balances carrying at approximately RMB 107 million, and RMB 59 million of which were secured by inventories and restricted bank balances carrying at approximately RMB 67 million and RMB 18 million respectively.

(i) 於二零一零年六月三十日，所有應付票據指銀行承兌匯票，其中人民幣1.1億元的銀行承兌匯票以若干應收票據作為抵押（附註9），人民幣4.55億元的銀行承兌匯票以金額約人民幣1.72億元的受限制銀行結餘作為抵押，而人民幣1.14億元的銀行承兌匯票以金額分別為約人民幣1.51億元的存貨和約人民幣4,600萬元的受限制銀行結餘作為抵押。

於二零零九年十二月三十一日，所有應付票據指銀行承兌匯票，其中人民幣1.02億元的銀行承兌匯票以應收票據作為抵押（附註9），人民幣2.05億元的銀行承兌匯票以金額約人民幣1.07億元的受限制銀行結餘作為抵押，以及人民幣5,900萬元的銀行承兌匯票以金額分別為約人民幣6,700萬元的存貨和約人民幣1,800萬元的受限制銀行結餘作為抵押。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

14 TRADE PAYABLES (continued)

As at 30 June 2010 and 31 December 2009, the ageing analysis of the trade payables was as follows:

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

14. 應付貿易賬款(續)

於二零一零年六月三十日及二零零九年十二月三十一日，應付貿易賬款的賬齡分析如下：

		As at	
		30 June 2010	31 December 2009
		於	
		二零一零年 六月三十日	二零零九年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
		1,546,427	1,441,589
		500,085	202,471
		62,357	73,028
		7,800	1,062
		8,621	7,612
		2,125,290	1,725,762

15 ACCRUALS, ADVANCES FROM CUSTOMERS AND OTHER CURRENT LIABILITIES

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

15. 預提費用、預收客戶款項及其他流動負債

		As at	
		30 June 2010	31 December 2009
		於	
		二零一零年 六月三十日	二零零九年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
		247,812	181,716
		1,554,592	1,156,894
		10,709	8,103
		1,953	6,892
		746,338	901,818
		2,561,404	2,255,423

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

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

(a) The breakdowns of other payables as at 30 June 2010 and 31 December 2009 were as follows:

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

15. 預提費用、預收客戶款項及其他流動負債(續)

(a) 於二零一零年六月三十日及二零零九年十二月三十一日的其他應付賬款分類如下：

As at	
30 June 2010	31 December 2009
於	
二零一零年 六月三十日	二零零九年 十二月三十一日
Unaudited 未經審核	Audited 經審核
377,087	552,274
149,110	140,290
75,357	79,607
37,872	44,067
31,328	31,898
75,584	53,682
746,338	901,818

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

16 BORROWINGS

16. 借款

		As at	
		30 June	31 December
		2010	2009
		於	於
		二零一零年	二零零九年
		六月三十日	十二月三十一日
		Unaudited	Audited
		未經審核	經審核
Non-current	非流動		
Bank borrowings, secured (i)	銀行借款，已抵押(i)	215,770	483,857
Bank borrowings, unsecured	銀行借款，無抵押	366,000	200,000
Other borrowings, unsecured (ii)	其他借款，無抵押(ii)	65,000	75,000
		646,770	758,857
Current	流動		
Bank borrowings, secured (i)	銀行借款，已抵押(i)	1,099,436	791,134
Bank borrowings, unsecured	銀行借款，無抵押	953,743	1,005,347
Other borrowings, unsecured (ii)	其他借款，無抵押(ii)	10,000	—
		2,063,179	1,796,481
Total borrowings	總借款	2,709,949	2,555,338

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

16 BORROWINGS (continued)

(i) As at 30 June 2010, the Group had the following secured bank borrowings:

(a) Bank borrowings of approximately RMB 356 million (31 December 2009: RMB 688 million) were pledged by certain property, plant and equipment of the Group with carrying amount of approximately RMB 558 million (31 December 2009: RMB 1,359 million).

