



中國秦發集團有限公司 CHINA QINFA GROUP LIMITED

(於開曼群島註冊成立之有限公司)
(incorporated in the Cayman Islands with limited liability)

Stock code 股份代號 : 866

2010 INTERIM REPORT 中期報告



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BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr XU Jihua (*Chairman*)
Ms WANG Jianfei (*Chief Executive Officer*)
Ms LIU Xiaomei
Mr WENG Li

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr HUANG Guosheng
Mr LAU Sik Yuen

AUDIT COMMITTEE

Mr LAU Sik Yuen (*Chairperson*)
Mr HUANG Guosheng

REMUNERATION COMMITTEE

Mr HUANG Guosheng (*Chairperson*)
Ms WANG Jianfei

NOMINATION COMMITTEE

Mr HUANG Guosheng (*Chairperson*)
Ms WANG Jianfei

COMPANY SECRETARY

Mr MAK King Pui Ricky, *HKICPA, FCCA*

AUTHORISED REPRESENTATIVES

Ms WANG Jianfei (*Chief Executive Officer*)
Mr MAK King Pui Ricky, *HKICPA, FCCA*

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董事會

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翁立先生

獨立非執行董事

黃國勝先生
劉錫源先生

審核委員會

劉錫源先生(主席)
黃國勝先生

薪酬委員會

黃國勝先生(主席)
王劍飛女士

提名委員會

黃國勝先生(主席)
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公司秘書

麥景培先生, *HKICPA, FCCA*

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王劍飛女士(行政總裁)
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PRINCIPAL BANKERS

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股份代號

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主要往來銀行

星展銀行(香港)有限公司
中國工商銀行
中國民生銀行有限公司

China Qinfa Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 4 March 2008 as an exempted company with limited liability. The Company is the ultimate holding company of various companies in Hong Kong and China (collectively, the “**Group**”) which are principally engaged in the coal operation business involving purchase and sales, filtering, storage, blending, shipping and transportation of coal.

An integrated coal supply chain is the key to the Group’s success. With business operations strategically located in Hong Kong and various cities in China, namely, Datong, Yangyuan, Qinhuangdao, Zhuhai and Guangzhou, the Group is able to source coal in China and overseas markets. Currently, the Group operates two coal loading stations at Datong and Yangyuan along the Daqin Railway, which is the world’s largest coal haul railway to the world’s largest coal port – Qinhuangdao port in Hebei Province, China. The Group also operates another two coal loading stations in Inner Mongolia.

In China, the Group sources coal mainly from the western and northern regions, and provides full logistics services and transportation arrangements through ground and sea transportation to deliver the coal to customers in the coastal regions of China. The Group has its own fleet and chartered vessels, which facilitate the shipping transportation of coal. Apart from coal transportation, the Group’s vessels are also engaged in the provision of dry bulk cargo transportation services to other customers.

中國秦發集團有限公司(「**本公司**」)於二零零八年三月四日在開曼群島註冊成立為一間獲豁免有限責任公司。本公司為多間於香港及中國成立的公司(統稱「**本集團**」)的最終控股公司，該等公司主要從事煤炭經營業務，包括煤炭購銷、選煤、存儲、配煤、航運及運輸。

一體化煤炭供應鏈是本集團成功的關鍵。本集團的業務經營策略性地位於香港及大同、陽原、秦皇島、珠海及廣州等中國多個城市，本集團能在中國及海外市場採購煤炭。本集團現時經營大秦鐵路沿線的大同及陽原兩座煤炭轉運站，大秦鐵路為世界上最大的煤炭專運鐵路，延伸至世界最大的煤炭轉運港口—位於中國河北省的秦皇島港。本集團亦於內蒙古經營另外兩座煤炭轉運站。

在中國，本集團主要從中國西部和北方地區採購煤炭，通過陸路及海上運輸提供全面的物流服務及運輸安排，將煤炭運送至中國沿海地區的客戶。本集團擁有自有船隊及租賃貨船，可促進煤炭的航運運輸。除煤炭運輸外，本集團的船隊亦為其他客戶提供乾散貨運輸服務。

BUSINESS REVIEW

The Group is principally engaged in the coal operation business involving purchase and sales, filtering, storage, blending, shipping and transportation of coal. During the six months ended 30 June 2010, the Group continued to focus on these business activities.

Significant Improvement in the Operating Results

Since the beginning of the fourth quarter in 2009, the global economy has gradually recovered from the financial crisis. There has been a revival in the market demand for thermal coal for electricity generation. The increase in the market demand continued during the first half of 2010. Hence, the Group achieved a significant growth in the trading volume of coal as compared to the same period in 2009. During the six months ended 30 June 2010, the coal trading volume of the Group was approximately 4,858,000 tonnes, representing an increase of approximately 213.4% as compared to the same period in 2009. The monthly average selling prices of coal during the six months ended 30 June 2010 were in the range between RMB538 per tonne and RMB602 per tonne, which were significantly higher than the range of the average selling prices between RMB400 per tonne and RMB489 per tonne during the same period in 2009.

During the six months ended 30 June 2010, the Group recorded net profit of approximately RMB206.1 million, which represented a significant increase of approximately RMB195.2 million, or 1,790.8%, as compared with the same period in 2009. Taking advantage of the Group's extensive procurement network and international trade experience, the Group sourced coal from various overseas suppliers. The volume of the coal imported by the Group to China amounted to approximately 69.1% (first half year of 2009: 74.8%) of the Group's total coal purchase for the six months ended 30 June 2010.

業務回顧

本集團主要從事煤炭經營業務，包括煤炭購銷、選煤、存儲、配煤、航運及運輸。截至二零一零年六月三十日止六個月，本集團繼續專注該等業務活動。

經營業績顯著改善

自二零零九年第四季初以來，全球經濟自金融危機中逐漸復蘇，市場對發電動力煤的需求恢復。市場需求在二零一零年上半年持續上升。因此，本集團的煤炭貿易量較二零零九年同期取得顯著增長。截至二零一零年六月三十日止六個月，本集團的煤炭貿易量約為4,858,000噸，較二零零九年同期上升約213.4%。截至二零一零年六月三十日止六個月，煤炭月平均售價介乎每噸人民幣538元至每噸人民幣602元，較二零零九年同期平均售價介乎每噸人民幣400元至每噸人民幣489元明顯提高。

於截至二零一零年六月三十日止六個月期間，本集團錄得純利約人民幣206,100,000元，較二零零九年同期大幅增加約人民幣195,200,000元或1,790.8%。憑藉本集團廣泛的採購網絡及國際貿易經驗，本集團向不同的海外供應商採購煤炭。截至二零一零年六月三十日止六個月，本集團進口至中國煤炭的數量佔本集團煤炭總採購量約69.1%（二零零九年上半年：74.8%）。

Vertical Integration and Improvement in the Integrated Coal Supply Chain

In order to secure a stable coal supply amid the fluctuating coal prices, the Group, capitalising the opportunities arising from the substantial decrease in coal prices and the PRC coal industry consolidation in 2009, entered into an equity transfer agreement in August 2009 to acquire 87.88% equity interest in Shanxi Hun Yuan Rui Feng Coal Company Limited (“**Ruifeng Coal**”) at a consideration of RMB130 million. The acquisition was completed around the end of February 2010. Ruifeng Coal is the owner and operator of a coal mine in Hun Yuan County, Datong City, Shanxi Province, the PRC. The current approved annual production capacity of the coal mine is 900,000 tonnes. The mine shaft has a coal reserve of over 59 million tonnes and the coal is of prime thermal grading. Located approximately 70km from the existing coal loading station of the Group in Datong City, the coal mine enjoys convenient transportation. The Directors expect that the coal mine will commence pilot production in the second half of 2010.

Ordos Jinfa Materials Co., Ltd (“**Ordos Jinfa**”), a subsidiary of the Company, entered into an Acquisition and Debt Restructuring Agreement (“**Agreement**”) in December 2009 to acquire 60% equity interest in Ordos Bayin Mengke Nayuan Coal Co., Ltd. (“**Nayuan Coal**”) at a consideration of RMB 857 million. However, the acquisition has been terminated due to the significant differences in the management of the coal mines with the other management owners of Nayuan Coal. As at the date hereof, Ordos Jinfa has received the amount of RMB129 million as a refund of prepaid purchase consideration for the 60% equity interest in Nayuan Coal. Further information was stated in the Company’s announcements dated 19 July 2010 and 17 August 2010.

縱向整合，完善一體化煤炭供應鏈

為確保煤炭價格波動下取得穩定的煤炭供應，本集團抓住二零零九年煤炭價格出現大幅下降及中國煤炭業整合的機會，於二零零九年八月訂立股權轉讓協議，以代價人民幣130,000,000元收購山西渾源瑞風煤業有限責任公司(「**瑞風煤業**」)87.88%股權。收購已於二零一零年二月底左右完成。瑞風煤業擁有及經營位於中國山西省大同市渾源縣的一座煤礦，該煤礦現批准生產能力為90萬噸／年，礦井保有儲量超過5,900萬噸，煤炭質量屬優質動力煤。該煤礦距離本集團位於大同市的現有煤炭轉運站約70公里，交通運輸十分便利。董事預計煤礦可於二零一零年下半年投產。

於二零零九年十二月，本公司一間附屬公司鄂爾多斯市晉發物資有限公司(「**鄂爾多斯晉發**」)簽訂收購及債務重組(「**該協議**」)，以代價人民幣857,000,000元收購鄂爾多斯市巴音孟克納源煤業有限責任公司(「**納源煤炭**」)60%股權。然而，收購由於煤礦管理層與納源煤炭其他管理層擁有人的重大分歧已經終止。截至本報告日期，鄂爾多斯晉發已收回用於收購納源煤炭的60%股權的預付款人民幣129,000,000元，作為預付購買代價的退款。進一步資料載於本公司於日期為二零一零年七月十九日及二零一零年八月十七日的公告。

Expansion of International Coal Operation Business

On 23 April 2010, the Group subscribed for a further 8,000,000 new shares of Tiaro Coal Limited (“**Tiaro Coal**”) at the subscription price of A\$0.25 for each share. As at 30 June 2010, the Group held a total of 21,400,000 shares of Tiaro Coal, representing approximately 30.05% equity interest in Tiaro Coal.

Tiaro Coal is a company incorporated in the State of New South Wales in Australia with its shares listed on the Australian Securities Exchange (the “**ASE**”) with the stock code of TCM, and is mainly engaged in exploration of coal. As part of the equity investment by the Group in Tiaro Coal, a coal off-take undertaking has been granted by Tiaro Coal to the Group, in which the Group enjoys a right of first refusal to the supply of all the coal and other mineral resources produced by Tiaro Coal or its subsidiaries. Leveraging the Group’s expertise in coal operation in China and the previous experience in investing in Australian coal mines, the Directors believe that the acquisition of equity interest in Tiaro Coal will strengthen the Group’s capability in sourcing coal overseas and managing the risk of fluctuating coal prices in the long run.

Strengthening Coal Transportation Capacity

The Group placed confirmed orders for the construction of two additional 82,000 DWT bulk carriers from 中國船舶工業貿易公司 (China Shipbuilding Trading Company Limited) and 中船廣州龍穴造船公司 (CSSC Guangzhou Longxue Shipbuilding Co., Ltd.) in May 2010, at a total cost of about HK\$538.2 million. As at 30 June 2010, the Group had a total of four 82,000 DWT bulk carriers under construction. As the Group’s coal trading volume continues to increase, the vessels will strengthen the Group’s coal transportation capacity, the ability to control the cost of shipping transportation and reduce the risk of increasing shipping transportation costs.

擴展國際煤炭經營業務

於二零一零年四月二十三日，本集團按每股0.25澳元的認購價，進一步認購Tiaro Coal Limited (「**Tiaro Coal**」)的8,000,000股新股份。於二零一零年六月三十日，本集團持有Tiaro Coal合共21,400,000股股份，相當於Tiaro Coal股權約30.05%。

Tiaro Coal乃一間於澳洲新南威爾士州註冊成立的公司，其股份在澳洲證券交易所(「**澳交所**」)上市，股份代號為TCM，主要從事煤礦勘探。作為本集團在Tiaro Coal的股本投資的一部分，Tiaro Coal已給予本集團煤炭包銷承諾，本集團對Tiaro Coal或其附屬公司生產的所有煤炭及其他礦產資源享有優先承購權。借助本集團在中國煤炭經營業務的專業知識，以及早前在澳洲煤礦的投資經驗，董事相信收購Tiaro Coal股權將能夠進一步加強本集團的海外煤炭採購，以及長期管理煤價波動風險的能力。

強化煤炭運輸能力

本集團於二零一零年五月向中國船舶工業貿易公司及中船廣州龍穴造船公司確定訂購額外建造兩艘載重噸為82,000噸的乾散貨船，總造價約538,200,000港元。於二零一零年六月三十日，本集團共有四艘載重噸為82,000噸的乾散貨船在建造中。隨著集團的煤炭貿易量的持續攀升，集團的船隊將增強煤炭運輸能力、控制船舶運輸成本及減低船舶運輸成本增加的風險。

RMB Forward Contracts

The Group entered into several RMB forward contracts with banks in order to reduce the negative impact caused by RMB appreciation. The purpose of entering into these forward contracts is to control the cost of the Group's RMB investments, in terms of foreign currencies, that are required to be injected into the PRC in the near future. Although there was unfavorable change in fair value of the forward contracts which was reflected as an unrealised financial liability in the financial statements, the Group has been continuously making realised profits since the entry into the forward contracts. The Directors also expect the change in fair value of the forward contracts will become less unfavourable when the forward contracts are close to their maturity dates.

BUSINESS OUTLOOK

Although the global economy has recovered from the financial crisis and the international commodity markets are generally stabilised, there are a number of uncertainties, such as debt crisis amongst the European countries and the macro-economic control, tightened liquidity and policy transformation in China, which could adversely affect the demand for electricity in China and demand for thermal coal in the second half of 2010. The Group will continue to take advantage of the continuous economic growth in China. The Directors also believe that the level of domestic production and consumption in China will continue to increase steadily. These will stimulate the demand for electricity and the thermal coal as the principal raw materials for power generation.

人民幣遠期合約

本集團與銀行訂立若干人民幣遠期合約，以減低人民幣升值帶來的負面影響。簽訂該等遠期合約旨在控制日後需要注入中國以外幣計的本集團人民幣投資成本。儘管遠期合約的公允值變動未如理想，其反映為財務報表內的未變現金融負債，但自簽訂遠期合約以來本集團持續錄得已變現溢利。董事亦預計，於遠期合約接近其到期日時，遠期合約的公允值變動將為較前理想。

業務展望

雖然全球經濟自金融危機中復甦，且國際商品市場大致穩定，但存在若干不明朗因素，如歐洲國家間的債務危機及中國的宏觀經濟調控、收緊流動資金及政策轉變，上述因素均對中國電力需求及二零一零年下半年動力煤的需求造成不利影響。本集團將繼續善用中國經濟的持續增長。同時董事相信，中國國內生產及消費水平將穩步增長。這些均將刺激電力及作為發電主要原材料的動力煤的需求。

Management Discussion and Analysis 管理層討論與分析

In view of the anticipated increase in the demand for coal products, the Group will continue to improve its business models with the following activities:

(1) Construction of the Zhuhai Terminal as a strategic integration of existing supply chain

A joint venture agreement was entered into in October 2009 with 河北港口集團有限公司 (Hebei Port Group Company Limited) (“**Hebei Port Group**”) for the establishment of a joint venture company for the construction and operation of the Zhuhai Terminal. The joint venture company will have a registered capital of RMB519 million of which the Group will contribute 60% and Hebei Port Group will contribute 40%. The Group will contribute a total of RMB311.4 million (equivalent to approximately HK\$353.9 million) for the registered capital of the joint venture company out of the net proceeds from the Global Offering (as defined in the prospectus of the Company dated 19 June 2009 (“**Prospectus**”)). The total investment amount of the joint venture company will be approximately RMB1.5 billion and shall be arranged by the joint venture company.

It is strategically located in the southeast region of Zhuhai, Guangdong Province, China, thereby allowing the Group to (i) take advantage of its proximity to customers located in the coal consuming coastal cities in southern China; (ii) react more quickly to customers’ need; and (iii) lower transportation cost. The berthing capacity of Zhuhai Terminal is 100,000 DWT (construction structure: 150,000 DWT) which enables it to accommodate Capesize and Panamax vessels for coal transshipment. The Group will be able to further strengthen its coal storage and blending capacities as Zhuhai Terminal can serve as a site for blending and storage of coal. As Zhuhai Terminal will have an annual throughput capacity of 20 million tonnes which can also serve as a centre for coal exchange, it can facilitate an advancement in the Group’s ability to further procure and sell coal in the coal trading market.

