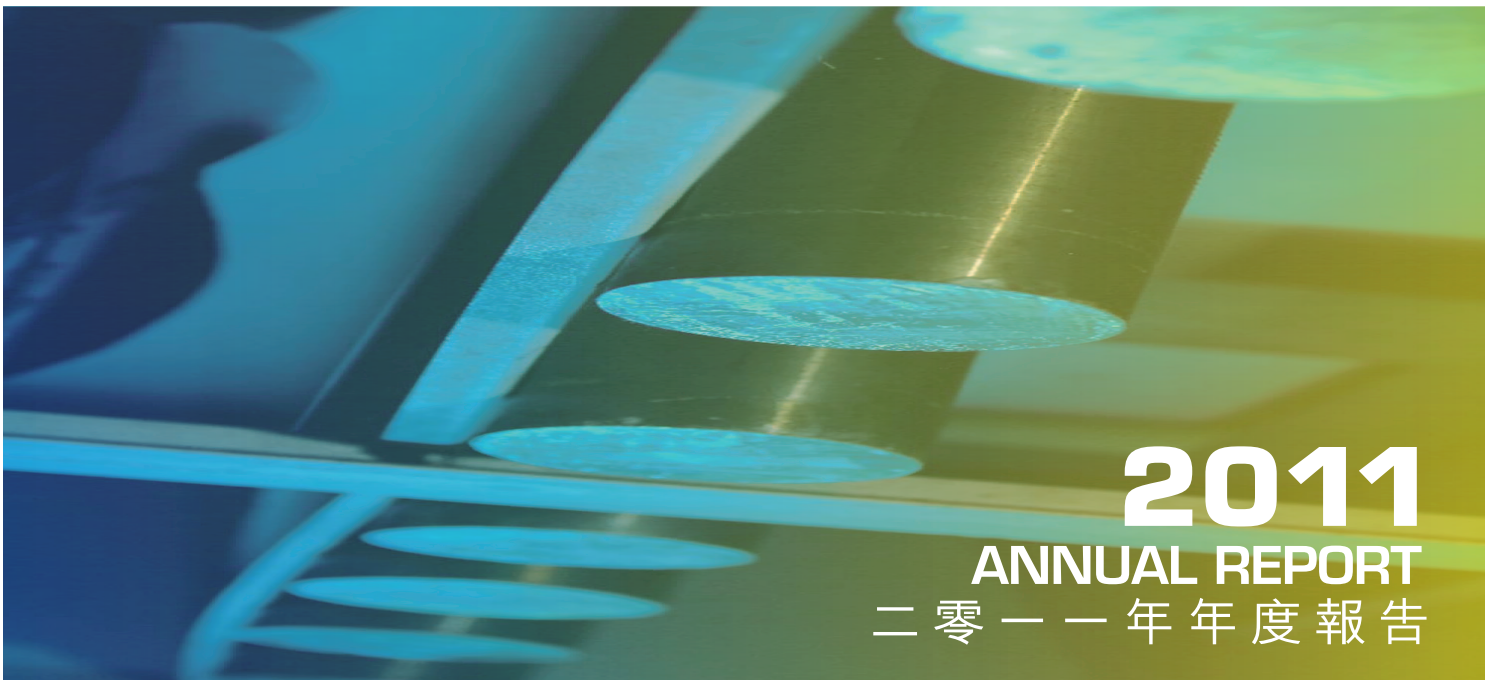


中國鎳資源控股有限公司  
CHINA NICKEL RESOURCES  
HOLDINGS COMPANY LIMITED

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

Stock code 股份代號 : 2889



2011

ANNUAL REPORT

二零一一年年度報告



## China Nickel Resources

China Nickel Resources is a leading integrated hi-tech special steel, non-ferrous metal and mineral enterprise in the People's Republic of China ("PRC"). The Group currently owns a long-term exclusive offtake right of an ore in Indonesia. The Group currently mainly produces stainless steel base materials and nickel-chromium alloy steel products. The Group will also migrate to a major producer of stainless steel and high value-added nickel-chromium products. Together with its self-developed innovative technologies in non-coke reduction purification technology and ore separation technology, as well as the geographical advantage of new plant in Lianyungang, the Group is able to maintain its leading position by realising its advantages in low production costs, high quality and diversified product offerings.

## 中國鎳資源

中國鎳資源為中華人民共和國（「中國」）一家領先的高科技特鋼、有色金屬及礦業綜合企業。本集團現時擁有印度尼西亞一個礦山長期獨家採購權。本集團目前主要生產不銹鋼基料及鎳鉻合金鋼產品。本集團亦即將成為不銹鋼及高附加價值鎳鉻產品的主要生產商。憑藉自主創新技術如非焦還原提純技術及礦石分選技術以及連雲港新廠房的地理優勢，本集團得以低生產成本、高質素及多元化產品供應發揮優勢，維持其領先地位。

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Dong Shutong (*Chairman*)  
Ms. Ng See Wai Rowena<sup>^</sup>  
Mr. Lau Hok Yuk\*  
Mr. Song Wenzhou  
Mr. Zhao Ping<sup>@</sup>  
Mr. Dong Chengzhe  
Mr. Yang Fei  
Mr. Mao Yehong<sup>#</sup>

#### Non-executive Director

Mr. Yang Tianjun

#### Independent Non-executive Directors

Mr. Bai Baohua  
Mr. Huang Changhuai  
Mr. Wong Chi Keung  
Mr. Fahmi Idris

<sup>^</sup> Appointed on 31 August 2011

<sup>#</sup> Appointed on 11 April 2011

<sup>\*</sup> Resigned on 1 August 2011

<sup>@</sup> Resigned on 31 December 2011

### AUDIT COMMITTEE

Mr. Wong Chi Keung (*Committee Chairman*)  
Mr. Huang Changhuai  
Mr. Bai Baohua

### REMUNERATION COMMITTEE

Mr. Dong Shutong  
Mr. Wong Chi Keung  
Mr. Huang Changhuai (*Committee Chairman*)  
Mr. Bai Baohua

### NOMINATION COMMITTEE

Mr. Dong Shutong (*Committee Chairman*)  
Mr. Wong Chi Keung  
Mr. Huang Changhuai  
Mr. Bai Baohua

### 董事會

#### 執行董事

董書通先生(主席)  
吳思煒女士<sup>^</sup>  
劉學郁先生\*  
宋文州先生  
趙平先生<sup>@</sup>  
董鍼喆先生  
楊飛先生  
毛葉紅先生<sup>#</sup>

#### 非執行董事

楊天鈞先生

#### 獨立非執行董事

白葆華先生  
黃昌淮先生  
黃之強先生  
法米先生

<sup>^</sup> 於二零一一年八月三十一日獲委任

<sup>#</sup> 於二零一一年四月十一日獲委任

<sup>\*</sup> 於二零一一年八月一日辭任

<sup>@</sup> 於二零一一年十二月三十一日辭任

### 審核委員會

黃之強先生(委員會主席)  
黃昌淮先生  
白葆華先生

### 薪酬委員會

董書通先生  
黃之強先生  
黃昌淮先生(委員會主席)  
白葆華先生

### 提名委員會

董書通先生(委員會主席)  
黃之強先生  
黃昌淮先生  
白葆華先生



## Corporate Information

### 公司資料

#### COMPANY SECRETARY

Mr. Chan Yee Lok

#### AUTHORISED REPRESENTATIVES

Mr. Dong Shutong

Mr. Yang Fei

#### REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681GT, George Town  
Grand Cayman  
British West Indies

#### HEAD OFFICE IN THE PRC

No. 7 Building F  
Runhua Business Garden  
No. 24 Jinshui Road, Jinshui District  
Zhengzhou City, Henan Province  
The PRC 450012

#### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 917–918  
9th Floor  
China Merchants Tower  
Shun Tak Centre  
168–200 Connaught Road Central  
Sheung Wan  
Hong Kong

#### AUDITOR

Ernst & Young

#### 公司秘書

陳貽烙先生

#### 授權代表

董書通先生

楊飛先生

#### 註冊辦事處

Cricket Square, Hutchins Drive  
P.O. Box 2681GT, George Town  
Grand Cayman  
British West Indies

#### 中國總辦事處

中國河南省  
鄭州市金水區金水路24號  
潤華商務花園F座7號  
郵編450012

#### 香港主要營業地點

香港  
上環  
干諾道中168–200號  
信德中心  
招商局大廈  
9樓917–918室

#### 核數師

安永會計師事務所

## Corporate Information

### 公司資料

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House  
68 Fort Street  
P.O. Box 609  
Grand Cayman, KY1-1107  
Cayman Islands

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong  
Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

#### PRINCIPAL BANKERS

##### Hong Kong:

CITIC Bank International Limited  
The Hongkong and Shanghai Banking Corporation Limited

##### The PRC:

China CITIC Bank Corporation Limited  
Pudong Development Bank Co. Ltd.  
China Construction Bank Corporation  
Bank of China Limited

##### Singapore:

Citibank Singapore Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Malayan Banking Berhad

#### WEBSITE

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

#### STOCK CODE

02889

#### 股份過戶登記總處

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House  
68 Fort Street  
P.O. Box 609  
Grand Cayman, KY1-1107  
Cayman Islands

#### 股份過戶登記處香港分處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東 183 號  
合和中心 17M 樓

#### 主要往來銀行

##### 香港：

中信銀行國際有限公司  
香港上海滙豐銀行有限公司

##### 中國：

中信銀行股份有限公司  
上海浦東發展銀行股份有限公司  
中國建設銀行股份有限公司  
中國銀行股份有限公司

##### 新加坡：

花旗銀行新加坡有限公司  
香港上海滙豐銀行有限公司  
馬來亞銀行

#### 網站

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

#### 股份代號

02889

# Five Year Financial Summary

## 五年財務概要

### SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and non-controlling interests of the Company and its subsidiaries (hereinafter collectively referred as to “the Group”) for the last five financial years prepared on the basis set out in the note below is as follows:

### 財務資料概要

本公司及其附屬公司(以下統稱「本集團」)於過去五個財政年度依據下文附註所載基準編製之已公佈業績、資產、負債及非控股權益，概要如下：

### Results

### 業績

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>	<b>2,587,779</b>	1,535,862	887,734	1,481,594	1,874,591
Cost of sales	銷售成本	<b>(2,258,555)</b>	(1,366,576)	(1,083,909)	(1,329,260)	(1,288,493)
<b>Gross profit/(loss)</b>	<b>毛利/(毛損)</b>	<b>329,224</b>	169,286	(196,175)	152,334	586,098
Other income and gains	其他收入及盈利	<b>159,616</b>	81,114	110,497	275,445	72,965
Selling and distribution costs	銷售及分銷成本	<b>(43,292)</b>	(23,327)	(24,909)	(30,754)	(43,988)
Administrative expenses	行政開支	<b>(129,378)</b>	(146,430)	(133,999)	(138,839)	(75,442)
Finance costs	融資成本	<b>(205,098)</b>	(90,440)	(86,500)	(153,943)	(68,100)
Other expenses	其他開支	<b>(15,485)</b>	(31,961)	(108,231)	(128,406)	(786)
Share of profit of an associate	應佔一間聯營公司溢利	<b>3,514</b>	18,710	—	—	—
<b>Profit/(loss) before tax</b>	<b>除稅前溢利/(虧損)</b>	<b>99,101</b>	(23,048)	(439,317)	24,163	470,747
Income tax (expense)/credit	所得稅(開支)/貸項	<b>(31,721)</b>	25,611	108,759	62,337	(110,085)
<b>Profit/(loss) for the year</b>	<b>年度溢利/(虧損)</b>	<b>67,380</b>	2,563	(330,558)	38,174	360,662
Attributable to:	屬於：					
Owners of the parent	母公司股權持有人	<b>66,344</b>	1,467	(332,145)	37,361	359,291
Non-controlling interests	非控股權益	<b>1,036</b>	1,096	1,587	813	1,371
		<b>67,380</b>	2,563	(330,558)	38,174	360,662
<b>Dividends</b>	<b>股息</b>	<b>—</b>	3,972	—	31,320	121,732



## Five Year Financial Summary

### 五年財務概要

#### Assets, Liabilities and Non-controlling Interests

#### 資產、負債及非控股權益

		2011	2010	2009	2008	2007
		二零一一年	二零一零年	二零零九年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	<b>6,609,348</b>	7,042,112	6,698,918	7,056,354	7,402,043
Total liabilities	總負債	<b>3,017,231</b>	3,200,738	2,826,601	2,946,187	3,264,816
Non-controlling interests	非控股權益	<b>121,608</b>	120,572	121,226	55,004	54,191
Net assets	淨資產	<b>3,592,117</b>	3,841,374	3,872,317	4,110,167	4,137,227

Note:

The consolidated results of the Group for the year ended 31 December 2007, 2008, 2009 and 2010 are extracted from the Annual Report 2007, 2008, 2009 and 2010 of the Company respectively and while those for the year ended 31 December 2011 were prepared based on the consolidated income statement and consolidated statement of financial position as set out on page 67 and pages 69 to 70. This summary does not form part of the audited financial statements.

附註：

本集團於截至二零零七年、二零零八年、二零零九年及二零一零年十二月三十一日止年度之綜合業績乃分別摘錄自本公司二零零七年、二零零八年、二零零九年及二零一零年年報，而截至二零一一年十二月三十一日止年度之綜合業績乃基於第67頁及第69頁至第70頁之綜合損益表及綜合財務狀況表編製。此概要並不構成經審核財務報表之一部分。

# Corporate Responsibility

## 企業責任

### UNLIMITED COMMITMENT WITH LIMITED RESOURCES

It is the responsibility of an enterprise to utilise limited resources in an efficient way and protect the environment with dedication and creativity. Aiming to fulfil unlimited commitment with limited resources, the Group has devoted efforts in the research and development of new and green technologies and products in order to realise the targets of high recovery rate, low emission as well as resource recycling with effective and comprehensive use of resources. The management believes that the Group is able to bring economic returns for the investors at low costs through the proper use of limited resources.

### 資源有限 責任無限

企業不僅有責任善用有限資源，保護環境，亦需以無比決心，無限創意來承擔此企業責任。本集團過去一直秉承「資源有限責任無限」這一信念，專注於研發新技術、環保技術及新產品，務求實現對資源的高效綜合利用，以達到高回收率、低排放量及資源能再生使用等目標。管理層相信，本集團能透過善用有限資源為投資者帶來低成本的經濟回報。

# Recognition and Awards

## 榮譽及獎項

### Award 獎項

- The Asset — The China's Most Promising Companies Awards for 2011 (based on corporate governance, investor relations, growth strategy, competitiveness within the industry and financial performance)
- 獲《財資》雜誌授予「二零一一年度最具潛力中國企業」獎(基於企業管治、投資者關係、增長策略、業內競爭力及財務表現等各方面)



### Recognition 榮譽

- State Intelligent Properties Office of the PRC — Certificates of Invention Patent
- Lianyungang City Science and Technology Department — Advanced Technology Enterprise
- Jiangsu Provincial Science and Technology Department — Advanced Technology Certificate for High-Quality Ferro Nickel Alloy
- 中國國家知識產權局 — 發明專利證書
- 連雲港市科學技術局 — 高新技術企業
- 江蘇省科技廳 — 高新技術產品認定證書(高品質鎳鐵合金)





## Projects Progress

### 項目進展

#### THE PRC

Lianyungang City East Harvest Mining Company Limited (“East Harvest Mining”), a subsidiary of the Company, commenced the construction of a new production plant on 28 October 2009. In 2011, the project has undergone several technological upgrades and improvements to enhance its degree of automation. It is expected that the project will commence trial production in the second half of 2012, and will produce nickel fine powder to process into stainless steel. The project applies low carbon metallurgical technology and innovative technology developed by the Group. Ordinary coal, rather than coke used in traditional process, is used in the reduction purification process, under which the consumption of carbon may decrease by up to 40%. In addition, the plant can utilise low grade nickel ore for production, the cost of which is much lower than that used in traditional production process. The project is highly recognised by the local government. Moreover, the plant is situated at the Lianyungang port and benefits from geographical advantages. Ores and other raw materials from overseas can be conveniently transported to the plant, largely reducing the inland transportation costs and logistics pressure. This project will play an important role in the Group’s development of an operating mode with high efficiency and low costs.

#### OVERSEAS

The Group’s iron and steel mill project in Kalimantan Island, Indonesia was in progressive development. The project is selected as a key project of Indonesia. Currently, the Group has signed a non-legally binding memorandum of understanding with a local business partner to form a joint venture to develop and operate the iron and steel mill. Construction of the project is expected to commence in the second half of 2012. Upon completion of the first phase of the project, it will have an annual ore handling capacity of 2.0 million tonnes. When compared to production in the PRC, the project will save shipping fee, loading and unloading charges and inland port charges.

#### 中國

本公司之附屬公司連雲港市東茂礦業有限公司(「東茂礦業」)自二零零九年十月二十八日開始動土興建新生產廠房。於二零一一年，該項目已進行若干技術升級及改善，以加強其自動化水平。預期該項目將於二零一二年下半年試產，屆時將生產鎳精粉以加工成不銹鋼。該項目應用了本集團研發的低碳冶金技術及創新科技。傳統提純還原工藝採用焦煤，但新技術下則採用普通煤而可減少碳消耗量達40%。此外，該廠可利用低品位鎳礦進行生產，成本遠低於傳統生產工藝所用之原料。該項目獲得當地政府高度認可。另一方面，廠房位於連雲港，地理位置優越，方便礦石及其他原材料從海外運至廠房，大大節省了內陸運輸成本，亦減少了物流壓力。該項目將成為本集團發展高效益、低成本營運模式的一個重要角色。

#### 海外

本集團於印尼加里曼丹島的鋼鐵廠項目正逐漸發展此項目為本集團在印尼的一個主要項目。目前，本集團已跟當地業務合作夥伴簽署一無法律約束力之備忘錄，組成合資企業以發展及營運鋼鐵廠。預期該項目將於二零一二年下半年開始動工，工程首期完成後，年礦石處理量將達2.0百萬公噸。與在中國生產相比，該項目將節省運輸費、裝載及卸載費以及內陸港口費。

## Chairman's Statement

### 主席報告書



**Dong Shutong**  
董書通

*Chairman & CEO*  
主席兼首席執行官

## Chairman's Statement

### 主席報告書

Dear Shareholders,

I am pleased to present the Annual Report of the Company for the year ended 31 December 2011 and extend my gratitude to all the shareholders on behalf of the Board of China Nickel Resources Holdings Company Limited.

#### REVIEW

2011 marked the start of our Group's Five Year Plan. It was also a year of great challenges in the world economy due to the sovereign debt crisis in Europe. To cope with the adverse impacts brought by the financial crisis, the Group adopted the following three important measures after due and careful consideration:

1. consolidated and strengthened the stainless steel base materials and Ni-Cr alloy steel production and sale;
2. actively developed ore trading business to make it a profit centre for the Group; and
3. continued our in-depth research and development on the techniques of Nickel extraction and sped up the completion of the construction works of East Harvest Mining.

All these measures proved to be successful and have brought satisfactory return to the Group. For the year ended 31 December 2011, the Group recorded an increase of 68.5% in sales and 4,422.4% increase in profit attributable to our Company's shareholders.

#### PROSPECTS

There are still great uncertainties in the global economy in 2012. However, the Group has already entered into the second year of a stage of rapid growth under the Group's Five Year Plan. In 2012, the Group will focus on the following five major areas of work to:

1. complete the relocation of Yongan Special Steel smoothly to bring in strong cash flows to the Group;
2. reform and internationalise the Group's management system to lay a strong foundation for the Group's further development;

列位股東：

本人欣然提呈本公司截至二零一一年十二月三十一日止年度之年報，並代表中國鎳資源控股有限公司董事會，向各位股東致意。

#### 回顧

二零一一年是本集團進入五年跨越發展的首年，開年即面臨歐洲主權債務危機對世界經濟影響的挑戰。面對危機，本集團審時度勢，積極部署三項重要工作：

1. 鞏固加強不銹鋼基料及鎳鉻合金鋼的生產及銷售；
2. 積極擴大礦石貿易並形成本集團的利潤中心；及
3. 深化鎳的提取技術，完善本集團的東茂礦業的專案收尾工作。

事實證明該等舉措取得成功，為本集團帶來理想回報。截至二零一一年十二月三十一日止年度，本集團錄得銷售增長68.5%及本公司股東應佔溢利增長4,422.4%。

#### 未來展望

二零一二年全球經濟仍處於不明朗時期，而本集團的發展已進入五年跨越發展第二年的快車道。二零一二年我們將重點做好五大工作：

1. 順利完成永安特鋼的搬遷，回收資產；為本集團帶來強大的現金支援；
2. 積極推動本集團管理體制國際化改革，為本集團騰飛建立扎實的基礎；



## Chairman's Statement

### 主席報告書

3. further consolidate and strengthen the stainless steel base materials and Ni-Cr alloy steel production and sale and speed up the commercial production of stainless steel products of Yongtong Special Steel; start the commercial production of East Harvest Mining to support the full production of the Group's stainless steel products,
  4. expand our ore trading business to greatly improve our Group's efficiency and profitability; and
  5. strengthen our cooperation with strategic partners in Indonesia and accelerate the construction of iron and steel mill in Indonesia.
3. 鞏固永通特鋼的不銹鋼基料及鎳鉻合金鋼的生產及銷售，全力推進不銹鋼棒線材的批量生產與銷售。東茂礦業專案的鎳富集全面投產，支援本集團不銹鋼棒線材的規模產量；
  4. 繼續增加礦石貿易業務，大幅提升本集團的效益和利潤；及
  5. 加強與印尼戰略夥伴的合作，加快印尼鋼鐵廠的建設。

We are confident that we can complete the second year's target of our Five Year Plan successfully, and our iron and steel manufacturing and ore trading business will evolve upward in the future. I am committed to achieving performance targets through the cooperation with all our staff to bring fruitful returns to our shareholders.

我們有信心於未來把生產及貿易事業推向高峰，實現集團的第二年跨越。本人承諾會與眾員工一起達成業績目標，為股東創造更為豐厚的回報。

**Dong Shutong**  
Chairman & CEO

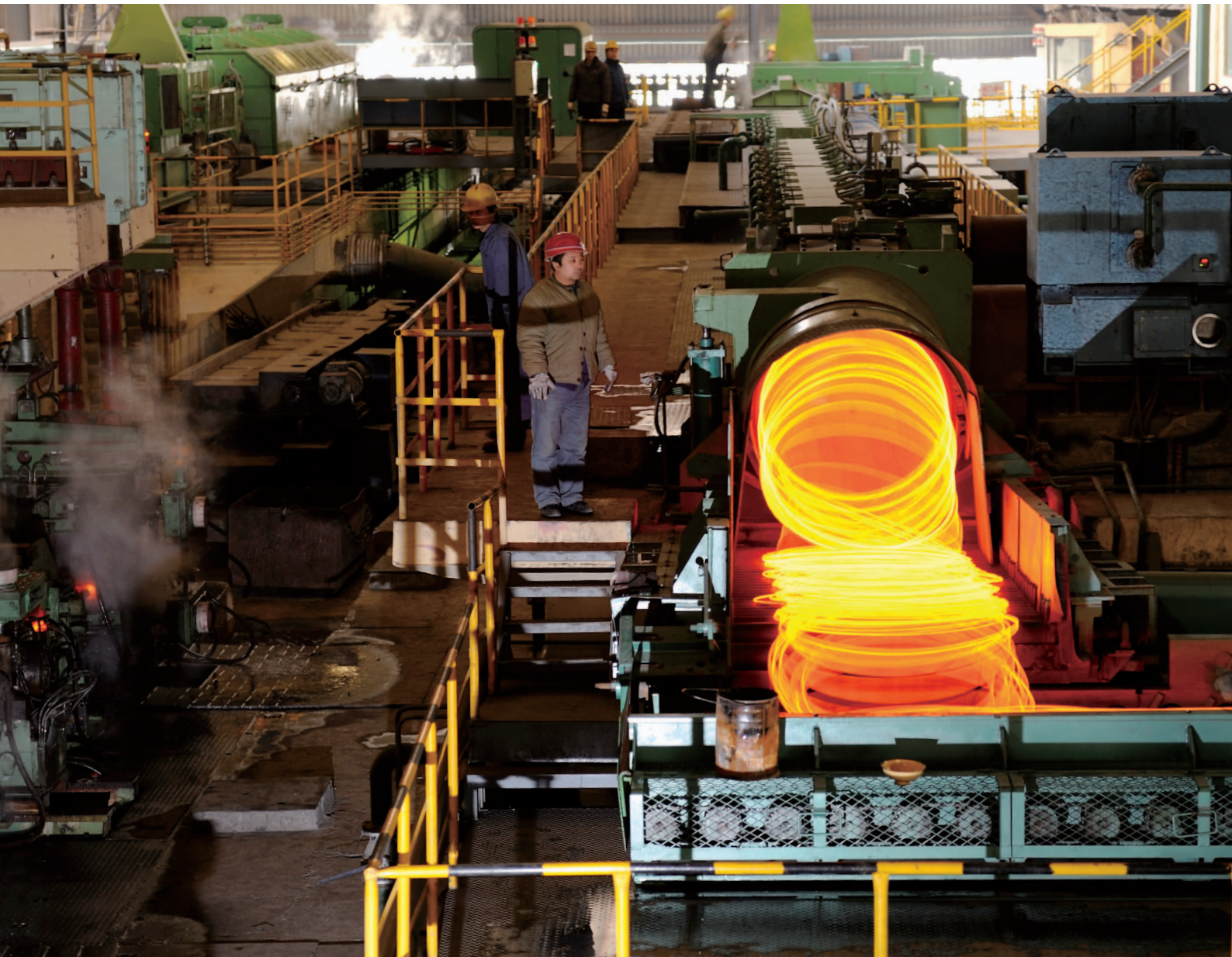
Hong Kong, 27 March 2012

主席兼首席執行官  
董書通

香港，二零一二年三月二十七日

# Management Discussion and Analysis

## 管理層討論與分析



Realise Resources Advantages by  
**Hi-tech Research and  
Development**

研發高新技術  
盡顯資源優勢

## Management Discussion and Analysis

### 管理層討論與分析

#### FINANCIAL HIGHLIGHTS

#### 財務摘要

		For the year ended 31 December 截至十二月三十一日止年度		
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	Change 變化 %
Revenue	收益	<b>2,587,779</b>	1,535,862	<b>68.5%</b>
Gross Profit	毛利	<b>329,224</b>	169,286	<b>94.5%</b>
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA")	除利息、稅項、折舊及 攤銷前之盈利 ("EBITDA")	<b>482,059</b>	200,691	<b>140.2%</b>
Profit/(Loss) before Tax	除稅前溢利/(虧損)	<b>99,101</b>	(23,048)	<b>N/A 不適用</b>
Profit for the Year	年度溢利	<b>67,380</b>	2,563	<b>2,529.0%</b>
Gross Profit Margin	毛利率	<b>12.7%</b>	11.0%	<b>1.7%</b>
EBITDA Margin	EBITDA率	<b>18.6%</b>	13.1%	<b>5.5%</b>
Profit/(Loss) before Tax Margin	除稅前溢利/(虧損)率	<b>3.8%</b>	(1.5%)	<b>N/A 不適用</b>
Net Profit Margin	溢利淨額率	<b>2.6%</b>	0.2%	<b>2.4%</b>

The board of directors (the "Board" or the "Directors") of China Nickel Resources Holdings Company Limited (the "Company") is pleased to announce that the audited consolidated revenue of the Group for the year ended 31 December 2011 was approximately RMB2,587.8 million, representing an increase of 68.5% as compared to 2010. Audited EBITDA was approximately RMB482.1 million, RMB281.4 million higher than the EBITDA of RMB200.7 million in 2010. Audited profit for the year was approximately RMB67.4 million, RMB64.8 million higher than the profit for the year of RMB2.6 million in 2010. Audited basic earnings per share for 2011 was RMB0.029. Basic earnings per share was calculated based on the profit attributable to the Company's shareholders of RMB66.3 million divided by the weighted average of 2,304.0 million shares in issue during 2011. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011. The audited consolidated financial statements for the year ended 31 December 2011 have been reviewed by the Company's Audit Committee.