(b) Bank borrowings of approximately RMB 100 million (31 December 2009: RMB 130 million) were pledged by certain leasehold land and land use rights of the Group with carrying amount of approximately RMB 38 million (31 December 2009: RMB 38 million).

(c) Bank borrowings of approximately RMB 690 million (31 December 2009: RMB 288 million) were pledged by certain restricted bank balance of the Group with carrying amount of approximately RMB 424 million (31 December 2009: RMB 189 million).

16. 借款(續)

(i) 於二零一零年六月三十日，本集團已抵押銀行借款如下：

(a) 銀行借款總額約為人民幣3.56億元(二零零九年十二月三十一日：人民幣6.88億元)，以本集團賬面值約人民幣5.58億元的物業、廠房及設備作為抵押(二零零九年十二月三十一日：人民幣13.59億元)。

(b) 銀行借款總額約為人民幣1億元(二零零九年十二月三十一日：人民幣1.30億元)，以本集團賬面值約人民幣3,800萬元的租賃土地及土地使用權作為抵押(二零零九年十二月三十一日：人民幣3,800萬元)。

(c) 銀行借款總額約為人民幣6.90億元(二零零九年十二月三十一日：人民幣2.88億元)，以本集團賬面值約人民幣4.24億元的受限制銀行結餘作為抵押(二零零九年十二月三十一日：人民幣1.89億元)。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

16 BORROWINGS (continued)

(i) (continued)

(d) Bank borrowings of approximately RMB 19 million (31 December 2009: RMB 19 million) were pledged by inventory of the Group with carrying amount of approximately RMB 91 million (31 December 2009: RMB 67 million).

(e) Pursuant to an agreement dated 12 September 2008 (the "Guarantee Agreement") entered into between the Group and Foshan Jin Lan Aluminium Company Limited ("Foshan Jin Lan"), Foshan Jin Lan granted a guarantee in favour of Jinxi Jinlan for bank borrowing facilities amounting to RMB 150 million. In addition to the secured bank borrowings described in (a) to (d) above, current secured bank borrowings of approximately RMB 150 million (31 December 2009: RMB 150 million) were secured by certain property, plant and equipment and leasehold land and land use rights with carrying amounts of approximately RMB 98 million (31 December 2009: RMB 104 million) and RMB 23 million (31 December 2009: RMB 23 million) respectively and guaranteed by Foshan Jin Lan pursuant to the Guarantee Agreement.

16. 借款(續)

(i) (續)

(d) 銀行借款總額約為人民幣1,900萬元(二零零九年十二月三十一日：人民幣1,900萬元)，以本集團賬面值約人民幣9,100萬元的存貨作為抵押(二零零九年十二月三十一日：人民幣6,700萬元)。

(e) 根據日期為二零零八年九月十二日本集團與佛山金蘭鋁廠有限公司(「佛山金蘭」)簽訂的協議(「擔保協議」)，佛山金蘭就人民幣1.50億元的銀行借款額度為津西金蘭出具擔保。除上述(a)至(d)所述有抵押銀行借款外，總額為人民幣1.50億元的已抵押流動借款(二零零九年十二月三十一日：人民幣1.50億元)以賬面值分別約人民幣9,800萬元(二零零九年十二月三十一日：人民幣1.04億元)及約人民幣2,300萬元(二零零九年十二月三十一日：人民幣2,300萬元)的若干物業、廠房及設備以及租賃土地及土地使用權作為抵押並根據擔保協議由佛山金蘭出具擔保。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

16 BORROWINGS (continued)

(ii) Other unsecured borrowing represented a borrowing from the local county government amounting to RMB 145 million which were repaid from 1 January 2008 onwards at an amount of RMB 20 million per annum. Interest is charged at the RMB bank deposit rate for 1 year fixed deposit. As at 31 December 2008, other borrowings of RMB 20 million were past due. The Group repaid RMB 70 million, including those were past due, during the year ended 31 December 2009.