鑑於預計煤炭產品需求增長，本集團通過以下活動繼續改善其業務模式：

(1) 建造珠海碼頭作為現有煤炭供應鏈之策略整合

於二零零九年十月，本集團與河北港口集團有限公司(「**河北港口集團**」)就建造及運營珠海碼頭成立合營公司訂立合營協議。該合營公司之註冊資金將達人民幣519,000,000元，其中本集團將注資60%，而河北港口集團注資40%。本集團將動用全球發售(定義見本公司日期為二零零九年六月十九日的招股章程(「**招股章程**」))所得款項淨額，為合營公司的註冊資金出資合共人民幣311,400,000元(等於約353,900,000港元)。該合營公司之總投資額將達約人民幣1,500,000,000元，並由該合營公司安排。

珠海碼頭位於中國廣東省珠海東南部的策略性地點，因此，可使本集團(i)利用其靠近華南沿海煤炭消費城市的客戶的優勢；(ii)迅速回應客戶需求；及(iii)獲得較低運輸成本。珠海碼頭10萬載重噸(建築結構:15萬載重噸)的泊位容量可容納好望角型及巴拿馬型貨船，以用於煤炭中轉。由於珠海碼頭可作為配煤及儲存的場地，本集團將能夠進一步加強其煤炭儲存及配煤能力。由於珠海碼頭的年吞吐量為2,000萬噸，可作為煤炭交易中心，有利於提升本集團在此煤炭貿易市場進一步採購及銷售煤炭的能力。

The Zhuhai Terminal is expected to commence operation in the second quarter of 2012. Upon the completion of Zhuhai Terminal, and taking into consideration the four existing coal loading stations of the Group, a dominant and integrated sourcing, transportation and sales network running across the territory of China can be formed.

Please refer to the Company's announcement dated 22 March 2010 for further details.

(2) Construction of two new vessels to strengthen existing transportation capabilities

As discussed above, the Group placed confirmed orders for the construction of two additional 82,000 DWT bulk carriers in May 2010 at a total cost of about HK\$538.2 million.

The Group has been planning to improve the efficiency of its fleet. The construction of vessels is consistent with this plan. Also, as the Group's coal trading volume continues to expand, the increase in the number of the Group's own vessels, and thus its shipping transportation capacity, could enhance the Group's control over its trading costs and reduce the risk faced by the Group due to any fluctuation in transportation costs.

Further information is stated in the Company's announcement and circular dated 15 May 2010 and 26 July 2010.

(3) Expansion of the customer base

In addition to the existing customers with whom the Group has maintained established business relationship, the Group is actively looking for opportunities to expand the customer base, developing business relationship with new sizable domestic power groups in China. The expansion of the Group's customer base is an important strategic step in consolidating the customer base, developing coal production and sales and expanding the Group's income sources.

珠海碼頭預計於二零一二年第二季開始營運。珠海碼頭建成後，考慮到集團現有的四個煤炭轉運站，可形成一個貫穿全中國的採購、運輸及銷售一條龍的強大網絡。

進一步詳情，請參閱本公司日期為二零一零年三月二十二日之公告。

(2) 建造兩艘新貨船以提升現時運輸能力

如上文所討論，本集團於二零一零年五月確定訂購額外建造兩艘載重噸為82,000噸的乾散貨船，總成本約538,200,000港元。

本集團正擬提升本集團船隊的效率。因此建造貨船與該計劃一致。同時，由於本集團的煤炭貿易量繼續增長及本集團自有船隊的數目擴大，故此，其船舶運輸能力有助於本集團控制其貿易成本及降低本集團由於運輸成本波動所面臨的風險。

進一步資料載於本公司日期為二零一零年五月十五日之公告及二零一零年七月二十六日之通函。

(3) 拓展客戶群

除保持良好業務關係之現有客戶外，本集團積極尋求機會擴展客戶群，與國內新興大型電力集團發展業務關係。擴大本集團客戶群為鞏固客戶群、發展煤炭生產銷售、拓寬本集團的收入來源等邁出了重要策略性的一步。

(4) Coal loading stations along Daqin Railway and in Inner Mongolia

The Group is actively looking for suitable locations in Inner Mongolia for the construction or acquisition of additional coal loading stations. In addition, the Group is also exploring acquisition opportunities of the existing coal stations along the Daqin Railway in order to strengthen the coal processing and transportation capacity of the Group in the region.

(5) Acquisition of equity interest in coal mining company as a vertical integration strategy to ensure stable supply of coal

Although the Group terminated the acquisition of 60% equity interest in Nayuan Coal in July 2010 and received the prepaid purchase consideration in August 2010, the Directors consider that acquisition of coal mine or equity interest in coal mining company plays an important role in reinforcing the Group's vertical integrated supply chain of coal. This vertical integration strategy will enable the Group to secure stable supply of coal, in terms of quality and quantity, which then can enhance the Group's competitiveness as well as strengthen the relationship with our customers. Therefore, the Group will continue to identify domestic and overseas coal related development projects for acquisition or business cooperation in order to further integrate the supply chain of coal.

(4) 大秦鐵路及內蒙古煤炭轉運站

本集團正於內蒙古積極尋求合適地點，以建設或收購額外煤炭轉運站。此外，本集團亦發掘大秦鐵路沿線現有煤炭轉運站收購機遇，以增強本集團於區內的煤炭處理能力及運輸能力。

(5) 收購採煤公司股權作為縱向整合策略以確保煤炭的穩定供應

儘管本集團於二零一零年七月終止收購納源煤炭的60%股權，並於二零一零年八月收回預付購買代價，但董事認為，收購採煤公司的煤礦或股權為鞏固本集團縱向一體化的煤炭供應鏈發揮重要作用。此項縱向整合策略將令本集團取得穩定的煤炭供應(質量及數量方面)，此舉則可提升本集團的競爭力以及加強與客戶的關係。因此，本集團將繼續物色國內及海外可予收購或進行業務合作的煤相關發展項目，以進一步整合煤炭供應鏈。

Management Discussion and Analysis 管理層討論與分析

FINANCIAL REVIEW

Revenue and Trading Volume

Revenue (expressed in RMB'000)	收入 (以人民幣千元列示)
Coal trading	煤炭貿易
Iron ore trading	鐵礦石貿易
Shipping	航運

Trading volume (expressed in '000 tonnes)	貿易量 (以千噸列示)
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Coal trading	煤炭貿易
Iron ore trading	鐵礦石貿易

Due to the revival in the demand for coal-fired electricity and the recovery of the global economy from financial crisis, the Group achieved a significant growth in trading volume of coal as compared to the same period in 2009. During the six months ended 30 June 2010, the total coal trading volume of the Group was approximately 4,858,000 tonnes, representing an increase of approximately 3,308,000 tonnes or 213.4% as compared to the same period in 2009. The monthly average selling price of coal during the six months ended 30 June 2010 was approximately RMB557 per tonne, which was substantially higher than the average monthly selling price of approximately RMB468 per tonne during the same period in 2009.

財務回顧

收入及貿易量

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
	2,704,536	726,061
	-	503,428
	81,080	15,434

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
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	4,858	1,550
	-	1,142

由於火力發電需求恢復，且全球經濟自金融危機復甦，本集團的煤炭貿易量較二零零九年同期取得顯著增長。截至二零一零年六月三十日止六個月，本集團的煤炭貿易總量約為4,858,000噸，較二零零九年同期上升約3,308,000噸或213.4%。截至二零一零年六月三十日止六個月，煤炭月平均售價約為每噸人民幣557元，較二零零九年同期約為每噸人民幣468元的月平均售價大幅提高。

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The average coal selling price and the coal trading volume for each of the three years ended 31 December 2009, the six months ended 30 June 2009 and 2010 are set forth in the table below:

截至二零零九年十二月三十一日止三個年度各年、截至二零零九年及二零一零年六月三十日止六個月，煤炭平均售價及煤炭貿易量載列於下表：

		Year ended 31 December			Six months ended 30 June	
		2007	2008	2009	2009	2010
		截至十二月三十一日止年度			截至六月三十日止六個月	
		二零零七年	二零零八年	二零零九年	二零零九年	二零一零年
Average selling price (RMB per tonne)	平均售價 (每噸人民幣元)	443	646	493	468	557
Average monthly trading volume (thousand tonnes)	平均每月貿易量 (千噸)	669	523	569	258	810

The segment turnover for the shipping transportation for the six months ended 30 June 2010 was approximately RMB81.1 million, representing an increase of about RMB65.7 million or 426.6% from approximately RMB15.4 million for the same period in 2009. The significant improvement was contributed by the increase in freight rates and charter hire rates compared to the same period in 2009 when there was over-supply of shipping transportation capacity under economic downturn.

截至二零一零年六月三十日止六個月，航運運輸的分部營業額約為人民幣81,100,000元，較二零零九年同期約為人民幣15,400,000元上升約人民幣65,700,000元或426.6%。大幅改善乃由於運費及貨輪租金較二零零九年同期上漲所致，當時經濟下滑，航運運輸產能過剩。

During the six months ended 30 June 2009, the Group was engaged in the business of iron ore trading and generated revenue of approximately RMB503.4 million. During the six months ended 30 June 2010, the Group did not carry out any iron ore trading activity as the Directors consider that the fluctuation in the iron ore market in the first half of 2010 might bring on additional risk to the Group.

截至二零零九年六月三十日止六個月，本集團從事鐵礦石貿易業務並產生收入約人民幣503,400,000元。截至二零一零年六月三十日止六個月，本集團並無進行任何鐵礦石貿易活動，原因是董事認為二零一零年上半年鐵礦石市場波動可能給本集團帶來額外風險。

Gross Profit Margin and Gross Profit

The Group's gross profit increased by approximately RMB332.9 million during the six months ended 30 June 2010 to approximately RMB414.1 million from approximately RMB81.2 million during the same period in 2009, mainly because of the substantial increase in the coal selling prices and coal trading volume.

毛利率及毛利

截至二零一零年六月三十日止六個月，本集團的毛利由二零零九年同期約人民幣81,200,000元增加約人民幣332,900,000元至約人民幣414,100,000元，主要由於煤炭售價及煤炭貿易量大為上升所致。

The Group's overall gross margin increased to approximately 14.9% from approximately 6.5% during the same period in 2009, mainly resulting from:

- (1) an increase in gross profit margin of the coal trading business from 10.2% for the period ended 30 June 2009 to approximately 13.1% for the same period in 2010, which was mainly due to recovery of global economy and revival in demand of coal-fired electricity; and
- (2) an increase in the gross profit margin of the shipping transportation business from -23.4% for the period ended 30 June 2009 to approximately 21.0% for the same period in 2010 with the increase in the freight rates and the charter hire rates.

Other Income

During the six months ended 30 June 2010, the Group's other income amounted to approximately RMB39.5 million, representing an increase of approximately 197.0% as compared with approximately RMB13.3 million in the same period in 2009. Such increase was primarily attributable to the purchase bargain gain on the acquisition of Ruifeng Coal and the gain on revaluation of the Group's equity interest in Tiaro Coal. The investment in Tiaro Coal was classified as available-for-sale financial assets for the year ended 31 December 2009.

Other Expenses

During the six months ended 30 June 2010, the Group's other expenses amounted to approximately RMB17.2 million, representing an increase of approximately 514.3% as compared with approximately RMB2.8 million in the same period in 2009. Such increase was primarily attributable to unrealised losses on fair value of forward contracts. Although there was an unfavorable change in fair value of these forward contracts, the Directors expect the change in fair value will become favorable when the contracts are close to their maturity dates.

本集團的整體毛利率與二零零九年同期比較，由約6.5%增至約14.9%，主要由於：

- (1) 煤炭貿易業務毛利率與截至二零零九年六月三十日止期間比較，由約10.2%上升至二零一零年同期約13.1%，主要由於全球經濟復甦及火力發電需求恢復所致；及
- (2) 航運運輸業務毛利率與截至二零零九年六月三十日止期間比較，由約-23.4%上升至二零一零年同期約21.0%，乃由於運費及貨輪租金上漲所致。

其他收入

截至二零一零年六月三十日止六個月，本集團的其他收入約為人民幣39,500,000元，與二零零九年同期約人民幣13,300,000元比較增長約197.0%。有關增長主要由於收購瑞風煤業購買收益及本集團於Tiaro Coal股權重估收益所致。截至二零零九年十二月三十一日止年度，於Tiaro Coal的投資列入可供出售金融資產。

其他開支

截至二零一零年六月三十日止六個月，本集團的其他開支約為人民幣17,200,000元，較二零零九年同期約為人民幣2,800,000元上升約514.3%。有關增長主要由於遠期合約的公允值未變現虧損所致。儘管該等遠期合約的公允值變動未如理想，但董事預計，於合約接近其到期日時，公允值變動將為有利。

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Administrative Expenses

During the six months ended 30 June 2010, the Group's administrative expenses amounted to approximately RMB73.0 million, representing an increase of approximately 247.6% as compared with approximately RMB21.0 million in the same period in 2009. Such increase was mainly due to the increase in staff cost.

Distribution Expenses

During the six months ended 30 June 2010, distribution expenses increased by approximately 49.2% to approximately RMB57.6 million because of the increase in port service fee which was in line with the increase in coal sales volume in 2010.

Net Finance Cost

During the six months ended 30 June 2010, net financing cost of the Group amounted to RMB26.1 million, representing an increase of approximately RMB14.8 million or 131.0% from approximately RMB11.3 million in the same period in 2009. Such increase was mainly due to the increase in average outstanding amount of interest-bearing borrowings.

Income Tax Expenses

The Group's income tax expense for the six months ended 30 June 2010 was approximately RMB73.2 million, representing an increase of approximately 646.9% from approximately RMB9.8 million in the same period in 2009. The increase was in line with the increase in profitability in current period. In addition, the increment was due to the taxation on profit after tax of the PRC subsidiaries arising from the structure contract arrangement as described on page 129 of the Prospectus. The Group's effective income tax rates for the six months ended 30 June 2009 and 2010 were 47.4% and 26.2% respectively. The non-taxable nature of the one-off gain on revaluation of available-for-sale financial assets and the increase in profitability of shipping transportation business which is not subject to income tax reduced the effective income tax rate in 2010.

行政開支

截至二零一零年六月三十日止六個月，本集團的行政開支約為人民幣73,000,000元，與二零零九年同期的約人民幣21,000,000元比較增加約247.6%。有關增加主要由於員工成本增加所致。

分銷開支

截至二零一零年六月三十日止六個月，分銷開支增加約49.2%至約人民幣57,600,000元，原因是二零一零年港口服務費增加，此與煤炭銷售量增加相符。

財務成本淨額

截至二零一零年六月三十日止六個月，本集團的融資成本淨額達人民幣26,100,000元，較二零零九年同期約人民幣11,300,000元，增加約人民幣14,800,000元或131.0%。有關增加主要由於計息借貸平均未償還金額增加所致。

所得稅開支

截至二零一零年六月三十日止六個月，本集團的所得稅開支約人民幣73,200,000元，較二零零九年同期約人民幣9,800,000元，增加約646.9%。增幅與本期間盈利上升相符，此外，增幅乃主要由於如招股章程第129頁所述的結構合約安排產生的中國附屬公司除稅後溢利的稅項所致。截至二零零九年及二零一零年六月三十日止六個月，本集團的實際所得稅率分別為47.4%及26.2%。於二零一零年重估可供出售金融資產產生一次性收益乃非課稅之性質及航運運輸業務(該項業務毋須繳納所得稅)盈利能力提高，使二零一零年實際所得稅率減少。

Profit Attributable to Equity Shareholders

Profit attributable to equity shareholders increased by approximately 1,794.5% from approximately RMB10.9 million for the six months ended 30 June 2009 to approximately RMB206.5 million for the six months ended 30 June 2010 due to the increase in profitability of coal trading and shipping business as a result of recovery of the global economy from financial crisis and a revival in the demand of coal-fired electricity, and hence an increasing demand of coal.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group adopts stringent financial management policies and maintains a healthy financial condition. With the listing of the Shares on the Stock Exchange in July 2009 raising net proceeds of approximately HK\$660 million, the Group continues to fund its business operations and general working capital principally by internally generated financial resources, bank borrowings and the aforesaid net proceeds.

The Group's net current assets as at 30 June 2010 were approximately RMB531.0 million (Net current assets as at 31 December 2009: approximately RMB570.0 million). As at 30 June 2010, the cash and bank balances of the Group amounted to approximately RMB337.7 million (as at 31 December 2009: approximately RMB376.2 million). The liquidity was ample and the financial position was strong in 2010.

As at 30 June 2010, the total bank and other borrowings of the Group were approximately RMB2,380.0 million (as at 31 December 2009: approximately RMB2,245.7 million), approximately RMB2,171.1 million of which were repayable within one year and carried interest at market rates ranging from 0.83% to 5.31% (2009: 0.83% to 4.86%). Non-current secured bank loans as at 30 June 2010 and 31 December 2009 carried variable interest rates based on either (i) the London Interbank Offered Rate ("LIBOR") plus 1% or (ii) 10% discount on the per annum interest rate quoted by the People's Bank of China in respect of three-year borrowings.

權益持有人應佔溢利

權益持有人應佔溢利由截至二零零九年六月三十日止六個月約人民幣10,900,000元，增長約1,794.5%至截至二零一零年六月三十日止六個月約人民幣206,500,000元，主要由於全球經濟自金融危機復甦，火力發電需求恢復，令煤炭需求增長，煤炭貿易及航運業務盈利能力提高。

流動資金、財務資源及資本架構

本集團採納嚴謹的財務管理政策並維持穩健的財務狀況。股份於二零零九年七月於聯交所上市，籌集所得款項淨額約660,000,000港元，本集團繼續主要通過內部產生的財務資源、銀行借貸及上述所得款項淨額撥付其業務活動及一般運營資金。

於二零一零年六月三十日，本集團的流動資產淨額約為人民幣531,000,000元（於二零零九年十二月三十一日流動資產淨額：約人民幣570,000,000元）。於二零一零年六月三十日，本集團現金及銀行結餘約為人民幣337,700,000元（於二零零九年十二月三十一日：約人民幣376,200,000元）。於二零一零年，流動資金充裕，而財務狀況穩健。

於二零一零年六月三十日，本集團銀行及其他借貸總額約為人民幣2,380,000,000元（於二零零九年十二月三十一日：約人民幣2,245,700,000元），其中約人民幣2,171,100,000元於一年內償還並按市場利率0.83%至5.31%（二零零九年：0.83%至4.86%）計息。於二零一零年六月三十日及二零零九年十二月三十一日，非即期有抵押銀行貸款均按浮動利率計息，有關浮動利率按(i)倫敦銀行同業拆息（「倫敦銀行同業拆息」）加1%或(ii)中國人民銀行所報三年期借貸年利率下浮10%計算。

As at 30 June 2010, the Group's cash and cash equivalents, except amounts of approximately RMB157.9 million and RMB47.9 million held in US\$ and HK\$, respectively, were held in RMB. The Group's interest-bearing borrowings made in RMB, US\$, HK\$ were approximately RMB675.5 million, RMB1,645.6 million and RMB58.9 million, respectively.