中國鎳資源控股有限公司(「本公司」)董事會(「董事會」或「董事」)欣然公佈本集團截至二零一一年十二月三十一日止年度之經審核綜合收益約為人民幣2,587.8百萬元，較二零一零年增加68.5%。經審核EBITDA約為人民幣482.1百萬元，較二零一零年的EBITDA人民幣200.7百萬元增加人民幣281.4百萬元。經審核年度溢利約為人民幣67.4百萬元，較二零一零年的溢利人民幣2.6百萬元增加人民幣64.8百萬元。二零一一年之經審核每股基本盈利為人民幣0.029元。每股基本盈利乃根據本公司股東應佔溢利人民幣66.3百萬元，除以二零一一年已發行股份之加權平均數2,304.0百萬股計算。董事不建議宣派截至二零一一年十二月三十一日止年度之末期股息。截至二零一一年十二月三十一日止年度之經審核綜合財務報表已由本公司之審核委員會審閱。



## Management Discussion and Analysis

### 管理層討論與分析

#### OPERATING ENVIRONMENT ANALYSIS

The global financial market fluctuated significantly in 2011 due to the sovereign debt crisis in Europe. Most of the developed countries were troubled by low growth and high unemployment while the emerging markets were experiencing high inflation expectations and turned to tightening policies. Due to the high uncertainty in the global economy, the commodity prices of iron and nickel generally plunged by over 20% from their peak in 2011.

The iron and steel industry in China has also experienced great challenges due to excessive supply caused by the slow down in the property market and infrastructure investments. Many iron and steel manufacturers in the industry have recorded the worst financial performance since 2008. Although there are signs that the sovereign debt crisis begin to stabilise in recent months, the foundation for long-term recovery of the global economy is still fragile. In China, the official GDP growth target for 2012 is 7.5% which is lower than previous years indicating that the government is cautious about the 2012 economic performance.

Although the global and domestic demand for iron and steel products will be weak in 2012, our Directors are still cautiously optimistic about the Group's performance in 2012. The Twelfth Five-Year Plan adopted in 2011 stressed on enhancing "efficiency" and "quality" in economic development. The Twelfth Five-Year Plan also redefined the directions of development for various industries to low carbon concept aiming to save energy and reduce emission. Advanced energy-saving technology and products will also be promoted through developing cyclic economy and raising resources output efficiency, with an ultimate goal to develop low carbon economy, stimulate domestic demands and promote prosperous development.

According to "Twelfth Five-Year Plan", the development of steel industry will focus on efficiency, which include low energy consumption, low carbon, low emission, high recycle rate and high value-added product outputs. Domestic markets will become quality-oriented, which will impose higher requirements on products in terms of environmental-friendliness, safe and durability, sustainability and recycling. It is expected that quantitative demand for high quality steel products will increase significantly, and product development will incline to the high-end market. To capture these business opportunities, our Group has shifted to the production of high quality iron and steel products through the application of more environmental-friendly production method. Therefore, the Group believes that the demand and market shares of our special steel, alloy steel and nickel base stainless steel products will increase in the future.

#### 經營環境分析

受歐洲主權債務危機的影響，全球金融市場於二零一一年出現大幅波動。大部分發達國家經濟深陷低增長、高失業的困境，而預期新興經濟市場將面臨高通脹風險和各項政策收緊。由於全球經濟高度不明朗，鐵和鎳的商品價格較二零一一年彼等各自峰位整體下降逾20%。

房地產市場及基建投資放緩導致鋼鐵供應過剩，中國鋼鐵市場亦面臨巨大挑戰。業內若干鋼鐵生產商錄得自二零零八年以來最差之財務表現。儘管有跡象顯示主權債務危機於最近數月趨於穩定，但全球經濟長遠復甦之基礎仍然脆弱。中國於二零一二年之官方國內生產總值增長率目標為7.5%，低於過往年度，顯示政府對二零一二年之經濟表現態度審慎。

儘管二零一二年全球及國內對鋼鐵產品之需求仍然疲弱，但本集團的董事仍對本集團二零一二年之表現持審慎樂觀態度。於二零一一年採納之「十二五規劃」綱要強調改善經濟發展之「效益」及「質量」。「十二五規劃」亦重訂若干行業的發展方向至以節能、減排為重點的低碳發展理念。先進節能技術及產品亦透過發展循環經濟及提升能源輸出效益而得到推廣，並以發展低碳經濟、擴大內需、實現民富為終極目標。

按照「十二五規劃」的步調，鋼鐵行業會朝「效益」方向發展，包括低耗能、低碳低排放、高回收率及高增值產品；內需市場則將更著重「質量」，而要求產品更環保、更安全耐用、可持續及可回收。預期高質素鋼產品的數量需求將大幅度增加，而產品亦會向高端市場發展。為抓住該等商機，本集團透過採用更環保的生產方法，將重心轉向生產高質素鋼鐵產品。因此，本集團相信本集團的特種鋼、合金鋼及鎳系不銹鋼產品的需求及市場份額在未來均會有所增加。

# Management Discussion and Analysis

## 管理層討論與分析

### BUSINESS REVIEW

#### Project Progress

Lianyungang City East Harvest Mining Company Limited (“East Harvest Mining”), a subsidiary of the Company, commenced the construction of a new production plant on 28 October 2009. In 2011, the project has undergone several technological upgrades and improvements to enhance its degree of automation. It is expected that the project will commence trial production in the second half of 2012, and will produce nickel fine powder to process into stainless steel. The project applies low carbon metallurgical technology and innovative technology developed by the Group. Ordinary coal, rather than coke used in traditional process, is used in the reduction purification process, under which the consumption of carbon may decrease by up to 40%. In addition, the plant can utilise low grade nickel ore for production, the cost of which is much lower than that used in traditional production process. The project is highly recognised by the local government. Moreover, the plant is situated at the Lianyungang port and benefits from geographical advantages. Ores and other raw materials from overseas can be conveniently transported to the plant, largely reducing the inland transportation costs and logistics pressure. This project will play an important role in the Group's development of an operating mode with high efficiency and low costs.

Besides, Yongtong Special Steel completed the facilities upgrade and construction of stainless steel equipment in the fourth quarter of 2010, which can utilise the products of East Harvest Mining to produce stainless steel products and facilitate flexible readjustment of production volume and optimisation of product mix based on the market situation and the overall needs of the Group. In 2011, the production volume of Yongtong Special Steel has already bounced back from the valley in 2009. With the expansion of production capacity, Yongtong Special Steel can produce more high-end products with better profit margin to cater for the demand of customers in the coming years.

### 業務回顧

#### 項目進展

本公司之附屬公司連雲港市東茂礦業有限公司(「東茂礦業」)自二零零九年十月二十八日開始動土興建新生產廠房。於二零一一年，該項目已進行若干技術升級及改善，以加強其自動化水平。預期該項目將於二零一二年下半年試產，屆時將生產鎳精粉以加工成不銹鋼。該項目應用了本集團研發的低碳冶金技術及創新科技。傳統提純還原工藝採用焦煤，但新技術下則採用普通煤而可減少碳消耗量達40%。此外，該廠可利用低品位鎳礦進行生產，成本遠低於傳統生產工藝所用之原料。該項目獲得當地政府高度認可。另一方面，廠房位於連雲港，地理位置優越，方便礦石及其他原材料從海外運至廠房，大大節省了內陸運輸成本，亦減少了物流壓力。該項目將成為本集團發展高效益、低成本營運模式的一個重要角色。

此外，永通特鋼的設施升級及不銹鋼設備建造亦已於二零一零年第四季度完成，可利用東茂礦業的產品生產不銹鋼產品，同時有助靈活調節產量及優化產品組合，以因應市場情況及本集團整體需要。於二零一一年，永通特鋼產量已由二零零九年低谷反彈。隨著生產容量的擴張，永通特鋼可生產出更多高溢利率的高端產品，以迎合未來數年的客戶需求。

## Management Discussion and Analysis

### 管理層討論與分析

In addition to the projects in the PRC, the Group is also actively seeking opportunities of overseas expansion. The Group's iron and steel mill project in Kalimantan Island, Indonesia was in progressive development. The project is selected as a key project of Indonesia. Currently, the Group has signed a non-legally binding memorandum of understanding with a local business partner to form a joint venture to develop and operate the iron and steel mill. Construction of the project is expected to commence in the second half of 2012. Upon completion of the first phase of the project, it will have an annual ore handling capacity of 2.0 million tonnes. When compared to production in the PRC, the project will save shipping fee, loading and unloading charges and inland port charges.

#### Business Development

The Group purchases ore from Indonesia through exclusive offtake agreement at fixed price for self-use or sales, and has started to sell ore to third parties since the end of 2009. Thanks to the growth of the industry and the increasing demand of resources and steel materials, the Group achieved a remarkable results in 2011 with an annual sales volume reaching 3.5 million tonnes, exceeding the sales target of 3.0 million tonnes. The Group is actively developing relationship with up and down-stream trading partners to further expand the resources trading business in order to bring a steady growth of revenue. The sales target of ores in 2012 is 6.0 million tonnes.

除中國項目外，本集團亦積極尋求向海外擴張的機會。本集團於印尼加里曼丹島的鋼鐵廠項目正逐漸發展此項目為本集團在印尼的一個主要項目。目前，本集團已跟當地業務合作夥伴簽署一無法律約束力之備忘錄，組成合資企業以發展及營運鋼鐵廠。預期該項目將於二零一二年下半年開始動工，工程首期完成後，年礦石處理量將達2.0百萬公噸。與在中國生產相比，該項目將節省運輸費、裝載及卸載費以及內陸港口費。

#### 業務發展

本集團透過獨家採購協議以固定價格從印尼採購礦石以自用或供銷售，而自二零零九年底本集團便開始向第三方銷售礦石。在工業增長，資源及鋼材需求上升的帶動下，本集團於二零一一年全年錄得礦石銷售量達3.5百萬公噸的驕績，已超過3.0百萬公噸的銷售目標。本集團現正積極聯繫上下游貿易夥伴，進一步開拓資源貿易業務，從而為本集團帶來穩定收益增長。二零一二年的礦石銷售目標為6.0百萬公噸。

## Management Discussion and Analysis

### 管理層討論與分析

#### Disposal of equity interests in Yongan

In accordance with the policy of relocating iron steel enterprises out from the urban areas under the “Twelfth Five Year Plan” of the PRC and as part of Luoyang City’s development planning policy, the Government of Luoyang City has arranged the relocation of Yongan Special Steel, which includes (1) the Land Resumption and Relocation, pursuant to which the Government of Luoyang City will pay various fees in an aggregate amount of RMB1 billion to Yongtong Special Steel and (2) the Restructuring, pursuant to which Yongtong Special Steel will transfer its 51% equity interests in Yongan Special Steel to a company nominated by the Government of Luoyang City in order to tie in with the urban development of Luoyang City (the “Arrangement”). According to the Arrangement, Yongtong Special Steel entered into an agreement with the Government of Luoyang City on 19 December 2011 in relation to the Arrangement which was then effective. On 20 February 2012, Yongtong Special Steel and Luoyang State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”) entered into the Equity Transfer Agreement with Anhui Center, a party nominated by the Government of Luoyang City as part of the Arrangement.

According to the Arrangement by the Government of Luoyang City, the Group has ceased the production activities of Yongan Special Steel since 31 October 2011.

The Directors are of the view that the disposal of Yongan Special Steel will have a positive impact on the Group’s results, financial position and liquidity position. The Group will use the proceed for (i) repayment of the external debt owned by Yongan Special Steel; (ii) payment of relocation expenses; (iii) payment of employee settlement expenses; (iv) payment of relevant PRC taxes in connection with the equity transfer; and (v) use as general working capital of the Group.

#### 出售永安的股本權益

根據國家「十二五規劃」下把鋼鐵企業搬離城市的政策，以及作為洛陽市發展規劃政策之一部分，洛陽市政府已就永安特鋼之搬遷作出安排，其中包括(1)土地贖回及重置，洛陽市政府將就此向永通特鋼支付各種費用共計人民幣十億元及(2)重組，據此，永通特鋼將所持永安特鋼51%權益轉讓予洛陽市政府指定的公司，以配合洛陽市市區發展(「安排」)。根據安排，永通特鋼與洛陽政府於二零一一年十二月十九日就安排而訂立一份即時生效的協議。於二零一二年二月二十日，永通特鋼及洛陽市國有資產監督管理委員會(「國資委」)與安匯中心(洛陽政府指定的協議方)訂立股權轉讓協議，作為安排的一部分。

根據洛陽市政府之安排，本集團已自二零一一年十月三十一日起停止永安特鋼的生產活動。

董事認為，出售永安特鋼將為本集團的業績、財務狀況及流動資金狀況帶來利好影響。本集團會將所得款項用於(i)償還永安特鋼的外來債務；(ii)支付搬遷開支；(iii)支付僱員補償開支；(iv)支付有關股權轉讓的相關中國稅項；及(v)用作本集團的一般營運資金。

## Management Discussion and Analysis

### 管理層討論與分析

#### Financing Arrangement

In November 2010, the Company issued HKD1,374.8 million 10% Coupon Convertible Bonds to replace the Zero Coupon Convertible Bonds. In addition, on 2 December 2010, the Company and Asia Equity Value Limited (“Asia Equity”) entered into an agreement in connection with a USD loan facility in an amount equivalent to RMB330 million (equivalent to approximately HKD384 million) and the issue of warrants to the lender (the “Term Loan with Warrants”). The term of the facility is two years. All these convertible bonds and Term Loan with Warrants are due in 2012.

The Company is in the process of considering various restructuring options in connection with the 10% Coupon Convertible Bonds including but not limited to the extension of maturity date of the 10% Coupon Convertible Bonds.

In addition, the Group has been actively negotiating with PRC banks for the renewal of PRC bank borrowings when those borrowings fall due in 2012. Based on our management’s past experience, the Group did not encounter any significant difficulties in renewing the PRC bank borrowings. Subsequent to the year end, the Group has successfully renewed bank borrowings of RMB55 million.

Last but not least, the Group has also been actively negotiating with Hong Kong and overseas banks or institutional investors for credit facilities. Subsequent to the year end, the Group has successfully obtained new credit facilities of RMB63 million.

The Group believes that the above financing arrangement can improve the financial position of the Group and lay a solid foundation for our business expansion.

#### 融資安排

於二零一零年十一月，本公司發行1,374.8百萬港元的10厘息可換股債券以代替零息可換股債券。此外，於二零一零年十二月二日，本公司就金額相當於人民幣330百萬元（相當於約384百萬港元）的美元貸款融資及向貸方發行認股權證（「含認股權證的定期貸款」）與Asia Equity Value Limited（「Asia Equity」）簽訂協議。該項融資的期限為兩年。所有該等可換股債券及含認股權證的定期貸款均於二零一二年到期。

本公司正考慮若干重組10厘息可換股債券的方案，包括但不限於延長10厘息可換股債券的到期日。

此外，本集團已與中國境內銀行積極磋商將於二零一二年到期的中國境內銀行借款展期。根據我們管理層的過往經驗，本集團在延續中國銀行借款方面未遇到任何重大阻礙。於年度結算日後，本集團已順利獲得銀行借款人民幣55百萬元展期。

最後，本集團亦就信貸融資與香港及海外銀行或機構投資者積極磋商。於年度結算日後，本集團已順利獲得人民幣63百萬元之新信貸融資。

本集團相信上述融資安排可改善本集團現時之財務狀況，並為本集團進一步擴大業務打好基礎。



## Management Discussion and Analysis

### 管理層討論與分析

#### CONCLUSION AND PROSPECTS

##### Solid Foundation Built in the Eleventh Five Year Plan Period

2011 marks the start of the Twelfth Five Year Plan. In the Eleventh Five Year Plan period, the Group transformed from a special steel producer into an integrated enterprise engaging in resources development and production of Ni-Cr alloy steel of high technology. The Group also focused on the development of innovative technology of Ni-Cr resources. Through the listing platform of the Group and capitalised on our abundant mineral resources, we seized the opportunities to launch the stainless steel base materials, an innovative stainless steel product series developed by the Group. The Group also made several breakthroughs in production technology of metallurgy, including the green and low carbon non-coke reduction purification technology, and the Integrated Processing of Limonitic Lateritic Nickel Ore technology, which was granted a certificate of accreditation by China Nonferrous Metals Industry Association and accredited as a leading innovative application process in the world.

During the period, the Group committed to putting the achievement of research and development into commercial operation. In 2009, the Group established a new plant in Lianyungang, a coastal city with excellent geographical environment. Non-coke reduction purification technology was applied to produce ferro-nickel alloy products, which were energy-saving and with low pollution, low costs and high recovery rate. The plant will commence trial production in the second half of 2012. Generally speaking, the existing production plants can adjust the processing capability with the renovated and upgraded facilities according to the market and economic situation, and effectively coordinate with the production capacity of new production plants, so to utilise resources in a more efficient way.

#### 總結與展望

##### 第十一個五年規劃期間打造的雄厚基礎

二零一一年意味著「十二五規劃」之開始。於「十一五規劃」期間，本集團已從一家特鋼生產商轉型為資源開發及高科技鎳鉻合金鋼生產的綜合性企業。本集團亦重點開發鎳鉻資源的創新技術。透過本集團的上市平台及把我們豐富的礦產資源產業化，我們把握時機成功將本集團自主開發的創新不銹鋼產品系列 — 不銹鋼基料推出市場。本集團還在冶金領域取得了多項重要的生產技術突破，包括屬於環保低碳的非焦還原提純技術，以及一項獲中國有色金屬工業協會頒發證書、鑒定為國際領先的創新應用過程 — 紅土鎳礦綜合利用技術。

期內，本集團致力於將研發成果產業化。本集團於二零零九年在一個地理環境優越的沿海城市 — 連雲港選址興建新廠房，並應用非焦還原提純技術，生產低耗能、低污染、低成本及高回收率的鎳鐵合金產品。該廠房將於二零一二年下半年開始試產。總括來說，現有生產廠房裏已改造和升級的設備可按市場經濟狀況調整其加工能力，並能與新廠房的產能有效地整合而更善用資源的目的。

## Management Discussion and Analysis

### 管理層討論與分析

#### Rapid Growth in the “Twelfth Five Years”

During 2011, the Group continued to follow the direction of development set in the Eleventh Five Year Plan and has achieved a satisfactory result. In the next four years, the Group will continue to focus in the following areas of work:

1. Further consolidation of resources;
2. Further research and development of new technologies;
3. Global expansion of operations.

Leveraging on the above foundation, the Company believes that the Group will further expand in 2012. Moreover, being the second year of the five-year development period, various indicators will record substantial growth in 2012, primarily driven by the expanded capacity after the facility improvement of Yongtong Special Steel, the commencement of production of Lianyungang project, and the rapid growth of the ore trading business. According to the plan of management, the 2012 sales targets of the Group are as follows:

#### Sales targets

Product 產品		2012 二零一二年 Weight 產品重量 (tonnes) (公噸)
Iron and steel products	鋼鐵產品	200,000
Trading of ores	礦石貿易	6,000,000

Iron and steel products sold by the Group in 2011 amounted to approximately 169,000 tonnes. The sales target of iron and steel products for 2012 is 200,000 tonnes.

With the rapid growth of ore trading business, successful operation of Lianyungang project and implementation of financing arrangement, Directors are confident that the Group will have another year of strong performance and bring satisfactory returns for our shareholders.

#### 「十二五」內的高速增長

本集團於二零一一年繼續遵從「十一五規劃」制定之發展方向，並已錄得滿意成績。展望未來四年，本集團仍會繼續三項重點工作：

- 一、進一步整合資源；
- 二、進一步研發新技術；
- 三、全球擴充營運。

利用上述之基礎，本公司相信本集團於二零一二年將進一步擴展，同時二零一二年也是五年發展期的第二年，多項指標都將大幅增長。主要增長動力來自永通特鋼在設備改善後產能提升、連雲港項目已進入投產階段及礦石貿易業務迅速增長。按照管理層的計劃，以下為本集團制定的二零一二年銷售目標：

#### 銷售目標

本集團於二零一一年售出之鋼鐵產品約為169,000公噸。二零一二年之鋼鐵產品銷售目標為200,000公噸。

基於礦石貿易業務迅速增長、連雲港項目順利投產及融資安排獲執行，董事對本集團在來年再創佳績及為股東帶來理想回報充滿信心。

## Management Discussion and Analysis

### 管理層討論與分析

#### Turnover and sales volume

Major products of the Group were stainless steel base material, Ni-Cr alloy steel ingot, ferro-nickel alloys and limonitic ores. The table below sets out the turnover and sales volume of our major products for the years indicated:

#### 營業額及銷量

本集團之主要產品為不銹鋼基料、鎳鉻合金鋼錠、鎳鐵合金及褐鐵礦。下表載列本集團主要產品於所示年度之營業額及銷量：

#### Turnover

#### 營業額

		For the year ended 31 December 2011 截至二零一一年 十二月三十一日止年度		For the year ended 31 December 2010 截至二零一零年 十二月三十一日止年度	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Stainless steel base material	不銹鋼基料	928,527	36%	408,030	27%
Bearing steel	軸承鋼	—	—	26,598	2%
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	309,081	12%	107,422	7%
Ni-Cr bearing steel	鎳鉻軸承鋼	—	—	2,371	—
Ferro-nickel alloys and others	鎳鐵合金及其他	81,052	3%	496,865	32%
Limonitic ores	褐鐵礦	1,269,119	49%	494,576	32%
Total	總計	2,587,779	100%	1,535,862	100%

#### Sales volume

#### 銷量

		For the year ended 31 December 2011 截至二零一一年 十二月三十一日止年度		For the year ended 31 December 2010 截至二零一零年 十二月三十一日止年度	
		(tonnes) (公噸)	%	(tonnes) (公噸)	%
Stainless steel base material	不銹鋼基料	108,603	3%	56,711	3%
Bearing steel	軸承鋼	—	—	6,632	—
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	39,419	1%	15,391	1%
Ni-Cr bearing steel	鎳鉻軸承鋼	—	—	212	—
Ferro-nickel alloys and others	鎳鐵合金及其他	20,869	1%	139,211	8%
Limonitic ores	褐鐵礦	3,518,582	95%	1,451,301	88%
Total	總計	3,687,473	100%	1,669,458	100%

## Management Discussion and Analysis

### 管理層討論與分析

The Group's turnover in 2011 increased by RMB1,051.9 million, or 68.5%, to approximately RMB2,587.8 million (2010: RMB1,535.9 million). The increase was primarily due to the increase in trading of limonitic ores and sales of stainless steel base material and Ni-Cr alloy steel ingot.

During the year, the Group gradually discontinued the production and sales of low margin bearing steel, Ni-Cr bearing steel and ferro-nickel alloys and put more focus on the production and sales of stainless steel base material and Ni-Cr alloy steel ingot which are with better profit margin.

The Group's sales volume of stainless steel base material and Ni-Cr alloy steel ingot in 2011 increased by approximately 52,000 tonnes and 24,000 tonnes, or 91.2% and 160.0%, to approximately 109,000 tonnes and 39,000 tonnes respectively (2010: 57,000 tonnes and 15,000 tonnes). The Group's sales volume of limonitic ores in 2011 increased sharply by 2.0 million tonnes, or 142.4% to approximately 3.5 million tonnes (2010: 1.5 million tonnes).

During 2011, the Group's average selling price per tonne for stainless steel base material and Ni-Cr alloy steel ingot were RMB8,550 (2010: RMB7,195) and RMB7,841 (2010: RMB6,980) respectively while the average unit selling price per tonne for limonitic ores was RMB361 (2010: RMB341), reflecting the result of increasing ore demand and prices in the market.

#### Cost of sales

The cost of sales in 2011 increased by RMB892.0 million, or 65.3%, to approximately RMB2,258.6 million (2010: RMB1,366.6 million). The increase in cost of sales is in line with the increase in turnover of 68.5%.

The unit cost of sales for stainless steel base material and Ni-Cr alloy steel ingot were RMB8,561 and RMB7,245 per tonne respectively in 2011 (2010: RMB6,525 and RMB6,175 per tonne respectively). The unit cost of limonitic ores in 2011 decreased by RMB10 per tonne, or 3.7%, to RMB260 per tonne (2010: RMB270 per tonne).

本集團於二零一一年之營業額增加人民幣1,051.9百萬元或68.5%至約人民幣2,587.8百萬元(二零一零年：人民幣1,535.9百萬元)，主要是由於褐鐵礦貿易及不銹鋼基料與鎳鉻合金鋼錠的銷量增加。

年內，本集團逐步停止生產及銷售利潤率較低的產品，即軸承鋼、鎳鉻軸承鋼及鎳鐵合金，並將重心轉移至生產及銷售利潤率較高的不銹鋼基料及鎳鉻合金鋼錠。

本集團於二零一一年之不銹鋼基料及鎳鉻合金鋼錠銷量分別增加約52,000公噸及24,000公噸或91.2%及160.0%至約109,000公噸及39,000公噸(二零一零年：57,000公噸及15,000公噸)。本集團於二零一一年的褐鐵礦銷量飆升2.0百萬公噸(或142.4%)至約3.5百萬公噸(二零一零年：1.5百萬公噸)。

於二零一一年，本集團不銹鋼基料及鎳鉻合金鋼錠的平均售價分別為每公噸人民幣8,550元(二零一零年：人民幣7,195元)及人民幣7,841元(二零一零年：人民幣6,980元)，而褐鐵礦之平均單位售價為每公噸人民幣361元(二零一零年：人民幣341元)，反映市場礦石需求及價格不斷上揚。

#### 銷售成本

於二零一一年，銷售成本增加人民幣892.0百萬元或65.3%至約人民幣2,258.6百萬元(二零一零年：人民幣1,366.6百萬元)。銷售成本之增幅與營業額之增幅68.5%一致。

於二零一一年，不銹鋼基料及鎳鉻合金鋼錠的單位銷售成本分別為每公噸人民幣8,561元及人民幣7,245元(二零一零年：分別為每公噸人民幣6,525元及人民幣6,175元)。於二零一一年，褐鐵礦的單位成本每公噸減少人民幣10元或3.7%至每公噸人民幣260元(二零一零年：每公噸人民幣270元)。

## Management Discussion and Analysis

### 管理層討論與分析

The table below shows a breakdown of our costs of sales for the year: 下表為本公司於年內之銷售成本明細：

#### Cost of sales

#### 銷售成本

		For the year ended 31 December 2011 截至二零一一年 十二月三十一日止年度		For the year ended 31 December 2010 截至二零一零年 十二月三十一日止年度	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Raw materials	原材料	1,587,097	70%	785,406	57%
Fuel	燃料	407,997	18%	389,589	29%
Utilities	水電費	110,238	5%	83,846	6%
Depreciation	折舊	91,080	4%	72,863	5%
Staff costs	員工成本	38,519	2%	21,417	2%
Others	其他	23,624	1%	13,455	1%
Total	總計	2,258,555	100%	1,366,576	100%

#### Gross profit

The unit gross profit/(loss) for stainless steel base material and Ni-Cr alloy steel ingot in 2011 was RMB(11) and RMB596 per tonne respectively (2010: unit gross profit of RMB670 and RMB805 per tonne respectively). The decrease in gross profit margin of these products was mainly due to increase in raw materials and production costs. Moreover the fixed costs of Yongan Special Steel incurred after its cessation in production also results in a lower gross profit margin for its products. The unit gross profit for limonitic ores in 2011 was RMB101 per tonne (2010: unit gross profit of RMB71 per tonne). Increase in the unit gross profit for limonitic ores in 2011 was primarily due to huge demand for the product in the PRC market that its price increased throughout the year.

As a result of the factors discussed above, the Group's gross profit increased from RMB169.3 million in 2010 to RMB329.2 million in 2011.