16. 借款(續)

(ii) 其他無抵押借款指當地縣政府的借款為人民幣1.45億元，該筆借款將自二零零八年一月一日起每年償還人民幣2,000萬元。利息按銀行人民幣一年定期存款利率計算。於二零零八年十二月三十一日，其他借款人民幣2,000萬已逾期。本集團於截至二零零九年十二月三十一日止年度償還人民幣7,000萬，包括該等逾期借款。

Movements in borrowings were analysed as follows:

借款的變動情況分析如下：

		Unaudited 未經審核
Six months ended 30 June 2010	截至二零一零年 六月三十日止六個月	
As at 1 January 2010	於二零一零年一月一日	2,555,338
Proceeds from borrowings	借款所得款項	2,027,688
Repayments of borrowings	借款償還款項	(1,869,069)
Foreign exchange gain	滙兌收入	(4,008)
As at 30 June 2010	於二零一零年六月三十日	2,709,949
Six months ended 30 June 2009	截至二零零九年 六月三十日止六個月	
As at 1 January 2009	於二零零九年一月一日	2,186,460
Proceeds from borrowings	借款所得款項	1,114,238
Repayments of borrowings	借款償還款項	(920,000)
Foreign exchange gain	滙兌收入	(103)
As at 30 June 2009	於二零零九年六月三十日	2,380,595

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

16 BORROWINGS (continued)

As at 30 June 2010 and 31 December 2009, the Group's borrowings were repayable as follows:

16. 借款(續)

於二零一零年六月三十日及二零零九年十二月三十一日，本集團的借款到期期限如下：

		Bank borrowings		Other borrowings	
		銀行借款		其他借款	
		30 June 2010	31 December 2009	30 June 2010	31 December 2009
		二零一零年六月三十日	二零零九年十二月三十一日	二零一零年六月三十日	二零零九年十二月三十一日
		Unaudited	Audited	Unaudited	Audited
		未經審核	經審核	未經審核	經審核
Within 1 year	1年內	2,053,179	1,796,481	10,000	–
Between 1 and 2 years	1至2年	344,000	458,826	20,000	10,000
Between 2 and 5 years	2至5年	237,770	225,031	45,000	60,000
Over 5 years	5年以上	–	–	–	5,000
		2,634,949	2,480,338	75,000	75,000

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

於結算日的實際利率如下：

		As at			
		30 June 2010		31 December 2009	
		二零一零年六月三十日		二零零九年十二月三十一日	
		Unaudited		Audited	
		未經審核		經審核	
		RMB	HK\$	RMB	HK\$
		人民幣	港元	人民幣	港元
Bank borrowings	銀行借款	4.78%-12.00%	1.42%-3.25%	4.78%-12.00%	2.13%
Other borrowings	其他借款	2.25%	–	2.25%	–

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

16 BORROWINGS (continued)

Interest expenses on borrowings for the six months ended 30 June 2010 were RMB 68 million (for the six months ended 30 June 2009: RMB 63 million), out of which RMB 7 million (for the six months ended 30 June 2009: 21 million) arising on financing for the construction of plant and equipments were capitalised during the period and were included in “additions” in property, plant and equipment. A capitalisation rate of 6.39% (for the six months ended 30 June 2009: 6.20%) was used, representing the borrowing cost of the loan used to finance the project.

17 OTHER LONG-TERM PAYABLES

Non-current	非流動		
Finance lease obligations	融資租賃承擔	470,652	570,163
Current	流動		
Finance lease obligations	融資租賃承擔	175,736	134,432
Total other long-term payables	其他長期應付款總額	646,388	704,595

In July 2008, Jinxi Limited entered into an asset sale and leaseback agreements (the “Sale and Lease Agreement”) with a financial institution. The sales proceeds of the property, plant and equipment was RMB 800 million. The lease term was 60 months and the lease payments were adjusted annually and reset according to the primary rate announced by the People’s Bank of China (the “PBOC”). The purchase option at the end of lease period was RMB 100.