The gearing ratio (calculated as interest-bearing borrowings divided by total assets) of the Group as at 30 June 2010 was approximately 53.3% (as at 31 December 2009: approximately 54.0%).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGING

The Group's cash and cash equivalents are held predominately in HK\$, RMB and US\$. Operating outgoings incurred by the Group's subsidiaries in the PRC are mainly denominated in RMB while overseas purchases are usually denominated in US\$. The Group's subsidiaries usually receive revenue in RMB.

Early this year, the Group entered into several RMB forward contracts with banks in order to reduce the negative impact caused by RMB appreciation. The purpose of these transactions is to control the cost of the Group's RMB investments, in terms of foreign currencies, that are required to be injected into the PRC in the near future. Although there was an unfavorable change in fair value of the forward contracts which was reflected as an unrealised financial liability in the financial statements, the Group has been continuously making realised profits since the inception of the contracts. The Directors also expect the change in fair value of the forward contracts will become less unfavourable when the forward contracts are close to their maturity dates.

於二零一零年六月三十日，本集團現金及現金等價物(相等於約人民幣157,900,000元及人民幣47,900,000元分別以美元及港元持有除外)均以人民幣持有，而本集團以人民幣、美元及港元進行之計息借貸分別約為人民幣675,500,000元、相等於人民幣1,645,600,000元及相等於人民幣58,900,000元。

本集團於二零一零年六月三十日的資產負債比率(按計息借貸除以資產總值計算)約為53.3%(於二零零九年十二月三十一日：約54.0%)。

匯率波動風險及有關對沖

本集團之現金及現金等價物主要以港元、人民幣及美元持有。本集團中國附屬公司之營運支出主要以人民幣列值，而海外採購則以美元列值。本集團附屬公司常以人民幣收取收益。

本集團於年初與銀行訂立若干人民幣遠期合約，以減低人民幣升值帶來的負面影響。該等交易旨在控制日後需要注入中國以外幣計的本集團人民幣投資成本。儘管遠期合約的公允值變動未如理想，其反映為財務報表內的未變現金融負債，但自訂立合約以來本集團持續錄得已變現溢利。董事亦預計，於遠期合約接近其到期日時，遠期合約的公允值變動將較前理想。

PLEDGE OF ASSETS OF THE GROUP AND GUARANTEE

As at 30 June 2010, the Group's assets in an aggregate amount of approximately RMB1,817.9 million (as at 31 December 2009: approximately RMB2,003.3 million) in forms of property, plant and equipment, inventories, trade and bills receivable and bank deposits were pledged to banks for credit facilities granted to the Group.

As at 30 June 2010, Mr. XU Jihua, the chairman of the Board and an executive Director, provided guarantees to banks for granting banking facilities of an amount equivalent to approximately RMB1,199.8 million to the Group.

CONTINGENT LIABILITIES

As at 30 June 2010, the Group did not have any material contingent liabilities.

INTERIM DIVIDEND

The Directors do not recommend any interim dividend for the six months ended 30 June 2010.

EMPLOYEES AND REMUNERATION

As at 30 June 2010, the Group employed 481 employees. The Group has adopted a performance-based reward system to motivate its staff and such system is reviewed on a regular basis. In addition to the basic salaries, year-end bonuses may be offered to those staff members with outstanding performance. Members of the Group established in the PRC are also subject to social insurance contribution plans organised by the PRC government. In accordance with the relevant national and local labour and social welfare laws and regulations, members of the Group established in the PRC are required to pay on behalf of their employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and other relevant insurance. Members of the Group incorporated in Hong Kong have participated in mandatory provident fund scheme, if applicable, in accordance with the applicable Hong Kong laws and regulations.

本集團的資產抵押及擔保

於二零一零年六月三十日，本集團以共計約人民幣1,817,905,000元(於二零零九年十二月三十一日：約人民幣2,003,300,000元)的物業、廠房及設備、存貨、貿易應收賬款及應收票據以及銀行存款等資產作為銀行向本集團授信的抵押。

於二零一零年六月三十日，董事會主席及執行董事徐吉華先生就本集團所獲約相等於人民幣1,199,800,000元的銀行融資向銀行作出擔保。

或然負債

於二零一零年六月三十日，本集團並無任何重大或然負債。

中期股息

董事不建議派發截至二零一零年六月三十日止六個月之任何中期股息。

僱員及薪酬

於二零一零年六月三十日，本集團僱用481名僱員。為鼓勵僱員，本集團已採用一套以表現為基礎之獎勵制度並定期對該制度進行檢討。除基本薪金外，本集團將向表現出眾的員工提供年終花紅。本集團於中國成立的成員公司亦須參與中國政府籌組的社會保險供款計劃。根據相關國家及地方勞動及社會福利法律及法規，本集團於中國成立的成員公司須每月為僱員支付社會保險金，包括養老保險、醫療保險、失業保險及其他相關保險。本集團於香港註冊成立的成員公司已根據適用的香港法例及規例參加強制性公積金計劃(倘適用)。

Management Discussion and Analysis 管理層討論與分析

Moreover, the Pre-IPO Share Option Scheme (as defined in the Prospectus) was adopted in June 2009 to reward staff members who have made contribution to the success of the Group. As at 30 June 2010, options to subscribe for an aggregate of 8,000,000 Shares were granted to an executive Director and 23 employees of the Group. The Directors believe that the compensation packages offered by the Group to its staff members are competitive in comparison with market standards and practices.

此外，本集團已於二零零九年六月採納首次公開發售前購股權計劃(定義見招股章程)，以獎勵為本集團成功作出貢獻的員工。於二零一零年六月三十日，本集團1名執行董事及23名僱員已獲授共計8,000,000股股份之購股權。董事相信，與市場準則及慣例相比較，本集團提供予員工的薪酬待遇具有競爭力。

REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHINA QINF A GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 23 to 72 which comprises the consolidated statement of financial position of China Qinf a Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) as of 30 June 2010 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34 (“**IAS 34**”), *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). The Directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 (“**HKSRE 2410**”), *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). A review of the interim financial report consists of making enquiries, 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.

審閱報告

致中國秦發集團有限公司董事會

(於開曼群島註冊成立的有限公司)

引言

本核數師(以下稱「我們」)已審閱列載於第23至72頁的中期財務報告，包括中國秦發集團有限公司(「貴公司」)及其附屬公司(「貴集團」)於二零一零年六月三十日的綜合財務狀況表及截至該日期止六個月期間之相關綜合全面收入表、綜合權益變動表及簡明綜合現金流量表以及說明附註。香港聯合交易所有限公司證券上市規則規定，中期財務報告的編製必須符合以上規則的有關條文以及國際會計準則委員會(「國際會計準則委員會」)所頒佈的國際會計準則第34號(「國際會計準則第34號」)「中期財務報告」。董事須負責根據國際會計準則第34號編製及呈列該中期財務報告。

我們的責任乃根據我們的審閱對該中期財務報告作出結論，並按照雙方協定之委聘條款僅向整體董事會作出報告，除此之外，本報告不得用於其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審閱工作準則第2410號(「香港審閱工作準則第2410號」)「由實體的獨立核數師執行中期財務資料審閱」進行審閱工作。審閱中期財務報告包括主要向負責財務及會計事務的人員作出查詢，及進行分析性及其他審閱程序。由於審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故我們不能保證我們可知悉所有在審核中可能被發現的重大事項。因此，我們不會發表審核意見。

Auditor's Report 核數師報告

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 *Interim financial reporting*.

KPMG

Certified Public Accountants

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

27 August 2010

總結

按照我們的審閱工作，我們並無發現任何事項，令我們相信於二零一零年六月三十日的中期財務報告在各重大方面未有根據國際會計準則第34號「中期財務報告」編製。

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈8樓

二零一零年八月二十七日

Consolidated Statement of Comprehensive Income (unaudited)

綜合全面收入表(未經審核)

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		Six months ended 30 June		
		截至六月三十日止六個月		
		2010	2009	
		二零一零年	二零零九年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Note 附註			
Turnover	營業額	4	2,785,616	1,244,923
Cost of sales	銷售成本		(2,371,479)	(1,163,761)
Gross profit	毛利		414,137	81,162
Other income	其他收入	7	39,521	13,262
Distribution expenses	分銷開支		(57,609)	(38,620)
Administrative expenses	行政開支		(72,965)	(20,978)
Other expenses	其他開支		(17,230)	(2,821)
Profit from operating activities	經營活動溢利		305,854	32,005
Finance income	財務收入		13,977	8,767
Finance costs	財務成本		(40,098)	(20,074)
Net finance costs	財務成本淨額	5(a)	(26,121)	(11,307)
Share of loss of associate	分佔聯營公司虧損	13	(343)	-
Profit before income tax	除所得稅前溢利		279,390	20,698
Income tax expense	所得稅開支	6	(73,246)	(9,807)
Profit for the period	期內溢利		206,144	10,891
Other comprehensive income	其他全面收入			
Foreign currency translation differences for foreign operations	海外業務產生之外幣換算差額		(3,460)	810
Net movement in fair value reserve of available-for-sale financial assets	可供出售金融資產公允價值儲備變動淨額	9	(12,918)	-
Other comprehensive income for the period (after tax and reclassification adjustment)	期內其他全面收入(稅後及經重新分類調整)		(16,378)	810
Total comprehensive income for the period	期內全面收入總額		189,766	11,701

The notes on pages 31 to 72 form part of this interim financial report. Details of dividends declared to equity shareholders of the Company are set out in Note 23.

第31至72頁的附註構成本中期財務報告的一部分。本公司已向權益持有人宣派股息之詳情載於附註23。

Consolidated Statement of Comprehensive Income (unaudited)

綜合全面收入表(未經審核)

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Note			
附註			
	Profit attributable to:		
	Equity shareholders of the Company	206,524	10,891
	Non-controlling interests	(380)	-
	Profit for the period	206,144	10,891
	Total comprehensive income attributable to:		
	Equity shareholders of the Company	190,146	11,701
	Non-controlling interests	(380)	-
	Total comprehensive income for the period	189,766	11,701
	Earnings per share		
	Basic earnings per share (RMB)	0.20	0.01
	Diluted earnings per share (RMB)	0.20	0.01

The notes on pages 31 to 72 form part of this interim financial report.

第31至72頁的附註構成本中期財務報告的一部分。

Consolidated Statement of Financial Position (unaudited)

綜合財務狀況表(未經審核)

At 30 June 2010
於二零一零年六月三十日

			At 30 June 2010 於二零一零年 六月三十日	At 31 December 2009 於二零零九年 十二月三十一日
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	
Non-current assets				
Property, plant and equipment	10	1,083,142	996,231	
Intangible assets	11	207,148	–	
Lease prepayments		5,983	6,053	
Other investments	12	–	30,390	
Investments in associate	13	47,864	–	
Deferred tax assets		6,645	6,561	
		1,350,782	1,039,235	
Current assets				
Inventories	14	379,332	358,124	
Derivatives	15	3,244	–	
Trade and other receivables	16	1,384,867	1,349,832	
Pledged deposits	17	1,009,935	1,037,328	
Cash and cash equivalents	18	337,703	376,187	
		3,115,081	3,121,471	
Current liabilities				
Loans and borrowings	19	(2,171,120)	(2,013,813)	
Trade and other payables	20	(227,024)	(370,104)	
Derivatives	15	(14,016)	–	
Current taxation		(171,908)	(167,578)	
		(2,584,068)	(2,551,495)	
Net current assets		531,013	569,976	
Total assets less current liabilities		1,881,795	1,609,211	
Non-current liabilities				
Deferred tax liabilities	21	(52,851)	–	
Loans and borrowings	19	(208,897)	(231,924)	
		(261,748)	(231,924)	
Net assets		1,620,047	1,377,287	

The notes on pages 31 to 72 form part of this interim financial report.

第31至72頁的附註構成本中期財務報告的一部分。

Consolidated Statement of Financial Position (unaudited)

綜合財務狀況表(未經審核)

At 30 June 2010
於二零一零年六月三十日

			At 30 June 2010 於二零一零年 六月三十日	At 31 December 2009 於二零零九年 十二月三十一日
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Capital and reserves	股本及儲備	23		
Share capital	股本		91,474	91,474
Reserves	儲備		1,477,734	1,285,813
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益總額		1,569,208	1,377,287
Non-controlling interests	非控股權益		50,839	-
Total equity	權益總額		1,620,047	1,377,287

Approved and authorised for issue by the Board of Directors of China Qinfu Group Limited on 27 August 2010.

Director
董事
XU Jihua
徐吉華

The notes on pages 31 to 72 form part of this interim financial report.

於二零一零年八月二十七日獲中國秦發集團有限公司董事會批准及授權發行。

Director
董事
WANG Jianfei
王劍飛

第31至72頁的附註構成本中期財務報告的一部分。

Consolidated Statement of Changes in Equity (unaudited)

綜合權益變動表(未經審核)

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		Attributable to equity shareholders of the Company 本公司權益持有人應佔										
Note		Share capital	Capital reserve	Share premium	Merger reserve	Reserves	Fair value reserve	Exchange reserve	Share-based compensation reserve	Retained earnings	Total	
附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
	At 1 January 2009	於二零零九年一月一日	-	96,031	-	31,499	297,278	-	(52,814)	-	362,961	734,955
	Total comprehensive income for the period	期內全面收入總額										
	Profit for the period	期內溢利	-	-	-	-	-	-	-	10,891	10,891	
	Other comprehensive income	其他全面收入										
	Foreign currency translation differences for foreign operations	海外業務產生之外幣換算差額	-	-	-	-	-	810	-	-	810	
	Total other comprehensive income	其他全面收入總額	-	-	-	-	-	810	-	-	810	
	Total comprehensive income	全面收入總額	-	-	-	-	-	810	-	10,891	11,701	
	Transactions with equity shareholders, recorded directly in equity	與權益持有人之交易，於權益直接列賬										
	Arising on the Reorganisation	因重組而產生	23(b)(iii)	88	(96,031)	-	95,943	-	-	-	-	
	Equity-settled share-based payments	以權益結算並以股份為基礎的付款	23(b)(vii)	-	-	-	-	-	223	-	223	
	Dividends declared and paid to equity shareholders	已宣派及支付予權益持有人股息	23(c)	-	-	-	-	-	-	(88,152)	(88,152)	
	Total transactions with equity shareholders	與權益持有人的交易總額		88	(96,031)	-	95,943	-	223	(88,152)	(87,929)	
	At 30 June 2009	於二零零九年六月三十日		88	-	-	127,442	297,278	(52,004)	223	285,700	668,727

The notes on pages 31 to 72 form part of this interim financial report.

第31至72頁的附註構成本中期財務報告的一部分。

Consolidated Statement of Changes in Equity (unaudited)

綜合權益變動表(未經審核)

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		Attributable to equity shareholders of the Company 本公司權益持有人應佔									
		Share capital 股本	Capital reserve 資本儲備	Share premium 股份溢價	Merger reserve 合併儲備	Reserves 儲備	Fair value reserve 公允價值儲備	Exchange reserve 匯兌儲備	Share-based compensation reserve 以股份為基礎之酬金儲備	Retained earnings 保留盈利	Total 總計
Note 附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
	At 1 July 2009	88	-	-	127,442	297,278	-	(52,004)	223	285,700	658,727
	Total comprehensive income for the period										
	Profit for the period	-	-	-	-	-	-	-	-	118,612	118,612
	Other comprehensive income										
	Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(856)	-	-	(856)
	Net change in fair value of available-for-sale financial assets	-	-	-	-	-	12,918	-	-	-	12,918
	Total other comprehensive income	-	-	-	-	-	12,918	(856)	-	-	12,062
	Total comprehensive income	-	-	-	-	-	12,918	(856)	-	118,612	130,674
	Transactions with equity shareholders, recorded directly in equity										
	Capitalisation issue	23(a)(ii)	66,039	(66,039)	-	-	-	-	-	-	-
	Issuance of shares by Initial Public Offering	23(a)(v)	22,042	-	533,429	-	-	-	-	-	555,471
	Issuance of shares under the over-allotment option related to the placement	23(a)(v)	3,305	-	79,987	-	-	-	-	-	83,292
	Share issuing expenses		-	-	(52,744)	-	-	-	-	-	(52,744)
	Appropriation to reserves	23(b)(v)	-	-	-	9,416	-	-	-	(9,416)	-
	Equity-settled share-based payments	23(b)(vi)	-	-	-	-	-	-	1,867	-	1,867
	Total transactions with equity shareholders		91,386	-	494,633	-	9,416	-	1,867	(9,416)	587,886
	At 31 December 2009	91,474	-	494,633	127,442	306,694	12,918	(52,860)	2,090	394,896	1,377,287

The notes on pages 31 to 72 form part of this interim financial report.