#### 毛利

二零一一年之不銹鋼基料及鎳鉻合金鋼錠單位毛利/(毛損)分別為每公噸人民幣(11)元及人民幣596元(二零一零年：單位毛利分別為每公噸人民幣670元及人民幣805元)。該等產品之毛利率下降乃主要由於原材料及生產成本增加所致。此外，永安特鋼停產後其產品產生之固定成本亦令毛利率下降。二零一一年之褐鐵礦單位毛利為每公噸人民幣101元(二零一零年：單位毛利每公噸人民幣71元)。於二零一一年褐鐵礦之單位毛利增加乃主要由於中國市場對該產品之需求強大，令其價格於整個年度期間出現上漲。

基於以上所討論之因素，本集團之毛利由二零一零年之人民幣169.3百萬增至二零一一年之人民幣329.2百萬。



## Management Discussion and Analysis

### 管理層討論與分析

#### Other income and gains

Other income in 2011 increased by RMB78.5 million, to RMB159.6 million (2010: RMB81.1 million). This is mainly attributable to the changes in fair value of RMB123.0 million (2010: RMB28.0 million) of derivative financial instruments as a result of the decrease in their fair values and the corresponding financial liabilities.

#### Selling and distribution costs

Selling and distribution costs in 2011 increased by RMB20.0 million to RMB43.3 million (2010: RMB23.3 million), representing 1.7% of turnover (2010: 1.5%). Increase in selling and distribution costs was in line with increase in sales during the year.

#### Administrative expenses

Administrative expenses in 2011 decreased by RMB17.0 million, or 11.6%, to RMB129.4 million (2010: RMB146.4 million), representing 5.0% of turnover (2010: 9.5%). The decrease in administrative expenses to turnover ratio is mainly due to management's effort paid for better control over administrative expenses throughout the year.

#### Finance costs

According to relevant International Financial Reporting Standards ("IFRS"), estimated future cash flow for the convertible bonds and Term Loan with Warrants were discounted at effective interest rates. Therefore, the deemed effective interest included both coupon payment and financial charges accrued for redemption in the future. The total financial charges for convertible bonds and Term Loan with Warrants based on effective interest method amounted to RMB409.2 million in 2011 (2010: RMB127.5 million), of which RMB231.5 million was capitalised as part of the cost of construction in progress. Finance costs charged to the consolidated income statement in 2011 was RMB205.1 million (2010: RMB90.4 million).

Increase in finance costs in 2011 was mainly due to the full year effect of the 10% Coupon Convertible Bonds and the Term Loan with Warrants.

#### 其他收入及盈利

二零一一年之其他收入增加人民幣78.5百萬元至人民幣159.6百萬元(二零一零年：人民幣81.1百萬元)，主要是由於衍生金融工具之公允價值及相應財務負債減少使其公允價值變動，而獲得盈利人民幣123.0百萬元(二零一零年：人民幣28.0百萬元)所致。

#### 銷售及分銷成本

二零一一年之銷售及分銷成本增加人民幣20.0百萬元至人民幣43.3百萬元(二零一零年：人民幣23.3百萬元)，佔營業額的1.7%(二零一零年：1.5%)。銷售及分銷成本增長與年內之銷量增長相符。

#### 行政開支

二零一一年之行政開支減少人民幣17.0百萬元或11.6%至人民幣129.4百萬元(二零一零年：人民幣146.4百萬元)，相當於營業額之5.0%(二零一零年：9.5%)。行政開支相對營業額之比例下降乃主要由於管理層於整個年度為更好地控制行政開支而作出之努力所致。

#### 融資成本

根據有關國際財務報告準則(「國際財務報告準則」)，可換股債券及含認股權證的定期貸款之估計日後現金流量以實際利率折現計算。因此，推定實際利息包括息票款項及日後贖回應計之財務開支。於二零一一年，按實際利息法計算之可換股債券及含認股權證的定期貸款之總財務支出為人民幣409.2百萬元(二零一零年：人民幣127.5百萬元)，其中人民幣231.5百萬元被資本化為部分在建工程成本。二零一一年計入綜合損益表之融資成本為人民幣205.1百萬元(二零一零年：人民幣90.4百萬元)。

融資成本於二零一一年增加乃主要由於10厘息可換股債券及含認股權證的定期貸款之全年影響所致。

## Management Discussion and Analysis

### 管理層討論與分析

#### Other expenses

Other expenses in 2011 decreased by RMB16.5 million, or 51.6%, to RMB15.5 million (2010: RMB32.0 million), representing 0.6% of turnover (2010: 2.1%). The decrease in other expenses is mainly due to there was an one-off transaction costs of RMB19.2 million for restructuring of convertible bonds in 2010. No such expense incurred in 2011.

#### Profit/(loss) before tax

As a result of the factors discussed above, the profit before tax for the year ended 31 December 2011 was RMB99.1 million (2010: loss of RMB23.0 million).

The Group's profit/(loss) before tax margin was 3.8% (2010: (1.5%)). The earnings before interest, tax, depreciation and amortisation (EBITDA) margin was 18.6% (2010: 13.1%).

#### Income tax expense/(credit)

The applicable Hong Kong corporate income tax rate of the Company and its subsidiaries which operate in Hong Kong is 16.5% based on existing legislation. The entities within the Group which operate in Mainland China, Singapore and Indonesia are subject to corporate income tax at a rate of 5% to 25% for the year ended 31 December 2011.

#### Profit for the year and profit attributable to shareholders

As a result of the factors discussed above, the Group's 2011 profit for the year increased by RMB64.8 million to RMB67.4 million (2010: RMB2.6 million) and the 2011 profit attributable to shareholders was RMB66.3 million (2010: RMB1.5 million).

#### 其他開支

二零一一年其他開支減少人民幣16.5百萬元，或51.6%至人民幣15.5百萬元(二零一零年：人民幣32.0百萬元)，佔營業額的0.6%(二零一零年：2.1%)。其他開支減少主要由於於二零一零年重組可換股債券產生一次性交易成本人民幣19.2百萬元，於二零一一年並無產生有關開支。

#### 除稅前溢利／(虧損)

基於以上所討論之因素，截至二零一一年十二月三十一日止年度，除稅前溢利為人民幣99.1百萬元(二零一零年：虧損人民幣23.0百萬元)。

本集團除稅前溢利／(虧損)率為3.8%(二零一零年：(1.5%))。EBITDA率為18.6%(二零一零年：13.1%)。

#### 所得稅開支／(貸項)

根據現行法例，本公司及其於香港經營之附屬公司所適用之香港利得稅稅率為16.5%。截至二零一一年十二月三十一日止年度，本集團於中國內地、新加坡及印尼經營之實體須按介乎5%至25%之稅率繳納企業所得稅。

#### 年度溢利及股東應佔溢利

基於以上所討論之因素，本集團於二零一一年之溢利增加人民幣64.8百萬元至人民幣67.4百萬元(二零一零年：人民幣2.6百萬元)。於二零一一年，股東應佔之溢利為人民幣66.3百萬元(二零一零年：人民幣1.5百萬元)。

# Management Discussion and Analysis

## 管理層討論與分析

### Key financial ratios

### 主要財務比率

		For the year ended 31 December 截至十二月三十一日止年度		
		Notes 附註	2011 二零一一年	2010 二零一零年
Current ratio	流動比率	1	<b>69%</b>	104%
Inventory turnover days	存貨週轉日數	2	<b>93 days</b> 日	230 days 日
Debtor turnover days	應收賬款週轉日數	3	<b>21 days</b> 日	28 days 日
Creditor turnover days	應付賬款週轉日數	4	<b>96 days</b> 日	180 days 日
Interest cover	盈利對利息倍數	5	<b>1.48 times</b> 倍	0.75 times 倍
Interest-bearing gearing ratio	計息資本負債比率	6	<b>47%</b>	50%
Debt to EBITDA ratio	負債與EBITDA比率	7	<b>3.4 times</b> 倍	9.3 times 倍
Net debt/Capital and net debt ratio	淨負債／資本與淨負債比率	8	<b>40%</b>	42%

## Notes:

- current asset/current liabilities X 100%
- $\frac{\text{Inventories}}{\text{Cost of sales}} \times 365 \text{ days}$
- $\frac{\text{Trade and notes receivables}}{\text{Turnover}} \times 365 \text{ days}$
- $\frac{\text{Trade and notes payables}}{\text{Cost of sales}} \times 365 \text{ days}$
- $\frac{\text{Profit before interest and tax}}{\text{Net interest expense}}$
- $\frac{\text{Interest-bearing loans and other borrowings (including convertible bonds)}}{\text{Equity attributable to the owners of the parent}} \times 100\%$
- $\frac{\text{Interest-bearing loans and other borrowings (including convertible bonds)}}{\text{EBITDA}}$
- $\frac{\text{Net debt}}{\text{Capital and net debt}}$

## 附註：

- 流動資產／流動負債 X 100%
- $\frac{\text{存貨}}{\text{銷售成本}} \times 365 \text{ 日}$
- $\frac{\text{應收賬款及應收票據}}{\text{營業額}} \times 365 \text{ 日}$
- $\frac{\text{應付賬款及應付票據}}{\text{銷售成本}} \times 365 \text{ 日}$
- $\frac{\text{除利息及稅項前溢利}}{\text{利息開支淨額}}$
- $\frac{\text{計息貸款及其他借貸 (包括可換股債券)}}{\text{母公司股權持有人應佔權益}} \times 100\%$
- $\frac{\text{計息貸款及其他借貸 (包括可換股債券)}}{\text{EBITDA}}$
- $\frac{\text{負債淨額}}{\text{股本及負債淨額}}$

## Management Discussion and Analysis

### 管理層討論與分析

#### Property, plant and equipment

Property, plant and equipment as at 31 December 2011 mainly comprised plant and machinery, buildings and construction in progress. The increase in balance to RMB2,108.8 million (2010: RMB2,008.2 million) was mainly due to the purchase costs and finance costs for the addition of new production facilities in the production plant of East Harvest Mining.

#### Intangible asset

The intangible asset solely represents the unamortised amount of the exclusive offtake right from PT. Yiwang Mining ("Yiwang Mining") secured by the Group in May 2007. The decrease in the balance during the year was due to amortisation for the year based on the unit of purchase method and the exchange realignment.

#### Inventories

The inventory turnover days decreased from 230 days in 2010 to 93 days in 2011. As at 31 December 2011, inventories balance decreased by RMB286.7 million, or 33.3%, to RMB573.0 million (2010: RMB859.7 million). This was mainly due to the management's effort paid for better control over the inventories in the second half of 2011.

#### Trade and notes receivables

The debtor turnover days decreased from 28 days in 2010 to 21 days in 2011. As at 31 December 2011, trade and notes receivables balance increased by RMB29.0 million, or 24.3%, to RMB148.3 million (2010: RMB119.3 million). This was mainly due to the expansion of the ore trading business.

#### Cash and cash equivalents and pledged time deposits

The cash and bank balances decreased by approximately RMB139.7 million, or 29.5%, to approximately RMB334.4 million as at 31 December 2011 when compared to that as at 31 December 2010. It was mainly due to the net cash inflow generated from operation by approximately RMB544.4 million, offset by the acquisition of property, plant and equipment of approximately RMB243.8 million, net of decrease in bank loans and other borrowings of RMB280.1 million, and interest payment of RMB170.8 million.

#### 物業、廠房及設備

於二零一一年十二月三十一日之物業、廠房及設備主要包括廠房及機器、樓宇及在建工程。有關結餘增至人民幣2,108.8百萬元(二零一零年：人民幣2,008.2百萬元)乃主要歸因於為東茂礦業廠房添置新生產設施而產生之採購成本及融資成本所致。

#### 無形資產

無形資產僅指本集團於二零零七年五月獲得之PT. Yiwang Mining (「Yiwang Mining」)獨家採購權之未攤銷款項。年內結餘減少乃主要由於年內根據單位購買法攤銷及滙兌調整所致。

#### 存貨

存貨週轉日數由二零一零年之230日縮短至二零一一年之93日。於二零一一年十二月三十一日，存貨結餘減少人民幣286.7百萬元或33.3%至人民幣573.0百萬元(二零一零年：人民幣859.7百萬元)，主要是由於管理層於二零一一年下半年為能更好地控制存貨而作出之努力。

#### 應收賬款及應收票據

應收賬款週轉日數由二零一零年之28日減至二零一一年之21日。於二零一一年十二月三十一日，應收賬款及應收票據結餘增加人民幣29.0百萬元或24.3%至人民幣148.3百萬元(二零一零年：人民幣119.3百萬元)，主要是由於礦石貿易業務擴大所致。

#### 現金及現金等值物與已抵押定期存款

於二零一一年十二月三十一日之現金及銀行結餘約為人民幣334.4百萬元，較二零一零年十二月三十一日減少約人民幣139.7百萬元，減幅為29.5%，主要是由於經營業務所得現金流入淨額約人民幣544.4百萬元，惟被收購物業、廠房及設備約人民幣243.8百萬元、銀行貸款及其他借貸淨額減少人民幣280.1百萬元、利息支出人民幣170.8百萬元所抵銷。

## Management Discussion and Analysis

### 管理層討論與分析

#### Trade and notes payables

The creditor turnover days decreased from 180 days in 2010 to 96 days in 2011. As at 31 December 2011, trade and notes payables balance decreased by RMB79.0 million, or 11.7%, to RMB593.5 million (2010: RMB672.5 million). This was mainly due to the expansion of the ore trading business, purchases of which are generally settled by telegraphic transfer. In addition, the management put more effort on inventory control in the second half of 2011 that less purchases were made in the last quarter of 2011.

#### Interest-bearing bank and other borrowings

As at 31 December 2011, total interest-bearing bank and other borrowings balance decreased by RMB349.2 million, or 42.6%, to RMB470.5 million (2010: RMB819.7 million). The gearing ratio decreased slightly from 50% in 2010 to 47% in 2011.

#### Convertible bonds

As at 31 December 2011, the balance of convertible bonds represented the principal amounts and accrued interests of the Zero Coupon Convertible Bonds and the 10% Coupon Convertible Bonds. The amount was classified as current liability as these convertible bonds will be due in December 2012.

#### Non-current assets/liabilities held for sale

As at 31 December 2011, the non-current assets/liabilities held for sale represent the assets and liabilities of Yongan Special Steel reclassified from various financial statements line items in compliance with the relevant IFRSs.

#### Use of proceeds

In December 2007, the net proceeds from the issue of the Zero Coupon Convertible Bonds were approximately HK\$1,950 million. As at 31 December 2011, these proceeds were fully utilised in accordance with the planned usage i.e. for the capital expenditures of steel mill expansion in the PRC and Indonesia and general working capital.

#### 應付賬款及應付票據

應付賬款週轉日數由二零一零年之180日減少至二零一一年之96日。於二零一一年十二月三十一日，應付賬款及應付票據結餘減少人民幣79.0百萬元或11.7%至人民幣593.5百萬元(二零一零年：人民幣672.5百萬元)，主要是由於礦石貿易業務擴大，而礦石之採購通常採用電匯支付。此外，管理層於二零一一年下半年致力於存貨控制，於二零一一年第四季度作出較少採購。

#### 計息銀行貸款及其他借貸

於二零一一年十二月三十一日，總計息銀行貸款及其他借貸結餘減少人民幣349.2百萬元或42.6%至人民幣470.5百萬元(二零一零年：人民幣819.7百萬元)。資本負債比率由二零一零年之50%略減至二零一一年之47%。

#### 可換股債券

於二零一一年十二月三十一日，可換股債券結餘指零息可換股債券及10厘息可換股債券之本金額及應計利息。由於該等可換股債券將於二零一二年十二月到期，故該款項分類為流動負債。

#### 持作出售的非流動資產／負債

於二零一一年十二月三十一日，持作出售的非流動資產／負債指為遵守有關國際財務報告準則而自財務報表中不同項目重新分類的永安特鋼資產及負債。

#### 所得款項用途

於二零零七年十二月，發行零息可換股債券之所得款項淨額約為1,950百萬港元。於二零一一年十二月三十一日，該等所得款項已悉數用於擬定用途，即中國與印尼鋼廠擴張之資本開支及一般營運資本。



## Management Discussion and Analysis

### 管理層討論與分析

#### Liquidity and capital resources

Our working capital has been principally sourced from cash generated from operations and from long-term and short-term debts. We also utilise advances we received from our customers to finance part of our working capital requirements. As at 31 December 2011, the advances from customers amounted to RMB216.0 million.

As at 31 December 2011, we had current liabilities of RMB2,941.8 million, of which RMB402.7 million were interest-bearing bank and other borrowings repayable within one year, RMB1,164.4 million were convertible bonds with maturity period of less than one year and RMB593.5 million were trade and notes payables in respect of purchase of raw materials.

#### Foreign currency risk

Since 2004, the Group has begun the purchase of iron ore from overseas suppliers. The purchase and sales contracts of ore trading business are principally denominated in USD. The Group's purchase and sales related to iron and steel products are mainly denominated in RMB. Apart from the convertible bonds, Term Loan with Warrants and intangible asset which are denominated in HKD, USD and USD, respectively, other assets and liabilities of the Group are primarily denominated in RMB. Since the RMB against USD and HKD is in a favourable trend in recent years, no hedging is considered necessary at the moment. However, the Group will closely monitor the foreign currency risk and consider to use necessary financial instruments for hedging purposes.

As at 31 December 2011, the Group did not enter into any hedging transactions to manage the potential fluctuation in foreign currency as the Directors considered the Group had no significant foreign currency risk.

#### 流動資金及資本資源

本公司之營運資金主要來自經營活動之所得現金以及長期及短期債務。本公司亦使用客戶墊款為部分所需營運資金融資。於二零一一年十二月三十一日，來自客戶之墊款為人民幣216.0百萬元。

於二零一一年十二月三十一日，本公司之流動負債為人民幣2,941.8百萬元，其中人民幣402.7百萬元為須於一年內償還之計息銀行貸款及其他借款，人民幣1,164.4百萬元為一年內到期之可換股債券，而人民幣593.5百萬元乃為採購原材料之應付賬款及應付票據。

#### 外匯風險

自二零零四年起，本集團開始向海外供應商採購鐵礦石。礦石貿易業務之買賣合約主要以美元計值。而本集團有關鋼鐵產品之買賣主要以人民幣計值。除可換股債券、含認股權證的定期貸款及無形資產分別以港元、美元及美元計值外，本集團之其他資產及負債主要以人民幣計值。由於近年人民幣兌美元及港元處於利好趨勢，故目前毋須作出對沖。然而，本集團將密切監控外匯風險，並考慮利用必要的金融工具進行對沖。

於二零一一年十二月三十一日，由於董事認為本集團並無重大外匯風險，故本集團並沒有為管理潛在外匯波動而進行任何對沖交易。

## Management Discussion and Analysis

### 管理層討論與分析

#### Security

As at 31 December 2011, the Group had following assets being pledged: (1) certain parcels of the Group's leasehold lands situated in the PRC with the carrying amounts of RMB123.5 million and building and plant and machinery with net carry amounts of RMB51.7 million were secured for bank loans granted to the Group of RMB130.0 million (2010: RMB177.7 million); and (2) The entire registered capital of Lianyangang East Harvest Minerals Co., Ltd. ("East Harvest Minerals"), was pledged for the Term Loan with Warrants. At 31 December 2011, the carrying amount of the Term Loan with Warrants was RMB164.7 million and the paid-up capital of East Harvest Minerals amounted to USD127,000,000 (equivalent to RMB800,214,300).

#### Capital commitment

As at 31 December 2011, the Group had capital commitments in the amount of approximately RMB334.5 million.

#### 抵押品

於二零一一年十二月三十一日，本集團已抵押以下資產：(1)本集團獲授銀行貸款人民幣130.0百萬元(二零一零年：人民幣177.7百萬元)分別以本集團位於中國賬面值為人民幣123.5百萬元的若干幅租賃土地及賬面淨值為人民幣51.7百萬元的樓宇、廠房及機器作為抵押；及(2)連雲港東茂礦產品有限公司(「東茂礦產品」)之全部註冊資本均已作為含認股權證的定期貸款之抵押。於二零一一年十二月三十一日，該含認股權證的定期貸款之未償還款項為人民幣164.7百萬元，東茂礦產品的繳足股本為127,000,000美元(相當於人民幣800,214,300元)。

#### 資本承擔

於二零一一年十二月三十一日，本集團之資本承擔約為人民幣334.5百萬元。

## Directors and Audit Committee

### 董事及審核委員會

#### DIRECTORS

##### Executive Directors

**Mr. Dong Shutong**, aged 60, was appointed as Director of the Company on 16 March 2004 and is currently an Executive Director, the Chairman, the Chief Executive Officer, a member of the Remuneration Committee and the Chairman of the Nomination Committee of the Company. He is responsible for formulating the Group's overall business plans and strategies. Mr. Dong is the founder of the Group. He has been the Director of Zhengzhou Yongtong Special Steel Company Limited ("Yongtong Special Steel"), an indirect wholly-owned subsidiary of the Company, and a number of subsidiaries of the Company since 1993. He was involved in the management and day-to-day operations on a full time basis. He served as the vice manager and senior economics and technology consultant of Ministry of Metallurgical Industry Metallurgy News Information Development Company (冶金工業部冶金報社信息開發公司) in 1989. Formerly, the said company was the Ministry's department responsible for news and major reports about the metallurgical industry. Mr. Dong was also appointed as the director of Synthesis Department of the World Metallurgical Products Exhibition in 1990. The said organisation was primarily involved in the activities relating to exhibitions of metallurgical products. In 1992, he was appointed as the general manager of Henan Sanen Industry Sci-Tech Industrial Company (河南三恩工業科技實業公司). The said company was primarily involved in research and development of industrial technologies. Between October 1984 and April 2004, the business of refractory materials factory, a factory principally involved in production and management of refractory materials, was contracted out to and managed by Mr. Dong. He was both the plant manager and the sole legal representative of the refractory materials factory from 1984 to 2004. He has also served as a part-time associate professor in the field of economics at Wuhan University of Science and Technology since 2002. He graduated from the Metallurgy Department of Wuhan Iron and Steel College in 1989. He received his Trade and Economics Degree from Graduate School of the Chinese Academy of Social Sciences in 2000 too. During the years from 1985 to 1994, he has been honoured many times by various PRC government authorities for his outstanding achievement in

#### 董事

##### 執行董事

**董書通先生**，60歲，於二零零四年三月十六日獲委任為本公司董事，現時為本公司執行董事、主席、首席執行官、薪酬委員會成員及提名委員會主席。彼負責制訂本集團之整體業務計劃及策略。董先生為本集團創辦人。彼自一九九三年起擔任本公司間接全資附屬公司鄭州永通特鋼有限公司（「永通特鋼」）及多家附屬公司之董事，一直全職參與該等公司之管理及日常運作。彼於一九八九年擔任冶金工業部冶金報社信息開發公司之副經理及高級經濟技術顧問。該公司前身為冶金工業部，負責冶金業之新聞及主要報告之部門。董先生於一九九零年獲委任為全國冶金產品博覽會綜合處處長，該組織主要從事與冶金產品展覽有關之活動。於一九九二年，彼獲委任為河南三恩工業科技實業公司之總經理，該公司主要從事工業技術之研發。於一九八四年十月至二零零四年四月期間，耐火廠之業務外包予董先生打理。耐火廠之主要業務為經營及管理耐火材料。彼於一九八四年至二零零四年間為耐火廠廠長兼唯一法定代表。彼自二零零二年起擔任武漢科技大學經濟學範疇之兼任副教授。彼於一九八九年在武漢鋼鐵學院冶金系畢業，亦於二零零零年取得中國社會科學院研究院之貿易及經濟學位。在一九八五年至一九九四年間，董先生在先進技術方面之出色表現，屢獲多個政府部門表揚。彼亦因為對有關專利技術之寶貴貢獻而獲得「開發全球專利技

## Directors and Audit Committee

### 董事及審核委員會

advancement of technology. He has also been awarded the “Award for Achievement in Development of the World Patented Technologies” for his outstanding contribution to the area of patented technologies. In addition, he won a gold medal from Hong Kong Organising Committee of the International Patent Technology Expo for his project of condenser type bicomponent nozzle in 2001, and was named “The World’s Outstanding Chinese Entrepreneur” by the World Chinese Entrepreneur Association in 2004. Moreover, he was appointed as a member of Zhengzhou Overseas Exchange Association, and was elected as a joint-committee member as well as the member representative of Zhengzhou Enterprises Association in 2003. In 2004, he was appointed as a representative of the Zhengzhou’s Twelfth National People’s Congress. Mr. Dong was awarded one of the Hundred Outstanding People of the Year in Industrial Economics by the People of the Year in China’s Industrial Economics Award’s Organising Committee in April 2005. Mr. Dong also published two books, 《新經濟的背後 — 精神經濟浮出水面》(What’s behind the New Economy — The Emergence of Spiritual Economy) in 2001 and 《精神價值與中國經濟轉型》(Spiritual Value and the Transformation of the Chinese Economy) in 2002. Mr. Dong is the father of Mr. Dong Chengzhe, an Executive Director of the Company. He is also the sole shareholder and sole director of Easyman Assets Management Limited (“Easyman”), and the substantial and controlling shareholder of the Company.

**Ms. Ng See Wai Rowena**, aged 49, was appointed as an Executive Director of the Company on 31 August 2011. She joined the Company as Deputy Chief Executive Officer of the Company on 1 August 2011. Ms. Ng graduated from the University of Manchester in the United Kingdom and holds a Master Degree in Investment and Finance from the University of Hull in the United Kingdom. Ms. Ng has over 20 years of experience in corporate finance and investment banking. She is a member of the Hong Kong Securities Institute. Prior to joining the Company, she had held various senior positions in investment banks and a Hong Kong listed company.

術成就獎」，其冷凝器型浸入式水口項目獲二零零一年國際專利技術博覽會之香港籌委會頒發金獎，於二零零四年獲世界華人企業家協會頒發「全球傑出華人企業家獎項」。此外，彼於二零零三年獲委任為鄭州海外交流協會成員及獲選為鄭州企業協會之聯席委員會成員及成員代表。於二零零四年，彼獲委任為鄭州市第十二屆人大代表。董先生於二零零五年四月獲中國工業經濟年度新聞人物徵評活動組織委員會頒發中國工業經濟百名年度傑出人物獎。著作方面，董先生於二零零一年及二零零二年先後編著出版了《新經濟的背後 — 精神經濟浮出水面》及《精神價值與中國經濟轉型》兩本書籍。董先生為本公司執行董事董鉞喆先生之父。彼亦為 Easyman Assets Management Limited (「Easyman」) 的唯一股東及唯一董事以及本公司的主要及控股股東。

**吳思煒女士**，49歲，於二零一一年八月三十一日獲委任為本公司之執行董事。彼於二零一一年八月一日加入本公司，擔任本公司之副總裁。吳女士畢業於英國曼徹斯特大學，並持有英國赫爾大學投資及金融學碩士學位。吳女士於企業融資及投資銀行方面擁有逾20年經驗。彼為香港證券專業學會會員。於加入本公司之前，彼曾先後於多家投資銀行及一家香港上市公司擔任高級職位。



## Directors and Audit Committee

### 董事及審核委員會

**Mr. Song Wenzhou**, aged 44, was appointed as an Executive Director of the Company on 2 May 2005 and is responsible for the Group's administrative, marketing and staff development matters. Prior to joining the Group in July 1995, he had been a teacher at the Zhengzhou Institute of Technology. He graduated from Beijing Open University in 1987 with a Bachelor Degree in Linguistics and Phonetics. He also received his Bachelor Degree in Chinese Language and Literature from Henan Normal University in 1992 and Bachelor Degree in Legal Studies from Central Broadcast and Television University in 2003. Since joining the Group in 1995 until February 2004, Mr. Song was also responsible for the administrative matters at the refractory materials factory.