16. 借款(續)

截至二零一零年六月三十日止六個月的借款利息開支為人民幣6,800萬元(二零零九年六月三十日止六個月：人民幣6,300萬元)，其中與融資廠房及設備建設的借款利息開支為人民幣700萬元(二零零九年六月三十日止六個月：人民幣2,100萬元)已於期內資本化，並已包括在物業、廠房及設備的「添置」一項內。採用的資本化率為6.39%(二零零九年六月三十日止六個月：6.20%)，相當於融資該項目所用貸款的借款成本。

17. 其他長期應付款

As at			
30 June	31 December		
2010	2009		
		於	
二零一零年	二零零九年		
六月三十日	十二月三十一日		
Unaudited	Audited		
未經審核	經審核		
		470,652	570,163
		175,736	134,432
		646,388	704,595

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

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

17 OTHER LONG-TERM PAYABLES (continued)

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

As at 30 June 2010, total minimum lease payments under finance lease based on PBOC interest rate as at the balance sheet date and their present values were as follows:

17. 其他長期應付款(續)

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

於二零一零年六月三十日，按中國人民銀行於結算日利率計息之融資租賃之最低租賃付款總額及其現值如下：

		Unaudited 未經審核		
		Present value of minimum lease payments 最低租賃 付款 之現值	Interest expenses relating to future periods 有關未來 期間之 利息費用	Total minimum lease payments 最低租賃 付款 總額
Within 1 year	1年內	175,736	64,038	239,774
Between 1 and 5 years	1至5年	470,652	41,447	512,099
		646,388	105,485	751,873

For six months ended 30 June 2010 and the year ended 31 December 2009, no contingent-based rents were recognised as expenses.

The effective interest rate of the finance lease obligations of the Group for the six months ended 30 June 2010 was 9.12% per annum (for the year ended 31 December 2009: 9.12% per annum).

截至二零一零年六月三十日止六個月期間及截至二零零九年十二月三十一日止年度，概無或然租金確認為費用。

截至二零一零年六月三十日止六個月期間，本集團融資租賃承擔之實際年利率為9.12%（二零零九年十二月三十一日：9.12%）。

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

18 OPERATING PROFIT

The following items have been credited/(charged) to the operating profit during the six months ended 30 June 2010 and 2009:

18. 經營溢利

截至二零一零年及二零零九年六月三十日止六個月，下列項目已計入/(扣除)自經營溢利：

		For the six months ended	
		30 June	30 June
		2010	2009
		截至六月三十日止六個月	
		二零一零年	二零零九年
		Unaudited	Unaudited
		未經審核	未經審核
Share options granted to directors and employees (Note 13)	授予董事及僱員的購股權(附註13)	(30,912)	(10,753)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	1,760	549
Depreciation of property, plant and equipment (Note 6)	物業、廠房及設備折舊(附註6)	(440,661)	(399,961)
Amortisation of leasehold land and land use rights (Note 6)	租賃土地及土地使用權攤銷(附註6)	(825)	(825)
Depreciation of investment properties (Note 6)	投資物業折舊(附註6)	(402)	(402)
Amortisation of intangible assets (Note 6)	無形資產攤銷(附註6)	(7)	-
Taxation on inter-group transfer of property, plant and equipment	集團內轉讓物業、廠房及設備的稅項	-	(25,613)
Foreign exchange loss, net	匯兌虧損，淨額	(316)	(1,045)

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

19 INCOME TAX EXPENSE

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

19. 所得稅費用

For the six months ended

30 June 2010 截至六月三十日止六個月 二零一零年 Unaudited 未經審核	30 June 2009 二零零九年 Unaudited 未經審核
--	---

290,136	151,572
(4,323)	(6,109)
285,813	145,463

20 EARNINGS PER SHARE

Basic

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

20. 每股收益

基本

每股基本收益乃根據本公司權益持有者應佔溢利除以期內已發行普通股的加權平均數而計算。

For the six months ended

30 June 2010 截至六月三十日止六個月 二零一零年 Unaudited 未經審核	30 June 2009 二零零九年 Unaudited 未經審核
--	---

Profit attributable to equity holders of the Company 本公司權益持有者應佔溢利
 Weighted average number of ordinary shares in issue (thousands) 已發行普通股的加權平均數(千股)
 Basic earnings per share (RMB per share) 每股基本收益(每股人民幣元)