第31至72頁的附註構成本中期財務報告的一部分。

Consolidated Statement of Changes in Equity (unaudited)

綜合權益變動表(未經審核)

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		Attributable to equity shareholders of the Company 本公司權益持有人應佔											
		Share-based compensation reserve							Non-controlling interest		Total equity		
Note		Share capital	Capital reserve	Share premium	Merger reserve	Reserves	Fair value reserve	Exchange reserve	以股份為基礎之酬金儲備	Retained earnings	Total	非控股權益	權益總額
附註		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	At 1 January 2010	91,474	-	494,633	127,442	306,694	12,918	(52,860)	2,090	394,896	1,377,287	-	1,377,287
	Total comprehensive income for the period												
	Profit for the period	-	-	-	-	-	-	-	-	206,524	206,524	(380)	206,144
	Other comprehensive income												
	Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(3,460)	-	-	(3,460)	-	(3,460)
	Disposal of available-for-sale financial assets	-	-	-	-	-	(12,918)	-	-	-	(12,918)	-	(12,918)
	Total other comprehensive income	-	-	-	-	-	(12,918)	(3,460)	-	-	(16,378)	-	(16,378)
	Total comprehensive income	-	-	-	-	-	(12,918)	(3,460)	-	206,524	190,146	(380)	189,766
	Transactions with equity shareholders and non-controlling interests, recorded directly in equity												
	Non-controlling interests arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	20,075	20,075
	Capital contribution received in a non-wholly owned subsidiary by a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	31,144	31,144
	Equity-settled share-based payments	-	-	-	-	-	-	-	1,775	-	1,775	-	1,775
	Total transactions with equity shareholders	-	-	-	-	-	-	-	1,775	-	1,775	51,219	52,994
	At 30 June 2010	91,474	-	494,633	127,442	306,694	-	(56,320)	3,865	601,420	1,569,208	50,839	1,620,047

The notes on pages 31 to 72 form part of this interim financial report.

第31至72頁的附註構成本中期財務報告的一部分。

Condensed Consolidated Statement of Cash Flows (unaudited)

簡明綜合現金流量表(未經審核)

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		Note 附註	Six months ended 30 June 截至六月三十日止六個月	
			2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Cash generated from/(used in) operations	經營活動所得/(所用)現金		115,111	(157,470)
Tax (paid)/refund	(已付)/已退回稅項		(65,141)	17,473
Net cash generated from/(used in) operating activities	經營活動所得/(所用)現金淨額		49,970	(139,997)
Net cash used in investing activities	投資活動所用現金淨額		(284,355)	(102,353)
Net cash generated from financing activities	融資活動所得現金淨額		194,000	151,317
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(40,385)	(91,033)
Effect of foreign exchange rate changes	匯率變動的影響		1,901	1,548
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	18	376,187	201,499
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	18	337,703	112,014

The notes on pages 31 to 72 form part of this interim financial report.

第31至72頁的附註構成本中期財務報告的一部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

1 COMPANY BACKGROUND AND BASIS OF PREPARATION

1.1 General information and the basis of presentation

China Qinfa Group Limited (the “Company”) was incorporated in the Cayman Islands on 4 March 2008 as an exempted company with limited liability under the Companies Law (2007 Revision) of the Cayman Islands.

Pursuant to a reorganisation (the “Reorganisation”) of the Company and its subsidiaries (collectively referred to as the “Group”) which was completed on 12 June 2009 to rationalise the Group’s structure in preparation for the public offering (as defined in the prospectus of the Company dated 19 June 2009 (the “Prospectus”)) of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation are set out in the Prospectus. The Company’s shares have been listed on the Main Board of the Stock Exchange since 3 July 2009.

Since all entities which took part in the Reorganisation were under common control of a group of ultimate equity shareholders, the Group is regarded as a continuing entity resulting from the reorganisation of entities under common control. This unaudited interim financial report has been prepared on the basis that the current group structure had been in existence at the beginning of the earliest period presented. Accordingly, the consolidated results of the Group for the six months ended 30 June 2009 and 2010 include the results of the Company and its subsidiaries with effect from 1 January 2009 or, if later, since their respective dates of incorporation as if the current group structure had been in existence throughout the two periods presented. All material intra-group transactions and balances have been eliminated on consolidation.

1.2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”).

1 公司背景及編製基準

1.1 一般資料及呈列基準

中國秦發集團有限公司(「本公司」)於二零零八年三月四日根據開曼群島公司法(二零零七年修訂本)在開曼群島註冊成立為一間獲豁免有限責任公司。

根據本公司及其附屬公司(統稱「本集團」)為優化本集團的架構以籌備本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市的公開發售(定義見本公司日期為二零零九年六月十九日的招股章程(「招股章程」))而進行之重組(「重組」)(該重組已於二零零九年六月十二日完成)，本公司成為現時組成本集團的各附屬公司的控股公司。有關重組之詳情載於招股章程內。本公司股份由二零零九年七月三日起在聯交所主板上市。

由於所有參與重組之實體均於一組最終權益持有人的共同控制下，本集團因受共同控制下之實體重組而被視為持續經營實體。本未經審核中期財務報告乃按照本集團現行架構於所呈列的最早期初開始已存在的基準而編製。因此，本集團截至二零零九年及二零一零年六月三十日止六個月之綜合業績包括本公司及其附屬公司由二零零九年一月一日起或，若較晚，由彼等各自成立日期起之業績，猶如本集團現行架構於所呈列的兩個期間一直存在。集團內所有重大的交易及結餘均於綜合時被抵銷。

1.2 編製基準

本中期財務報告乃根據聯交所證券上市規則的適用披露規定，以及包括根據由國際會計準則委員會(「國際會計準則委員會」)所頒佈的國際會計準則(「國際會計準則」)第34號「*中期財務報告*」編製。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

1 COMPANY BACKGROUND AND BASIS OF PREPARATION (continued)

1.2 Basis of preparation (continued)

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2009 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG 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. KPMG’s independent review report to the Board of Directors is included on page 21.

The financial information relating to the year ended 31 December 2009 that is included in the interim financial report as being previously reported information does not constitute the Group’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2009 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated on 26 March 2010.

2 SIGNIFICANT ACCOUNTING POLICIES

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except for the changes in accounting policies set out below.

1 公司背景及編製基準(續)

1.2 編製基準(續)

本中期財務報告載有簡明綜合財務報表及選定之說明附註。附註包括了自二零零九年全年財務報表以來，對了解本集團財務狀況及表現變動屬於重要之事項及交易之說明。簡明綜合中期財務報表及其附註並不包括根據國際財務報告準則(「國際財務報告準則」)編製整份財務報表所需之所有資料。

中期財務報告雖未經審核，但已由畢馬威會計師事務所按香港會計師公會頒佈之香港審閱工作準則第2410號「實體的獨立核數師執行的中期財務資料審閱」審閱。畢馬威會計師事務所向董事會作出的獨立審閱報告載於第21頁。

中期財務報告所載截至二零零九年十二月三十一日止年度之財務資料為先前已匯報之資料，並不構成本集團該財政年度之法定財務報表，但源自該等財務報表。截至二零零九年十二月三十一日止年度的法定財務報表可於本公司的註冊辦事處查閱。核數師已就其日期為二零一零年三月二十六日的報告內的該等財務報表發表無保留意見。

2 主要會計政策

中期財務報告乃根據二零零九年全年財務報表中所採納的相同會計政策而編製，惟下文所載的會計政策變更除外。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Changes in accounting policies

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

- IFRS 3 (revised 2008), Business combinations
- Amendments to IAS 27, Consolidated and separate financial statements
- Amendments to IAS 39, Financial instruments: Recognition and measurement-eligible hedged items
- Improvements to IFRSs (2009)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The amendments to IAS 39 and Improvements to IFRSs (2009) have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group.

In order to be consistent with the amendments to IFRS 3 and IAS 27, and as a result of amendments to IAS 28, Investments in associates, the following accounting policies in respect of business combinations and investments in associate will be applied as from 1 January 2010.

2 主要會計政策 (續)

2.1 會計政策變動

國際會計準則委員會頒佈了兩項經修訂國際財務報告準則、多項國際財務報告準則的修訂及一項新詮釋，該等準則、修訂及詮釋均在本集團及本公司的當前會計期間首次生效。其中，以下是與本集團的財務報表有關之會計準則變動：

- 國際財務報告準則第3號 (二零零八年修訂)「業務合併」
- 國際會計準則第27號之修訂「綜合及獨立財務報表」
- 國際會計準則第39號之修訂「金融工具：確認及計量－合資格對沖項目」
- 國際財務報告準則之改進 (二零零九年)

本集團並無採用於本會計期間尚未生效的任何新訂準則或詮釋。

由於國際會計準則第39號之修訂及國際財務報告準則之改進 (二零零九年)與本集團早已採用的會計政策相符，因此修訂及詮釋並無對本集團的財務報表構成重大影響。

為與國際財務報告準則第3號及國際會計準則第27號之修訂貫徹一致，及由於國際會計準則第28號之修訂「於聯營公司之投資」，以下關於業務合併及於聯營公司之投資的會計政策自二零一零年一月一日起採用。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Accounting policies for new transactions and events

(a) Business combinations

The Group has adopted IFRS 3 (2008) for all business combinations occurring in the financial year starting 1 January 2010. All business combinations occurring on or after 1 January 2010 are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

2 主要會計政策(續)

2.2 新增交易及事件的會計政策

(a) 業務合併

本集團已就二零一零年一月一日開始的財政年度發生的所有業務合併採納國際財務報告準則第3號(二零零八年)。於二零一零年一月一日或其後發生的所有業務合併採用收購法入賬。

控制權指有權支配一間實體之財務及經營政策，以自其業務中獲取利益。於評估是否擁有控制權時，本集團會考慮現時是否存在可行使之潛在表決權。收購日期指控制權轉交收購方當日。釐定收購日期及控制權是否已由其中一方轉移予另一方時，須就此作出判斷。

本集團按轉讓代價之公允值計算商譽，包括(被收購方之前持有任何股權之公允值)及被收購方非控股權益之已確認金額，減所收購可識別資產及所承擔負債之已確認淨額(一般為公允值)，乃按收購日期之價值計量。倘差額為負值，即時於損益中確認議價購入收益。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Accounting policies for new transactions and events (continued)

(a) Business combinations (continued)

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. Contingent consideration is measured at fair value at the acquisition date. Any subsequent changes in the measurement of that contingent consideration will be recognised in profit or loss, unless they arise from obtaining additional information about facts and circumstances that existed at the acquisition date within 12 months from the date of acquisition (in which case they will be recognised as an adjustment to the cost of the business combination).

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets of the acquiree, at the acquisition date.

2 主要會計政策 (續)

2.2 新增交易及事件的會計政策 (續)

(a) 業務合併 (續)

轉讓代價包括轉讓資產之公允值、本集團結欠被收購方先前擁有人之負債，以及本集團所發行股本權益。轉讓代價亦包括任何或然代價之公允值及於業務合併時強制被取代之被收購方之以股份支付獎勵。或然代價於收購日期按公允值計算。任何其後計量該或然代價的變動將於損益中確認，但如於收購日期起12個月內，該等變動乃因獲得有關於收購日期所存在事實及情況的額外資料而產生，則將會確認為業務合併成本的調整。

被收購方之或然負債僅於有關負債為現有責任及自過往事件產生，而其公允值能可靠計量時，方於業務合併時承擔有關負債。

本集團選擇以逐筆交易的基準，釐定是否以公允值，或按比例分佔收購日期被收購方可識別淨資產的已確認金額，衡量非控股權益。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Accounting policies for new transactions and events (continued)

(a) Business combinations (continued)

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests.

See Note 7 for the application of the policy to the business combinations that occurred during the period.

(b) Investments in associate

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

2 主要會計政策(續)

2.2 新增交易及事件的會計政策(續)

(a) 業務合併(續)

除與發行債券或權益證券有關的交易成本外，本集團就業務合併產生的交易成本於產生時列作支出。

非全資附屬公司產生的任何虧損將按於該實體所佔的權益比例，於控股權益與非控股權益之間分配，即使因而會導致於綜合權益內非控股權益所佔者出現虧絀結餘。

期內發生應用業務合併的政策請參閱附註7。

(b) 於聯營公司之投資

聯營公司指本集團能對其財務及營運政策產生重大影響力，但無權控制的實體。重大影響力存在的假設為當本集團持有另一公司約20%至50%投票權。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Accounting policies for new transactions and events (continued)

(b) Investments in associate (continued)

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

If the Group holds interests in the acquiree immediately prior to obtaining significant influence, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining significant influence.

If the Group loses significant influence, the transaction will be accounted for as a disposal of the entire interest in the investee, with any remaining interest being recognised at fair value as if reacquired.

2 主要會計政策(續)

2.2 新增交易及事件的會計政策(續)

(b) 於聯營公司之投資(續)

於聯營公司之投資以權益法列賬(權益入賬參股公司)及初步按成本確認。本集團的投資包括收購時已確認的商譽減任何累計減值虧損。綜合財務報表包括本集團分佔權益入賬參股公司之收入、開支及權益變動(經調整以使會計政策與本集團所採用者一致),時間自重大影響力開始之日起直至重大影響力終止當日止。本集團分佔權益入賬參股公司的虧損超出其分佔該聯營公司的權益,則該權益(包括任何長期投資)的賬面金額將減少至無,並不再確認其他虧損,除非本集團仍有付款責任或曾代參股公司付款。

倘本集團於緊接取得重大影響力之前持有被收購方的權益,該等權益將視作猶如在獲得重大影響力當日按公允值出售及重新收購。

倘本集團失去重大影響力,該交易將列作出售該參股公司的全部權益,而任何餘下權益乃按公允值確認(猶如重新收購)。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Accounting policies for new transactions and events (continued)

(b) Investments in associate (continued)

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

(c) Derivative financial instruments

Derivatives are recognised initially at fair value; attributable transaction cost are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss.

3 ESTIMATES

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2009.

2 主要會計政策(續)

2.2 新增交易及事件的會計政策(續)

(b) 於聯營公司之投資(續)

本集團與其聯營公司之間的交易產生的未變現溢利及虧損，乃按本集團於參股公司的權益予以抵銷，惟倘未變現虧損證明所轉讓的資產出現減值，則有關的未變現虧損乃即時於損益表內確認。

(c) 衍生金融工具

衍生工具初步按公允值確認；應佔交易成本於產生時於損益中確認。初步確認後，衍生工具按公允值計算，而其變動即時於損益表內確認。

3 估計

編製中期財務報告需要管理層作出對會計政策運用、資產及負債、收入及支出的列報額有影響的判斷、估計及假設。實際結果可能有異於該等估計。

編製本中期財務報告時，由管理層對本集團在會計政策的應用及主要不明確數據的估計所作出的重要判斷與於截至二零零九年十二月三十一日止年度的綜合財務報表所作出者相同。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

4 SEGMENT REPORTING

(a) Segment results, assets and liabilities

The Group has three major reportable segments, as sales of coal, sales of iron ore, shipping transportation, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Executive Officer ("CEO") reviews internal management reports on a monthly basis.

Financial results from other operating segments are below the quantitative threshold for determining reportable operating segments and consist primarily of business segments of coal mining and port business. These two operating segments are combined and reported as "all other segments".

For the purposes of assessing segment performance and allocating resources between segments, the CEO monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

The measure used for reporting segment profit is adjusted profit before net finance costs and taxes. Items not specifically attributable to individual segments, such as unallocated head office and corporate administration costs are further adjusted.

Segment assets include all tangible, intangible assets and current assets with the exception of investments in financial assets, deferred tax assets and other corporate assets. Segment liabilities include trade and other payables attributable to activities of the individual segments and loans and borrowings managed directly by the segments.