**Mr. Dong Chengzhe**, aged 33, was appointed as an Executive Director of the Company on 12 March 2007. He graduated from Wuhan University of Science and Technology with a Diploma in International Trade. He also obtained a Bachelor Degree in Accountancy from Royal Melbourne Institute of Technology and a Master Degree of International Finance from Deakin University in Australia. He joined the Group in 2007 and was primarily responsible for financial and international trade activities of Yongtong Special Steel. Prior to joining the Group, he was an owner of an international trading company in Australia. He is the son of Mr. Dong Shutong, Executive Director and the substantial and controlling shareholder of the Company.

**Mr. Yang Fei**, aged 34, was appointed as an Executive Director of the Company on 30 August 2010. He has joined the Company as the assistant to the Chairman of the Company since 2006. Mr. Yang was the manager of the Information Technology Department (October 2002 to August 2003) and the general manager of the Market Development Department (August 2003 to August 2006) of China Life — CMG Life Assurance Company Limited. Prior to joining China Life — CMG Life Assurance Company Limited, Mr. Yang was the assistant manager of the International Business Department of Guangdong Branch, China Life Insurance Company Limited from August 1998 to June 2001. Mr. Yang graduated with a Bachelor Degree in Economics from Beijing University in June 1998 and a Master of Science Degree in Economics from London School of Economics and Political Science in June 2002.

**宋文州先生**，44歲，於二零零五年五月二日獲委任為執行董事，負責本集團行政、市場推廣及員工發展事宜。彼於一九九五年七月加入本集團前，曾於鄭州工學院執教。彼於一九八七年在北京自修大學畢業，獲語言學及語音學學士學位。彼亦於一九九二年獲河南師範大學頒授漢語言文學學士學位，及後於二零零三年獲中央廣播電視大學之法律學士學位。自一九九五年加入本集團至二零零四年二月期間，宋先生亦負責耐火廠的行政事務。

**董誠喆先生**，33歲，於二零零七年三月十二日獲委任為本公司執行董事。彼畢業於武漢科技大學，持有國際貿易文憑。彼亦取得澳洲 Royal Melbourne Institute of Technology 之會計學學士學位及迪肯大學國際金融碩士學位。彼於二零零七年加入本集團，主要負責永通特鋼之財務及國際貿易活動。加入本集團前，彼曾為一間澳洲國際貿易公司之擁有人。彼為本公司執行董事兼主要及控股股東董書通先生之子。

**楊飛先生**，34歲，於二零一零年八月三十日獲委任為本公司執行董事。彼自二零零六年起加入本公司，獲委任為董事長助理。楊先生於二零零二年十月至二零零三年八月期間以及二零零三年八月至二零零六年八月期間先後擔任中保康聯人壽保險有限公司信息技術部經理及市場發展部總經理。加入中保康聯人壽保險有限公司前，楊先生自一九九八年八月至二零零一年六月擔任中國人壽廣東省分公司國際業務部助理經理。楊先生於一九九八年六月獲北京大學經濟學學士學位，並於二零零二年六月獲倫敦政治經濟學院經濟學碩士學位。

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**Mr. Mao Yehong**, aged 59, was appointed as an Executive Director of the Company on 11 April 2011. He worked as a technician, assistant engineer, deputy director of scheduling, head of engineer group, assistant to factory director and deputy factory director in Steel Plant No. 2 of Taiyuan Iron & Steel (Group) Co., Ltd. (太原鋼鐵(集團)有限公司第二煉廠) from July 1980 to September 1990. He was the deputy factory director, managing deputy factory director and chief engineer in the Wire Plant of Taiyuan Iron & Steel (Group) Co., Ltd. (太原鋼鐵(集團)有限公司線材廠) from September 1990 to March 1998 and was the factory director and secretary of the committee party in Rolling Plant No. 3 of Taiyuan Iron & Steel (Group) Co., Ltd. (太原鋼鐵(集團)有限公司第三軋鋼廠) from March 1998 to June 2004. Prior to joining the Group, Mr. Mao worked as the deputy managing director and chief engineer in Rui Tian Steel Co., Ltd., the deputy managing director in Fuzhou Wuhang Stainless Steel Co., Ltd. and the managing director in Jiangsu Dainan New Oriental Iron & Steel Co., Ltd. from June 2004 to December 2010.

Mr. Mao graduated with a bachelor's degree in engineering from Northeastern University (東北大學) in China in July 1980.

#### Non-executive Director

**Mr. Yang Tianjun**, aged 68, was appointed as a Non-executive Director of the Company on 2 May 2005. He joined the Group in 2005. Mr. Yang worked in Ministry of Metallurgy Forty Company (冶金部四零公司) and then in Angang Steelwork (鞍鋼煉鋼廠) for a total of 14 years as a technician and then an engineer. He was the Principal of University of Beijing Science and Technology for the period from 1993 to July 2004, and is currently a professor and mentor of doctorate students of the Metallurgy Department of University of Beijing Science and Technology.

Since 1989, he was honoured with nine first-grade, second-grade or third-grade State Scientific and Technological Progress Awards in both national and provincial levels for his outstanding contributions to the State by conducting scientific researches in metallurgical projects. He was the Chairman of Sino-German Co-operative Research Project studying the multi-purpose uses of

**毛葉紅先生**，59歲，於二零一一年四月十一日獲委任為本公司執行董事。彼自一九八零年七月至一九九零年九月先後擔任太原鋼鐵(集團)有限公司第二煉廠技術員、助理工程師、調度副主任、工程組組長、廠長助理及副廠長。彼自一九九零年九月至一九九八年三月擔任太原鋼鐵(集團)有限公司線材廠副廠長、副總經理兼總工程師，自一九九八年三月至二零零四年六月擔任太原鋼鐵(集團)有限公司第三軋鋼廠廠長兼黨委書記。加入本集團前，毛先生自二零零四年六月至二零一零年十二月先後擔任瑞田鋼業有限公司副總經理兼總工程師，福州吳航不銹鋼製品有限公司副總經理及江蘇戴南新東方鋼鐵有限公司總經理。

毛先生於一九八零年七月獲得中國東北大學工程學學士學位。

#### 非執行董事

**楊天鈞先生**，68歲，於二零零五年五月二日獲委任為本公司非執行董事。彼於二零零五年加入本集團。楊先生先後於冶金部四零公司及鞍鋼煉鋼廠任職技術員及工程師達14年。彼由一九九三年起至二零零四年七月擔任北京科技大學校長，目前為北京科技大學冶金系教授及博士生導師。

彼自一九八九年起進行之冶金項目科研工作對國家作出寶貴貢獻，故獲得九個全國及省政府之一級、二級及三級國家科學技術進步獎。彼為中德合作研究多用途鈮項目之主席，曾應韓國產業科學研究院(Research

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niobium. He was invited by the Research Institute of Industrial Science and Technology of Korea to lead the research in air-refined coal spray in blast furnace, and participated in a research with the Metallurgical Research Institute in coal spray in blast furnace and the mathematical model. He published over 70 academic papers locally or overseas and six books specialised in metallurgy. He was appointed as the vice chairman of Chinese Society of Metals in 2001 and a member of the Fifth Graduate Committee of the State Council (國務院學位委員會) in 2003.

Mr. Yang graduated in 1965 from the Metallurgical Department of Beijing Iron and Steel College. He completed his postgraduate study in 1981 and obtained a Master Degree in Metallurgy from the Beijing Iron and Steel Institute. In 1985, he was granted scholarship from Humboldt-University zu Berlin and conducted a joint research with the RWTH-Aachen University in Germany, and was awarded a Doctorate Degree in 1986.

### Independent Non-executive Directors

**Mr. Bai Baohua**, aged 70, was appointed as an Independent Non-executive Director of the Company on 2 May 2005. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He has almost 44 years' experience in the metallurgy. He worked as an engineer, a manager and then the general manager of China Metallurgical Products' Import & Export Company (中國冶金進出口公司), a company primarily involved in the trading of metals. He was also appointed as the general manager of China International Steel Investment Company (中國國際鋼鐵投資公司), a company primarily involved in promotion of foreign investment in the steel industry in the People's Republic of China. In addition, he was the general manager, the vice chairman and the legal representative of China Iron and Steel Industry and Trade Group Corporation, a company primarily involved in production and trade of steel. He graduated from the Metal Pressure Processing Department at Beijing Iron and Steel College in 1965.

Institute of Industrial Science and Technology)之邀請領導高爐富氧噴煤之研究，亦曾參與和Metallurgical Research Institute攜手研究之高爐噴煤及數學模型。彼於國內外發表超過70篇學術論文，出版六本有關冶金學之專著。彼於二零零一年獲委任為中國金屬學會副主席及於二零零三年獲委任為第五屆國務院學位委員會成員。

楊先生於一九六五年在北京鋼鐵學院冶金系畢業，一九八一年完成研究生課程並取得北京鋼鐵學院冶金碩士學位。彼於一九八五年獲柏林洪堡大學獎學金並與德國RWTH-Aachen University進行聯合研究，並於一九八六年獲博士學位。

### 獨立非執行董事

**白葆華先生**，70歲，於二零零五年五月二日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會委員。彼具備近44年的冶金業經驗，曾任中國冶金進出口公司(該公司主營金屬貿易)的工程師、經理及總經理。彼亦曾獲委任為中國國際鋼鐵投資公司(該公司主要從事促進外國投資於中華人民共和國鋼鐵業之工作)之總經理。此外，彼曾擔任中國鋼鐵行業及貿易集團公司(該公司主營鋼材生產及貿易)的總經理、副董事長及法定代表。彼於一九六五年畢業於北京鋼鐵學院金屬加壓處理部門。

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**Mr. Huang Changhuai**, aged 76, was appointed as an Independent Non-executive Director of the Company on 2 May 2005. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. He worked for a printing and dyeing mill as production supervisor, a political director and then deputy director. He was appointed the deputy director of the Municipal Economic System Reform Committee of Zhengzhou Municipal Government, and as the director of the Municipal Industrial and Communication Development Committee at the Third Session of the Eighth People's Congress of Zhengzhou City in 1985. He was then appointed at the Twelfth Session of the Eighth People's Congress of Zhengzhou City as the director of the city's Economic Committee in 1986. He was also appointed the deputy director of the Standing Committee of the People's Congress of Zhengzhou City. He graduated in September 1958 from Zhengzhou Textile School.

**Mr. Wong Chi Keung**, *FCCA, FCPA, ACMA, ACIS*, aged 57, was appointed as an Independent Non-executive Director of the Company on 2 May 2005. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. He joined the Company in May 2005. Mr. Wong holds a Master Degree in Business Administration from University of Adelaide in Australia. He is a Fellow Member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and CPA Australia. He is also an Associate Member of both the Institute of Chartered Secretaries and Administrators and the Chartered Institute of Management Accountants. Mr. Wong was an executive director, the deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited (now known as Yuexiu Property Company Limited) for over ten years. Mr. Wong has over 35 years of experience in finance, accounting and management.

Mr. Wong is currently an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited, Asia Standard International Group Limited, Century City International Holdings Limited, China Ting Group Holdings Limited, ENM Holdings Limited, First Natural Foods Holdings Limited (provisional liquidators appointed), Golden Eagle Retail Group Limited, Ngai Lik Industrial Holdings Limited, PacMOS Technologies Holdings Limited, Paliburg Holdings Limited, Regal

**黃昌淮先生**，76歲，於二零零五年五月二日獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會主席，以及審核委員會及提名委員會委員。彼曾任職於一間印刷及染色廠之生產主任、政治委員及副理事。彼獲鄭州市人民政府委任為市經濟體系改革委員會副主任，及於一九八五年鄭州市第八屆人民代表大會第三次會議獲委任為市工業及通訊發展委員會主任，其後於一九八六年鄭州市第八屆人民代表大會第十二次會議獲委任為市經濟委員會主任。彼亦獲委任為鄭州市人民代表大會常務委員會副主任。彼於一九五八年九月畢業於鄭州紡織學校。

**黃之強先生** *FCCA, FCPA, ACMA, ACIS*，57歲，於二零零五年五月二日獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席以及薪酬委員會及提名委員會委員。彼於二零零五年五月加入本公司。黃先生持有澳洲阿得雷德大學頒發之工商管理碩士學位。彼為香港會計師公會、英國特許公認會計師公會及澳洲會計師公會之資深會員。彼亦為英國特許秘書及行政人員公會及英國特許管理會計師公會之會員。黃先生曾擔任越秀投資有限公司(現稱越秀地產股份有限公司)的執行董事、副總經理、集團財務總監及公司秘書逾十年。黃先生於財務、會計及管理方面積逾35年的經驗。

黃先生現為滙漢控股有限公司、泛海國際集團有限公司、世紀城市國際控股有限公司、華鼎集團控股有限公司、安寧控股有限公司、第一天然食品有限公司(已委任臨時清盤人)、金鷹商貿集團有限公司、毅力工業集團有限公司、弘茂科技控股有限公司、百利保控股有限公司、富豪酒店國際控股有限公司及冠捷科技有限公司的獨立非執行董事



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Hotels International Holdings Limited and TPV Technology Limited, all of which are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was formerly an independent non-executive director of Great Wall Motor Company Limited (up to 5 June 2009) and FU JI Food and Catering Services Holdings Limited (provisional liquidators appointed) (up to 24 June 2011).

**Mr. Fahmi Idris**, aged 68, was appointed as an Independent Non-executive Director of the Company on 14 August 2010. Mr. Idris, graduated with a Degree in Law from University of Padjadjaran in 2010 and a Degree in Economics from University of Indonesia in 1969. He is currently the Commissioner of Maskapai Asuransi Parolamas (an insurance company), PT. Parama Bina Tani (an agrochemical company), PT. Kodel Invesindo Nusa (a trading and investment company), PT. Krama Yudha (an automotive company) and the President Commissioner of PT. Permadani Khatulistiwa Nusantara (a hotel and tourism company), PT. Permadani Propertindo Development (a property company), PT. Tamarindo Nusa Hotel, PT. Permadani Khatulistiwa Dewata (a hotel and tourism company) and PT. Kodel (a trade and investment company). From 1981 to 1987, he was the President Commissioner of PT. Encontrade Pratama Indonesia (an engineering and construction of electrical and mechanical installation company). From 1984 to 1987, he was the Vice President Commissioner of PT. Wahana Muda Indonesia (a construction and engineering firm). From 1986 to 1992, he was the Commissioner of Bank Susila Bhakti. From 1987 to 1990, he was the President of PT. Permadani Teleconsult Pratama. From 1987 to 2004, he was the President Director of PT. Niigata Santana (a diesel engine and injection and moulding machine manufacturing company). From 1991 to 2003, he was the President Commissioner of PT. Bintara Tani Nusantara (a company engages in the plantation of palm oil and cocoa). From 1991 to 1994, he was the Commissioner of PT. Java Indonusa Motors and from 2000 to 2003, he was the President Commissioner of PT. Kodel Margahayu Telindo.

兼審核委員會委員，而上述公司均為於香港聯合交易所有限公司(「聯交所」)上市之公司。彼曾任長城汽車股份有限公司之獨立非執行董事(任期至二零零九年六月五日止)及福記食品服務控股有限公司(已委任臨時清盤人)(任期至二零一一年六月二十四日)之獨立非執行董事。

法米先生，68歲，於二零一零年八月十四日獲委任為本公司獨立非執行董事。法米先生二零一零年於University of Padjadjaran畢業並取得法學學位，一九六九年於印尼大學畢業並取得經濟學學位。彼現任Maskapai Asuransi Parolamas(一間保險公司)、PT. Parama Bina Tani(一間農用化學品公司)、PT. Kodel Invesindo Nusa(一間貿易投資公司)及PT. Krama Yudha(一間汽車公司)的專員及PT. Permadani Khatulistiwa Nusantara(一間酒店及旅遊公司)、PT. Permadani Propertindo Development(一間物業公司)、PT. Tamarindo Nusa Hotel、PT. Permadani Khatulistiwa Dewata(一間酒店及旅遊公司)及PT. Kodel(一間貿易投資公司)的總裁專員。一九八一年至一九八七年，彼出任PT. Encontrade Pratama Indonesia(一間電氣及機械安裝工程建築公司)的總裁專員。一九八四年至一九八七年，彼為PT. Wahana Muda Indonesia(一間建築及工程公司)的副總裁專員。一九八六至一九九二年，彼為Bank Susila Bhakti的專員。一九八七至一九九零年，彼出任PT. Permadani Teleconsult Pratama的總裁。一九八七至二零零四年，彼為PT. Niigata Santana(一間柴油引擎注塑機製造公司)總裁董事。一九九一年至二零零三年，彼為PT. Bintara Tani Nusantara(一間從事棕油及可可種植的公司)總裁專員。一九九一年至一九九四年，彼為PT. Java Indonusa Motors專員，二零零零年至二零零三年，則為PT. Kodel Margahayu Telindo總裁專員。



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Mr. Idris is currently a member of the Board of Fund Supporters of Andalas University, Padang, West Sumatera. From 1967 to 1968, he was Member of People's Consultative Assembly of the Republic of Indonesia. From 1987 to 2004, he was a member of Parliament of the Republic of Indonesia. From 1967 to 1968, he was the Treasurer of the Indonesian Chambers of Commerce and Industry. From 1994 to 1998, he was the Vice Chairman of the Supervisory Council Indonesian Chamber of Commerce and Industry. Mr. Idris was the Minister of Manpower of the Republic of Indonesia from 1998 to 1999 and from 2004 to 2005, he was also the Ministry of Industry of the Republic of Indonesia from 2005 to 2009.

### COMPANY SECRETARY

**Mr. Chan Yee Lok**, aged 37, was appointed as the financial controller of the Company on 9 January 2012 and as the company secretary with effect from 1 February 2012. Mr. Chan is a qualified accountant and member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Chan holds a Bachelor's Degree with honours in Accountancy from City University of Hong Kong. Before joining the Company, Mr. Chan had worked in international accounting firms with over 14 years of accounting and auditing experience, and he was the audit project leader for several multinational companies seeking listing on the main board of the Stock Exchange. Mr. Chan is mainly responsible for the accounting, finance and company secretarial matters of the Group.

### AUDIT COMMITTEE

The Company established an audit committee pursuant to a resolution of the Directors passed on 2 May 2005 in compliance with Rule 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The primary duties of the audit committee are to review the financial reporting process and internal control procedures of the Group. The audit committee consists of three Independent Non-executive Directors, namely Mr. Wong Chi Keung, Mr. Bai Baohua and Mr. Huang Changhuai. Mr. Wong Chi Keung was elected the chairman of the audit committee.

The audit committee's specific terms of reference were posted on the Company's website.

法米先生現時為西蘇門答臘省巴東市安答拉斯大學 Board of Fund Supporters 的成員。一九六七年至一九六八年，彼為印度尼西亞共和國人民協商會議的成員。一九八七年至二零零四年，彼為印度尼西亞共和國國會的成員。一九六七年至一九六八年，彼為印度尼西亞工商會財務長。一九九四年至一九九八年，彼為印度尼西亞工商會監督委員會副主席。法米先生於一九九八年至一九九九年及二零零四年至二零零五年擔任印度尼西亞共和國人力部部長，亦於二零零五年至二零零九年擔任印度尼西亞共和國工業部部長。

### 公司秘書

**陳貽烙先生**，37歲，於二零一二年一月九日獲委任為本公司之財務總監並自二零一二年二月一日起擔任本公司之公司秘書。陳先生為合資格會計師，同時亦為英國特許公認會計師公會及香港會計師公會會員。陳先生持有香港城市大學會計學學士學位。在加入本公司之前，陳先生曾任職於國際會計師事務所，於審計及會計專業具有逾十四年經驗，彼曾主導多宗國際級企業在聯交所主板上市的審計工作。陳先生主要負責本集團的會計、財務及公司秘書事宜。

### 審核委員會

本公司遵照聯交所證券上市規則(「上市規則」)第3.21條，根據於二零零五年五月二日由董事通過之決議案成立審核委員會。審核委員會主要負責審議本集團之財務匯報程序及內部監控程序。審核委員會由三名獨立非執行董事組成，分別為黃之強先生、白葆華先生及黃昌淮先生，其中黃之強先生獲選為審核委員會主席。

審核委員會之具體職權範圍刊載於本公司網站上。

# Report of the Directors

## 董事會報告書

The directors of the Company (the "Directors") present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2011.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and trading of ore. The Group is principally engaged in the trading of ore and the manufacture and sale of special steel products in the PRC. Details of the principal activities of the subsidiaries are set out in Note 18 to the consolidated financial statements.

### SEGMENT INFORMATION

The Group's revenue and profit for the year ended 31 December 2011 were mainly derived from the sale of ore and manufacture and sale of special steel products to customers in the PRC. Accordingly, no segmental analysis by business is presented for the year ended 31 December 2011. Geographical segment analysis is set out in Note 4 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2011 and the state of affairs of the Company and of the Group as at 31 December 2011 are set out in the consolidated financial statements on pages 67 to 204.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: Nil).

### FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is disclosed on pages 5 to 6 of this annual report.

本公司董事(「董事」)謹此提呈本集團截至二零一一年十二月三十一日止年度董事會報告書連同經審核綜合財務報表。

### 主要業務

本公司之主要業務為投資控股及礦石貿易。本集團之主要業務為於中國進行礦石貿易以及製造及銷售特鋼產品。附屬公司之主要業務詳情載於綜合財務報表附註18。

### 分部資料

本集團截至二零一一年十二月三十一日止年度之收益及溢利主要來自向中國客戶出售礦石及製造與銷售特鋼產品。因此，並無呈列截至二零一一年十二月三十一日止年度按業務劃分之分部分析。按地區劃分之分部分析載於綜合財務報表附註4。

### 業績及股息

本集團截至二零一一年十二月三十一日止年度之業績，以及本公司與本集團於二零一一年十二月三十一日之財務狀況載於綜合財務報表第67頁至第204頁。

董事並不建議派付截至二零一一年十二月三十一日止年度的末期股息(二零一零年：無)。

### 財務概要

本集團於過去五個財政年度已公佈之業績、資產、負債及非控股權益概要於本年度報告第5頁及第6頁披露。

## Report of the Directors

### 董事會報告書

#### PROPERTY, PLANT AND EQUIPMENT

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

#### SHARE CAPITAL, SHARE OPTIONS, WARRANTS AND CONVERTIBLE BONDS

Details of movements in the Company's share capital, share options, warrants and convertible bonds during the year are set out in Notes 32, 34, 29 and 30 to the consolidated financial statements respectively.

#### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

#### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2011.

#### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

#### RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 33 to the consolidated financial statements and consolidated statement of changes in equity, respectively.

#### 物業、廠房及設備

年內本公司及本集團物業、廠房及設備之變動詳情載於綜合財務報表附註13。

#### 股本、購股權、認股權證及可換股債券

年內本公司股本、購股權、認股權證及可換股債券之變動詳情分別載於綜合財務報表附註32、34、29及30。

#### 優先購買權

本公司之章程細則或開曼群島法例均無有關優先購買權之條文以規定本公司必須按比例向現有股東發售新股。

#### 充足之公眾持股量

本公司於截至二零一一年十二月三十一日止年度全年保持充足之公眾持股量。

#### 購買、贖回或出售本公司之上市證券

本公司及其任何附屬公司於年內概無購買、贖回或出售本公司任何上市證券。

#### 儲備

本公司及本集團於本年度之儲備變動詳情分別載列於綜合財務報表附註33及綜合權益變動表。

## Report of the Directors

### 董事會報告書

#### DISTRIBUTABLE RESERVES

As at 31 December 2011, the Company's reserves, including the share premium account, available for distribution, calculated in accordance with the provisions of Companies Law (2007 Revision) of the Cayman Islands, amounted to RMB2,963,342,000.

Under the laws of the Cayman Islands, the share premium account and contributed surplus are distributable to the 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 and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

The reserves of the Group available for distribution depend on the dividend distributable by the Company's subsidiaries. For dividend purpose, the amount which the Company's subsidiaries in the PRC can legally be distributed by way of a dividend is determined by reference to their profits as reflected in the PRC statutory financial statements which are prepared in accordance with accounting principles generally accepted in the PRC. These profits differ from those that are reflected in the Group's consolidated financial statements prepared in accordance with IFRS.

#### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers and to the largest customer accounted for 58% and 24% of the total sales for the year respectively. Purchases from the Group's five largest suppliers and from the largest supplier accounted for 23% and 10% of the total purchases for the year respectively.

None of the Directors or any of their associates or any shareholders of the Company (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital) had any beneficial interest in any of the Group's five largest suppliers or customers.

#### 可供分派儲備

於二零一一年十二月三十一日，本公司根據開曼群島公司法(二零零七年修訂本)條文計算之可供分派儲備(包括股份溢價賬)為人民幣2,963,342,000元。

根據開曼群島法例，股份溢價賬及實繳盈餘可供分派予本公司股東，惟前提是緊隨建議分派股息當日後，本公司將可於正常業務過程中償還到期債項。股份溢價賬亦可以繳足紅股方式分派。

本集團可供分派儲備須視乎本公司附屬公司之可供分派股息而定。就股息而言，本公司中國附屬公司可合法以股息分派之金額，乃經參考其根據中國公認會計原則編製之中國法定財務報表所載之溢利而釐定。該等溢利與本集團根據國際財務報告準則編製之綜合財務報表所載之溢利有所不同。

#### 主要客戶及供應商

於回顧年度內，本集團向五大客戶及最大客戶之銷售額分別佔本年度總銷售額之58%及24%。本集團向五大供應商及最大供應商之採購額分別佔本年度總採購額之23%及10%。

董事或彼等之任何聯繫人士或本公司任何股東(就董事所深知，擁有本公司已發行股本5%以上)概無於本集團五大供應商或客戶中擁有任何實益權益。

## Report of the Directors

### 董事會報告書

#### DIRECTORS

The Directors during the year and as at the date of the report were:

##### Executive Directors

Mr. Dong Shutong (*Chairman*)

Ms. Ng See Wai Rowena (appointed on 31 August 2011)

Mr. Lau Hok Yuk (resigned on 1 August 2011)

Mr. Song Wenzhou

Mr. Zhao Ping (resigned on 31 December 2011)

Mr. Dong Chengzhe

Mr. Yang Fei

Mr. Mao Yehong (appointed on 11 April 2011)

##### Non-executive Director

Mr. Yang Tianjun

##### Independent Non-executive Directors

Mr. Bai Baohua

Mr. Huang Changhuai

Mr. Wong Chi Keung

Mr. Fahmi Idris

Pursuant to article 87 of the Company's article of association, Mr. Dong Chengzhe, Mr. Song Wenzhou, Mr. Bai Baohua and Mr. Huang Changhuai will retire as Directors by rotation at the forthcoming annual general meeting of the Company, whereas Ms. Ng See Wai Rowena shall retire at the forthcoming annual general meeting pursuant to article 86(3) of the Company's article of association. All retiring Directors, being eligible for re-election, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmation of independence from Mr. Bai Baohua, Mr. Huang Changhuai, Mr. Wong Chi Keung and Mr. Fahmi Idris and considers them to be independent.

#### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and Senior Management are set out on pages 32 to 39 of this annual report.

#### 董事

於本年度及截至本報告日期之董事為：

##### 執行董事

董書通先生(主席)

吳思煒女士

(於二零一一年八月三十一日獲委任)

劉學郁先生

(於二零一一年八月一日辭任)

宋文州先生

趙平先生

(於二零一一年十二月三十一日辭任)

董鍼喆先生

楊飛先生

毛葉紅先生

(於二零一一年四月十一日獲委任)

##### 非執行董事

楊天鈞先生

##### 獨立非執行董事

白葆華先生

黃昌淮先生

黃之強先生

法米先生

根據本公司章程細則第87條，董鍼喆先生、宋文州先生、白葆華先生及黃昌淮先生須於本公司應屆股東週年大會輪流退任董事職務，而根據本公司章程細則第86(3)條，吳思煒女士將於應屆股東週年大會退任。所有合資格重選之退任董事均可於應屆股東週年大會膺選連任。

本公司已收到白葆華先生、黃昌淮先生、黃之強先生及法米先生之年度確認書以確認其獨立性，本公司仍視彼等為獨立人士。

#### 董事及高級管理層之簡歷

董事及高級管理層之簡歷詳情載於本年度報告第32頁至第39頁。



## Report of the Directors

### 董事會報告書

#### DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

#### DIRECTORS' REMUNERATION

The remuneration of the Directors is determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group.