797,994	358,231
2,929,600	2,929,200
0.27	0.12

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

20 EARNINGS PER SHARE (continued)

Diluted

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

As at 30 June 2010, the Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) during the period based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

20. 每股收益(續)

稀釋

每股稀釋收益乃在假設所有可稀釋的潛在普通股被兌換後，根據已發行普通股的加權平均股數計算。

截至二零一零年六月三十日止，本公司僅有一類可稀釋的潛在普通股：購股權。就購股權而言，根據尚未行使購股權所附的認購權的貨幣價值，按公允價值(釐定為本公司股份的平均年度市價)於期內可購入的股份數目釐定。按以上方式計算的股份數目乃與假設購股權行使而應已發行的股份數目作出比較。

		For the six months ended	
		30 June	30 June
		2010	2009
		截至六月三十日止六個月	
		二零一零年	二零零九年
		Unaudited	Unaudited
		未經審核	未經審核
Profit attributable to equity holders of the Company	本公司權益持有者應佔溢利	797,994	358,231
Weighted average number of ordinary shares in issue used in calculating basic earnings per share (thousands)	用於計算每股基本收益的已發行普通股加權平均數值(千股)	2,929,600	2,929,200
Adjustments for options (thousands)	購股權調整(千股)	13,853	1,461
Weighted average number of ordinary shares and potential ordinary shares issued as the denominator in calculating diluted earnings per share (thousands)	計算每股稀釋收益時作為分母的已發行普通股及潛在普通股加權平均數(千股)	2,943,453	2,930,661
Diluted earnings per share (RMB per share)	每股稀釋收益(每股人民幣元)	0.27	0.12

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

21 DIVIDENDS

- (a) At a meeting held on 23 March 2010, the Board proposed a final dividend in respect of the year ended 31 December 2009 of HK\$ 251.94 million (approximately RMB 221.83 million), representing HK\$ 0.086 per ordinary share. During the six months ended 30 June 2010, dividends of HK\$176.98 million (approximately RMB 154.39 million) were paid.
- (b) The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (for the six months ended 30 June 2009: nil).

22 NOTES TO THE CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

Major non-cash transactions:

During the six months ended 30 June 2010, the Group endorsed bank acceptance notes to the suppliers for purchase of property, plant and equipment amounting to approximately RMB 145 million (30 June 2009: approximately RMB 178 million).

21. 股息

- (a) 於二零一零年三月二十三日舉行的會議上，董事局建議分派截至二零零九年十二月三十一日止年度末期股息共計2.5194億港元(約人民幣2.2183億元)，即每股普通股0.086港元。於截至二零一零年六月三十日止六個月期間已派發股息為1.7698億港元(約人民幣1.5439億元)。
- (b) 董事局不建議分派截至二零一零年六月三十日止六個月中期股息(截至二零零九年六月三十日止六個月：零)。

22. 簡明合併中期現金流量表附註

主要非現金交易：

於截至二零一零年六月三十日止六個月，本集團就購買物業、廠房及設備向供應商背書銀行承兌匯票約人民幣1.45億元(二零零九年六月三十日：約人民幣1.78億元)。

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

25 RELATED PARTY TRANSACTIONS

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

- (a) During the six months ended 30 June 2010 and 2009, the directors are of the view that the following companies and persons are related parties of the Group:

Name 名稱	Relationship with the Group 與本集團的關係
Wellbeing Holdings Limited	Substantial shareholder of the Company 本公司的主要股東
Tangshan City Jinxi Iron and Steel Group Co., Ltd. ("Tangshan Jinxi Group") 唐山市津西鋼鐵集團有限公司 (「唐山津西集團」)	Shareholder of Jinxi Limited and its legal representative is Mr. Guo Feizhi, one of the key executives of Jinxi Limited 津西鋼鐵股東，其法定代表為 津西鋼鐵主要行政人員之一郭飛芝先生
Foshan Jin Lan 佛山金蘭	Substantial shareholder of Jinxi Jinlan 津西金蘭的主要股東
Foshan Jin Lan Import and Export Co., Ltd ("Jin Lan Import and Export") 佛山金蘭進出口有限公司(「金蘭進出口」)	Controlled by the family members of Mr. Zhou Weijie, a director of Jinxi Jinlan 由津西金蘭董事周偉傑先生的家族成員控制
Foshan Jin Lan Nonferrous Metals Product Co., Ltd. ("Jin Lan Nonferrous Metals") 佛山金蘭有色金屬製品有限公司 (「金蘭有色金屬」)	Foshan Jin Lan's subsidiary 佛山金蘭的附屬公司
Foshan Jin Lan Group Co., Ltd. ("Jin Lan Group") 佛山金蘭集團有限公司(「金蘭集團」)	Controlled by Mr. Zhou Weijie, a director of Jinxi Jinlan 由津西金蘭董事周偉傑先生控制
Qianxi County Zhongxing Iron Mine Co., Ltd. ("Zhongxing Iron Mine") 遷西縣中興礦業有限公司(「中興礦業」)	Jinxi Limited's associated company 津西鋼鐵的聯營公司

25. 關聯方交易

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

- (a) 於截至二零一零年和二零零九年六月三十日止六個月，董事認為以下公司和人士為本集團的關聯方：

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

25 RELATED PARTY TRANSACTIONS (continued)

25. 關聯方交易(續)

(a) (continued)

(a) (續)

Name 名稱	Relationship with the Group 與本集團的關係
Qianxi County Longba Charging Company Limited ("Longba Charging") 遷西縣龍霸爐料有限公司(「龍霸爐料」)	Jinxi Limited's associated company 津西鋼鐵的聯營公司
Qianxi County Hui Yin Trading Company Limited ("Hui Yin") 遷西縣滙銀工貿有限公司(「滙銀」)	Substantial shareholder of Jinxi Section Steel 津西型鋼的主要股東
Pingquan County Longba Quarrying Company Limited ("Longba Quarrying") 平泉縣龍霸採石廠有限公司(「龍霸採石」)	Controlled by Mr. Du Chun, substantial shareholder of Jinyin Charging 由津銀爐料的主要股東杜春先生控制
Qianxi County Jinxi Wan Tong Ductile Iron Pipes Co., Ltd. ("Jinxi Wantong") 遷西縣津西萬通球墨鑄管有限公司(「津西萬通」)	Its legal representative is Mr. Shen Xiaoling, a director of the Company 本公司董事沈曉玲先生為其法定代表
Ping Quan County Jinyin Charging Co., Ltd. ("Jinyin Charging") 平泉縣津銀爐料有限公司(「津銀爐料」)	Controlled by Mr. Du Chun, substantial shareholder of Jinyin Charging 由津銀爐料的主要股東杜春先生控制
Qianxi County Han'erzhuang Village Wang Zhihong Iron Ore Mill ("Qianxi Iron Ore Mill") 遷西縣漢兒莊鄉王志紅鐵選廠(「遷西鐵選廠」)	Controlled by Mr. Wang Zhihong, substantial shareholder of Boyuan Real Estate 由博遠房地產的主要股東王志紅先生控制
Mr. Han Jingyuan 韓敬遠先生	Chairman and Chief Executive Officer of the Company 本公司董事局主席兼首席執行官
Mr. Zhou Weijie 周偉傑先生	Director of Jinxi Jinlan 津西金蘭的董事
Mr. Shen Xiaoling 沈曉玲先生	Director of the Company 本公司董事
Mr. Du Chun 杜春先生	Substantial shareholder of Jinyin Charging 津銀爐料的主要股東
Mr. Wang Zhihong 王志紅先生	Substantial shareholder of Boyuan Real Estate 博遠房地產的主要股東