4 分部報告

(a) 分部業績、資產及負債

本集團有煤炭銷售、鐵礦石銷售及航運運輸三個主要可報告分部，此為本集團之策略業務單位。各策略業務單位提供不同的產品及服務，並由於彼等所需的技術及市場營銷策略不同而分開管理。行政總裁每月審閱各策略業務單位之內部管理報告。

其他經營分部的財務業績低於釐定可報告經營分部的量化限額，主要由煤炭開採及港口業務的業務分部組成。該兩個經營分部予以合併並呈報為「所有其他分部」。

就評估分部間的分部業績及分配資源而言，行政總裁按下列基準監察各報告分部應佔業績、資產及負債：

報告分部溢利使用的計量為扣除財務成本淨額及稅項前之經調整溢利。並無指明的各分部應佔的項目，如未分配總公司及公司行政開支將進一步進行調整。

分部資產包括所有有形、無形資產及流動資產，惟金融資產投資、遞延稅項資產及其他公司資產除外。分部負債包括各分部活動應佔的應付貿易賬款及其他應付賬款及分部直接管理的貸款及借貸。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

4 SEGMENT REPORTING (continued)

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

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

4 分部報告(續)

(a) 分部業績、資產及負債(續)

收入及支出乃經參考該等分部產生之銷售額及支出分配予可報告分部。

		Sales of Coal		Sales of Iron Ore		Shipping Transportation		All other segments		Total	
		煤炭銷售	鐵礦石銷售	煤炭銷售	鐵礦石銷售	航運運輸	所有其他分部	總計			
		2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the six months ended 30 June	截至六月三十日止 六個月										
Turnover from external customers	外部客戶 營業額	2,704,536	726,061	-	503,428	81,080	15,434	-	-	2,785,616	1,244,923
Inter-segment turnover	分部間營業額	-	-	-	-	266,047	42,779	-	-	266,047	42,779
Reportable segment turnover	可報告分部 營業額	2,704,536	726,061	-	503,428	347,127	58,213	-	-	3,051,663	1,287,702
Reportable segment profit/(loss) before income tax	可報告分部除所得稅前 溢利/(虧損)	214,006	21,656	-	33,506	67,051	(20,589)	9,951	-	291,008	34,573
Reportable segment assets as at 30 June 2010/31 December 2009	可報告分部資產 於二零一零年六月三十日/ 二零零九年十二月三十一日	3,442,545	3,442,403	16,635	16,864	1,263,592	1,138,966	497,622	-	5,220,394	4,598,233
(including investments in associate)	(包括於聯營公司 之投資)	-	-	-	-	-	-	47,864	-	47,864	-
Reportable segment liabilities as at 30 June 2010/31 December 2009	可報告分部負債 於二零一零年六月三十日/ 二零零九年十二月三十一日	(2,626,636)	(2,592,010)	-	-	(1,123,816)	(1,060,935)	(207,577)	-	(3,958,029)	(3,652,945)

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

4 SEGMENT REPORTING (continued)

- (b) Reconciliations of reportable segment turnover, profit or loss, assets and liabilities

Turnover

Reportable segment turnover	可報告分部營業額
Elimination of inter-segment turnover	分部間營業額之對銷
Consolidated turnover	綜合營業額

Profit

Reportable segment profit before income tax	可報告分部除所得稅前溢利
Elimination of inter-segment loss/(profit)	分部間虧損／(溢利)之對銷
Unallocated head office and corporate gain/(expenses)	未分配總公司及公司收益／(開支)
Net finance costs	財務成本淨額
Consolidated profit before income tax	綜合除所得稅前溢利

4 分部報告(續)

- (b) 可報告分部的營業額、損益、資產及負債對賬

營業額

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

3,051,663	1,287,702
(266,047)	(42,779)
2,785,616	1,244,923

溢利

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

291,008	34,573
834	(1,547)
13,669	(1,021)
(26,121)	(11,307)
279,390	20,698

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

4 SEGMENT REPORTING (continued)

- (b) Reconciliations of reportable segment turnover, profit or loss, assets and liabilities (continued)

Assets

Reportable segment assets	可報告分部資產
Elimination of inter-segment receivables and inventories	分部間應收款及存貨之對銷
Elimination of receivables from head office	應收總公司款項之對銷
Deferred tax assets	遞延稅項資產
Unallocated assets	未分配資產
Consolidated total assets	綜合資產總額

Liabilities

Reportable segment liabilities	可報告分部負債
Elimination of inter-segment payables	分部間應付款之對銷
Elimination of payables to head office	應付總公司款項之對銷
Current tax liabilities	即期稅項負債
Deferred tax liabilities	遞延稅項負債
Unallocated liabilities	未分配負債
Consolidated total liabilities	綜合負債總額

4 分部報告 (續)

- (b) 可報告分部的營業額、損益、資產及負債對賬 (續)

資產

At 30 June 2010	At 31 December 2009
於二零一零年六月三十日	於二零零九年十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元
5,220,394	4,598,233
(410,506)	(256,563)
(352,737)	(219,502)
6,645	6,561
2,067	31,977
4,465,863	4,160,706

負債

At 30 June 2010	At 31 December 2009
於二零一零年六月三十日	於二零零九年十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元
3,958,029	3,652,945
(410,001)	(255,469)
(926,999)	(790,855)
171,908	167,578
52,851	—
28	9,220
2,845,816	2,783,419

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

5 PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

(a) Net finance costs

Interest income	利息收入		
Net foreign exchange gain	匯兌收益淨額		
Finance income	財務收入		
Interest on borrowings	借貸利息		
Less: interest capitalised into property, plant and equipment	減：物業、廠房及 設備中已資本化利息		
Bank charges	銀行費用		
Finance costs	財務成本		
Net finance costs	財務成本淨額		

(b) Other items

Operating lease charges on premises	物業的經營租賃費用		
Depreciation for the property, plant and equipment	物業、廠房及 設備折舊		
Amortisation of lease prepayments	租賃預付款項攤銷		
Amortisation of intangible assets	無形資產攤銷		
Net realised and unrealised loss on derivatives	衍生工具已變現及 未變現虧損淨額		
Fair value change of available-for-sale financial assets	可供出售金融資產的 公允值變動		

5 除稅前溢利

除稅前溢利已扣除／(計入)以下各項：

(a) 財務成本淨額

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

		(9,281)	(8,178)
		(4,696)	(589)
		(13,977)	(8,767)
		29,652	16,826
		-	(437)
		29,652	16,389
		10,446	3,685
		40,098	20,074
		26,121	11,307

(b) 其他項目

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

		2,867	1,932
		47,382	34,780
		70	70
		3,511	-
		10,176	-
		(19,584)	-

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

6 INCOME TAX EXPENSE

Current tax	即期稅項
– PRC Income Tax	– 中國所得稅
– Hong Kong Profits Tax	– 香港利得稅
Deferred taxation	遞延稅項

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (ii) No provision for Hong Kong Profits Tax has been made for the subsidiaries located in Hong Kong as these subsidiaries did not have assessable profits subject to Hong Kong Profits Tax during the period.
- (iii) The provision for the PRC corporate income tax was based on a statutory rate of 25% of the assessable profits of subsidiaries which carried on businesses in the PRC.
- (iv) Pursuant to the Corporate Income Tax Law of the PRC, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. Deferred tax liabilities have been recognised for the profits earned by the Group's PRC subsidiaries for the six months ended 30 June 2010 to the extent that the earnings would be distributed in the foreseeable future.

6 所得稅開支

Six months ended 30 June
截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

69,471	5,863
–	2,784
3,775	1,160
73,246	9,807

- (i) 根據開曼群島及英屬處女群島的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。
- (ii) 由於位於香港附屬公司於期間內概無應繳納香港利得稅的任何應課稅溢利，故本集團並無為香港利得稅作出撥備。
- (iii) 中國企業所得稅的規定是於中國開展業務的附屬公司按應課稅溢利25%的法定稅率繳稅。
- (iv) 根據中國企業所得稅法，外國投資者須就其於二零零八年一月一日後賺取的溢利而產生的股息分派按稅率5%繳付預扣稅。倘於可預見未來內分派溢利，則就本集團中國附屬公司截至二零一零年六月三十日止六個月賺取的溢利已確認遞延稅項負債。

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未經審核中期財務報告附註

7 ACQUISITION OF A SUBSIDIARY

Business combination

On 26 February 2010, a subsidiary of the Company, Datong Xiejiazhuang Jinfa Trading and Transportation Co., Ltd. ("Datong Jinfa"), obtained control of Shanxi Hun Yuan Ruifeng Coal Company Limited ("Ruifeng Coal") by acquiring 87.88% of the equity interest in Ruifeng Coal for a consideration of RMB130,000,000.

Ruifeng Coal was the owner and operator of a coal mine in Hun Yuan County, Datong City, Shanxi Province, China. During the period from the acquisition date to 30 June 2010, Ruifeng Coal was still in pre-operating stage. Therefore, no revenue was generated by Ruifeng Coal and the loss during that period was RMB3,136,000. If the acquisition has occurred on 1 January 2010, management estimates that the consolidated revenue for the six months ended 30 June 2010 would have been RMB2,785,616,000, and consolidated profit for the period would have been RMB205,577,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2010.

Fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date:

		Note 附註	RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	10	24,543
Intangible assets	無形資產	11	210,659
Inventories	存貨		176
Trade and other receivables	應收貿易賬款及其他應收款項		4,850
Cash and cash equivalents	現金及現金等價物		655
Other liabilities	其他負債		(26,253)
Deferred tax liabilities	遞延稅項負債		(48,992)
Total net identifiable assets	可識別資產淨額總值		165,638

7 收購一間附屬公司

業務合併

於二零一零年二月二十六日，本公司附屬公司大同解家莊晉發運銷有限公司(「大同晉發」)透過以代價人民幣130,000,000元收購於瑞風煤業87.88%的權益獲取山西渾源瑞風煤業有限責任公司(「瑞風煤業」)的控制權。

瑞風煤業曾擁有及經營位於中國山西省大同市渾源縣的一座煤礦。於收購日至二零一零年六月三十日期間，瑞風煤業仍處於預運營階段。故瑞風煤業並無產生任何收入，且期內虧損為人民幣3,136,000元。倘收購於二零一零年一月一日發生，管理層估計於截至二零一零年六月三十日止六個月綜合收入將為人民幣2,785,616,000元，而期內綜合溢利將為人民幣205,577,000元。於釐定該等數額時，管理層已假設倘收購於二零一零年一月一日發生，於收購日產生的公允值調整將相同。

於收購日收購可識別資產及承擔負債之公允值：

	Note 附註	RMB'000 人民幣千元
Property, plant and equipment	10	24,543
Intangible assets	11	210,659
Inventories		176
Trade and other receivables		4,850
Cash and cash equivalents		655
Other liabilities		(26,253)
Deferred tax liabilities		(48,992)
Total net identifiable assets		165,638

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

7 ACQUISITION OF A SUBSIDIARY (continued)

Bargain purchase gain

Bargain purchase gain has been recognised as a result of the acquisition as follows:

		RMB'000 人民幣千元
Total consideration transferred	轉讓代價總額	130,000
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	非控股權益，乃按於被收購方已確認資產及負債金額的權益比例計算	20,075
Less: value of net identifiable assets	減：可識別資產淨值	(165,638)
Bargain purchase gain	議價收購收益	(15,563)

The bargain purchase gain is attributable mainly to the synergies expected to be achieved from integrating Ruifeng Coal into the Group's existing coal business. The bargain purchase gain was recognised in other income.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2010 is based on the profit attributable to equity shareholders of the Company of RMB206,524,000 (six months ended 30 June 2009: RMB10,891,000) and the weighted average of 1,037,500,000 ordinary shares (2009:750,000,000) in issue during the period.

7 收購一間附屬公司(續)

議價收購收益

收購引致的議價收購收益已確認如下：

		RMB'000 人民幣千元
Total consideration transferred	轉讓代價總額	130,000
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	非控股權益，乃按於被收購方已確認資產及負債金額的權益比例計算	20,075
Less: value of net identifiable assets	減：可識別資產淨值	(165,638)
Bargain purchase gain	議價收購收益	(15,563)

議價收購收益主要由於預期將瑞風煤業併入本集團現有煤炭業務會達致的協同效應所致。議價收購收益於其他收入中確認。

8 每股盈利

(a) 每股基本盈利

截至二零一零年六月三十日止六個月每股基本盈利乃以本公司權益持有人應佔溢利人民幣206,524,000元(截至二零零九年六月三十日止六個月：人民幣10,891,000元)及期內已發行普通股的加權平均數1,037,500,000股(二零零九年：750,000,000股)計算。

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8 EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2010 and the six months ended 30 June 2009 is the same as the calculation of basic earnings per share for these periods.

The Pre-IPO Share Option Scheme (see Note 22(a)) does not give rise to any dilution effect on the Company's earnings per share and there were no other dilutive potential ordinary shares in existence during the six months ended 30 June 2010 and the six months ended 30 June 2009.

No options were exercised during the six months ended 30 June 2010 (2009: Nil).

9 OTHER COMPREHENSIVE INCOME

Available-for-sale financial assets

Changes in fair value recognised during the period	期內已確認的 公允值變動		
Reclassification adjustments for amounts transferred to profit or loss	轉撥至損益的金額重新 分類調整	6,666	-
Net movement in the fair value reserve recognised in other comprehensive income during the period	期內於其他全面收入 確認的公允值儲備 之變動淨額	(19,584)	-
		(12,918)	-

8 每股盈利(續)

(b) 每股攤薄盈利

計算截至二零一零年六月三十日止六個月及截至二零零九年六月三十日止六個月的每股攤薄盈利與該等期間計算每股基本盈利相同。

首次公開發售前購股權計劃(參閱附註22(a))並無對本公司每股盈利產生任何攤薄影響且截至二零一零年六月三十日止六個月及截至二零零九年六月三十日止六個月並無其他潛在攤薄普通股存在。

截至二零一零年六月三十日止六個月內，並無行使任何購股權(二零零九年：無)。

9 其他全面收入

可供出售的金融資產

Six months ended 30 June	
截至六月三十日止六個月	
2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

	6,666	-	
	(19,584)	-	
	(12,918)	-	

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未經審核中期財務報告附註

10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group acquired items of property, plant and equipment with costs of RMB136,148,000 in aggregate (six months ended 30 June 2009: RMB120,120,000), including assets acquired through the business combination (see Note 7) of RMB24,543,000 and a vessel under construction of RMB93,704,000.

11 INTANGIBLE ASSETS

During the six months ended 30 June 2010, the Group acquired a coal mine exploitation right in Shanxi Province of RMB210,659,000 through a business combination (see Note 7).

12 OTHER INVESTMENTS

Available-for-sale financial assets

The available-for-sale financial assets as at 31 December 2009 represented the equity interests held by the Group in Tiaro Coal Limited ("Tiaro Coal"), a company incorporated in the State of New South Wales in Australia with its shares listed on the Australian Securities Exchange. The fair value of the available-for-sale financial assets was measured using quoted prices (unadjusted) in active markets. As mentioned in Note 13 below, the Group acquired additional interests in Tiaro Coal as at 30 April 2010 and the available-for-sale financial assets were then deemed to be disposed of and reacquired at fair value.

10 物業、廠房及設備

於截至二零一零年六月三十日止六個月，本集團收購物業、廠房及設備項目，成本共為人民幣136,148,000元（截至二零零九年六月三十日止六個月：人民幣120,120,000元），包括透過業務合併（參閱附註7）收購的資產人民幣24,543,000元及在建船舶人民幣93,704,000元。

11 無形資產

於截至二零一零年六月三十日止六個月，本集團透過業務合併（參閱附註7）獲得於山西省的煤礦開採權人民幣210,659,000元。

12 其他投資

At 30 June	At 31 December
2010	2009
於二零一零年	於二零零九年
六月三十日	十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元

可供出售金融資產

於二零零九年十二月三十一日，可供出售金融資產指本集團持有一家於澳洲新南威爾士省註冊成立的公司Tiaro Coal Limited（「Tiaro Coal」）（其股份在澳洲證券交易所上市）股權。可供出售金融資產的公允值採用活躍市場的報價（未經調整）計量。誠如下文附註13所述，本集團於二零一零年四月三十日收購Tiaro Coal的額外權益，而可供出售金融資產則隨即被視為按公允值出售及重新收購。

- 30,390

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13 INVESTMENTS IN ASSOCIATE

In April 2010, the Group acquired additional 8,000,000 shares of interest in Tiaro Coal, and the Group held 30.05% equity interest in Tiaro Coal as at 30 June 2010.

Listed shares, at cost
Share of loss

上市股份，按成本值
應佔虧損

Less: impairment loss

減：減值虧損

At 30 June 2010 At 31 December 2009
於二零一零年六月三十日 於二零零九年十二月三十一日
RMB'000 RMB'000
人民幣千元 人民幣千元

48,207 –

(343) –

47,864 –

– –

47,864 –

Summary financial information on Tiaro Coal:

Tiaro Coal財務資料概述：

At 30 June 2010
於二零一零年六月三十日

Assets 資產	Liabilities 負債	Equity 權益
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元

100 percent
Group's effective interest

百分之一百
本集團實際權益

51,519 **(801)** **50,718**

15,481 **(241)** **15,240**

During the period from the acquisition date to 30 June 2010, Tiaro Coal incurred a loss of RMB1,141,000, resulting in loss shared by the Group of RMB343,000 for the period.

於收購日至二零一零年六月三十日期間，Tiaro Coal產生虧損人民幣1,141,000元，致使本集團期內應佔虧損人民幣343,000元。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

14 INVENTORIES

Finished goods	製成品
Goods in transit	在途貨物
Fuel	燃料

14 存貨

At 30 June	At 31 December
2010	2009
於二零一零年	於二零零九年
六月三十日	十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元
282,341	244,622
84,759	103,247
12,232	10,255
379,332	358,124

The inventories as at 30 June 2010 and 31 December 2009 were stated at cost.

存貨於二零一零年六月三十日及二零零九年十二月三十一日按成本列賬。

15 DERIVATIVES

Foreign exchange option contracts (see Note (i))	外匯期權合約 (參閱附註(i))	-	(14,016)	-	-
Non-deliverable Forward ("NDF") portfolio contracts (see Note (ii))	不交收遠期(「不交收遠期」) 組合合約(參閱附註(ii))	3,244	-	-	-
		3,244	(14,016)	-	-

(i) Foreign exchange option contracts

As at 30 June 2010, the Group had four outstanding foreign exchange option contracts signed with an authorised financial institution. These contracts will expire within twenty-two months after 30 June 2010.

15 衍生工具

At 30 June 2010		At 31 December 2009	
於二零一零年六月三十日		於二零零九年十二月三十一日	
Assets	Liabilities	Assets	Liabilities
資產	負債	資產	負債
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元

(i) 外匯期權合約

於二零一零年六月三十日，本集團擁有四份與經授權金融機構簽署的尚未履行外匯期權合約。該等合約將於二零一零年六月三十日後二十二個月內到期。

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未經審核中期財務報告附註

15 DERIVATIVES (continued)

(i) Foreign exchange option contracts (continued)

During the six months ended 30 June 2010, fair value changes of these foreign exchange option contracts were RMB14,016,000 and were recognised in other expenses.