#### DIRECTORS' INTERESTS IN CONTRACTS

On 5 March 2007, S.E.A. Mineral Limited ("S.E.A.M") entered into an Exclusive Offtake Agreement with Yiwang Mining (the "Exclusive Offtake Agreement"), a limited company incorporated in Indonesia, which is substantially owned by Mr. Soen Bin Kuan. Pursuant to the Exclusive Offtake Agreement, Yiwang Mining agreed to exclusively sell and S.E.A.M agreed to buy the iron ores produced by Yiwang Mining at a fixed price of US\$16 per dry tonne, for a minimum 40 million dry tones of iron ores throughout a period of approximately 14 years expiring on 24 January 2021, which has subsequently been extended by a supplemental agreement to 24 January 2036.

By virtue of the convertible bonds issued by Yiwang Mining to Easyman which is wholly owned by Mr. Dong Shutong, Executive Director and Chairman of the Board. Mr. Dong had an indirect interest in the Exclusive Offtake Agreement.

Further details of the transaction undertaken in connection therewith are included in Note 38 to the consolidated financial statements. Save as disclosed above and in the paragraph headed "CONNECTED TRANSACTIONS" as set out on pages 52 to 53 of this annual report, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

#### 董事之服務合約

擬於應屆股東週年大會獲重選之董事與本公司概無訂立本公司不可於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

#### 董事酬金

董事之酬金乃由董事會按董事之工作、責任及表現以及本集團之業績釐定。

#### 董事於合約之權益

於二零零七年三月五日，南洋礦業有限公司(「S.E.A.M.」)與Yiwang Mining(於印尼註冊成立之有限公司，主要由李民權先生擁有)訂立獨家採購協議(「獨家採購協議」)。根據獨家採購協議，Yiwang Mining同意獨家出售而S.E.A.M同意購買Yiwang Mining生產之鐵礦石，協定之固定價格為每乾噸16美元，於二零二一年一月二十四日屆滿之整個約14年期間須購買最少40,000,000乾噸鐵礦石。其後，獨家採購權期限經補充協議延長至二零三六年一月二十四日。

由於Yiwang Mining發行可換股債券予Easyman而Easyman乃由執行董事兼董事會主席董書通先生全資擁有，故此董先生於獨家採購協議擁有間接權益。

有關所進行交易之其他詳情載於綜合財務報表附註38。除上文及載於本年度報告第52頁至第53頁「關連交易」一段所披露者外，於年內概無董事於本公司或其任何附屬公司所訂立而對本集團業務有重大影響之合約中直接或間接擁有重大權益。

## Report of the Directors

### 董事會報告書

#### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2011, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

#### (i) Long positions in the shares of the Company as at 31 December 2011:

#### 董事於股份、相關股份及債權證之權益及淡倉

於二零一一年十二月三十一日，董事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例之有關條文彼等被當作或視作擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條規定須列入該條例所述登記冊之權益及淡倉；或(c)根據上市規則上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

#### (i) 於二零一一年十二月三十一日於本公司股份之好倉：

Name of Director	Capacity in which interests are held	Number of shares	Approximate percentage to the issued share capital of the Company 佔本公司已發行股本之概約百分比
董事姓名	持有權益之身份	股份數目	
Mr. Dong Shutong 董書通先生	Held by controlled corporations 由控制實體持有	1,394,106,705 (note 1) (附註1)	60.50%
Mr. Dong Chengzhe 董鉞喆先生	Beneficial owner 實益擁有人	200,000	0.01%

## Report of the Directors

### 董事會報告書

#### (ii) Long positions in the underlying shares of the Company as at 31 December 2011

#### (ii) 於二零一一年十二月三十一日於本公司相關股份之好倉

Name of Director	Number of underlying shares held	Capacity in which interests are held	Approximate percentage to the issued share capital of the Company 佔本公司已發行股本之概約百分比
董事姓名	持有相關股份數目	持有權益之身份	
Mr. Dong Shutong 董書通先生	5,000,000	Beneficial owner (note 2) 實益擁有人(附註2)	0.22%
	2,050,537,633	Held by controlled corporations (note 3) 由受控法團持有(附註3)	88.99%
Mr. Song Wenzhou 宋文州先生	1,020,000	Beneficial owner (note 2) 實益擁有人(附註2)	0.04%
Mr. Dong Chengzhe 董鍼喆先生	1,275,000	Beneficial owner (note 2) 實益擁有人(附註2)	0.06%
Mr. Yang Fei 楊飛先生	1,275,000	Beneficial owner (note 2) 實益擁有人(附註2)	0.06%

Notes:

附註：

- 1,371,074,705 shares and 23,032,000 shares are held by Easyman and Sino Regent Worldwide Limited respectively, which are wholly owned by Mr. Dong. By virtue of the SFO, Mr. Dong is deemed to have beneficial interests in the above shares.
- These are unlisted equity-settled options granted pursuant to the Company's share option scheme adopted on 2 May 2005. Upon exercise of the options in accordance with such share option scheme, the Company's shares of HK\$0.10 each are issuable to the option holder(s) who exercise(s) the rights.
- Pursuant to a sale and purchase agreement dated 7 October 2011, two batches of convertible notes which could be converted into a total of 2,050,537,633 shares of the Company may be issued to Easyman (wholly owned by Mr. Dong) and East Grow Management Limited ("East Grow") (with 90% interest owned by Easyman) subject to the terms and conditions of the sale and purchase agreement. The sale and purchase agreement was pending approval from independent shareholders in extraordinary general meeting. By virtue of SFO, Mr. Dong is deemed to have beneficial interests in the above shares.

- 由董先生全資擁有之Easyman及Sino Regent Worldwide Limited分別持有1,371,074,705股及23,032,000股股份。根據證券及期貨條例，董先生被視為於上述股份中擁有實益權益。
- 該等為根據本公司於二零零五年五月二日採納之購股權計劃授出之非上市以權益支付之購股權。根據該購股權計劃行使購股權後，本公司可向行使有關權利的股權持有人發行每股0.10港元之股份。
- 根據於日期為二零一一年十月七日之買賣協議，或向Easyman(由董先生全資擁有)及East Grow Management Limited(「East Grow」)(由Easyman擁有90%權益)發行兩批合共可轉換為2,050,537,633股本公司股份之可換股票據，惟須受買賣協議之條款及條件的規限。該買賣協議須獲獨立股東於特別股東大會上批准後該買賣方會生效。根據證券及期貨條例，董先生被視為於上述股份中擁有實益權益。

## Report of the Directors

### 董事會報告書

Save as disclosed above, as at 31 December 2011, none of the Directors and their associates had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2011, shareholders (other than the interest disclosed above in respect of the Director who is also substantial shareholder of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been 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 were as follows:

### Long/Short positions in the shares and underlying shares of the Company as at 31 December 2011:

除上文所披露者外，於二零一一年十二月三十一日，概無董事及其聯繫人士於本公司或其任何相聯法團之股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何其他權益或淡倉，或根據證券及期貨條例第352條規定須記錄於該條例所述登記冊內之任何其他權益或淡倉，或根據標準守則須知會本公司及聯交所之任何其他權益或淡倉。

### 主要股東於本公司股份及相關股份中之權益及淡倉

於二零一一年十二月三十一日，股東(不包括上文披露同時為本公司主要股東之董事所涉權益)於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部之規定已向本公司披露、或記錄於本公司根據證券及期貨條例第336條規定須存置之登記冊內之權益及淡倉如下：

### 於二零一一年十二月三十一日於本公司股份及相關股份之好倉／淡倉：

Name of shareholders 股東名稱	Capacity in which interests are held 持有權益之身份	Number of shares/ underlying shares held 持有股份／相關股份數目		Approximate percentage to the 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
Easyman	Beneficial owner 實益擁有人	3,216,558,575 (note 1)(附註1)	Nil 無	139.59%	Nil 無
	Held by controlled corporation 由受控法團持有	205,053,763 (note 2)(附註2)	Nil 無	8.90%	Nil 無
East Grow	Beneficial owner 實益擁有人	205,053,763 (note 2)(附註2)	Nil 無	8.90%	Nil 無
Asia Equity	Beneficial owner 實益擁有人	373,226,563 (note 3)(附註3)	110,000,000 (note 4)(附註4)	16.20%	4.77%
Soen Bin Kuan 李民權	Beneficial owner 實益擁有人	182,734,104	Nil 無	7.93%	Nil 無

## Report of the Directors

### 董事會報告書

#### Notes:

1. These include non-listed convertible notes which could be converted into a total of 2,050,537,633 shares of the Company, which may be issued subject to the terms and conditions of the relevant sale and purchase agreement dated 7 October 2011.
2. These represent non-listed convertible notes which could be converted into a total of 205,053,763 shares of the Company, which may be issued subject to the terms and conditions of the relevant sale and purchase agreement dated 7 October 2011. All these underlying shares were held by East Grow (with 90% interest owned by Easyman). By virtue of the SFO, Easyman is deemed to have beneficial interests in these underlying shares.
3. These include 263,226,563 non-listed warrants issued by the Company pursuant to the Term Loan Agreement entered into between the Company and Asia Equity on 2 December 2010.
4. These represent the right of Easyman to acquire from Asia Equity 110,000,000 shares in the Company pursuant to the Option Agreement.

Save as disclosed above, as at 31 December 2011, the Company has not been notified by any persons 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.

### SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 2 May 2005, the Company adopted a share option scheme (the "Share Option Scheme") for the purpose of enabling the Company to recruit and retain high-calibre employees and attract resources that are valuable to the Group and to provide the Company with a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to such persons who contribute or may bring benefit to the Group. The Share Option Scheme will remain in force for a period of 10 years from adoption of such scheme and will expire on 2 May 2015.

The options granted under the Share Option Scheme have an exercise period of 10 years from the date of acceptance of the options, which is in compliance with the terms of the Share Option Scheme, subject to the a vesting schedule of 5 years whereby only 20% of the options is exercisable 12 months after the date of acceptance of the options and an additional 20% of the options shall be exercisable by the grantee in each subsequent year until the last day of the 5-year period after the date of acceptance of the options when 100% of the options become exercisable.

#### 附註：

1. 該等包括根據日期為二零一一年十月七日之有關買賣協議內的條款及條件合共可轉換為2,050,537,633股本公司股份之非上市可換股票據。
2. 該等指合共可轉換為本公司205,053,763股股份之非上市可換股票據，其發行須遵守日期為二零一一年十月七日的有關買賣協議之條款及條件。所有該等相關股份由East Grow (Easyman持有其90%權益)持有。根據證券及期貨條例，Easyman被視為於該等相關股份中擁有實益權益。
3. 該等包括本公司根據本公司與Asia Equity於二零一零年十二月二日訂立的定期貸款協議發行的263,226,563股非上市認股權證。
4. 該等為Easyman根據購股權協議可以從Asia Equity收購本公司110,000,000股股份的權利。

除上文所披露者外，於二零一一年十二月三十一日，本公司概無獲悉有任何人士於本公司之股份或相關股份，擁有根據證券及期貨條例第XV部第2及第3分部須知會本公司、或本公司根據證券及期貨條例第336條規定須記錄於該條例規定存置之登記冊內之權益或淡倉。

### 購股權計劃

根據於二零零五年五月二日通過之普通決議案，本公司採納一項購股權計劃（「購股權計劃」），以使本公司能招聘及挽留優秀僱員及將有價值之資源引入本集團，並使本公司能以多種方式獎勵、獎賞、提供薪酬、補償及／或提供福利予為本集團作出貢獻或能為本集團帶來利益之有關人士。該購股權計劃將自採納之日起計十年內有效，並將於二零一五年五月二日屆滿。

根據購股權計劃之條款，根據購股權計劃授出之購股權之行使期由接納購股權當日起為期十年，惟受五年歸屬時間表所限，據此，僅20%之購股權可於接納購股權當日後12個月行使，而承授人可於每接續之一年行使另外20%購股權，直至購股權獲接納日期後五年期之最後一日方可行使全部購股權。



## Report of the Directors

### 董事會報告書

Details of movements in the Company's share options during the year are as follows: 年內本公司購股權之變動詳情如下：

		No. of share options 購股權數目				Outstanding as at 31 December 2011 於 二零一一年 十二月 三十一日 尚未行使	Exercise price of share options (Note a) 購股權之 行使價 (附註 a) HK\$ 港元	Price of Company's shares at exercise date of options (Note b) 於購股權 行使日 本公司股份 之價格 (附註 b) HK\$ 港元
		Outstanding at beginning of the year 年初 尚未行使	Granted during the year 年內 已授出	Exercised during the year 年內 已行使	Lapsed during the year 年內 已失效			
Mr. Dong Shutong	董書通先生	5,000,000	—	—	5,000,000	1.07	N/A 不適用	
Mr. Lau Hok Yuk	劉學郁先生	3,000,000	—	—	(3,000,000)	1.91	N/A 不適用	
Mr. Song Wenzhou	宋文州先生	1,020,000	—	—	1,020,000	1.07	N/A 不適用	
Mr. Zhao Ping	趙平先生	4,250,000	—	—	4,250,000	1.91	N/A 不適用	
Mr. Dong Chengzhe	董誠喆先生	1,275,000	—	—	1,275,000	1.91	N/A 不適用	
Mr. Yang Fei	楊飛先生	1,275,000	—	—	1,275,000	1.91	N/A 不適用	
Sub-total for number of share options to Directors	授予董事之購股權 數目小計	15,820,000	—	—	(3,000,000)	12,820,000		
Other employees	其他僱員	11,900,000	—	—	—	11,900,000	1.07	N/A 不適用
		3,000,000	—	—	—	3,000,000	2.37	N/A 不適用
		12,955,000	—	—	(1,570,000)	11,385,000	2.45	N/A 不適用
Sub-total for number of share options to other employees	授予其他僱員之購股權 數目小計	27,855,000	—	—	(1,570,000)	26,285,000		
Total	總計	43,675,000	—	—	(4,570,000)	39,105,000		

Notes:

- (a) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- (b) The price of the shares of the Company as at the date of exercise of the share options is the Stock Exchange's closing price on the trading date immediately prior to the date on which the share options were exercised.

附註：

- (a) 購股權之行使價可能因供股或紅股發行或本公司股本之其他類似變動而調整。
- (b) 於購股權行使日期，本公司之股價為緊接購股權行使日期前之交易日聯交所收市價。

## Report of the Directors

### 董事會報告書

Pursuant to a board resolution passed on 20 January 2012, the Company granted share options (the "Options") under its share option scheme adopted on 2 May 2005 (the "Scheme") to the eligible participants of the Scheme (the "Grantees") which, subject to the acceptance of the Options by the Grantees, will enable the Grantees to subscribe for an aggregate of 50,000,000 new ordinary shares of HK\$0.10 each (the "Shares") in the share capital of the Company, subject to adjustment in accordance with the Listing Rule 17.03(13).

A summary of such grant is set out below:

Date of Grant:	20 January 2012 (the "Date of Grant")
Exercise price of the Options granted:	HK\$0.63 per share
Number of Options granted:	50,000,000 options
Closing price of the Shares on the Date of Grant of the Options:	HK\$0.63 per share
Average closing price of Shares for the five trading days immediately preceding the Date of Grant of the Options:	HK\$0.62 per share
Validity period of the Options:	10 years from the Date of Grant and its acceptance and the Options shall lapse at the expiry of the option period.

根據於二零一二年一月二十日通過的董事會決議案，本公司根據其於二零零五年五月二日採納的購股權計劃（「計劃」）向計劃的合資格參與者（「承授人」）授出購股權（「購股權」），承授人可認購本公司股本中合共50,000,000股每股面值0.10港元的新普通股（「股份」）（股份數目或會根據上市規則第17.03(13)條調整），惟須待承授人接納購股權後方可作實。

有關授出購股權的概要載於下文：

授出日期：	二零一二年一月二十日（「授出日期」）
授出購股權之行使價：	每股0.63港元
授出購股權之數目：	50,000,000份購股權
股份於購股權授出日期之收市價：	每股0.63港元
股份於緊接購股權授出日期前五個交易日的平均收市價：	每股0.62港元
購股權的有效期：	由授出日期及其獲接納後起計十年，將於有關購股權有效期終止時失效。

## Report of the Directors

### 董事會報告書

Among the total of 50,000,000 Options granted above, 21,500,000 Options were granted to the directors and the associates of a director and controlling shareholder of the Company (the "Controlling Shareholder"), details of which are as follows:

上述所授出合共50,000,000份購股權中，21,500,000份購股權乃授予本公司董事及公司董事兼控股股東（「控股股東」）之聯繫人士，詳情如下：

Name of Grantees 承授人姓名	Relationship between the Grantees and the Company 承授人與本公司之關係	Number of Options Granted 授出的購股權數目
Ng See Wai Rowena 吳思煒	Executive director 執行董事	8,000,000
Yang Fei 楊飛	Executive director 執行董事	1,500,000
Song Wenzhou 宋文州	Executive director 執行董事	1,500,000
Mao Yehong 毛葉紅	Executive director 執行董事	1,500,000
Dong Chengzhe 董鉞喆	Executive director, Associate of Controlling Shareholder 執行董事， 控股股東的聯繫人士	1,500,000
Various 多名人士	Associates of Controlling Shareholder 控股股東的聯繫人士	7,500,000
Various 多名人士	Other employees 其他僱員	28,500,000

The Independent Non-executive Directors of the Company have approved the grant of the above Options to the directors and the associates of the Controlling Shareholder of the Company.

本公司的獨立非執行董事已批准向本公司董事及控股股東之聯繫人士授予上述購股權。

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the Share Option Scheme as set out in Note 34 to the consolidated financial statements, at no time during the year ended 31 December 2011 was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### 董事收購股份或債券之權利

除綜合財務報表附註34所載之購股權計劃所披露者外，於截至二零一一年十二月三十一日止年度內任何時間，本公司、其控股公司或其任何附屬公司及同系附屬公司並無訂立任何安排，使董事可藉收購本公司或任何其他法團公司之股份或債券而獲利。

## Report of the Directors

### 董事會報告書

#### CONNECTED TRANSACTIONS

Pursuant to the extraordinary general meeting of the Company held on 28 January 2010, the Company's independent shareholders approved the continuing connected transactions in relation to the exclusive ores purchase from Yiwang Mining. According to the Exclusive Offtake Agreement entered into between Yiwang Mining and S.E.A.M, an indirect wholly-owned subsidiary of the Company, in connection with the purchasing of ore, Yiwang Mining agreed to supply ore to S.E.A.M until 24 January 2036. According to the Exclusive Offtake Agreement, the prices for these continuing connected transactions will be US\$16.00 per dry tonne and these transactions will be entered into in usual and ordinary course of business of the Group. The annual cap for these transactions for the years ending 31 December 2010, 2011 and 2012 will not exceed HK\$483.8 million, HK\$483.8 million and HK\$725.7 million, respectively.

During the year, the Company purchased US\$53.4 million (approximately HK\$415.4 million) (2010: US\$25.8 million (approximately HK\$200.9 million)) ore from Yiwang Mining.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group above in accordance with Rule 14A.38 of the Listing Rules.

The Company has complied with the requirements set out in Chapter 14A of the Listing Rules.

Save as disclosed above, no contracts of significance to which the Company, its subsidiaries, holding companies or associated companies was a party subsisted at any time during the year or at the end of the year.

#### 關連交易

根據本公司於二零一零年一月二十八日舉行之股東特別大會，本公司獨立股東批准有關向Yiwang Mining獨家採購礦石之持續關連交易。根據Yiwang Mining與S.E.A.M(本公司之間接全資附屬公司)所訂立有關採購礦石之獨家採購協議，Yiwang Mining同意供應礦石予S.E.A.M直至二零三六年一月二十四日。根據獨家採購協議，該等持續關連交易之價格將為每乾噸16.00美元，而該等交易將於本集團之日常及一般業務過程中訂立。該等交易於截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之年度上限分別不超過483.8百萬港元、483.8百萬港元及725.7百萬港元。

年內，本公司已從Yiwang Mining購買合共53.4百萬美元(約415.4百萬港元)(二零一零年：25.8百萬美元(約200.9百萬港元))之礦石。

本公司已委聘核數師按照香港會計師公會所頒佈的香港鑒證業務準則第3000號「歷史財務資料審核或審閱以外的鑒證工作」以及參照實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，對本集團持續關連交易出具報告。核數師已根據上市規則第14A.38條就上述的本集團持續關連交易編製載有其調查結果及結論為無保留意見的函件。

本公司已遵守上市規則第14A章的規定。

除上文所披露者外，於本年度任何時間或年終，本公司、其附屬公司、其控股公司及聯營公司並無訂立任何重大合約。

## Report of the Directors

### 董事會報告書

The Independent Non-executive Directors have reviewed the continuing connected transactions in 2011 and confirm that the transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties;
- (3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole; and
- (4) have not exceeded the relevant maximum amount capped in accordance to the waiver previously granted by the Stock Exchange.

#### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year, none of the Directors had any interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

#### EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in Note 34 to the consolidated financial statements.

本公司獨立非執行董事已審閱於二零一一年之持續關連交易，並確認所訂立之該等交易乃：

- (1) 於本集團之日常及一般業務過程中訂立；
- (2) 按一般商業條款進行，倘無足夠可比較交易以判斷彼等是否按一般商業條款進行，則本集團將按不遜於獨立第三方所獲或提供(視乎情況而定)之條款進行；
- (3) 根據規範該等交易之有關協議進行，而交易條款公平合理，並符合本集團股東之整體利益；及
- (4) 並無超越根據聯交所之前授出之豁免限制的上限金額。

#### 董事於競爭業務之權益

年內，概無董事直接或間接於與本集團業務構成競爭或可能構成競爭之業務中擁有任何權益。

#### 報告期後事項

本集團重大報告期後事項之詳情載於綜合財務報表附註34。



## Report of the Directors

### 董事會報告書

#### AUDIT COMMITTEE

The Company established an audit committee pursuant to a resolution of the Directors passed on 2 May 2005 in compliance with Rule 3.21 of the Listing Rules. The primary duties of the audit committee are to review the financial reporting process and internal control procedures of the Group. The audit committee consists of Mr. Wong Chi Keung, Mr. Bai Baohua and Mr. Huang Changhuai — Independent Non-executive Directors of the Company and Mr. Wong Chi Keung is the Chairman of the audit committee.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters including the review of the audited financial statements for the year ended 31 December 2011.

#### REMUNERATION COMMITTEE

The Company established a remuneration committee pursuant to a resolution of the Directors passed on 10 April 2006 in compliance with the CG Code.

The remuneration committee consists of Mr. Wong Chi Keung, Mr. Bai Baohua, Mr. Huang Changhuai — Independent Non-executive Directors of the Company and Mr. Dong Shutong — Executive Director of the Company. Mr. Huang Changhuai is the chairman of the remuneration committee.

#### NOMINATION COMMITTEE

The Company established a nomination committee pursuant to a resolution of the Directors passed on 30 December 2011 in compliance with the CG Code.

The nomination committee consists of Mr. Wong Chi Keung, Mr. Bai Baohua, Mr. Huang Changhuai — Independent Non-executive Directors of the Company and Mr. Dong Shutong — Executive Director of the Company. Mr. Dong Shutong is the chairman of the nomination committee.

#### 審核委員會

本公司遵照上市規則第3.21條，根據於二零零五年五月二日通過之董事決議案成立審核委員會。審核委員會主要負責審議本集團之財務匯報過程及內部監控程序。審核委員會由本公司獨立非執行董事黃之強先生、白葆華先生及黃昌淮先生組成，其中黃之強先生為審核委員會主席。

審核委員會已與管理層審閱本集團所採納之會計準則及慣例，並討論核數、內部監控及財務匯報事項，包括審閱截至二零一一年十二月三十一日止年度之經審核財務報表。

#### 薪酬委員會

本公司遵照企業管治守則，根據於二零零六年四月十日通過之董事決議案成立薪酬委員會。

薪酬委員會由本公司獨立非執行董事黃之強先生、白葆華先生及黃昌淮先生以及本公司執行董事董書通先生組成。黃昌淮先生為薪酬委員會之主席。

#### 提名委員會

本公司遵照企業管治守則，根據於二零一一年十二月三十日通過之董事決議案成立提名委員會。

提名委員會由本公司之獨立非執行董事黃之強先生、白葆華先生、黃昌淮先生及本公司執行董事董書通先生組成。其中董書通先生為提名委員會主席。

## Report of the Directors

### 董事會報告書

#### EMPLOYEES REMUNERATION POLICY

The remuneration policy of the Group to reward its employees and Executive Directors is based on their performance, qualifications, competence displayed, market comparables and the performance of the Group. Remuneration packages typically comprise salary, housing allowances, discretionary bonus, other fringe benefits and the Group's contribution to retirement benefits schemes. The remuneration of Executive Directors/senior management are determined by the Remuneration Committee which will review them regularly. To provide incentive to the relevant participants, including the Directors and eligible employees, the Company has adopted the Share Option Scheme, details of which are set out in Note 34 to the consolidated financial statements.

#### AUDITOR

A resolution for the reappointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

ON BEHALF OF THE BOARD

**Dong Shutong**  
*Chairman*

27 March 2012

#### 僱員薪酬政策

本集團回報僱員及執行董事的薪酬政策乃根據其表現、資歷、所示才能、市場水平及本集團表現而釐定。薪酬待遇一般包括薪金、房屋津貼、酌情花紅及其他實物利益以及本集團對退休福利計劃的供款。執行董事／高級管理人員的薪酬由薪酬委員會釐定及定期檢討。為激勵董事及合資格僱員等相關參與者，本公司已採納購股權計劃，有關詳情載於綜合財務報表附註34。

#### 核數師

本公司將於應屆股東週年大會上提呈一項決議案以續聘安永會計師事務所為本公司核數師。

代表董事會

**董書通**  
*主席*

二零一二年三月二十七日

# Report of Corporate Governance

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2011, in the opinion of the Board, the Company has complied with the CG Code except for the deviations from code provision A.1.1 in respect of the holding of four regular board meetings, code provision A.2.1 of the Code in respect of the segregation of the role of Chairman and chief executive officer, and A.4.1 of the Code in respect of the service term of independent non-executive directors, details of which are explained below.

The Board considered that the Group's prevailing structures and systems met the code provisions in the CG Code. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

### MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code for securities transactions by Directors. Having made specific enquiries, the Company has confirmed that all Directors have complied with the requirements set out in the Model Code.

### THE BOARD

#### Composition and Appointment

As at 31 December 2011, the Board comprises eleven Directors, including six Executive Directors, one Non-executive Director and four Independent Non-executive Directors. Names and biographies of the Directors are set out on pages 32 to 39 of this annual report.

The Company has complied with Rules 3.10(1) and (2) of the Listing Rules of having one Independent Non-executive Director possesses the requisite appropriate professional qualifications. The Board confirmed that the independence and eligibility of the Independent Non-executive Directors are in compliance with the relevant requirements of the Listing Rules.

Save that Mr. Dong Shutong and Mr. Dong Chengzhe are father and son, the Directors confirmed that there was no connection amongst the Directors that should be disclosed relating to finance, business, relation or other significant events or relevant matters.