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

25 RELATED PARTY TRANSACTIONS (continued)

(b) Significant related party transactions:

(i) Sales

(I) Sales of goods

Jinxi Wantong	津西萬通
Jin Lan Import and Export	金蘭進出口
Jin Lan Group	金蘭集團
Jin Lan Nonferrous Metals	金蘭有色金屬
Longba Charging	龍霸爐料

(II) Sales of utilities

Jin Lan Nonferrous Metals	金蘭有色金屬
---------------------------	--------

(ii) Purchase of raw materials

Longba Charging	龍霸爐料
Zhongxing Iron Mine	中興礦業
Qianxi Iron Ore Mill	遷西鐵選廠
Jinyin Charging	津銀爐料

25. 關聯方交易(續)

(b) 重大關聯方交易：

(i) 銷售

(I) 貨品銷售

For the six months ended
30 June

2010	2009
截至六月三十日止六個月	截至六月三十日止六個月
二零一零年	二零零九年
Unaudited	Unaudited
未經審核	未經審核
46,515	—
40,015	23,257
7,343	9,457
3,779	—
71	1,390
97,723	34,104

(II) 電力銷售

For the six months ended
30 June

2010	2009
截至六月三十日止六個月	截至六月三十日止六個月
二零一零年	二零零九年
Unaudited	Unaudited
未經審核	未經審核
3,230	2,202

(ii) 原材料購買

For the six months ended
30 June

2010	2009
截至六月三十日止六個月	截至六月三十日止六個月
二零一零年	二零零九年
Unaudited	Unaudited
未經審核	未經審核
40,826	29,136
39,580	36,218
29,567	—
4,069	—
114,042	65,354

Notes to the Condensed Consolidated Interim Financial Information (continued)

簡明合併中期財務資料附註(續)

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

25 RELATED PARTY TRANSACTIONS (continued)

(c) Balance with related parties: (continued)

25. 關聯方交易(續)

(c) 關聯方結餘：(續)

		As at	
		30 June 2010	31 December 2009
		於	
		二零一零年 六月三十日	二零零九年 十二月三十一日
		Unaudited 未經審核	Audited 經審核
Amounts due to related parties	應付關聯方款項		
<i>Non-current</i>	<i>非即期</i>		
Non-trade balances	非貿易結餘		
Borrowings from a related party	關聯方提供的借款		
– Foshan Jin Lan (i)	– 佛山金蘭 (i)	–	37,404
<i>Current</i>	<i>即期</i>		
Non-trade balances	非貿易結餘		
Borrowings from related parties	關聯方提供的借款		
– Hui Yin (ii)	– 滙銀 (ii)	170,000	170,000
– Wang Zhihong (iii)	– 王志紅 (iii)	39,798	–
– Foshan Jin Lan (i)	– 佛山金蘭 (i)	37,404	–
– Wellbeing Holdings Limited (iv)	– Wellbeing Holdings Limited (iv)	29,661	29,937
		276,863	199,937
Deposit from a related party	關聯方提供的按金		
– Mr. Shen Xiaoling (v)	– 沈曉玲先生 (v)	10,000	10,000
Dividends payable due to	應付予以下實體的股息		
– Tangshan Jinxi Group	– 唐山津西集團	12,059	18,130
– Hui Yin	– 滙銀	–	20,837
– Zhongxing Iron Mine	– 中興礦業	–	2,535
		12,059	41,502
Others	其他		
– Jinxi Wan Tong	– 津西萬通	12,762	1,308
– Foshan Jin Lan	– 佛山金蘭	383	383
– Mr. Du Chun	– 杜春先生	–	3,600
– Longba Quarrying	– 龍霸採石	–	1,815
– Mr. Han Jingyuan	– 韓敬遠先生	–	45
		13,145	7,151
Trade balances	貿易結餘		
Trade Payables	應付貿易款項		
– Longba Charging	– 龍霸爐料	27,322	10,414
– Zhongxing Iron Mine	– 中興礦業	3,553	214
– Qianxi Iron Ore Mill	– 遷西鐵選廠	3,296	–
– Jinyin Charging	– 津銀爐料	630	–
		34,801	10,628
		346,868	269,218