(ii) NDF portfolio contracts

As at 30 June 2010, the Group had sixteen outstanding NDF portfolio contracts signed with an authorised financial institution. These contracts will expire within ten months after 30 June 2010.

During the six months ended 30 June 2010, fair value changes of the NDF portfolio contracts were RMB3,244,000 and were recognised in other income.

15 衍生工具(續)

(i) 外匯期權合約(續)

於截至二零一零年六月三十日止六個月，該等外匯期權合約的公允值變動為人民幣14,016,000元，並於其他開支中確認。

(ii) 不交收遠期組合合約

於二零一零年六月三十日，本集團擁有十六份與經授權金融機構簽署的尚未履行不交收遠期組合合約。該等合約將於二零一零年六月三十日後十個月內到期。

於截至二零一零年六月三十日止六個月，不交收遠期組合合約的公允值變動為人民幣3,244,000元，並於其他收入中確認。

16 TRADE AND OTHER RECEIVABLES

16 應收貿易賬款及其他應收款項

		At 30 June 2010	At 31 December 2009
		於二零一零年 六月三十日	於二零零九年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade debtors and bills receivable (see Note (i))	應收貿易賬款及應收票據 (參閱附註(i))	538,762	565,451
Prepayment for investments (see Note (ii))	投資預付款 (參閱附註(ii))	129,000	169,320
Deposits and prepayments	押金及預付款	659,900	556,358
Other non-trade receivables	其他非貿易應收賬款	57,205	58,703
		1,384,867	1,349,832

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

16 TRADE AND OTHER RECEIVABLES (continued)

- (i) Trade debtors and bills receivable included bank acceptance bills of RMB85,210,000 as at 30 June 2010 (31 December 2009: RMB41,687,000), which were discounted to the banks.

Credit terms granted to customers ranged from 0 to 30 days depending on the customers' relationship with the Group, their creditworthiness and settlement record.

An ageing analysis of trade and bills receivable (net of impairment for bad and doubtful debts) of the Group is as follows:

Within 1 month	一個月內
Over 1 month but less than 3 months	一個月以上但不超過三個月
Over 3 months but less than 6 months	三個月以上但不超過六個月
Over 6 months but less than 1 year	六個月以上但不超過一年

16 應收貿易賬款及其他應收款項(續)

- (i) 於二零一零年六月三十日，應收貿易賬款及應收票據包括已向銀行貼現的銀行承兌票據人民幣85,210,000元(二零零九年十二月三十一日：人民幣41,687,000元)。

本集團向客戶授出零至三十天不等的信貸期，視乎客戶與本集團的關係、其信用以及付款記錄而定。

本集團的應收貿易賬款及應收票據(已扣除呆壞賬減值)的賬齡分析如下：

At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元
449,675	501,197
27,070	42,693
51,495	21,561
10,522	-
538,762	565,451

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未經審核中期財務報告附註

16 TRADE AND OTHER RECEIVABLES (continued)

(ii) The prepayment for investments include:

1) Prepayment for the acquisition of Ruifeng Coal

On 17 August 2009, Datong Jinfa, a subsidiary of the Company, entered into an equity interest transfer agreement (the “Equity Transfer Agreement”) with, amongst others, Shanxi Ruifeng Pharmaceutical Group Co., Ltd. (“Shanxi Ruifeng”), which held a 87.88% equity interest in Ruifeng Coal. Pursuant to the Equity Transfer Agreement, Shanxi Ruifeng agreed to sell its entire interest in Ruifeng Coal to Datong Jinfa at a consideration of RMB130,000,000. As at 31 December 2009, Datong Jinfa had paid RMB108,120,000 of the total consideration.

On 26 February 2010, Datong Jinfa entered into an escrow agreement with Shanxi Ruifeng. Pursuant to the escrow agreement, Datong Jinfa was granted the power to govern the operation and finance policies over Ruifeng Coal and obtained the control of Ruifeng Coal (see Note 7).

16 應收貿易賬款及其他應收款項(續)

(ii) 投資預付款包括：

1) 收購瑞風煤業之預付款

於二零零九年八月十七日，本公司附屬公司大同晉發與山西瑞豐製藥集團有限公司(「山西瑞豐」)訂立股權轉讓協議(「股權轉讓協議」)，山西瑞豐持有瑞風煤業87.88%的股權。根據股權轉讓協議，山西瑞豐同意以代價人民幣130,000,000元出售其於瑞風煤業的全部權益予大同晉發。於二零零九年十二月三十一日，大同晉發已支付總代價人民幣108,120,000元。

於二零一零年二月二十六日，大同晉發與山西瑞豐訂立託管協議，根據託管協議，大同晉發獲授予權力規管瑞風煤業的經營及財務政策，並取得瑞風煤業的控制權(參閱附註7)。

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未經審核中期財務報告附註

16 TRADE AND OTHER RECEIVABLES (continued)

(ii) The prepayment for investments include: (continued)

- 2) Prepayment for the acquisition of Ordos Bayin Mengke Nayuan Coal Co., Ltd. ("Nayuan Coal")

On 30 December 2009, Ordos Jinfa Materials Co., Ltd. ("Ordos Jinfa"), a subsidiary of the Company, entered into an Acquisition and Debt Restructuring Agreement (the "Agreement") with Ordos Bayin Mengke Investment Group Co., Ltd and other individual investors of Nayuan Coal (collectively referred to as the "Vendors"). Pursuant to the Agreement, the Vendors agreed to sell their 60% equity interest in Nayuan Coal to Ordos Jinfa at a consideration of RMB857,300,000. As at 31 December 2009, Ordos Jinfa had paid RMB61,200,000 of the total consideration. During the six months ended 30 June 2010, Ordos Jinfa further paid RMB67,800,000 of the total consideration.

On 19 July 2010, the acquisition was terminated and Ordos Jinfa received the prepaid consideration on 17 August 2010 (see Note 27).

17 PLEDGED DEPOSITS

Bank deposits of RMB1,009,935,000 as at 30 June 2010 (31 December 2009: RMB1,037,328,000) were pledged to banks to secure the Group's certain bank loan facilities (see Note 19).

16 應收貿易賬款及其他應收款項(續)

(ii) 投資預付款包括：(續)

- 2) 收購鄂爾多斯市巴音孟克納源煤炭有限責任公司(「納源煤炭」)之預付款

於二零零九年十二月三十日，本公司附屬公司鄂爾多斯市晉發物資有限公司(「鄂爾多斯晉發」)與鄂爾多斯市巴音孟克投資集團有限公司及納源煤炭之其他個人投資者(統稱為「賣家」)簽訂收購及債務重組協議(「該協議」)。根據該協議，賣家同意以代價人民幣857,300,000元向鄂爾多斯晉發出售納源煤炭之60%股權。於二零零九年十二月三十一日，鄂爾多斯晉發已支付總代價人民幣61,200,000元。截至二零一零年六月三十日止六個月，鄂爾多斯晉發進一步支付總代價人民幣67,800,000元。

於二零一零年七月十九日，收購被終止，而鄂爾多斯晉發於二零一零年八月十七日收到預付代價(參閱附註27)。

17 已抵押存款

於二零一零年六月三十日，銀行存款人民幣1,009,935,000元(二零零九年十二月三十一日：人民幣1,037,328,000元)已抵押予有關銀行作為本集團若干銀行信貸的擔保(參閱附註19)。

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未經審核中期財務報告附註

18 CASH AND CASH EQUIVALENTS

Deposits with banks within three months' maturity
Cash at banks and on hand

於三個月到期的銀行存款
銀行及手頭現金

18 現金及現金等價物

At 30 June At 31 December
2010 2009
於二零一零年 於二零零九年
六月三十日 十二月三十一日
RMB'000 RMB'000
人民幣千元 人民幣千元

	10,182	21,472
	327,521	354,715
	337,703	376,187

19 LOANS AND BORROWINGS

Current

Secured bank loans and bank advances
Bank advances under discounted bills receivable
Current portion of non-current secured bank loans

即期
有抵押銀行貸款及銀行墊款
貼現應收票據下的銀行墊款
非即期有抵押銀行貸款的即期部分

Non-current
Secured bank loans

非即期
有抵押銀行貸款

19 貸款及借貸

At 30 June At 31 December
2010 2009
於二零一零年 於二零零九年
六月三十日 十二月三十一日
RMB'000 RMB'000
人民幣千元 人民幣千元

	(i) 2,040,806	1,912,238
	(ii) 85,210	41,687
	(iii) 45,104	59,888
	2,171,120	2,013,813
	208,897	231,924
	2,380,017	2,245,737

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

19 LOANS AND BORROWINGS (continued)

- (i) Current bank loans and bank advances bore interest at rates ranging from 0.83% to 5.31% per annum as at 30 June 2010 (31 December 2009: 0.83% to 4.86% per annum). Current secured bank loans and bank advances were secured by the following assets and guarantees issued by related parties (see Note 26(b)):

Property, plant and equipment	物業、廠房及設備
Inventories	存貨
Trade and bills receivable	應收貿易賬款及應收票據
Pledged deposits	已抵押存款

Unutilised bank facilities secured by pledged deposits of the Group were RMB206,794,000 as at 30 June 2010 (31 December 2009: RMB702,723,000).

- (ii) The Group's discounted bank acceptance bills with recourse have been accounted for as collateralised bank advances. The discounted bills receivable and the related proceeds of the same amount are included in the Group's "Trade and bills receivable" and "Bank advances under discounted bills receivable" as at the balance sheet date.

19 貸款及借貸(續)

- (i) 於二零一零年六月三十日，即期銀行貸款及銀行墊款按年息率介乎0.83%至5.31%（二零零九年十二月三十一日：年息率0.83%至4.86%）計息。即期有抵押銀行貸款及銀行墊款乃以如下資產及由關連方發出之擔保作為抵押（參閱附註26(b)）：

At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元
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341,567	387,446
23,980	101,400
104,610	171,494
1,009,935	1,037,328

於二零一零年六月三十日，本集團已抵押存款所擔保的未動用銀行信貸為人民幣206,794,000元（二零零九年十二月三十一日：人民幣702,723,000元）。

- (ii) 本集團已貼現銀行承兌具追索權的票據已入賬列為已抵押銀行墊款。於結算日，本集團「應收貿易賬款及應收票據」及「貼現應收票據下的銀行墊款」包括已貼現應收票據及同等金額的相關所得款項。

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19 LOANS AND BORROWINGS (continued)

- (iii) Non-current secured bank loans as at 30 June 2010 were pledged by certain fixed assets of RMB252,603,000 (31 December 2009: RMB263,927,000) and guarantees issued by a related party (see Note 26(b)).

Non-current secured bank loans as at 30 June 2010 and 31 December 2009 bore variable interest at rates based on either (i) the LIBOR plus 1% or (ii) 10% discount on the annual interest rate quoted by the People's Bank of China in respect of three-year borrowings.

The Group's non-current bank loans were repayable as follows:

Within 1 year	一年內
Over 1 year but less than 2 years	一年以上但不超過兩年
Over 2 years but less than 5 years	兩年以上但不超過五年

19 貸款及借貸(續)

- (iii) 於二零一零年六月三十日，非即期有抵押銀行貸款已以人民幣252,603,000元(二零零九年十二月三十一日：人民幣263,927,000元)的若干固定資產並由關連方發出之擔保予以抵押(參閱附註26(b))。

於二零一零年六月三十日及二零零九年十二月三十一日，非即期有抵押銀行貸款均按浮動利率計息，有關浮動利率按(i)倫敦銀行同業拆息加1%或(ii)中國人民銀行所報三年期借貸年利率下浮10%計算。

本集團的非即期銀行貸款按下列期限償還：

At 30 June 2010 於二零一零年 六月三十日	At 31 December 2009 於二零零九年 十二月三十一日
RMB'000 人民幣千元	RMB'000 人民幣千元
45,104	59,888
190,104	45,352
18,793	186,572
208,897	231,924
254,001	291,812

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未經審核中期財務報告附註

20 TRADE AND OTHER PAYABLES

Trade and bills payable	應付貿易賬款及應付票據
Other taxes payable	其他應付稅項
Receipts in advance	預收款項
Accrued port services fee and other expenses	應計港口服務費及 其他開支
Other miscellaneous payables	其他雜項應付款項

Credit terms granted to the Group by its suppliers ranged from 0 to 30 days. An ageing analysis of trade and bills payable of the Group is as follows:

Within 1 month	一個月內
Over 1 month but less than 3 months	一個月以上但不超過三個月
Over 3 months but less than 6 months	三個月以上但不超過六個月
Over 6 months but less than 1 year	六個月以上但不超過一年
Over 1 year but less than 2 years	一年以上但不超過兩年

20 應付貿易賬款及其他應付款項

At 30 June	At 31 December
2010	2009
於二零一零年	於二零零九年
六月三十日	十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元
57,409	192,251
51,541	76,201
24,121	39,053
33,359	36,164
60,594	26,435
227,024	370,104

本集團供應商授予本集團的信貸期由零至三十日不等。本集團的應付貿易賬款及應付票據的賬齡分析如下：

At 30 June	At 31 December
2010	2009
於二零一零年	於二零零九年
六月三十日	十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元
27,958	190,429
19,027	968
1,438	854
5,181	-
3,805	-
57,409	192,251

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未經審核中期財務報告附註

21 DEFERRED TAX LIABILITIES

At 30 June 2010, deferred tax liabilities of RMB48,178,000 were recognised in respect of the revaluation surplus arising from the business combination (see Note 7) and RMB4,673,000 were recognised for the profits earned by the Group's PRC subsidiaries to the extent that the earnings would be distributed in the foreseeable future (see Note 6).

22 EQUITY-SETTLED SHARE-BASED PAYMENTS

(a) Pre-IPO Share Option Scheme

Pursuant to the sole shareholder's written resolutions passed on 12 June 2009, the Company adopted a Pre-IPO Share Option Scheme (the "Pre-IPO Option") whereby one executive director and 25 employees of the Group were granted the rights to subscribe for shares of the Company.

The total number of shares which may be issued upon the exercise of all options granted under the Pre-IPO Option is 8,400,000 shares which were granted on 12 June 2009 with the subscription price of HKD2.52 per share.

Each option granted under the Pre-IPO Option has a vesting period of one to three years commencing from 3 July 2009, being the listing date of the shares on the Stock Exchange (the "Listing Date") and the options are exercisable for a period of 10 years. The Company has no legal or constructive obligation to repurchase or settle the option in cash.

No share options were exercised during the six months ended 30 June 2010 (2009: Nil).

21 遞延稅項負債

於二零一零年六月三十日，遞延稅項負債人民幣48,178,000元就業務合併（參閱附註7）產生的重估盈餘予以確認，而人民幣4,673,000元就本集團的中國附屬公司所賺取的溢利予以確認，惟該等溢利於可預見未來內被分配（參閱附註6）。

22 按權益結算以股份為基礎的付款

(a) 首次公開發售前購股權計劃

根據唯一股東於二零零九年六月十二日通過的書面決議案，本公司採納首次公開發售前購股權計劃（「首次公開發售前購股權計劃」），據此，本集團1名執行董事及25名僱員獲授予認購本公司股份的權利。

根據首次公開發售前購股權授出的購股權悉數獲行使時可予發行的股份總數為8,400,000股，授出於二零零九年六月十二日作實，認購價為每股2.52港元。

每份根據首次公開發售前購股權而授出的購股權歸屬期為一至三年（由股份於聯交所的上市日期二零零九年七月三日（「上市日期」）起計）且購股權可於十年期間內行使。本公司並無法定或推定責任，以現金購回或償付購股權。

本公司並無於截至二零一零年六月三十日止六個月內行使購股權（二零零九年：無）。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

22 EQUITY-SETTLED SHARE-BASED PAYMENTS

(continued)

(b) Share Option Scheme

The Company has also adopted a Share Option Scheme (the "Share Option Scheme") pursuant to the sole shareholder's written resolutions passed on 12 June 2009.

The maximum number of shares that may be issued upon exercise of all options which then has been granted and have yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of the shareholders' approval, in aggregate exceed 30% of the shares in issue from time to time. Unless approved by the shareholders, no option may be granted to any person which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the share options already granted or to be granted to such person (including exercised, cancelled, and outstanding share option) in the 12-month period up to and including the date of such new grant exceeding 1% of the total number of shares in issue as at the date of such new grant.

An option under the Share Option Scheme may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the board of directors of the Company, which must not be more than 10 years from the date of the grant.

No share option has been granted under the Share Option Scheme during the six months ended 30 June 2010 (2009: Nil).