### 企業管治常規

董事會認為，本公司於截至二零一一年十二月三十一日止年度一直遵守企業管治守則，除了偏離企業管治守則第A.1.1條有關召開四次董事例會之條文、守則第A.2.1條有關主席與首席執行官職務劃分之條文及守則第A.4.1條有關獨立非執行董事服務任期之條文，有關詳情已於下文作闡釋。

董事會認為本集團之現行架構及體系符合企業管治守則之守則條文。現行常規將定期進行檢討及更新，以遵循企業管治之最新常規。

### 標準守則

本公司已採納上市規則附錄十所載之標準守則，作為董事進行證券交易之守則。經作出具體查詢後，本公司確認全體董事均已遵循標準守則所載之規定。

### 董事會

#### 組成及委任

於二零一一年十二月三十一日，董事會由十一名董事組成，包括六名執行董事、一名非執行董事及四名獨立非執行董事。該等董事之姓名及簡歷載於本年報第32至第39頁。

本公司一直遵守上市規則第3.10(1)及(2)條規定，擁有一名具備所需適當專業資格的獨立非執行董事。董事會確認，獨立非執行董事之獨立性及任職資格符合上市規則有關規定。

董事會確認，除董書通先生與董鉞喆先生為父子關係外，董事之間概無任何有關財務、業務、關係或其他重大事項或相關事宜之聯繫須予披露。

## Report of Corporate Governance

### 企業管治報告

The Board has effectively overseen and monitored the activities of the Company and the decisions were made in the best interests of the Company. During the year, the Board convened a total of nine meetings, performing its duties in considering, inter alia, continuing connected transactions and financial and other matters under the provisions of the articles of association of the Company.

董事會有效地監察及監控本公司業務，所作決定亦符合本公司最佳利益。年內，董事會共召開九次會議，就考慮(其中包括)本公司之持續關連交易、公司細則條文所規定之財務及其他事項履行職責。

During the year, nine Board meetings, two of which were regular meetings, were held and the attendance of each Director is set out as follows:

年內，董事會召開九次會議，其中兩次為例會，各董事出席會議之情況載列如下：

Name of Directors 董事姓名	Times of attendance/No. of meetings held during the tenure of directorship 任職董事期間 出席次數／會議次數	Title 職銜
Dong Shutong 董書通	7/9	Chairman, Executive Director, Chief Executive Officer 主席、執行董事、首席執行官
Ng See Wai Rowena# 吳思煒#	3/3	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁
Lau Hok Yuk* 劉學郁*	6/6	Executive Director, Chief Financial Officer 執行董事、財務總監
Song Wenzhou 宋文州	2/9	Executive Director 執行董事
Zhao Ping@ 趙平@	1/9	Executive Director, Chief Operating Officer 執行董事、營運總監
Dong Chengzhe 董鉞喆	5/9	Executive Director 執行董事
Yang Fei 楊飛	7/9	Executive Director 執行董事
Mao Yehong^ 毛葉紅^	3/6	Executive Director 執行董事
Yang Tianjun 楊天鈞	2/9	Non-executive Director 非執行董事
Bai Baohua 白葆華	3/9	Independent Non-executive Director 獨立非執行董事
Huang Changhuai 黃昌淮	4/9	Independent Non-executive Director 獨立非執行董事
Wong Chi Keung 黃之強	4/9	Independent Non-executive Director 獨立非執行董事
Fahmi Idris 法米	1/9	Independent Non-executive Director 獨立非執行董事

## Report of Corporate Governance

### 企業管治報告

Only two regular Board meetings were held as the Company is not required under the Listing Rules to announce its results quarterly.

- \* resigned effective from 1 August 2011
- ⊙ resigned effective from 31 December 2011
- # appointed effective from 31 August 2011
- ^ appointed effective from 11 April 2011

Under Code Provision A.4.1, Non-executive Directors should be appointed for a specific term. Except Mr. Yang Tianjun, Non-executive Director, and Mr. Fahmi Idris, Independent Non-executive Director, who were appointed for a term of three years, the remaining Independent Non-executive Directors including Mr. Bai Baohua, Mr. Huang Changhuai and Mr. Wong Chi Keung were not appointed for a specific term. This constitutes a deviation from Code Provision A.4.1. However, according to the articles of association of the Company, one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting and the Directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practice in this respect is in line with that provided in the Code.

### Chairman and Chief Executive

The Executive Director, Mr. Dong Shutong, served as the Chairman and Chief Executive Officer of the Company. The Chairman is responsible for overseeing the Company's operations in respect of compliance with both internal rules and statutory requirements, and promoting the corporate governance of the Company. The Company did not appoint another individual to act as the Chief Executive Officer for the year ended 31 December 2011 and up to the date of this report. This constitutes a deviation from code provision A.2.1. The Board believes that it is in the best interests of the Company and the shareholders as a whole since Mr. Dong Shutong is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board.

Important decision-making and the day-to-day management of the Company are carried out by all of the Executive Directors. Although the roles of the Chairman and the Chief Executive Officer of the Company are not segregated, the functions of the chief executive were carried out by all of the Executive Directors collectively.

根據上市規則，本公司毋須發佈季度業績，故僅召開兩次董事會例會。

- \* 於二零一一年八月一日辭職
- ⊙ 於二零一一年十二月三十一日辭職
- # 於二零一一年八月三十一日獲委任
- ^ 於二零一一年四月十一日獲委任

根據企業管治守則條文第A.4.1條，非執行董事之委任應有特定任期。除非執行董事楊天鈞先生及獨立非執行董事法米先生任期為三年外，其餘獨立非執行董事包括白葆華先生、黃昌淮先生及黃之強先生均無特定任期。此事偏離企業管治守則條文第A.4.1條。然而，根據本公司之章程細則，於每次股東週年大會，三分之一之當時董事須輪流退任，而須輪流退任之董事須為最近重選或委任後任期最長之董事。因此，本公司認為已採取足夠措施確保本公司之企業管治常規在此方面與守則所規定者一致。

### 主席及首席執行官

執行董事董書通先生乃本公司主席兼首席執行官。主席負責監督本公司營運遵守內部規則以及法定要求，以及加強本公司企業管治。本公司於截至二零一一年十二月三十一日止年度及直至本報告日期並無委任其他人士擔任首席執行官，此舉偏離守則條文第A.2.1條。董事會相信，董書通先生對本集團業務認識深厚及具備所需領導才能領導董事會進行討論，故符合本公司及股東之整體最佳利益。

本公司之重要決策及日常管理由全體執行董事執行。儘管本公司之主席及首席執行官並無分開，但首席執行官之職能由全體執行董事共同執行。



## Report of Corporate Governance

### 企業管治報告

#### Remuneration Committee

The remuneration committee of the Company was established on 10 April 2006 and comprises one Executive Director and three Independent Non-executive Directors. The members of the remuneration committee are: Mr. Dong Shutong, Mr. Bai Baohua, Mr. Huang Changhuai and Mr. Wong Chi Keung. Mr Huang Changhuai serves as the chairman of the remuneration committee.

During the year, the remuneration committee held two meetings on 29 March 2011 and 31 August 2011 respectively and all committee members attended the meeting to review the performance and incentives of Executive Directors and terms of employment of the management staff within the Group in 2011.

Responsibilities of the remuneration committee include:

- (1) to make recommendation to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (2) to have the delegated responsibility to determine the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of Non-executive Directors. The remuneration committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- (3) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (4) to review and approve the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment;
- (5) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (6) to ensure that no Director is involved in deciding his own remuneration.

#### 薪酬委員會

本公司之薪酬委員會於二零零六年四月十日成立，包括一名執行董事及三名獨立非執行董事。薪酬委員會成員包括：董書通先生、白葆華先生、黃昌淮先生及黃之強先生。黃昌淮先生擔任薪酬委員會的主席。

年內，薪酬委員會分別於二零一一年三月二十九日及二零一一年八月三十一日舉行兩次會議，全體成員均有出席，審閱二零一一年執行董事的表現與獎勵以及本集團管理人員的僱傭條款。

薪酬委員會之職責包括：

- (1) 就本公司全體董事及高級管理層薪酬之政策及架構，以及設立制定該等薪酬政策之正式及透明程序，向董事會提出推薦建議；
- (2) 獲授權負責釐定全體執行董事及高級管理層具體薪酬組合，包括實物利益、退休金權利及補償付款（包括任何損失或終止任職或委任之應付補償），並就非執行董事薪酬向董事會作出建議。薪酬委員會應考慮可供比較公司支付之薪金、董事服務時間及責任、於本集團之其他受僱情況以及與表現掛鉤之薪酬是否可取等；
- (3) 參考董事會不時議決之企業目標及目的，審閱及批准與表現掛鉤之薪酬；
- (4) 檢討及批准就失去或終止其職位或委任而應付執行董事及高級管理人員之補償；
- (5) 檢討及批准有關董事因行為失當而免職或罷免之補償安排；及
- (6) 確保概無董事參與訂定自己的薪酬。

## Report of Corporate Governance

### 企業管治報告

The remuneration committee's specific terms of reference were posted on the Company's website.

#### Nomination Committee

The nomination committee was established on 30 December 2011 and is chaired by Mr. Dong Shutong, an Executive Director. Other members of the Committee are Mr. Bai Baohua, Mr. Huang Changhuai and Mr. Wong Chi Keung, who are Independent Non-executive Directors.

The nomination committee is responsible for formulating policy and making recommendations to the Board on nominations, appointment of Directors and Board succession. The committee develops selection procedures for candidates, and will consider different criteria including appropriate professional knowledge and industry experience, as well as consult external recruitment professionals when required. The committee also reviews the size, structure and composition of the Board and assesses the independence of Independent Non-executive Directors. The committee is provided with sufficient resources enabling it to discharge its duties and its specific terms of reference were posted on the Company's website.

The nomination committee did not hold any meeting during the year ended 31 December 2011 as it was newly established on 30 December 2011.

薪酬委員會的特定職權範圍載於本公司網站上。

#### 提名委員會

提名委員會於二零一一年十二月三十日成立，並由執行董事董書通先生出任委員會主席。委員會其他成員為獨立非執行董事白葆華先生、黃昌淮先生及黃之強先生。

提名委員會負責就董事之提名及委任與董事會接任制定政策及向董事會提出建議。委員會建立物色人選之程序，以不同的衡量標準予以考慮，包括合適的專業知識及行業經驗，並在有需要時諮詢外聘專家。提名委員會亦會檢討董事會之規模、架構及組成，及評核獨立非執行董事的獨立性。提名委員會獲提供充足資源以履行其職責，其特定職權範圍登載於本公司之網站上。

由於提名委員會於二零一一年十二月三十日新成立，故於截至二零一一年十二月三十一日止年度並未召開會議。

## Report of Corporate Governance

### 企業管治報告

#### AUDITOR'S REMUNERATION

For the year ended 31 December 2011, the auditor of the Company, Ernst & Young, has carried out the statutory audit for the Company and certain subsidiaries of the Group.

For the year ended 31 December 2011, the total fee paid/payable in respect of audit and non-audit services provided by Ernst & Young is set out below:

#### 核數師酬金

截至二零一一年十二月三十一日止年度，本公司核數師安永會計師事務所已對本公司及本集團的若干附屬公司進行法定審核。

截至二零一一年十二月三十一日止年度，就安永會計師事務所提供的審核及非審核服務而已付／應付之費用總額載列如下：

		For the year ended 31 December 2011 截至 二零一一年 十二月三十一 止年度 RMB'000 人民幣千元
<b>Audit services</b>	<b>審核服務</b>	
Annual audit and audit related services	年度審核及審核相關服務	3,860
<b>Non-audit services</b>	<b>非審核服務</b>	
Tax advisory services	稅務諮詢服務	950

## Report of Corporate Governance

### 企業管治報告

#### AUDIT COMMITTEE

The audit committee comprises three Independent Non-executive Directors, and Mr. Wong Chi Keung serves as the chairman of the audit committee.

During the year, the audit committee held two meetings on 29 March 2011 and 31 August 2011 respectively and all committee members attended the meetings.

During the meetings held in 2011, the audit committee had performed the following work:

- (1) reviewed the financial reports for the year ended 31 December 2010 and for the six months ended 30 June 2011;
- (2) reviewed the effectiveness of internal control system;
- (3) reviewed the external auditor's statutory audit plan and engagement letter;
- (4) reviewed the management letter from the external auditor in relation to the audit of the Group for the year ended 31 December 2010; and
- (5) reviewed and recommended for approval by the Board the 2010 audit scope and fees.

Responsibilities of the audit committee include:

- (1) reviewing the financial reporting process, internal control system and the completeness of financial reports of the Company;
- (2) to be in charge of the appointment of external auditor, auditing expenses and any matters regarding the resignation or dismissal of the external auditor;
- (3) to review the independence of the external auditor;

#### 審核委員會

審核委員會包括三名獨立非執行董事，黃之強先生出任審核委員會主席。

年內，審核委員會分別於二零一一年三月二十九日及二零一一年八月三十一日分別舉行兩次會議。全體審核委員會成員均有出席。

於二零一一年舉行之會議上，審核委員會已完成下列工作：

- (1) 審閱截至二零一零年十二月三十一日止年度及截至二零一一年六月三十日止六個月之財務報告；
- (2) 檢討內部監控系統之有效性；
- (3) 審閱外聘核數師之法定審核計劃及委聘書；
- (4) 審閱外聘核數師有關本集團截至二零一零年十二月三十一日止年度審核情況之管理層函件；及
- (5) 審閱並建議董事會批准二零一零年審核範圍及費用。

審核委員會之職責包括：

- (1) 審閱本公司財務申報程序、內部監控系統及財務報告之完整性；
- (2) 負責處理外聘核數師之委聘、審核費用及有關外聘核數師辭任或罷免等事宜；
- (3) 審核外聘核數師之獨立性；

## Report of Corporate Governance

### 企業管治報告

- (4) to discuss with the external auditor on the nature and scope of audit prior to the commencement of the auditing procedures; and
- (5) to review the interim and annual financial statements.

The audit committee has reviewed the auditing performance, the internal controls and the audited financial statements of the Company for the year ended 31 December 2011.

#### INTERNAL CONTROL

The Board is responsible for the Company's system of internal controls and its effectiveness. Such a system is designed to manage the Company's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the policies and business objectives of the Company. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Company and this process includes updating the system of internal controls when there are changes to business environment.

During the year, the Board has conducted a review of the effectiveness of the system of internal control of the Company and its principal subsidiaries with no material issues noted.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of this annual report and the consolidated financial statements is sound and is sufficient to safeguard the interests of shareholders, creditors and employees, and the Company's assets.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and involving in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

- (4) 展開核數程序前與外聘核數師討論核數之性質及範疇；及
- (5) 審閱中期及年度財務報表。

審核委員會已審閱本公司截至二零一一年十二月三十一日止年度之審核表現、內部監控及經審核財務報表。

#### 內部監控

董事會負責本公司內部監控系統及其有效性。該系統之設計旨在將本公司之風險控制在可接受之風險範圍內，而非消除無法達致本公司政策及業務目標之風險。因此，於防止管理層及財務資料及紀錄之重大錯誤陳述或財務損失或欺詐上，該系統僅能提供合理保證而非絕對保證。

董事會已確立既定程序，以識別、評估及管理本公司面對之重大風險，此程序包括於業務環境改變時，更新內部監控系統。

年內，董事會已對本公司及其主要附屬公司內部監控系統之有效性進行檢討，並無發現任何重大問題。

董事會認為於回顧年度及截至本年報及綜合財務報表刊發日期之內部監控系統穩健，足以保護股東、債權人及員工之利益，以及本公司之資產。

管理層協助董事會識別並評估所面臨的風險，以執行董事會的風險控制政策及程序，並參與設計、營運及監察適當之內部監控措施，以減少及控制該等風險。



## Report of Corporate Governance

### 企業管治報告

#### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of consolidated financial statements which give a true and fair view of the state of affairs of the Group. In preparing the consolidated financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently. The statement of the external auditor about the reporting responsibilities on the consolidated financial statements is set out in the Independent Auditors' Report on pages 65 and 66 of this annual report.

#### 董事及核數師有關財務報表之責任

董事了解彼等編製綜合財務報表之責任乃為真實公平地反映本集團之財務狀況。於編製真實公平之綜合財務報表時，必須選擇並貫徹採用合適之會計政策。外聘核數師關於綜合財務報表之呈報責任聲明載於本年報第65及第66頁之獨立核數師報告書。

# Independent Auditors' Report

## 獨立核數師報告書

### To the shareholders of China Nickel Resources Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Nickel Resources Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 67 to 204, which comprise the consolidated and company statements of financial position as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether

### 致中國鎳資源控股有限公司列位股東

(於開曼群島註冊成立之有限公司)

我們已審核列載於第67至204頁中國鎳資源控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一一年十二月三十一日之綜合及公司財務狀況表及截至該日止年度之綜合損益表、綜合全面損益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據由國際會計準則理事會頒佈之國際財務報告準則及香港《公司條例》之披露規定編製真實而公平列報之綜合財務報表，同時負責董事認為綜合財務報表編製所必須的內部控制以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。根據香港公司條例第141條，我們的報告僅向股東整體報告，而該報告除此之外並無其他用途。對於本報告內容，我們並不對任何其他人士負責或承擔任何責任。

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

審核涉及執行程式以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程式取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤

## Independent Auditors' Report

### 獨立核數師報告書

due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 2.1 to the financial statements which indicates that as at 31 December 2011, the Group's current liabilities exceeded its current assets by RMB900,302,000. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the Group's ability to extend its short term borrowings upon maturity, obtain long term financing facilities to re-finance its short term liabilities, and derive adequate operating cash flows from its existing operations in order for the Group to meet its financial obligations as they fall due and to finance its future working capital and financial requirements. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

**Ernst & Young**  
Certified Public Accountants

22nd Floor  
CITIC Tower  
1 Tim Mei Avenue, Central  
Hong Kong

27 March 2012

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陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程式，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證充足和適當地為我們發表審核意見提供了基礎。

### 意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實及公平地反映 貴公司及 貴集團於二零一一年十二月三十一日之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並已按照香港《公司條例》之披露規定妥為編製。

### 強調事項

在作出無保留意見時，我們提請注意，財務報表附註2.1指出 貴集團於二零一一年十二月三十一日之流動負債超出其流動資產人民幣900,302,000元。然而，綜合財務報表仍按持續基準編製，其有效性取決於 貴集團能否延展其到期短期貸款、為其短期負債獲得長期融資及自其現有業務獲得充足之經營現金流量，以於其財務責任到期時可履行有關責任，並為未來營運資本及財務需要提供資金。此情況表示存在重大不明朗因素，從而對 貴集團之持續經營存有重大疑問。

**安永會計師事務所**  
執業會計師

香港  
中環  
添美道1號  
中信大廈22樓

二零一二年三月二十七日

## Consolidated Income Statement

## 綜合損益表

Year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>REVENUE</b>	收益	5	<b>2,587,779</b>	1,535,862
Cost of sales	銷售成本		<b>(2,258,555)</b>	(1,366,576)
<b>Gross profit</b>	毛利		<b>329,224</b>	169,286
Other income and gains	其他收入及盈利	5	<b>159,616</b>	81,114
Selling and distribution costs	銷售及分銷成本		<b>(43,292)</b>	(23,327)
Administrative expenses	行政成本		<b>(129,378)</b>	(146,430)
Finance costs	融資成本	7	<b>(205,098)</b>	(90,440)
Other expenses	其他開支		<b>(15,485)</b>	(31,961)
Share of profit of an associate	應佔一間聯營公司溢利		<b>3,514</b>	18,710
<b>PROFIT/(LOSS) BEFORE TAX</b>	除稅前溢利／(虧損)	6	<b>99,101</b>	(23,048)
Income tax (expense)/credit	所得稅(開支)／貸項	9	<b>(31,721)</b>	25,611
<b>PROFIT FOR THE YEAR</b>	年度溢利		<b>67,380</b>	2,563
Attributable to:	屬於：			
Owners of the parent	母公司股權持有人	10	<b>66,344</b>	1,467
Non-controlling interests	非控股損益		<b>1,036</b>	1,096
			<b>67,380</b>	2,563
<b>EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	母公司普通股股權持有人 應佔每股盈利／(虧損)			
— Basic (RMB)	— 基本(人民幣元)	12	<b>0.02880</b>	0.00066
— Diluted (RMB)	— 攤薄(人民幣元)	12	<b>0.02879</b>	(0.00323)

Details of the dividends payable and proposed for the year are disclosed in note 11 to the financial statements.

應付股息及本年擬派股息之詳情載於財務報表附註 11。

# Consolidated Statement of Comprehensive Income

## 綜合全面損益表

Year ended 31 December 2011

截至二零一一年十二月三十一日止年度

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>PROFIT FOR THE YEAR</b>	年度溢利	<b>67,380</b>	2,563
<b>OTHER COMPREHENSIVE EXPENSE</b>	其他全面虧損		
Exchange differences on translation of foreign operations	境外經營報表折算滙兌差額	<b>(344,690)</b>	(36,628)
<b>OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX</b>	年度除稅後其他全面虧損	<b>(344,690)</b>	(36,628)
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>	年度全面虧損合計	<b>(277,310)</b>	(34,065)
<b>Attributable to:</b>	屬於：		
Owners of the parent	母公司股權持有人	<b>(278,346)</b>	(35,161)
Non-controlling interests	非控股損益	<b>1,036</b>	1,096
		<b>(277,310)</b>	(34,065)



# Consolidated and Company Statements of Financial Position

## 綜合及公司財務狀況表

31 December 2011  
二零一一年十二月三十一日

	Notes 附註	Group 本集團		Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	13	2,108,753	2,008,210	19,284	21,289
Prepaid land lease payments	14	194,144	383,542	10,744	11,276
Goodwill	15	—	58,394	—	—
Intangible asset	16	2,090,159	2,531,910	—	—
Deferred tax assets	17	152,546	256,763	—	7,176
Investments in subsidiaries	18	—	—	4,425,128	4,709,572
Investment in an associate	19	22,274	18,760	—	—
Other non-current assets	20	—	58,698	—	—
<b>Total non-current assets</b>		<b>4,567,876</b>	5,316,277	<b>4,455,156</b>	4,749,313
<b>CURRENT ASSETS</b>					
Inventories	21	573,013	859,709	—	—
Trade and notes receivables	22	148,292	119,318	—	—
Prepayments, deposits and other receivables	23	263,011	272,712	10,464	20,219
Pledged time deposits	24	219,601	301,505	—	—
Cash and cash equivalents	24	114,824	172,591	5,554	26,656
		<b>1,318,741</b>	1,725,835	<b>16,018</b>	46,875
Assets of a disposal group classified as held for sale	25	722,731	—	—	—
<b>Total current assets</b>		<b>2,041,472</b>	1,725,835	<b>16,018</b>	46,875
<b>CURRENT LIABILITIES</b>					
Trade and notes payables	26	593,455	672,531	1,049	1,100
Other payables and accruals	27	427,141	472,095	5,488	5,980
Derivative financial instruments	28	8,774	31,312	8,774	31,312
Dividend payable		6	1,756	6	6
Interest-bearing bank and other borrowings	29	402,690	475,990	164,748	141,429
Current portion of convertible bonds	30	1,164,420	—	1,164,420	—
Tax payable		30,720	13,697	1,673	—
		<b>2,627,206</b>	1,667,381	<b>1,346,158</b>	179,827
Liabilities directly associated with the assets classified as held for sale	25	314,568	—	—	—
<b>Total current liabilities</b>		<b>2,941,774</b>	1,667,381	<b>1,346,158</b>	179,827
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		<b>(900,302)</b>	58,454	<b>(1,330,140)</b>	(132,952)

## Consolidated and Company Statements of Financial Position

### 綜合及公司財務狀況表

31 December 2011  
二零一一年十二月三十一日

	Notes 附註	Group 本集團		Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,667,574</b>	5,374,731	<b>3,125,016</b>	4,616,361
<b>NON-CURRENT LIABILITIES</b>					
Interest-bearing bank and other borrowings	29	67,776	343,672	—	109,224
Convertible bonds	30	—	1,036,179	—	1,036,179
Derivative financial instruments	28	—	105,465	—	105,465
Deferred tax liabilities	17	2,401	23,890	1,137	—
Other long term payables	31	5,280	24,151	—	—
<b>Total non-current liabilities</b>		<b>75,457</b>	1,533,357	<b>1,137</b>	1,250,868
<b>Net assets</b>		<b>3,592,117</b>	3,841,374	<b>3,123,879</b>	3,365,493
<b>EQUITY</b>					
<b>Equity attributable to owners of the parent</b>					
Issued capital	32	230,373	228,553	230,373	228,553
Reserves	33	3,240,136	3,492,249	2,893,506	3,136,940
		<b>3,470,509</b>	3,720,802	<b>3,123,879</b>	3,365,493
<b>Non-controlling interests</b>		<b>121,608</b>	120,572	—	—
<b>Total equity</b>		<b>3,592,117</b>	3,841,374	<b>3,123,879</b>	3,365,493

**Dong Shutong**  
董書通  
Chairman  
主席

**Yang Fei**  
楊飛  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

		Attributable to owners of the parent 母公司股權持有人應佔											
		Issued capital	Share premium account	Share contributed surplus	Capital reserve	Share option reserves	Equity convertible bonds	Statutory reserves and fund	Exchange fluctuation reserve	Retained profits	Non-controlling interests	Total equity	
		已發行股本	股份溢價賬	實繳盈餘	資本儲備	購股權儲備	債券權益部分	法定公積金及法定準備金	滙兌波動儲備	保留溢利	總計 非控股權益	權益總額	
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註		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	
		(note 32)	(note 33)	(note 33)	(note 33)	(note 33)	(note 30)	(note 33)					
		(附註32)	(附註33)	(附註33)	(附註33)	(附註33)	(附註30)	(附註33)					
At 1 January 2010	於二零一零年一月一日	210,006	2,661,351	51,599	433,282	22,459	45,920	75,546	(16,446)	267,374	3,751,091	121,226	3,872,317
Profit for the year	年度溢利	—	—	—	—	—	—	—	—	1,467	1,467	1,096	2,563
Other comprehensive income for the year:	年內其他全面收益：												
Exchange differences on translation of foreign operations	境外經營報表折算滙兌差額	—	—	—	—	—	—	—	(36,628)	—	(36,628)	—	(36,628)
Total comprehensive income/(expense) for the year	年內全面收益/(虧損)總額	—	—	—	—	—	—	—	(36,628)	1,467	(35,161)	1,096	(34,065)
Equity-settled share option arrangements	以股權支付之購股權安排	34	—	—	—	4,246	—	—	—	—	4,246	—	4,246
Repurchases and redemption of convertible bonds	回購及贖回可換股債券	30	—	—	—	—	(699)	—	—	(2,541)	(3,240)	—	(3,240)
Conversion of convertible bonds	轉換可換股債券	30	563	8,054	—	—	—	—	—	—	8,617	—	8,617
Conversion of convertible notes	轉換可換股票據		17,984	293,151	—	(311,135)	—	—	—	—	—	—	—
Extinguishment of convertible bonds	終止可換股債券	30	—	45,221	—	—	(45,221)	—	—	—	—	—	—
Forfeited share option reserve	已沒收之購股權儲備		—	—	—	(779)	—	—	—	—	(779)	—	(779)
Interim 2010 dividend	二零一零年中期股息		—	(3,972)	—	—	—	—	—	—	(3,972)	—	(3,972)
Dividends paid to non-controlling shareholders	支付非控股股東股息		—	—	—	—	—	—	—	—	—	(1,750)	(1,750)
Transferred from retained profits	轉撥自保留溢利		—	—	—	—	—	193	—	(193)	—	—	—
At 31 December 2010	於二零一零年十二月三十一日	228,553	3,003,805*	51,599*	122,147*	25,926*	—	75,739*	(53,074)*	266,107*	3,720,802	120,572	3,841,374

\* These reserve accounts comprise the consolidated reserves of RMB3,492,249,000 in the consolidated statement of financial position as at 31 December 2010.