Notes to the Condensed Consolidated Interim Financial Information (continued) 簡明合併中期財務資料附註(續)

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

25 RELATED PARTY TRANSACTIONS (continued)

(c) Balance with related parties: (continued)

- (i) Pursuant to certain agreements entered into in January 2006, the payables to Foshan Jin Lan amounting to RMB 37.4 million are unsecured, interest-free and repayable only after 5 years.
- (ii) Pursuant to certain agreements, the Group and Hui Yin lent certain loans to Jinxi Section Steel on a proportional basis according to their respective shareholdings percentage in Jinxi Section Steel. These loans are unsecured, interest-free and have no fixed term of repayment.
- (iii) Pursuant to certain agreements, the Group and Wang Zhihong lent certain loans to Boyuan Real Estate on a proportional basis according to their respective shareholdings percentage in Boyuan Real Estate. These loans are unsecured, bore interest at a rate of 5.31% per annum and are repayable within one year.
- (iv) The loan is unsecured, bore interest at a rate of 3.25% per annum and repayable within six months.
- (v) Pursuant to a cooperation agreement entered into between Mr. Shen Xiaoling and the Group in June 2008, the payable to Mr. Shen Xiaoling amounted to RMB 10 million represented a deposit for the cooperation agreement, which is unsecured, interest-free and refundable on 31 December 2010.

Except for the loans provided by Foshan Jin Lan, Wang Zhihong and Wellbeing Holdings Limited as disclosed above and the deposit from Mr. Shen Xiaoling, the related party balances were all unsecured, interest-free and had no fixed term of repayment.

26 APPROVAL ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The condensed consolidated interim financial information was reviewed by the audit committee of the Company and approved by the Board on 9 August 2010.

25. 關聯方交易(續)

(c) 關聯方結餘：(續)

- (i) 根據於二零零六年一月訂立的若干協議，應付佛山金蘭的借款為人民幣3,740萬元，此款項為無抵押、免息及須於五年後償還。
- (ii) 根據簽訂的若干協議，本集團和匯銀按照各自所持有津西型鋼的股份比例借予津西型鋼款項，此款項為無抵押、免息及無固定還款期限。
- (iii) 根據簽訂的若干協議，本集團和王志紅按照各自所持有博遠房地產的股份比例借予博遠房地產款項，此款項為無抵押、按5.31釐年利率計息及須於一年內償還。
- (iii) 此款項為無抵押、按3.25釐年利率計息及須於六個月內償還。
- (iv) 根據沈曉玲先生與本集團於二零零八年六月訂立的合作協議，應付沈曉玲先生之人民幣1,000萬元為合作協議的按金，此款項為無抵押、免息及可於二零一零年十二月三十一日退回。

除上述由佛山金蘭、王志紅及 Wellbeing Holdings Limited 提供的貸款及來自沈曉玲先生的按金外，關聯方結餘均為無抵押、免息且無固定償還期。

26. 批准簡明合併中期財務資料

本公司審核委員會已審閱和董事局已於二零一零年八月九日批准本簡明合併中期財務資料。





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



HONG KONG OFFICE

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

香港辦事處

香港灣仔港灣道23號
鷹君中心9樓
901-2及10室

Tel 電話 : (852) 2511 1369

Fax 傳真 : (852) 2511 1301



BEIJING OFFICE

Suites 2901-3
29th Floor, Full Tower
9 Dongsanhuan Middle Road
Chaoyang District, Beijing, China

北京代表處

中國北京市朝陽區
東三環中路9號
富爾大廈29樓2901-3室

Tel 電話 : (86) 10 8591 0207

Fax 傳真 : (86) 10 8591 0205



* For identification purposes only

僅供識別