22 按權益結算以股份為基礎的付款 (續)

(b) 購股權計劃

根據唯一股東於二零零九年六月十二日通過的書面決議案，本公司亦採納一項購股權計劃（「購股權計劃」）。

因行使根據購股權計劃及本集團任何其他購股權計劃當時已授出且將予行使的所有購股權行使後而可能發行的最高股份數目，在無取得股東批准情況下，合共不得超過不時已發行股份總數的30%。除非取得股東批准，否則行使已向該人士授出或將予授出購股權後（包括已行使、取消及未行使購股權），倘悉數行使會導致股份總數發行且將予發行，則於12個月內至包括授出當日，向該人士授出之購股權不得超過授出當日之已發行股份總數1%。

購股權可根據購股權計劃條款於本公司董事會釐定的期間內隨時行使，而有關期間自授出日期起計不得超過10年。

本公司並無根據購股權計劃在截至二零一零年六月三十日止六個月內授出購股權（二零零九年：無）。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

23 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

- (i) The Company was incorporated in the Cayman Islands on 4 March 2008 with an authorised share capital of HKD380,000 divided into 3,800,000 shares of par value HKD0.10 each. On 4 March 2008, one share of par value HKD0.10 in the Company was allotted, issued and fully paid to Codan Trust Company (Cayman) Limited as the initial subscriber, which was subsequently transferred by Codan Trust Company (Cayman) Limited to Mr. Xu Jihua ("Mr Xu") on the same day. On 12 June 2009, Mr. Xu transferred his one share to Fortune Pearl International Limited ("Fortune Pearl", the ultimate holding company of the Group).
- (ii) Pursuant to the Reorganisation, on 12 June 2009, 999,999 shares credited as fully paid were allotted and issued to Fortune Pearl, in consideration for the acquisition by the Company of the entire equity interest of Qinfa Investment, an intermediate holding company of the Group.

23 資本、儲備及股息

(a) 股本

- (i) 本公司於二零零八年三月四日在開曼群島註冊成立，法定股本為380,000港元，分為3,800,000股每股面值0.10港元的股份。於二零零八年三月四日，本公司1股面值為0.10港元的股份獲繳足，配發及發行予Codan Trust Company (Cayman) Limited (作為初步認購方)，Codan Trust Company (Cayman) Limited 其後於同日將其轉讓予徐吉華先生(「徐先生」)。於二零零九年六月十二日，徐先生將其持有的一股股份轉讓予Fortune Pearl International Limited (「Fortune Pearl」(本集團最終控股公司))。
- (ii) 根據重組，於二零零九年六月十二日，999,999股股份入賬列為繳足，配發及發行予Fortune Pearl，以本公司收購秦發投資(本集團一間居間控股公司)全部股權為代價。

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未經審核中期財務報告附註

23 CAPITAL, RESERVES AND DIVIDENDS (continued)

(a) Share capital (continued)

- (iii) Pursuant to a written resolution of the sole shareholder passed on 12 June 2009, the authorised share capital of the Company was increased from HKD380,000 to HKD2,000,000,000 by the creation of additional 19,996,200,000 shares of HKD0.10 each.

Pursuant to a written resolution of the sole shareholder passed on 12 June 2009, 749,000,000 ordinary shares of HKD0.10 each in the Company were issued at par value on 3 July 2009 by way of capitalisation of HKD74,900,000 (equivalent to RMB66,039,000) from the share premium account upon the listing of the Company's shares on the Stock Exchange.

- (iv) On 3 July 2009, 250,000,000 ordinary shares of HKD0.10 each were issued at a price of HKD2.52 per share under the Initial Public Offering and the International Placing. The proceeds of HKD25,000,000 (equivalent to RMB22,042,000) representing the par value, were credited to the Company's share capital. The remaining proceeds of HKD605,000,000 (equivalent to RMB533,429,000), before the issuing expenses, were credited to the share premium account.

23 資本、儲備及股息 (續)

(a) 股本 (續)

- (iii) 按唯一股東於二零零九年六月十二日通過之書面決議案，本公司的法定股本由於增設19,996,200,000股每股面值0.10港元之股份，由380,000港元增至2,000,000,000港元。

按唯一股東於二零零九年六月十二日通過之書面決議案，透過將本公司股份於聯交所上市後股份溢價賬中74,900,000港元（相當於人民幣66,039,000元）撥作資本，本公司749,000,000股每股面值0.10港元普通股於二零零九年七月三日按面值發行。

- (iv) 於二零零九年七月三日，本公司根據首次公開發售和國際配售按每股2.52港元的價格發行250,000,000股每股面值0.10港元之普通股。所得款項25,000,000港元（相等於人民幣22,042,000元）（指面值）計入本公司之股本內。其餘所得款項605,000,000港元（相等於人民幣533,429,000元），在扣除發行開支之前，計入股份溢價賬內。

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未經審核中期財務報告附註

23 CAPITAL, RESERVES AND DIVIDENDS (continued)

(a) Share capital (continued)

- (v) On 22 July 2009, the underwriters of the International Placing exercised the over-allotment option for the issuance of 37,500,000 ordinary shares of HKD0.10 each at HKD2.52 per share. The proceeds of HKD3,750,000 (equivalent to RMB3,305,000) representing the par value, were credited to the Company's share capital. The remaining proceeds of HKD90,750,000 (equivalent to RMB79,987,000), before the issuing expenses, were credited to the share premium account.

(b) Reserves

(i) Capital reserve

Capital reserve of the Group as at 1 January 2009 represent the aggregate amount of paid-in capital of the companies comprising the Group at the respective dates after elimination of investment in subsidiaries.

(ii) Share premium

Pursuant to a written resolution of the sole shareholder passed on 12 June 2009, 749,000,000 ordinary shares of HKD0.10 each in the Company were issued at par value on 3 July 2009 by way of capitalisation of HKD74,900,000 (equivalent to RMB66,039,000) from the share premium account upon the listing of the Company's shares on the Stock Exchange.

23 資本、儲備及股息(續)

(a) 股本(續)

- (v) 於二零零九年七月二十二日，國際配售的包銷商行使超額配股權，以每股2.52港元的價格發行37,500,000股每股面值0.10港元之普通股。所得款項3,750,000港元(相等於人民幣3,305,000元)(指面值)計入本公司之股本內。其餘所得款項90,750,000港元(相等於人民幣79,987,000元)，在扣除發行開支之前，計入股份溢價賬內。

(b) 儲備

(i) 資本儲備

本集團於二零零九年一月一日的資本儲備指於各日期組成本集團的各公司的實繳資本(經對銷於附屬公司的投資)的總額。

(ii) 股份溢價

按唯一股東於二零零九年六月十二日通過之書面決議案，透過將本公司股份於聯交所上市後股份溢價賬中74,900,000港元(相當於人民幣66,039,000元)撥作資本，本公司749,000,000股每股面值0.10港元的普通股於二零零九年七月三日按面值發行。

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未經審核中期財務報告附註

23 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Reserves (continued)

(ii) Share premium (continued)

250,000,000 ordinary shares of HKD0.10 each in the Company were issued at HKD2.52 per share under the Initial Public Offering on 3 July 2009. The excess of the proceeds totalling HKD605,000,000 (equivalent to RMB533,429,000) over the nominal value of the total number of ordinary shares issued, less certain listing costs of HKD49,562,000 (equivalent to RMB43,699,000) incurred in connection with the issue of the share capital, amounting to HKD555,438,000 (equivalent to RMB489,730,000), were credited to the share premium account.

An additional 37,500,000 ordinary shares of HKD0.10 each in the Company were issued at HKD2.52 per share on 22 July 2009 pursuant to the over-allotment option related to the International Placing. The excess of the proceeds totalling HKD90,750,000 (equivalent to RMB79,987,000) over the nominal value of the total number of ordinary shares issued, less certain listing costs of HKD10,259,000 (equivalent to RMB9,045,000) incurred in connection with the issue of share capital, amounting to HKD80,491,000 (equivalent to RMB70,942,000), were credited to the share premium account.

23 資本、儲備及股息 (續)

(b) 儲備 (續)

(ii) 股份溢價 (續)

於二零零九年七月三日，本公司根據首次公開發售按每股2.52港元的價格發行250,000,000股每股面值0.10港元之普通股。所得款項合計605,000,000港元(相等於人民幣533,429,000元)較已發行普通股總數目之面值超出的金額，扣減就股本發行產生之若干上市成本49,562,000港元(相等於人民幣43,699,000元)後，達555,438,000港元(相等於人民幣489,730,000元)，計入股份溢價賬內。

於二零零九年七月二十二日，根據國際配售相關之超額配股權，本公司額外37,500,000股每股面值0.10港元之普通股以每股2.52港元的價格發行。所得款項合計90,750,000港元(相等於人民幣79,987,000元)較已發行普通股總數目之面值超出的金額，扣減就股本發行產生之若干上市成本10,259,000港元(相等於人民幣9,045,000元)後，達80,491,000港元(相等於人民幣70,942,000元)，計入股份溢價賬內。

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未經審核中期財務報告附註

23 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Reserves (continued)

(ii) Share premium (continued)

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in share premium account are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(iii) Merger reserve

Merger reserve as at 1 January 2009 represents the difference between the aggregate amount of paid-in capital of Perpetual Goodluck Limited, Liberal City Limited, Hong Kong Qinfa Shipping Limited, Hong Kong Qinfa Trading Limited (“Qinfa Trading”), Hong Kong Qinfa International Trading Limited and Super Grace Enterprises Limited and the amount of share capital of Qinfa Investment Limited, issued to Fortune Pearl on 6 October 2008 in exchange for the entire equity interests in the above six companies as part of the Reorganisation.

23 資本、儲備及股息(續)

(b) 儲備(續)

(ii) 股份溢價(續)

股份溢價賬之應用受開曼群島公司法管轄。根據開曼群島公司法，股份溢價賬之資金可分派予本公司股東，惟緊隨建議分派股息之日後，本公司須於日常業務過程中清償到期債務。

(iii) 合併儲備

於二零零九年一月一日之合併儲備指Perpetual Goodluck Limited、Liberal City Limited、香港秦發航運有限公司、香港秦發貿易有限公司(「秦發貿易」)、香港秦發國際貿易有限公司及Super Grace Enterprises Limited的實繳資本總額與作為重組的一部分，為交換上述六間公司全部股權而於二零零八年十月六日向Fortune Pearl發行的秦發投資有限公司的股本之間的差額。

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未經審核中期財務報告附註

23 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Reserves (continued)

(iii) Merger reserve (continued)

Merger reserve as at 31 December 2009 and 30 June 2010 represents the difference between the aggregate amount of paid-in capital of the subsidiaries of the Company and the amount of share capital of the Company transferred and issued to Fortune Pearl in exchange for the entire equity interests in all members of the Group as part of the Reorganisation.

(iv) Reserves

Reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are established in the PRC. Appropriations to the reserves were approved by the respective shareholders' meetings.

Reserves include statutory reserves and discretionary reserves. For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance after such conversion is not less than 25% of the registered capital.

23 資本、儲備及股息 (續)

(b) 儲備 (續)

(iii) 合併儲備 (續)

於二零零九年十二月三十一日及二零一零年六月三十日之合併儲備指本公司的附屬公司的實繳資本總額與作為重組的一部分，為交換本集團所有成員公司之全部股權而向 Fortune Pearl 轉讓及發行的本公司的股本之間的差額。

(iv) 儲備

儲備乃根據相關中國規則及法規以及現時組成本集團並在中國註冊成立的各公司的組織章程建立。儲備分配已獲各股東大會批准。

儲備包括法定儲備及任意儲備。就相關實體而言，法定儲備可用於彌補之前年度的損失(如有)，並可能按投資者的現有股權比例轉換成資本，惟有關轉換後的結餘不得低於註冊資本的25%。

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未經審核中期財務報告附註

23 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Reserves (continued)

(v) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the reporting date.

(vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(vii) Share-based compensation reserve

Share-based compensation reserve represents value of employee services in respect of share options granted under the Pre-IPO Share Option Scheme as set out in Note 22.

23 資本、儲備及股息(續)

(b) 儲備(續)

(v) 公允值儲備

公允值儲備包括於報告日持有的可供出售金融資產的公允值的累計變動淨額。

(vi) 匯兌儲備

匯兌儲備包括換算海外業務的財務報表而產生的全部外匯差額。

(vii) 以股份為基礎之酬金儲備

以股份為基礎之酬金儲備指根據附註22所載的首次公開發售前購股權計劃授出的購股權有關的僱員服務價值。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

23 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) Dividends

Dividends paid to equity shareholders attributable to the previous years, declared and paid during the interim period

Interim dividend declared and paid during the interim period 於中期期間已宣派及派付之中期股息

According to the written resolution of the Directors' meeting passed on 11 June 2009, Qinfa Trading declared a special interim dividend of HKD100,000,000 (equivalent to RMB88,152,000) to its then shareholder. Such dividend was fully paid on 26 June 2009.

23 資本、儲備及股息 (續)

(c) 股息

過往年度應付權益持有人並於中期期間宣派及派付之股息

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

-	88,152
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根據於二零零九年六月十一日通過董事會會議之書面決議案，秦發貿易向當時股東宣派特別中期股息100,000,000港元(相等於人民幣88,152,000元)。該股息已於二零零九年六月二十六日悉數支付。

24 CAPITAL COMMITMENTS

Capital commitments outstanding as at the period end but not provided for in the interim financial report were as follows:

Authorised but not contracted for 已授權但未訂約
Contracted for 已訂約

24 資本承擔

於期末並未於中期財務報告計提撥備的未履行資本承擔如下：

At 30 June	At 31 December
2010	2009
於二零一零年	於二零零九年
六月三十日	十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元

2,020	313,420
1,076,744	1,251,561
1,078,764	1,564,981

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

25 OPERATING LEASES

(a) Leases as lessee

At 30 June 2010, the total future minimum lease payments of the Group under non-cancellable operating leases in respect of land and buildings are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內
After 5 years	五年後

(b) Leases as lessor

The Group leases out its vessels under operating leases and the future minimum lease income under non-cancellable operating leases are receivable as follows:

Within 1 year	一年內
---------------	-----

25 經營租賃

(a) 作為承租人之租賃

於二零一零年六月三十日，本集團根據不可撤銷經營租約就土地及樓宇應付的日後最低租賃款項總額如下：

At 30 June 2010 於二零一零年 六月三十日	At 31 December 2009 於二零零九年 十二月三十一日
RMB'000 人民幣千元	RMB'000 人民幣千元
5,803	5,945
19,084	19,576
6,560	8,210
31,447	33,731

(b) 作為出租人之租賃

本集團根據經營租約出租其貨船，而根據不可撤銷經營租約的日後最低租賃收入如下：

At 30 June 2010 於二零一零年 六月三十日	At 31 December 2009 於二零零九年 十二月三十一日
RMB'000 人民幣千元	RMB'000 人民幣千元
2,925	-

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

26 MATERIAL RELATED PARTY TRANSACTIONS

The Group has transactions with Qinhuangdao Qinfa Industry Group Co., Ltd. ("Qinfa Industry") and Mr. Xu. Mr. Xu is the controlling shareholder of the Company and Qinfa Industry.

Particulars of significant transactions between the Group and the above related parties for the six months ended 30 June 2010 and 2009 are as follows:

(a) Significant related party transactions

Non-recurring transactions

Interest-bearing borrowings from	計息借貸來自		
– Mr. Xu:	– 徐先生：	–	71,328
Interest charge	利息支出	–	116
Repayment of interest-bearing borrowings to	償還計息借貸予		
– Mr. Xu:	– 徐先生：	–	130,594

There were no balances arising from the above transactions as at 30 June 2010 and 31 December 2009, respectively.

26 重大關連方交易

本集團與秦皇島秦發實業集團有限公司(「秦發實業」)及徐先生進行交易。徐先生為本公司及秦發實業的控股股東。

截至二零一零年及二零零九年六月三十日止六個月，本集團與上述關連方的重大交易詳情如下：

(a) 重大關連方交易

非經常性交易

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

於二零一零年六月三十日及二零零九年十二月三十一日，上述交易並未產生任何結餘。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

26 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(b) Guarantees issued by related parties

Guarantees issued by Mr. Xu	徐先生出具的擔保			
– RMB	– 人民幣	340,000	440,000	
– HK Dollars	– 港元	320,000	320,000	
– US Dollars	– 美元	56,050	59,370	
Guarantees issued by Qinfa Industry	秦發實業出具的擔保			
– RMB	– 人民幣	200,000	200,000	

(c) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Group's directors. Key management personnel remuneration are as follows:

26 重大關連方交易 (續)

(b) 關連方提供的擔保

At 30 June	At 31 December
2010	2009
於二零一零年	於二零零九年
六月三十日	十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元

(c) 關鍵管理層人士酬金

關鍵管理層人士為承擔有直接或間接計劃、領導及控制本集團活動的權力及責任的職位的人士，包括本集團董事在內。關鍵管理層人士的酬金如下：

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

26 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(c) Key management personnel remuneration (continued)

Directors' fees	董事袍金		
Salaries, allowances and benefits in kind	薪金、津貼 及實物福利		
Contributions to retirement benefit schemes	退休福利計劃供款		
Discretionary bonuses	酌情花紅		
Share-based payments	以股份為基礎的付款		

26 重大關連方交易(續)

(c) 關鍵管理層人士酬金(續)

Six months ended 30 June

截至六月三十日止六個月

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元

	242	28
	3,205	1,348
	24	19
	8,048	42
	693	—
	12,212	1,437

27 SUBSEQUENT EVENTS

Termination of acquisition of Nayuan Coal

On 19 July 2010, Ordos Jinfa entered into a Termination of Acquisition and Debt Restructuring Agreement (the "Termination Agreement") with the Vendors (see Note 16). Pursuant to the Termination Agreement, the Vendors shall repay the entire balance of the prepaid purchase consideration made by Ordos Jinfa.

On 17 August 2010, the Vendors made a refund of RMB129,000,000 in cash to Ordos Jinfa, representing the aggregate amount of the consideration prepaid by Ordos Jinfa in respect of the now terminated acquisition.