\* 於二零一零年十二月三十一日綜合財務狀況表中，此等儲備賬戶構成之綜合儲備為人民幣3,492,249,000元。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2011

截至二零一一年十二月三十一日止年度

		Attributable to owners of the parent 母公司股權持有人應佔										
		Issued capital	Share premium account	Contributed surplus	Capital reserve	Share option reserves	Statutory surplus reserves and statutory reserve fund	Exchange fluctuation reserve	Retained profits	Total	Non- controlling interests	Total equity
		已發行 股本	股份 溢價賬	實繳盈餘	資本儲備	購股權 儲備	公積金及 法定準備金	滙兌 波動儲備	保留溢利	總計	非控股權益	權益總額
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		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
		(note 32)	(note 33)	(note 33)	(note 33)	(note 33)	(note 33)					
		(附註 32)	(附註 33)	(附註 33)	(附註 33)	(附註 33)	(附註 33)					
At 1 January 2011	於二零一一年一月一日	228,553	3,003,805*	51,599*	122,147*	25,926*	75,739*	(53,074)*	266,107*	3,720,802	120,572	3,841,374
Profit for the year	年度溢利	—	—	—	—	—	—	—	66,344	66,344	1,036	67,380
Other comprehensive income for the year	年內其他全面收益	—	—	—	—	—	—	—	—	—	—	—
Exchange differences on translation of foreign operations	境外經營報表折算滙兌差額	—	—	—	—	—	—	(344,690)	—	(344,690)	—	(344,690)
Total comprehensive income/(expense) for the year	年內全面收益/(虧損)總額	—	—	—	—	—	—	(344,690)	66,344	(278,346)	1,036	(277,310)
Equity-settled share option arrangements	以股權支付之購股權安排	34	—	—	—	3,878	—	—	—	3,878	—	3,878
Conversion of convertible bonds	轉換可換股債券	30	1,820	25,350	—	—	—	—	—	27,170	—	27,170
Forfeited share option reserve	已沒收之購股權儲備	—	—	—	—	(2,995)	—	—	—	(2,995)	—	(2,995)
Transferred from retained profits	轉撥自保留溢利	—	—	—	—	—	201	—	(201)	—	—	—
At 31 December 2011	於二零一一年十二月三十一日	230,373	3,029,155*	51,599*	122,147*	26,809*	75,940*	(397,764)*	332,250*	3,470,509	121,608	3,592,117

\* These reserve accounts comprise the consolidated reserves of RMB3,240,136,000 in the consolidated statement of financial position as at 31 December 2011.

\* 於二零一一年十二月三十一日綜合財務狀況表中，此等儲備賬戶構成之綜合儲備為人民幣3,240,136,000元。

## Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2011  
截至二零一一年十二月三十一日止年度

	Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		99,101	(23,048)
Adjustments for:			
Finance costs	7	205,098	90,440
Bank interest income	5	(9,776)	(8,233)
Write-down of long aging payables	5	(20,818)	—
Gain on repurchase and redemption of convertible bonds	5	—	(2,704)
Gain on disposal of items of property, plant and equipment, net	5	(3,304)	—
Gain on extinguishment of convertible bonds	5	—	(20,300)
Changes in fair value of derivative financial instruments	5	(123,043)	(28,000)
Transaction costs of restructure of convertible bonds		—	19,160
Depreciation	6	110,910	92,119
Amortisation of prepaid land lease payments	6	8,452	8,575
Amortisation of an intangible asset and other non-current assets	16	58,498	21,710
Provision of impairment for trade receivables	6	2,832	—
Provision of impairment for items of property, plant and equipment		—	4,274
Write-down of inventories to net realisable value	6	3,741	—
Share of profit of an associate		(3,514)	(18,710)
Derecognition of redemption option related to conversion of convertible bonds		1,085	—
Equity-settled share option expense	34	883	3,467
		330,145	138,750
Decrease in inventories		209,722	45,580
Increase in trade and notes receivables		(31,842)	(69,492)
Decrease/(increase) in prepayments, deposits and other receivables		6,122	(11,747)
Increase in trade and notes payables		9,056	93,237
Increase/(decrease) in other payables and accruals		13,334	(5,760)
Decrease in other long term payables		(18,871)	—
Decrease/(increase) in other non-current assets		38,622	(15,359)
Cash generated from operations		556,288	175,209
Income tax paid		(11,903)	(2,370)
Net cash flows from operating activities		544,385	172,839



## Consolidated Statement of Cash Flows

### 綜合現金流量表

Year ended 31 December 2011

截至二零一一年十二月三十一日止年度

	Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net cash flows from operating activities		544,385	172,839
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	5	9,776	8,233
Proceeds received on disposal of items of property, plant and equipment		3,968	—
Purchases of items of property, plant and equipment		(243,833)	(470,285)
Additions to prepaid land lease payments		(265)	(683)
Decrease in pledged time deposits		81,904	85,550
Net cash flows used in investing activities		(148,450)	(377,185)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Considerations for repurchases and redemption of convertible bonds		—	(21,584)
Consent fee paid for exchange of convertible bonds		—	(234,695)
Transaction costs paid for restructure of convertible bonds		—	(19,160)
Addition of bank loans and other borrowings		346,080	735,232
Repayment of bank loans and other borrowings		(626,208)	(348,074)
Dividends paid		(1,750)	(3,965)
Interest paid		(170,826)	(28,431)
Net cash flows (used in)/from financing activities		(452,704)	79,323
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(56,769)	(125,023)
Cash and cash equivalents at beginning of year		172,591	292,745
Effect of foreign exchange rate changes, net		(955)	4,869
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>114,867</b>	172,591
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	24	114,824	172,100
Unrestricted time deposits with original maturity of less than three months	24	—	491
Cash and cash equivalents as stated in the statement of financial position		114,824	172,591
Cash and cash equivalents attributable to assets of disposal group classified as held for sale	25	43	—
Cash and cash equivalents as stated in the statement of cash flows		114,867	172,591

# Notes to Financial Statements

## 財務報表附註

31 December 2011  
二零一一年十二月三十一日

### 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 11 March 2004 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies. The principal place of business of the Group is located at No. 24, Jinshui Road, Zhengzhou City, Henan Province, the People's Republic of China (the "PRC"). The principal place of business of the Company is Rooms 917 and 918, 9th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The principal activities of the Company are investment holding and the trading of ore. The Group is principally engaged in the trading of ore and the manufacture and sale of special steel products in the PRC. Details of the principal activities of the subsidiaries are set out in note 18 to the financial statements.

In the opinion of the Directors, Easyman Assets Management Limited ("Easyman"), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Dong Shutong, is the ultimate holding company of the Group.

### 1. 公司資料

本公司於二零零四年三月十一日根據開曼群島公司法第22章(一九六一年第三號法例, 經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies。本集團主要營業地點位於中華人民共和國(「中國」)河南省鄭州市金水路24號。本公司主要營業地點位於香港上環干諾道中168-200號信德中心招商局大廈9樓917及918室。

本公司之主要業務為投資控股及礦石貿易。本集團主要於中國從事礦石貿易及特鋼產品生產和銷售業務。附屬公司之主要業務詳載於財務報表附註18。

根據董事之意見, 於英屬處女群島註冊成立並由董書通先生全資擁有之Easyman Assets Management Limited (「Easyman」) 為本集團之最終控股公司。

## Notes to Financial Statements

### 財務報表附註

31 December 2011  
二零一一年十二月三十一日

#### 2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards (“IASs”) and Interpretations of the Standing Interpretations Committee approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. The financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

##### Basis of preparation

The consolidated financial statements have been prepared on a going concern basis notwithstanding the fact that as at 31 December 2011, the Group had net current liabilities of RMB900,302,000, which mainly included bank and other borrowings of RMB402,690,000 and 13,748 10% coupon convertible bonds due 2012 with nominal value of HKD100,000 each issued on 12 November 2010 (the “10% Coupon Convertible Bonds”). The carrying amount of the 10% Coupon Convertible Bonds aggregated to RMB1,156,195,000 as at 31 December 2011.

#### 2.1 編製基準

本財務報表乃根據國際財務報告準則（「國際財務報告準則」，其中包括國際會計準則理事會（「國際會計準則理事會」）批准之準則及詮釋、經國際會計準則理事會批准並仍然有效之國際會計準則（「國際會計準則」）及常務詮釋小組委員會詮釋以及香港公司條例之披露規定而編製。除衍生金融工具按公允價值計量外，有關財務報表均採用歷史成本計價原則計量。持作出售之處置組以賬面值及公允價值減出售成本兩者之較低者列值，詳載於附註2.4。除另行說明外，財務報表以人民幣（「人民幣」）列值，所有金額均約整至最接近的千位列示。

##### 編製基準

綜合財務報表乃按持續經營基準編製，儘管於二零一一年十二月三十一日，本集團之流動負債淨額為人民幣900,302,000元，主要包括銀行及其他借款人民幣402,690,000元及於二零一零年十一月十二日發行之13,748份每份面值為100,000港元將於二零一二年到期之10厘息可換股債券（「10厘息可換股債券」）。於二零一一年十二月三十一日，10厘息可換股債券之賬面值為人民幣1,156,195,000元。

## Notes to Financial Statements

### 財務報表附註

31 December 2011  
二零一一年十二月三十一日

#### 2.1 BASIS OF PREPARATION (CONTINUED)

##### Basis of preparation (continued)

During the year ended 31 December 2011 and subsequent to the year-end, there have been several developments which management believes could significantly improve the profitability and strengthen the cash flow position of the Group as a whole in the near future. Details are as follows:

- (i) On 19 December 2011, the Group entered into an agreement with the Government of Luoyang City, Henan Province, the PRC, in relation to the relocation of the factory of a subsidiary of the Group. Pursuant to the agreement, the Government of Luoyang City will pay various fees to the Group in an aggregate amount of RMB1 billion. Management estimates that the cost of relocation will be approximately RMB300 million. Further details of the transaction are set out in note 25 to the financial statements and the Company's announcements dated 20 December 2011 and 20 February 2012.
- (ii) During the year ended 31 December 2011, the Group has continued to expand the trading business of limonitic ores. Sales of limonitic ores in the year ended 31 December 2011 amounted to RMB1,269 million (2010: RMB495 million), representing a 156% increase from 2010. The Group is actively negotiating sales contracts with the existing and potential customers to obtain additional financing by a pledge of the exclusive offtake right or further ore output from the iron mine. The exclusive offtake right represents the exclusive right to purchase iron ore at a fixed price by the Group from an iron ore supplier for a period of approximately 29 years ending 24 January 2036.

#### 2.1 編製基準(續)

##### 編製基準(續)

截至二零一一年十二月三十一日止年度以及於結算日後，管理層認為本集團之多項發展項目可大幅度提升盈利能力及加強本集團的於不久將來之現金流狀況。有關詳情如下：

- (i) 於二零一一年十二月十九日，本集團就本集團之一間附屬公司位於中國河南省洛陽市之工廠進行搬遷事宜與洛陽市政府簽訂一份協議。根據該協議，洛陽市政府將向本集團支付各種費用共計人民幣十億元。管理層估計搬遷成本將約為人民幣300百萬元。有關交易之更多詳情分別載於財務報表附註25及本公司日期為二零一一年十二月二十日及二零一二年二月二十日之公告內。
- (ii) 於截至二零一一年十二月三十一日止年度，本集團繼續擴張褐鐵礦貿易業務。截至二零一一年十二月三十一日止年度之褐鐵礦銷售額為人民幣1,269百萬元(二零一零年：人民幣495百萬元)，較二零一零年增長156%。本集團現正積極與現有及潛在客戶磋商銷售合約，或以獨家採購權或自鎳鐵礦場開採之礦石產品作為抵押獲得更多融資。獨家採購權指本集團以固定價格向鐵礦石供應商獨家採購鐵礦石之權利，年期約為29年，截至二零三六年一月二十四日止。

## Notes to Financial Statements

### 財務報表附註

31 December 2011  
二零一一年十二月三十一日

#### 2.1 BASIS OF PREPARATION (CONTINUED)

##### Basis of preparation (continued)

In addition, in order to strengthen the working capital of the Group and to improve the Group's financial position and cash flows, and otherwise to sustain the Group as a going concern, the Directors have also taken the following measures:

- (a) The Company is in the process of considering various restructuring options in connection with the 10% Coupon Convertible Bonds including but not limited to the extension of maturity date of the 10% Coupon Convertible Bonds.
- (b) The Group has been actively negotiating with PRC banks for the renewal of PRC bank borrowings when those borrowings fall due in 2012. In previous years, the Group did not encounter any significant difficulties in renewing the PRC bank borrowings. Subsequent to the year end, the Group has successfully renewed bank borrowings of RMB55 million.
- (c) The Group has also been actively negotiating with Hong Kong and overseas banks or institutional investors for credit facilities. Subsequent to the year end, the Group has successfully obtained new credit facilities of RMB63 million.

Taking into account the above measures, the Directors are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future, and are of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in the financial statements.

#### 2.1 編製基準(續)

##### 編製基準(續)

此外，為加強本集團之營運資本以及改善本集團之財務狀況及現金流，並支持公司持續經營，董事亦已採取以下措施：

- (a) 本公司正在考慮若干有關10厘息可換股債券之重組方案，其中包括(但不限於)延長10厘息可換股債券之到期日。
- (b) 本集團已為將於二零一二年到期之中國境內銀行借款與中國境內銀行積極磋商展期。於過往年度，本集團在展期中國境內銀行借款方面未遭遇任何重大阻礙。結算日後，本集團已順利獲得人民幣55百萬元之銀行借款展期。
- (c) 本集團已就信貸融資與香港及海外銀行或機構投資者積極磋商。結算日後，本集團順利獲得人民幣63百萬元之新信貸融資。

經考慮上述措施，董事相信本集團的財務負債於可見將來到期時有能力償還，亦認為按持續經營基準編製財務報表實屬恰當。

倘本集團無法按持續經營繼續，則須作出調整將資產價值重列為其可收回數額、就可能產生之任何未來負債作出撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。該等潛在調整之影響並未反映於財務報表內。



## Notes to Financial Statements

### 財務報表附註

31 December 2011  
二零一一年十二月三十一日

#### 2.1 BASIS OF PREPARATION (CONTINUED)

##### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributable to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

#### 2.1 編製基準(續)

##### 合併基準

綜合財務報表包括本公司及其附屬公司(合稱為「本集團」)於截至二零一一年十二月三十一日止年度的財務報表。附屬公司與本公司的財務報表的報告期間相同，並採用一致會計政策編製。附屬公司的經營成果自收購之日(即本集團取得控制權之日)起計合併入賬，並繼續合併至對附屬公司控制權終止日。本集團內部各公司間所有結餘、交易、集團內公司間交易所致未變現損益均於合併賬目時悉數抵銷。

附屬公司之全面溢利總額歸入非控股權益，即使因此引致結餘為負數。

一間附屬公司所有權益之變動(並無喪失控制權)按權益交易入賬。

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司之資產(包括商譽)及負債、(ii)任何非控股權益之賬面值及(iii)記錄於權益內之累計折算差額；並確認(i)所收對價的公允價值、(ii)任何留存投資的公允價值及(iii)損益表中任何因此產生的盈餘或虧損。以往於其他全面收益表內確認的本集團應佔部分重分類為損益或留存溢利(如適用)。

## Notes to Financial Statements

### 財務報表附註

31 December 2011  
二零一一年十二月三十一日

#### 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 1 Amendment	Amendment to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards — Limited Exemption from Comparative IFRS 7 Disclosures for the First-time Adopters</i>
IAS 24 (Revised)	<i>Related Party Disclosures</i>
IAS 32 Amendment	Amendment to IAS 32 <i>Financial Instruments: Presentation — Classification of Rights Issues</i>
IFRIC-Int 14 Amendments	Amendments to IFRIC-Int 14 <i>Prepayments of a Minimum Funding Requirement</i>
IFRIC-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>
Improvements to IFRSs 2010	Amendments to a number of IFRSs issued in May 2010

Other than as further explained below regarding the impact of IAS 24 (Revised), and amendments to IAS 1 and IAS 27 included in *Improvements to IFRSs 2010*, the adoption of the new and revised IFRSs has had no significant financial effect on the financial statements.

#### 2.2 會計政策及披露變更

本集團編製本年度財務報表時首次採納下列新訂及經修訂之國際財務報告準則。

國際財務報告準則第1號(修訂本)	國際財務報告準則第1號首次採納國際財務報告準則—國際財務報告準則第7號對首次採納者披露比較資料之有限豁免之修訂
國際會計準則第24號(經修訂)	關連方披露
國際會計準則第32號(修訂本)	國際會計準則第32號金融工具：列報—供股之分類之修訂
國際財務報告解釋公告第14號(修訂本)	國際財務報告解釋公告第14號最低資金規定之預付款項之修訂
國際財務報告解釋公告第19號	發行權益工具以終止金融負債
國際財務報告準則之改進(二零一零年)	二零一零年五月頒佈之若干國際財務報告準則之修訂

除如下文所進一步闡釋之有關國際會計準則第24號(經修訂)及包括在二零一零年國際財務報告準則之改進中的對國際會計準則第1號及國際會計準則第27號之修訂的影響外，採納新訂及經修訂國際財務報告準則並無對財務報表產生重大財務影響。

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#### 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

The principal effects of adopting these new and revised IFRSs are as follows:

##### (a) IAS 24 (Revised) Related Party Disclosures

IAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group. Details of the related party transactions, including the related comparative information, are included in note 38 to the consolidated financial statements.

#### 2.2 會計政策及披露變更(續)

採納新訂及經修訂國際財務報告準則之主要影響如下：

##### (a) 國際會計準則第24號(經修訂)關聯方披露

國際會計準則第24號(經修訂)闡明及簡化關聯方之定義。新定義強調關聯方關係的對稱性，並闡明個人及關鍵管理人員在何種情況下對實體之關聯方關係構成影響。此外，經修訂準則亦引進了對與政府及由同一政府(作為匯報實體)控制、共同控制或實施重大影響之實體進行交易需作出一般關聯方披露規定之豁免。有關關聯方之會計政策已作出修訂，以反映該經修訂準則下關聯方定義之變動。採納該經修訂準則並未對本集團財務狀況或表現構成任何影響。關聯交易(包括有關比較資料)之詳情載於綜合財務報表附註38。

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#### 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

(b) *Improvements to IFRSs 2010* issued in May 2010 sets out amendments to a number of IFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- *IAS 1 Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of the other comprehensive income in the statement of changes in equity.
- *IAS 27 Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from IAS 27 (as revised in 2008) made to IAS 21, IAS 28 and IAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if IAS 27 is applied earlier.

#### 2.2 會計政策及披露變更(續)

(b) 於二零一零年五月頒佈之二零一零年國際財務報告準則之改進載列若干國際財務報告準則之修訂。各項準則均有獨立之過渡條文。雖然採納若干修訂可能會導致會計政策變動，惟此等修訂不會對本集團之財務狀況或表現產生重大財務影響。最適用於本集團之主要修訂之詳情如下：

- 國際會計準則第1號財務報表之呈列：該修訂闡明其他全面溢利各成份的分析可於權益變動報表或財務報表附註呈列。本集團選擇於權益變動報表內呈列其他全面溢利構成的分析。
- 國際會計準則第27號綜合及獨立財務報表：該修訂闡明，國際會計準則第27號（於二零零八年經修訂）對國際會計準則第21號、國際會計準則第28號及國際會計準則第31號所作出的後續修訂，應於二零零九年七月一日或之後開始之年度期間或於應用國際會計準則第27號時（兩者中以較早者為準）提早應用。

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## 財務報表附註

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## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in the financial statements.

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for the First-time Adopters</i> <sup>1</sup>
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures — Transfers of Financial Assets</i> <sup>1</sup>
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities</i> <sup>4</sup>
IFRS 9	<i>Financial Instruments</i> <sup>6</sup>
IFRS 10	<i>Consolidated Financial Statements</i> <sup>4</sup>
IFRS 11	<i>Joint Arrangements</i> <sup>4</sup>
IFRS 12	<i>Disclosure of Interests in Other Entities</i> <sup>4</sup>
IFRS 13	<i>Fair Value Measurement</i> <sup>4</sup>
IAS 1 Amendments	Amendments to IAS 1 <i>Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income</i> <sup>3</sup>
IAS 12 Amendments	Amendments to IAS 12 <i>Income Taxes — Deferred Tax: Recovery of Underlying Assets</i> <sup>2</sup>
IAS 19 (2011)	<i>Employee Benefits</i> <sup>4</sup>
IAS 27 (2011)	<i>Separate Financial Statements</i> <sup>4</sup>
IAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> <sup>4</sup>
IAS 32 Amendments	Amendments to IAS 32 <i>Financial Instruments: Presentation — Offsetting Financial Assets and Financial liabilities</i> <sup>5</sup>
IFRIC-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> <sup>4</sup>

## 2.3 已頒佈但尚未生效之國際財務報告準則

本集團並無於本財務報表內，採納下列已頒佈但尚未生效之新訂及經修訂國際財務報告準則。

國際財務報告準則第1號(修訂本)	修訂國際財務報告準則第1號首次採納國際財務報告準則—嚴重高通脹及剔除首次採納者之固定日期 <sup>1</sup>
國際財務報告準則第7號(修訂本)	修訂國際財務報告準則第7號金融工具：披露—轉讓金融資產 <sup>1</sup>
國際財務報告準則第7號(修訂本)	修訂國際財務報告準則第7號金融工具：披露—抵銷金融資產及金融負債之修訂 <sup>4</sup>
國際財務報告準則第9號	金融工具 <sup>6</sup>
國際財務報告準則第10號	綜合財務報表 <sup>4</sup>
國際財務報告準則第11號	共同安排 <sup>4</sup>
國際財務報告準則第12號	披露於其他實體的權益 <sup>4</sup>
國際財務報告準則第13號	公允價值計量 <sup>4</sup>
國際會計準則第1號(修訂本)	修訂國際會計準則第1號財務報表之呈列—其他全面收益項目之呈列之修訂 <sup>3</sup>
國際會計準則第12號(修訂本)	修訂國際會計準則第12號所得稅—遞延稅項：收回相關資產 <sup>2</sup>
國際會計準則第19號(二零一一年)	僱員福利 <sup>4</sup>
國際會計準則第27號(二零一一年)	獨立財務報表 <sup>4</sup>
國際會計準則第28號(二零一一年)	於聯營公司及合營公司之投資 <sup>4</sup>
國際會計準則第32號(修訂本)	修訂國際會計準則第32號金融工具：呈列—抵銷金融資產及金融負債 <sup>5</sup>
國際財務報告解釋公告第20號	露天礦場生產階段之剝採成本 <sup>4</sup>



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#### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

- 1 Effective for annual periods beginning on or after 1 July 2011
- 2 Effective for annual periods beginning on or after 1 January 2012
- 3 Effective for annual periods beginning on or after 1 July 2012
- 4 Effective for annual periods beginning on or after 1 January 2013
- 5 Effective for annual periods beginning on or after 1 January 2014
- 6 Effective for annual periods beginning on or after 1 January 2015

Further information about those changes that are expected to significantly affect the Group is as follows:

IFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace IAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of IAS 39.

In October 2010, the IASB issued additions to IFRS 9 to address financial liabilities (the "Additions") and incorporated in IFRS 9 the current derecognition principles of financial instruments of IAS 39. Most of the Additions were carried forward unchanged from IAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

#### 2.3 已頒佈但尚未生效之國際財務報告準則(續)

- 1 於二零一一年七月一日或之後開始之年度期間生效
- 2 於二零一二年一月一日或之後開始之年度期間生效
- 3 於二零一二年七月一日或之後開始之年度期間生效
- 4 於二零一三年一月一日或之後開始之年度期間生效
- 5 於二零一四年一月一日或之後開始之年度期間生效
- 6 於二零一五年一月一日或之後開始之年度期間生效

預期將對本集團產生重大影響之變動之進一步詳情如下：

於二零零九年十一月頒佈之國際財務報告準則第9號為完全取代國際會計準則第39號金融工具：確認及計量之全面計劃第一階段之第一部分。該階段重點為金融資產的分類及計量。金融資產不再分為四類，而應根據實體管理金融資產的業務模式及金融資產合約現金流量特徵，按於後續期間以攤餘成本計量或以公允價值計量分類。此舉旨在改進和簡化國際會計準則第39號規定之金融資產分類與計量方式。

國際會計準則理事會於二零一零年十月，就金融負債頒佈國際財務報告準則第9號之新增規定(「新增規定」)，並將國際會計準則第39號現有的對金融工具的終止確認原則納入國際財務報告準則第9號內。大多新增規定與國際會計準則第39號一致，惟對使用公允價值選擇權(「公允價值選擇權」)的按公允價值計量且其變動計入損益的金融負債的計量方式作出變更。就該等使用公允價值選擇權之負債而言，因信貸風險變動所致負債公允價值變動金額，必須於其他全面損益(「其他全面損益」)中呈列。除非於其他全面損益中就負債的信貸風險呈列公允價值變動會於損益中產生或擴大會計錯配，否則其餘之公允價值變動金額於損益中呈列。然而，新增規定並不適用因按公允價值選擇權納入按公允價值計量且其變動計入損益的貸款承諾及財務擔保合約。

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#### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IAS 39 is aimed to be replaced by IFRS 9 in its entirety. Before this entire replacement, the guidance in IAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt IFRS 9 from 1 January 2015.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by IFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in IAS 27 and SIC 12 *Consolidation — Special Purpose Entities*. IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12.

IFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities that are previously included in IAS 27 *Consolidated and Separate Financial Statements*, IAS 31 *Interests in Joint Ventures* and IAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

Consequential amendments were made to IAS 27 and IAS 28 as a result of the issuance of IFRS 10, IFRS 11 and IFRS 12. The Group expects to adopt IFRS 10, IFRS 11, IFRS 12, and the consequential amendments to IAS 27 and IAS 28 from 1 January 2013.

#### 2.3 已頒佈但尚未生效之國際財務報告準則(續)

國際會計準則第39號旨在被國際財務報告準則第9號全面取代。於被全面取代前，國際會計準則第39號內關於對沖會計及金融資產減值方面的指引繼續適用。本集團預期自二零一五年一月一日起採納國際財務報告準則第9號。

國際財務報告準則第10號建立適用於所有實體(包括特殊目的實體或結構性實體)之單一控制模式。該準則包括控制之新定義，用於確定須要合併的實體。與國際會計準則第27號及國際會計準則解釋公告第12號合併—特殊目的實體之規定相比，國際財務報告準則第10號引入的變更規定本集團管理層須作出重大判斷，以確定受控制之實體。國際財務報告準則第10號取代國際會計準則第27號綜合及獨立財務報表中綜合財務報表之會計處理部分，亦包括國際會計準則解釋公告第12號提出之問題。

國際財務報告準則第12號包括附屬公司、合營安排、聯營公司及結構性實體之披露規定，該等規定以往包括在國際會計準則第27號綜合及獨立財務報表、國際會計準則第31號於合營公司的權益及國際會計準則第28號於聯營公司的投資之內。該準則亦引入了該等實體之多項新披露規定。

因頒佈國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號，國際會計準則第27號及國際會計準則第28號有後續修訂。本集團預期自二零一三年一月一日起採納國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號，以及國際會計準則第27號及國際會計準則第28號之後續修訂。

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#### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other IFRSs. The Group expects to adopt IFRS 13 prospectively from 1 January 2013.

Amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Group expects to adopt the amendments from 1 January 2013.

IAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and rewording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. The Group expects to adopt IAS 19 (2011) from 1 January 2013.

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 are stated at cost less any impairment losses.

#### 2.3 已頒佈但尚未生效之國際財務報告準則(續)

國際財務報告準則第13號提供了公允價值之精確定義，公允價值計量之單一來源及在國際財務報告準則範圍內使用之披露規定。該準則並不改變本集團須要使用公允價值之情況，但惟在其他國際財務報告準則已規定或允許使用公允價值之情況下，應如何應用公允價值提供了指引。本集團預期自二零一三年一月一日起採用國際財務報告準則第13號。

國際會計準則第1號之修訂改變在其他全面損益呈列之項目之分組。在未來某個時間(例如終止確認或結算時)可重新分類至損益(或於損益重新使用)之項目將與永遠不得重新分類之項目分開呈列。本集團預期自二零一三年一月一日起採用此等修訂。

國際會計準則第19號(二零一一年經修訂)包括從根本改變至簡單闡明及重新措辭之多項修訂。經修訂之準則就退休福利固定受益計劃之會計處理引入重大變動，包括取消遞延確認精算損益之選擇。其他變動包括離職福利確認時間之修改、短期僱員福利之分類及固定受益計劃之披露。本集團預期自二零一三年一月一日起採用國際會計準則第19號(二零一一年經修訂)。

#### 2.4 主要會計政策概要

##### 附屬公司

附屬公司指本公司直接或間接支配其財務及營運政策從而自其業務中獲利之實體。

附屬公司之業績按已收及應收股息計入本公司損益表。除按照國際財務報告準則第5號之規定劃分為持作出售之資產外，本公司對附屬公司之投資按成本扣除任何減值虧損入賬。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of the associate is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in an associate, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates and is not individually tested for impairment.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

##### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition costs are expensed as incurred.