27 期後事項

終止收購納源煤炭

於二零一零年七月十九日，鄂爾多斯晉發與賣家訂立終止收購及債務重組協議(「終止協議」)(參閱附註16)。根據終止協議，賣家須償還鄂爾多斯晉發已付的預付購買代價全部結餘。

於二零一零年八月十七日，賣家以現金退還人民幣129,000,000元予鄂爾多斯晉發，相當於鄂爾多斯晉發就現已終止的收購預付的代價總額。

REVIEW OF THE INTERIM REPORT

The Group's interim report for the six months ended 30 June 2010 has not been audited but has been reviewed by the audit committee of the Board and auditors of the Company, KMPG.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2010, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

1. Interests in the Company

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares 股份數目		Approximate percentage of issued share capital of the Company (%) 佔本公司已發行股本之概約百分比(%)	
		Long positions 好倉	Short positions 淡倉	Long positions 好倉	Short positions 淡倉
Mr. XU Jihua* 徐吉華先生*	Corporate 公司	593,000,000 (Note 1)	Nil	57.2	Nil
Ms. WANG Jianfei 王劍飛女士	Beneficial Owner 實益擁有人	50,000,000 (Note 2)	Nil	4.8	Nil
Mr. WENG Li 翁立先生	Beneficial Owner 實益擁有人	3,000,000 (Note 2)	Nil	0.3	Nil
Ms. LIU Xiaomei 劉曉梅女士	Beneficial Owner 實益擁有人	600,000 (Note 3)	Nil	0.1	Nil

審閱中期報告

本集團截至二零一零年六月三十日止六個月之中期報告並未經審核，惟已由本公司之董事會審核委員會以及核數師畢馬威會計師事務所審閱。

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉

於二零一零年六月三十日，本公司董事及主要行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份中擁有(a)根據證券及期貨條例第XV部第7及8分部須通知本公司及聯交所（包括彼等根據證券及期貨條例有關規定被當作或被視作擁有之權益或淡倉）；或(b)根據證券及期貨條例第352條須記錄於本公司所存置登記冊內；或(c)根據聯交所證券上市規則（「上市規則」）附錄十所載上市公司董事進行證券交易之標準守則（「標準守則」）須通知本公司及聯交所之權益或淡倉如下：

1. 於本公司之權益

Other Information 其他資料

Notes:

- The Shares are held directly by Fortune Pearl International Limited (“**Fortune Pearl**”) which is wholly-owned by Mr. XU Jihua. By virtue of the SFO, Mr. XU Jihua is deemed to have interests in the 593,000,000 Shares.
 - The Shares are held under the trust scheme (the “**Trust Scheme**”) adopted by Fortune Pearl on 13 June 2009.
 - The beneficial interest is in the form of options granted under the Pre-IPO Share Option Scheme adopted by the Company on 12 June 2009.
- * Mr. XU Jihua, being a Director, is also acting as the Chairman of the Board of Directors.

2. Interests in associated corporations

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity 身份	Number of shares 股份數目	Percentage of issued shares (%) 已發行股份百分比 (%)
Mr. XU Jihua 徐吉華先生	Fortune Pearl Fortune Pearl	Beneficial owner 實益擁有人	1 1	100 100

Save as disclosed above, as at 30 June 2010, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- 該等股份由 Fortune Pearl International Limited (「**Fortune Pearl**」) 直接持有，而該公司由徐吉華先生全資擁有。根據證券及期貨條例，徐吉華先生被視為於該等 593,000,000 股股份中擁有權益。
 - 該等股份乃根據 Fortune Pearl 於二零零九年六月十三日採納的信託計劃 (「**信託計劃**」) 持有。
 - 實益權益為根據本公司於二零零九年六月十二日採納的首次公開發售前購股權計劃而授出的購股權形式。
- * 董事徐吉華先生，亦兼任董事會主席。

2. 於相聯法團之權益

除上文所披露者外，於二零一零年六月三十日，本公司董事或主要行政人員概無於本公司及其任何相聯法團 (定義見證券及期貨第 XV 部) 之股份、相關股份或債券中擁有 (a) 根據證券及期貨條例第 XV 部第 7 及第 8 分部知會本公司及聯交所 (包括彼等根據證券及期貨條例有關規定被當作或視作持有之權益或淡倉)；或 (b) 證券及期貨條例第 352 條規定須記錄於本公司存置登記冊內；或 (c) 根據標準守則須知會本公司及聯交所之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2010, the interests and short positions of the persons, other than a Director or chief executive of the Company, in the Shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Ordinary shares of HK\$0.10 each of the Company

主要股東於本公司股本中之權益及淡倉

於二零一零年六月三十日，下列人士（除本公司董事或主要行政人員外）於本公司之股份及相關股份中，擁有根據證券及期貨條例第336條存置之權益登記冊所記錄之權益及淡倉：

本公司每股面值0.10港元之普通股

Name of shareholder 股東姓名／名稱	Number of shares 股份數目		Approximate percentage of issued share capital of the Company (%) 佔本公司已發行股本之概約百分比(%)	
	Long positions 好倉	Short positions 淡倉	Long positions 好倉	Short positions 淡倉
	Fortune Pearl (Note 1)	593,000,000	Nil	57.2
Fortune Pearl (附註1)	593,000,000	無	57.2	無
Equity Trust (HK) Limited (Note 2)	157,000,000	Nil	15.1	Nil
怡信信託服務(香港)有限公司(附註2)	157,000,000	無	15.1	無
Mr. Xu Da (Note 3)	100,000,000	Nil	9.6	Nil
徐達先生(附註3)	100,000,000	無	9.6	無

Notes:

- Fortune Pearl is wholly-owned by Mr. XU Jihua.
- Equity Trust (HK) Limited is the trustee of the Trust Scheme holding on trust 157,000,000 Shares for the benefit of the participants of the Trust Scheme, namely Ms. WANG Jianfei, Mr. XU Da, Mr. WENG Li, Mr. LIU Jingwei and Ms. ZHOU Lusha.
- Mr. XU Da is a participant of the Trust Scheme entitled to 100,000,000 Shares.

附註：

- Fortune Pearl由徐吉華先生全資擁有。
- 怡信信託服務(香港)有限公司為信託計劃的受託人，為信託計劃的參與人(即王劍飛女士、徐達先生、翁立先生、劉敬偉先生及周璐莎女士)的利益以信託方式持有157,000,000股股份。
- 徐達先生為信託計劃的參與人，有權享有100,000,000股股份。

Other Information 其他資料

Save as disclosed above, as at 30 June 2010, the Company had not been notified by any persons (other than Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Pre-IPO Share Option Scheme and the Share Option Scheme detailed in note 22 to the unaudited interim financial report, at no time during the six months ended 30 June 2010 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debts securities (including debentures) of, the Company or any other body corporate and none of the Directors (save for Ms. LIU Xiaomei who had options to subscribe for 600,000 Shares granted under the Pre-IPO Share Option Scheme), their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights.

SHARE OPTION SCHEME

The Company has adopted a Pre-IPO Share Option Scheme and a Share Option Scheme on 12 June 2009. The principal terms of the two schemes are as follows:

Pre-IPO Share Option Scheme

Pursuant to the sole shareholder's written resolutions passed on 12 June 2009, the Company adopted the Pre-IPO Share Option Scheme whereby one executive Director and 25 employees of the Group were granted the rights to subscribe for Shares.

除上文所披露者外，於二零一零年六月三十日，概無任何人士（不包括本公司董事或主要行政人員）知會本公司其於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部有關條文，須向本公司披露之權益或淡倉，或須根據證券及期貨條例第336條記錄於本公司存置之登記冊內之權益或淡倉。

董事購入股份或債券之權利

除未經審核中期財務報告附註22所詳述之首次公開發售前購股權計劃及購股權計劃外，本公司或其任何附屬公司概無於截至二零一零年六月三十日止六個月任何時間訂立任何安排，以讓董事通過購入本公司或任何其他法團之股份或債務證券（包括債券）而獲利；董事（惟劉曉梅女士除外，其擁有根據首次公開發售前購股權計劃已授出之600,000股之認購權）、其配偶或18歲以下之子女，亦概無任何認購本公司證券之任何權利，或已行使任何此等權利。

購股權計劃

本公司已於二零零九年六月十二日分別採納首次公開發售前購股權計劃及購股權計劃。兩項計劃的主要條款如下：

首次公開發售前購股權計劃

根據唯一股東於二零零九年六月十二日通過的書面決議案，本公司採納首次公開發售前購股權計劃，據此，本集團1名執行董事及25名僱員獲授予認購股份的權利。

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution by certain employees towards the growth of the Group and/or the listing of the Shares on the Stock Exchange. The principal terms of the Pre-IPO Share Option Scheme are substantially the same as the terms of the Share Option Scheme, except that:

- (i) the exercise price per share is HK\$2.52; and
- (ii) the total number of Shares which may be issued pursuant to options granted under the Pre-IPO Share Option Scheme is 8,400,000 Shares.

Save for the options which have been granted under the Pre-IPO Share Option Scheme, no further options will be offered or granted under the Pre-IPO Share Option Scheme, as the right to do so has been terminated upon the listing of the Shares on the Stock Exchange.

Set out below is further information on the outstanding options granted under the Pre-IPO Share Option Scheme as at the date of this report:

首次公開發售前購股權計劃為確認若干僱員對本集團的建樹及／或對股份於聯交所上市所作的貢獻。除下文另有所指外，首次公開發售前購股權計劃的主要條款與購股權計劃的條款大致相同：

- (i) 每股行使價為2.52港元；及
- (ii) 根據首次公開發售前購股權計劃下所授出的購股權可予發行的股份總數為8,400,000股。

除根據首次公開發售前購股權計劃已授出的購股權外，將不會根據首次公開發售前購股權計劃進一步給予或授出購股權，因該權利已於本公司的股份在聯交所上市後終止。

於本報告日期，根據首次公開發售前購股權計劃尚未行使的已授出購股權的進一步詳情載列如下：

Name	Outstanding as at 31 December 2009 於二零零九年 十二月三十一日 尚未行使	Number of options 購股權數目			Outstanding as at 30 June 2010 於二零一零年 六月三十日 尚未行使	Approximate percentage of issued share capital of the Company 佔本公司 已發行股本的 概約百分比	
		Exercised during the period 於期內 行使	Lapsed during the period 於期內 失效	Cancelled during the period 於期內 註銷			
Director						%	
LIU Xiaomei	董事 劉曉梅	600,000	-	-	-	600,000	0.06
Employees	僱員	7,600,000	-	-	(200,000)	7,400,000	0.71
		8,200,000	-	-	(200,000)	8,000,000	0.77

Other Information 其他資料

Notes:

1. Each option granted under the Pre-IPO Share Option Scheme has a vesting period of one to three years commencing from 3 July 2009, being the listing date of the Shares on the Stock Exchange. The Company has no legal or constructive obligation to repurchase or settle the option in cash.
2. All options under the Pre-IPO Option Scheme were granted on 12 June 2009 at an exercise price of HK\$2.52 per Share.
3. Each of the grantees to whom options have been granted under the Pre-IPO Share Option Scheme will be entitled to exercise:
 - (a) 30% of the total number of the options from the expiry of the first anniversary of the Listing Date;
 - (b) 30% of the total number of the options from the expiry of the second anniversary of the Listing Date; and
 - (c) 40% of the total number of the options can be exercised from the expiry of the third anniversary of the Listing Date.

The fair value of options granted under Pre-IPO Share Option Scheme was determined using the “Binomial Option Pricing Model”.

The significant inputs into the model were:

- risk-free rate of return – 3.029% per annum;
- forecast fluctuations in share price – 56%; and
- forecast dividend yield – 1.50% per annum.

Based on the inputs above to the “Binomial Option Pricing Model”, the total fair value of the outstanding options as at the grant date (i.e. 12 June 2009) was HK\$7,649,893.

The “Binomial Option Pricing Model” is designed to assess the fair value of options and is a common choice among various option pricing models for assessing the fair value of options. The value of the options depends on the valuation arrived at based on certain subjective assumptions on variables. Any changes in the variables used may cause a substantial effect on the assessment of the fair value of the options.

附註：

1. 每份根據首次公開發售前購股權計劃而授出的購股權歸屬期為一至三年(由股份於聯交所的上市日期二零零九年七月三日起計)。本公司並無法定或推定責任，以現金購回或償付購股權。
2. 首次公開發售前購股權計劃項下的所有購股權於二零零九年六月十二日按每股2.52港元的行使價授出。
3. 每名根據首次公開發售前購股權計劃獲授予購股權的各承授人，有權：
 - (a) 自上市日期滿一週年之日起可行使購股權總數的百分之三十；
 - (b) 自上市日期滿兩週年之日起可行使購股權總數的百分之三十；及
 - (c) 自上市日期滿三週年之日起可行使購股權總數的百分之四十。

根據首次公開發售前購股權計劃授出的購股權的公允值乃採用「二項式購股權定價模型」釐定。

輸入該模式的主要輸入值為：

- 無風險回報率—每年3.029%；
- 預測股價波幅—56%；及
- 預測股息收益率—每年1.50%。

根據上述「二項式購股權定價模型」的輸入值，於授出日期(即二零零九年六月十二日)尚未行使的購股權總公允值為7,649,893港元。

「二項式購股權定價模型」乃為評估購股權公允值而設，是多種用作評估購股權公允值的購股權定價模式中最為常用的選擇。購股權價值取決於按變數的若干假設而達致的估值。所使用變數的任何變動可能對購股權公允值評估造成重大影響。

Share Option Scheme

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons (including full time or part time employees, executive, non-executive directors and independent non-executive directors of our Group) for their contribution to, and continuing efforts to promote the interests of, our Company and to enable our Company and its subsidiaries to recruit and retain high-caliber employees.

The total number of Shares issued and which may be issued upon exercise of the options granted under the Share Option Scheme to an employee in any 12-month period shall not exceed 1% of the Shares in issue. Any further grant of options in excess of this limit shall be subject to the approval of shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant and (iii) the nominal value of a Share.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption, i.e. 12 June 2009.

No share option has been granted under the Share Option Scheme during the six months ended 30 June 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

購股權計劃

購股權計劃旨在激勵或嘉獎對本公司有貢獻的合資格人士(包括本集團的全職或兼職僱員、執行、非執行董事及獨立非執行董事)及推動彼等繼續為本公司利益而努力，以及促使本公司及其附屬公司能聘請及留任能幹之僱員。

於任何十二個月期間內，因根據購股權計劃授予僱員行使的購股權而已發行及可予發行的股份總數，不得超過已發行股份數目的1%。倘進一步授出超逾此限額的任何購股權，須經股東於股東大會上批准。

就任何根據購股權計劃授出的特定購股權而言，股份的認購價應為下列三者中之最高者：(i)於授出購股權當日(須為營業日)在聯交所每日報價表內所報之股份收市價；(ii)於緊接授出購股權當日之前五個營業日在聯交所每日報價表內所報的股份平均收市價；及(iii)股份面值。

購股權計劃由採納當日(即二零零九年六月十二日)起10年期間有效，惟可由本公司於股東大會上或由董事提早終止。

於截至二零一零年六月三十日止六個月內，本公司概無根據購股權計劃授出任何購股權。

購買、出售或贖回本公司上市證券

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company was in full compliance with the code provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2010.

NON-COMPLIANCE WITH RULE 3.10(1) AND RULE 3.21 OF THE LISTING RULES

On 21 June 2010, Dr. CHEN Wenjing (“**Dr. CHEN**”) resigned as an independent non-executive Director, member of the audit committee, member of the remuneration committee and member of the nomination committee of the Board with effect from 21 June 2010.

Following the resignation of Dr. CHEN, the Company has only two independent non-executive Directors, namely Mr. HUANG Guosheng and Mr. LAU Sik Yuen, and does not meet the requirements under Rule 3.10(1) and Rule 3.21 of the Listing Rules to have at least three independent non-executive Directors and at least three audit committee members. The Board will identify a suitable candidate to replace Dr. CHEN to be an independent non-executive Director, member of the audit committee, member of the remuneration committee and member of the nomination committee of the Board as soon as possible and in any event within three months from 21 June 2010 as required under Rule 3.11 of the Listing Rules.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding directors' securities transactions. Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2010.

遵守企業管治常規守則

董事會認為，截至二零一零年六月三十日止六個月，本公司一直遵守上市規則附錄十四企業管治常規守則所載列之適用守則條文。

未有遵守上市規則第3.10(1)條及第3.21條

於二零一零年六月二十一日，陳文敬博士（「**陳博士**」）辭任獨立非執行董事、董事會之審核委員會成員、薪酬委員會成員及提名委員會成員，自二零一零年六月二十一日起生效。

於陳博士辭任後，本公司僅有兩名獨立非執行董事（即黃國勝先生及劉錫源先生），故並不符合上市規則第3.10(1)條及第3.21條項下最少有三名獨立非執行董事及最少有三名審核委員會成員之規定。董事會將盡快及無論如何於二零一零年六月二十一日起計三個月內，按上市規則第3.11條物色適當人選，代替陳博士擔任獨立非執行董事、董事會之審核委員會成員、薪酬委員會成員及提名委員會成員。

董事進行證券交易之標準守則

本公司已採納標準守則作為董事買賣證券之守則。本公司亦定期提醒各董事於標準守則下須履行之責任。經向本公司作出特定查詢後，所有董事確認於截至二零一零年六月三十日止六個月已遵守標準守則所載之規定標準。



中國秦發集團有限公司
CHINA QINF A GROUP LIMITED