#### 2.4 主要會計政策概要(續)

##### 聯營公司

聯營公司是指除附屬公司或共同控制實體以外，由本集團擁有一般不少於20%有表決權長期權益並可對其施加重大影響的公司。

本集團於聯營公司的投資，乃按權益法計算的本集團所佔資產淨值減任何減值虧損於合併財務狀況表內列示。本集團所佔聯營公司於收購後的業績及儲備已分別列入綜合損益表及合併儲備內。除非未確認虧損提供轉讓資產減值的證據，本集團與聯營公司交易所產生的未確認收益及虧損沖銷到本集團於聯營公司投資。因收購聯營公司所產生的商譽已列為本集團於聯營公司的部分投資且不單獨測算減值。

當本集團於聯營公司的投資被分類為持有以備出售，該聯營公司應按照國際財務報告準則第5號持有以備出售的非流動資產和終止經營入賬核算。

##### 業務合併與商譽

業務合併按購買法列賬。轉讓代價按收購日之公允價值計量，即本集團於收購日所支付資產、所產生或承擔負債，以及本集團就取得被收購公司控制權所發行股本工具之公允價值的總和。於各業務合併中，本集團可選擇按公允價值或按分佔被收購方可識別資產淨值之比例計量於被收購方之非控股權益(即現有所有權權益，賦予其持有者於清算中按比例分佔資產淨值)。所有其他非控股權益按公允價值計量。收購成本按實際發生確認為開支。



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriated IFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

#### 2.4 主要會計政策概要(續)

##### 業務合併與商譽(續)

當本集團收購某一業務時，對金融資產及須承擔之負債，按合同條款之恰當分類與指定、經濟環境與收購日具體情形進行評估。以上包含被收購方對主合約之嵌入衍生品之分開處理。

倘業務合併分階段進行，本集團先前已持有之被收購方之權益按於收購日之公允價值重新計量，由此產生之損益計入當期損益。

任何收購方支付之或然代價按收購日之公允價值確認。被視作資產或負債之或然代價公允價值之後續變動根據國際會計準則第39號確認為當期損益或其他全面收益之變動。倘或然代價分類為權益，則無須重新計量。其後結算於權益內作會計處理。假設或然對價不在國際會計準則第39號的範圍內，則根據適用的國際財務報告準則進行計量。

商譽初始確認時按成本計量，即已轉讓總對價、已確認非控股權益及本集團先前持有的被收購方股權的公允價值總額，超出收購日所收購公司之可辨認淨資產、負債之公允價值的差額。倘該對價和其他項目總額低於收購的附屬公司的淨資產的公允價值，該差異在重估之後以為在損益表中確認為廉價收購之收益。



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

#### 2.4 主要會計政策概要(續)

##### 業務合併與商譽(續)

經初始確認後，商譽按成本減任何累計減值虧損計量。每年對商譽的賬面價值進行一次減值測試，若有事件或情形的改變表明賬面價值已減值，則以更高頻率進行減值測試。本集團於十二月三十一日對商譽進行了年度減值測試。為達到減值測試的目的，業務合併中收購之商譽由收購日期起分配至預期可受惠於合併的本集團現金產生單元或現金產生單元組，而不用考慮本集團是否有其他資產或負債已分配至該等單元或單元組。

透過評估與商譽有關之現金產生單元(或現金產生單元組合)可收回金額釐定減值。倘現金產生單元(或現金產生單元組合)之可收回金額少於商譽賬面價值，則確認減值虧損。已確認之商譽減值虧損不會於其後期間撥回。

倘商譽屬於現金產生單元(或現金產生單元組合)之一部分而該單元之部分業務被出售，則在釐定出售業務之收益或虧損時，與出售業務相關之商譽列入該業務之賬面價值。在該情況下出售之商譽乃基於相關出售業務與現金產生單元之保留份額之相對價值計算。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises.

#### 2.4 主要會計政策概要(續)

##### 非金融資產減值

倘有跡象顯示出現減值或須就資產進行年度減值測試(不包括存貨、遞延稅項資產、金融資產及商譽)，則會估計資產之可收回金額。資產之可收回金額為資產或現金產生單元之使用價值或公允價值減銷售成本兩者之較高者，並就個別資產而釐定，除非資產並無產生很大程度上獨立於其他資產或資產組別之現金流入，而在此情況下會就資產所屬現金產生單元計算可收回金額。

僅在資產賬面價值高於其可收回金額之情況下，方會確認減值虧損。評估使用價值時，估計日後現金流量按可反映貨幣時間價值及資產特定風險之現時市場評估之稅前折現率折算至現值。減值虧損於其產生期間自損益表內與減值資產功能一致之開支類別中扣除。

於每個報告日期末，將評估有否任何跡象顯示過往已確認之減值虧損不再存在或可能減少。若出現該等跡象，則估計可收回金額。過往確認之資產減值虧損(不包括商譽)僅會於用以釐定資產可收回金額之估計數字有變時方會撥回，惟撥回之數額不得超過假設過往年度並無就資產確認減值虧損而應有之賬面價值(扣除任何折舊/攤銷)。減值虧損之撥回於其產生期間計入損益表。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person,
- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## 2.4 主要會計政策概要(續)

## 關聯方

在下列情況下，一方會被認為與本集團有關連：

- (a) 該方為一名人士或該名人士的近親屬，而該名人士
- (i) 控制或共同控制本集團；
- (ii) 對本集團實施重大影響；或
- (iii) 為本集團或本集團母公司主要管理人員的成員；

或

- (b) 該方為符合下列任何條件的實體：
- (i) 該實體與本集團屬同一集團的成員公司；
- (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體的母公司、附屬公司或旗下的同系附屬公司)；
- (iii) 該實體及本集團均為同一第三方的合營企業；
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體僱員；
- (vi) 該實體由(a)項所述人士控制或共同控制；及
- (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理人員的成員。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of items of property, plant and equipment are as follows:

Buildings	15 to 25 years
Plant and machinery	8 to 15 years
Office equipment	3 to 5 years
Motor vehicles and others	5 to 25 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

#### 2.4 主要會計政策概要(續)

##### 物業、廠房及設備與折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損後列賬。當一項物業、廠房及設備被分類為持有待售或其為出售組別的一部分被分類為持有待售，則不作折舊處理並根據香港財務報告準則第5號入賬，「分類為持有待售之非流動資產和出售組別」之會計政策已作出進一步闡述。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生的支出(例如維修及保養費用)，一般於其產生期間從損益表中扣除。倘若符合確認條件，則該項支出將被資本化為該資產重置的賬面價值。如果須定期替換物業、廠房及設備之重大部分，則集團會將該等部分確認為有特定可使用年限及折舊的個別資產。

折舊乃以直線法按每項物業、廠房及設備項目的估計可使用年期沖銷其成本至其剩餘價值計算。物業、廠房及設備的估計可使用年期如下：

樓宇	15至25年
廠房及機器	8至15年
辦公設備	3至5年
車輛及其他	5至25年

倘一個物業、廠房及設備項目之某些部分具不同可使用年期，則該項目之成本將按合理基準分配至各部分，而每個部分會獨立計算折舊。剩餘價值、可使用年期及折舊方法至少於每個會計年度末審閱一次並作出調整(如適合)。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress representing property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

##### Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

#### 2.4 主要會計政策概要(續)

##### 物業、廠房及設備與折舊(續)

物業、廠房及設備項目及任何經初步確認的主要部分於出售時或當其使用或出售預期不會產生未來經濟效益時終止確認。終止經確認之出售或棄用資產所產生之盈虧(按相關資產出售所得款項淨額與賬面價值之差額計算)計入資產終止確認年度之損益表。

在建工程指興建中之物業、廠房及設備，以成本減任何減值虧損入賬，且不作折舊。成本包括興建工程期內之直接建築成本以及期內資本化的相關借款成本。當在建工程竣工並可作使用時，會重新分類至適當之物業、廠房及設備類別。

##### 待售非流動資產及出售組別

倘非流動資產及出售組別之賬面值主要透過出售交易而非持續使用而收回，即分類為待售。僅於資產或出售組別可根據出售有關資產或出售組別之一般及慣常條款於現況下即時出售且出售機會相當高之情況下，本條件方告達成。分類為出售組別之附屬公司名下所有資產及負債均重新分類為待售，而不論本集團於出售後會否保留其前附屬公司之非控股權益。

分類為待售之非流動資產及出售組別(投資物業及金融資產除外)乃按其賬面值與公允價值減銷售成本兩者中之較低者列賬。分類為待售之物業、機器及設備不予折舊。



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

##### Exclusive offtake right

The exclusive offtake right represents the exclusive right to purchase iron ore at a fixed price by the Group from an iron ore supplier for a period of approximately 29 years ending 24 January 2036. The exclusive offtake right is stated at cost less accumulated amortisation and any impairment losses. The exclusive offtake right is amortised based on the unit of purchase method.

##### Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

#### 2.4 主要會計政策概要(續)

##### 無形資產(商譽除外)

可單獨確認的具有有限使用年限的無形資產在初始確認時以成本計量。企業合併產生的無形資產成本為其在合併日的公允價值。無形資產使用期分為有限期或無限期。具有有限期之無形資產按可使用經濟年期攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。具有有限使用期之無形資產之攤銷年期及攤銷方法於每個財政年度末檢討。

##### 獨家採購權

獨家採購權指本集團於截至二零三六年一月二十四日止約29年內，按固定價格向鐵礦石供應商採購鐵礦石之獨家權利。獨家採購權按成本減累計攤銷及任何減值虧損列賬。獨家採購權按單位採購量法計算攤銷。

##### 研發成本

所有研究成本均於產生時在損益表扣除。

新產品開發項目產生之開支僅會於本集團可證明令無形資產完成而可供使用或出售之技術可行性、本公司完成無形資產之意向及使用或出售有關資產之能力、有關資產將如何產生未來經濟利益、有足夠資源完成項目及有能力準確計量開發開支時，方撥充資本及遞延入賬。不符合上述標準之產品開發開支於產生時即時支銷。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

#### 2.4 主要會計政策概要(續)

##### 租賃

凡資產擁有權(法定業權除外)之絕大部分回報及風險轉由本集團承受之租約列為融資租賃。於訂立融資租約時，租賃資產之成本按最低應付租約款項之現值轉作成本，並連同債務(利息部分除外)入賬，以反映購入及融資情況。根據撥充資本之融資租約持有之資產，包括融資租約下預付土地租賃款項，均列入物業、廠房及設備內，並以租賃期與租賃資產預期使用壽命兩者中較短者為折舊期間。該等租約之融資成本乃於損益表中扣除，以便於租賃年期內按固定比率扣除。

凡資產擁有權之絕大部分回報及風險歸於出租人之租約列為經營租賃。倘本集團為出租人，被本集團以經營租賃名義出租的資產應確認為非流動資產，則經營租賃之應收租金於租期內以直線法計入損益表。倘本集團為承租人，則經營租賃之應付租金(扣除出租人提供之任何優惠)於租期內以直線法自損益表扣除。

經營租賃之預付土地租賃款項首先按成本列賬，其後於租期內按直線法確認。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Investments and other financial assets

###### Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and cash equivalents, pledged time deposits, and trade, notes and other receivables.

###### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

###### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

#### 2.4 主要會計政策概要(續)

##### 投資及其他金融資產

###### 初始確認及計量

根據國際會計準則第39號，金融資產可適當地分類為按公允價值列賬及差價計入損益的金融資產，貸款及應收款，持有至到期之投資及可供出售金融投資，或者劃分為制定作有效對沖的對沖工具的衍生工具。本集團於初始確認時決定其金融資產的分類。金融資產初始確認時會使用公允價值，加上(非按公允價值列賬及差價計入損益的金融資產情況)直接歸屬於該投資的交易成本。

金融資產以正常方式進行之所有買賣均在交易日(即本集團承諾買賣資產之日)確認。以正常方式買賣指規定於市場規定或慣例通常訂立之期限內交付金融資產之金融資產買賣。

本集團的金融資產包括現金及現金等值物、已抵押定期存款、貿易應收賬款、應收票據及其他應收款項。

###### 後續計量

金融資產的後續計量根據其分類進行，該等金融資產分類如下：

###### 按公允價值列賬及差價計入損益的金融資產

按公允價值列賬及差價計入損益的金融資產包括因交易而持有的金融資產及於初始確認時指定為按公允價值列賬及差價計入損益的金融資產。如果金融資產以短期出售為目的而購入，則分類為交易性金融資產。除非其被國際會計準則第39號指定為有效的對沖工具，包涵獨立嵌入式衍生品的金融衍生工具也被分類為因交易而持有的金融資產。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Investments and other financial assets (continued)

##### Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in other income and gains in the income statement. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under IAS 39 are satisfied.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets. The reclassification from financial assets at fair value through profit or loss to loans and receivables, available-for-sale financial assets or held-to-maturity investments depends on the nature of the assets. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation as these instruments cannot be reclassified after initial recognition.

#### 2.4 主要會計政策概要(續)

##### 投資及其他金融資產(續)

##### 按公允價值列賬及差價計入損益的金融資產(續)

按公允價值列賬及差價計入損益的金融資產在財務狀況表中以公允價值列賬，其公允價值變動淨額於損益表中確認。此等公允價值變動淨額並不包含該等金融資產賺取的任何股息或利息，而該等利息乃按照下文「收益確認」所載之政策確認。

僅在滿足國際會計準則第39號時，於初始確認日將金融資產指定為按公允價值計入損益的金融資產。

本集團評價其按公允價值列賬及差價計入損益的金融資產(持作買賣)以評估於近期出售該等資產是否依然適當。倘因市場不活躍及管理層於可見將來出售該等金融資產的意願出現重大轉變令本集團未能買賣該等金融資產，本集團可選擇重新分類該等金融資產。根據資產的性質，按公允價值計入損益的金融資產將被重新分類為貸款及應收款項、可供出售金融資產或持有至到期的投資。由於該等工具於首次確認後不能重新分類，此項評估並不影響於指定時利用公允價值選項指定為任何按公允價值列賬及差價計入損益的金融資產。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Investments and other financial assets (continued)

##### Financial assets at fair value through profit or loss (continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income in the income statement. The loss arising from impairment is recognised in the income statement in finance costs for loans and in other expenses for receivables.

#### 2.4 主要會計政策概要(續)

##### 投資及其他金融資產(續)

##### 按公允價值列賬及差價計入損益的金融資產(續)

若嵌入主合同的衍生品經濟性質和風險與主合同衍生品無特別相關且主合同非為因交易而持有或指定為按公允價值列賬及差價計入損益，則嵌入式衍生品作為單獨的衍生品記賬且按公允價值計量。嵌入式衍生品以公允價值計量其公允價值變動計入損益表。僅在合同條款改變以致現金流量發生重大變化時才重新評估該金融工具。

##### 貸款及應收款

貸款及應收款是指有固定或可衡量付款及未在活躍市場上市的非衍生工具金融資產。該資產在初始計量後運用實際利息方法以攤餘成本扣除任何減值撥備進行後續列賬。計算攤餘成本時，會考慮收購時的任何折扣或溢價及包括作為實際利率主要部分的費用及交易成本。實際利息方法攤銷列示於損益表中其他收入。實際利率攤銷計入損益表內的財務收入。因減值產生的虧損則於損益表中貸款融資成本及其他應收開支確認。



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### 2.4 主要會計政策概要(續)

##### 終止確認金融資產

一項金融資產(或,如適用,金融資產一部分或相似金融資產組合的一部分)在下列情況下終止確認:

- 從資產收取現金流的權利已屆滿;或
- 本集團已轉移從資產收取現金流的權利,或在訂立「轉移」協議上已承擔需無重大延誤的向第三方全額支付這些所獲取現金流量的義務;或本集團(a)已轉讓資產的幾乎所有風險及回報,或(b)雖未轉讓或保留資產的幾乎所有風險及回報,但已轉讓資產的控制權。

如果本集團轉讓了收取一項資產所產生的現金流的權利或訂立「轉移」協議,但既未實質上轉移亦未保留與該資產相關的幾乎全部風險和回報,也沒有轉移對該資產的控制權,本集團則根據其對該被轉讓資產的持續參與程度確認該項金融資產。在此情況下,本集團須確認相關負債。轉讓之資產及相關負債之計量以本集團保留之權利及義務為基礎。

如果本集團的持續參與形式為對被轉讓資產提供擔保,則本集團的持續參與程度的計量是下述兩者中的較低者:資產的賬面金額和本集團可以被要求償還的對價的最大金額。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

##### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

#### 2.4 主要會計政策概要(續)

##### 金融資產減值

本集團於每個報告日期末評估是否存在客觀證據顯示金融資產或金融資產組合出現減值虧損。倘且僅於初步確認一項或一組金融資產後發生一項或多項事件上導致存在客觀減值跡象(一項已發生的虧損事件),而該項(或多項)虧損事件對該項或該組金融資產的估計未來現金流量的現值所造成的影響乃能夠可靠地估計,則該項或該組金融資產會被視作減值。減值跡象可包括一名或一群債務人正面臨重大財務困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組,以及有可能觀察得到的數據顯示估計未來現金流量出現可計量的減少,例如欠款數目變動或出現違約相關的經濟狀況。

##### 以攤餘成本列賬的金融資產

就按以攤餘成本列賬的金融資產而言,本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產,分別評估是否存在客觀減值跡象。如果本集團認定按個別基準經評估的金融資產(無論具重要性與否)並無客觀跡象顯示存有減值,則該項資產會歸入一組具有相似信貸風險特性的金融資產內,並共同評估該組金融資產是否存在減值。經個別評估減值的資產,其減值虧損會予確認或繼續確認入賬,而不會納入綜合減值評估之內。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Impairment of financial assets (continued)

###### Financial assets carried at amortised cost (continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other expenses in the income statement.

#### 2.4 主要會計政策概要(續)

##### 金融資產減值(續)

###### 以攤餘成本列賬的金融資產(續)

如果有客觀跡象顯示出現減值虧損，則減值金額按該資產賬面價值與估計未來現金流量(不包括並未產生的未來信貸虧損)現值的差額計量。估計未來現金流量的現值以金融資產的初始實際利率(即初始確認時計算的實際利率)折現。倘貸款的利率為浮動利率，則計量任何減值虧損的折現率為當前實際利率。

資產賬面值可透過使用備抵賬調低，虧損金額在損益表確認。利息收入繼續按減少後之賬面值，採用計量減值虧損時用以折現未來現金流量之利率計算。貸款及應收賬項連同任何相關備抵於日後確切並無機會收回以及所有抵押品已變現或轉讓予本集團時攤銷。

倘若在其後期間估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整備抵賬來增加或減少先前確認的減值虧損。如果於其後收回未來撇清，該項收回將貸計入損益表中的其他開支。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Financial liabilities

###### Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade, notes and other payables, derivative financial instruments, interest-bearing bank and other borrowings, convertible bonds and other long term payables.

###### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

###### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any interest charged on these financial liabilities.

#### 2.4 主要會計政策概要(續)

##### 金融負債

###### 初始確認及計量

國際會計準則第39號中涉及的金融負債按適當的形式劃分為按公允價值計量而其變動計入損益的金融負債、貸款及借款或指定為有效對沖中對沖工具的衍生品。本集團於初步確認時釐定其金融負債的分類。

所有金融負債初步按公允價值確認，而如屬貸款或借款，則加上直接歸屬的交易成本。

本集團的金融負債包括貿易應付賬款，應付票據及其他應付款、衍生金融工具、計息貸款和其他借貸，可換股債券及其他長期應付款項。

###### 後續計量

金融負債根據其分類進行如下計量：

###### 以公允價值計量且其變動計入當期損益的金融負債

以公允價值計量且其變動計入當期損益的金融負債包括交易性金融負債和在初始確認時指定為以公允價值計量且其變動計入當期損益的金融負債。

為短期內出售目的而收購的金融負債分類為持作買賣金融負債。該類金融負債包括本集團涉及之，按照國際會計準則第39號關於對沖關係之定義未被指定為對沖工具的衍生金融工具。被分離之嵌入式衍生品也應分類為交易性金融負債，惟其被指定為有效對沖工具除外。交易性金融負債之損益確認入損益表。確認計入損益表之公允價值損益淨值並不包含該等金融負債所產生之任何利息。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Financial liabilities (continued)

##### Financial liabilities at fair value through profit or loss (continued)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria of IAS 39 are satisfied.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

##### Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

#### 2.4 主要會計政策概要(續)

##### 金融負債(續)

##### 以公允價值計量且其變動計入當期損益的金融負債(續)

僅在滿足國際會計準則第39號時，於初始確認日將金融負債指定為按公允價值計入損益的金融負債。

##### 貸款及借款

於初步確認後，付息貸款及其他借款隨後以實際利率法按攤餘成本計量，除非貼現影響為微不足道，在該情況下則按成本列賬。當負債終止確認或按實際利息法進行攤銷時，其損益在損益表內確認。

攤餘成本的計算是包括交易產生的所有溢價和折價和屬於實際利率組成部分的所有費用和貼息。實際利率攤銷計入損益表的融資成本內。

##### 財務擔保合約

財務擔保合約，是指保證人和債權人約定，當債務人不履行債務時，保證人按照約定履行債務或者承擔責任的合同。財務擔保合約初步按公允價值確認為一項負債，並根據達成相應財務擔保合約直接相關的交易成本進行調整。初步確認後，本集團將按以下兩者中之較高者計量財務擔保合約：(i) 於報告期末結算現時責任所須開支之最佳估計金額；及(ii) 首次確認之金額減累計攤銷(如適用)。



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Financial liabilities (continued)

###### Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

If the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the income statement.

#### 2.4 主要會計政策概要(續)

##### 金融負債(續)

###### 可換股債券

可換股債券之負債部分經扣除交易成本後於財務狀況表確認為負債。發行可換股債券時，負債部分之公允價值乃按相等非可換股債券之市價而釐定，而該金額按攤餘成本列賬為長期負債，直至轉換或贖回時註銷為止。所得款項餘額會分配至已確認之轉換期權，並於扣除交易成本後計入股東權益。轉換期權之賬面價值於往後年度不會重新計算。交易成本於該等工具首次確認時，根據所得款項分配至負債及權益部分之比例分配至可換股債券之負債及權益部分。

倘可換股債券之轉換期權具有嵌入式衍生品之特徵，則該期權與其負債部分分離。於初始確認時，可換股債券之衍生品部分按公允價值計量且列報為衍生金融工具之一部分。任何超出衍生品部分初始確認金額之所得款項確認為可換股債券之負債部分。交易成本根據該等工具初始確認時負債部分與衍生品部分金額之比例，在可換股債券之負債部分與衍生品部分間分配。與可換股債券負債部分相關之交易成本初始確認為該等負債之一部分。與衍生品部分相關之交易成本計入當期損益。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Financial liabilities (continued)

###### Convertible bonds (continued)

When the convertible bonds extinguishes before maturity through an early redemption or repurchase in which the original conversion privileges are unchanged, the consideration and transaction costs paid for the redemption or repurchase is allocated to the liability and equity components of the instrument at the date of the transaction. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with that used in the original allocation to the separate components of the proceeds received when the convertible instrument was issued. The difference between the carrying amount of the liability component and the liability component from the allocation of consideration and transaction costs paid for the redemption or repurchase is recognised in profit or loss, whereas the difference between the carrying amount of the equity component and the equity component from the allocation of consideration and transaction costs paid for the redemption or repurchase is recognised in equity.

###### Loans with detachable warrants

The warrants that are attached to the host loan contract but are contractually transferable independently are separate financial instruments, and are designated as financial liabilities with fair value through profit or loss at initial recognition. The debt feature of the host loan contract after bifurcation of warrants was then classified as a loan in financial liabilities upon initial recognition and subsequently measured at amortised cost.

###### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

#### 2.4 主要會計政策概要(續)

##### 金融負債(續)

###### 可換股債券(續)

當可換股債券於到期前透過提早贖回或購回而註銷，且原定換股特權維持不變，則贖回或購回所付之代價及交易成本將於交易當日分配至有關工具之負債及權益部分。分配所付代價及交易成本至個別部分之方法與發行可換股工具當時分配所收款項至個別部分之原定方法一致。負債部分賬面價值與自分配贖回或回購所付代價及交易成本至負債部分之差額，於損益中確認。此外，權益部分賬面價值與分配自贖回或回購所付代價及交易成本之權益部分之差額，則於權益中確認。

###### 附可分拆認股權證之貸款

認股權證附屬於貸款主合約，但根據合約可獨立交易，為獨立金融工具並於初始確認時被指定為按公允價值列賬及差價計入損益的金融負債。主合約之債務部分(認股權證分離後)於初始確認時分類為金融負債中之貸款，其後按攤餘成本進行後續計量。

###### 終止確認金融負債

金融負債於負債項下責任被解除、撤銷或屆滿時終止確認。

如一項現有金融負債被來自同一貸款方的幾乎全部條款均有差別的另一項金融負債所取代，或現有負債的條款幾乎全部被實質性修改，此種置換或修改被視作終止確認原有負債並確認新負債處理，而兩者的賬面價值差額於損益表內確認。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Extinguishment of the original financial liability

A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The Group shall remove a financial liability from its statement of financial position when, and only when, it is extinguished — i.e., when the obligation specified in the contract is discharged or cancelled, or expires. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. These techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

#### 2.4 主要會計政策概要(續)

##### 原金融負債之終止

對於一項現有金融負債全部或部分條款(無論是否因債務方財務困境所致)的實質性修改應被視作原金融負債終止並確認新金融負債。當且僅當一項金融負債終止 — 即當合約載明責任被解除、撤銷或屆滿時, 本集團應從其財務狀況表中移除一項金融負債。倘一項債務合約之置換或合約條款之修訂被視作負債終止, 任何相關成本或費用被確認為終止該金融負債之收益或損失。

##### 抵銷金融工具

當具有抵銷已確認金額之現在可執行法定權利, 且計劃以淨額結算或同時變現該金融資產和清償該金融負債時, 金融資產和金融負債方可相互抵銷且以淨值列報於財務狀況表內。

##### 金融工具的公允價值

在活躍市場上有交易的金融工具的公允價值, 是以交易結束時的市場價或交易報價, 不扣除任何交易成本(長倉投標價及短倉沽盤價)釐定。沒有活躍市場的金融工具, 公允價值則以適合的估值方法釐定。估價方法包括使用近期與第三方的市場交易; 參考其他大致相同的工具近期市場價; 使用貼現現金流分析方法; 及使用期權定價模型。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Derivative financial instruments

The derivative financial instruments of the Group represent the warrants as a whole bifurcated from the host loan contract and the conversion option and redemption option bifurcated from the host contract of convertible bonds. These derivative financial instruments are initially recognised at fair value upon the initial recognition and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to the income statement.

##### Current versus non-current classification of derivative financial instruments

Derivative financial instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current or non-current portion based on an assessment of the facts and circumstances.

Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

##### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less all further costs expected to be incurred to completion and disposal.

##### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, and are not restricted as to use.

#### 2.4 主要會計政策概要(續)

##### 衍生金融工具

本集團之衍生金融工具指從定期貸款主合約中分離出之認股權證整體、以及從可換股債券主合約中分離出之轉換權及贖回權。該等衍生金融工具以公允價值進行初始確認及後續計量。其公允價值為正值時，作為資產入賬；其公允價值為負值時，作為負債計量。任何衍生工具之公允價值變動直接計入損益表。

##### 衍生金融工具之流動與非流動分類

基於對現實狀況與環境之評估，將未被指定為有效對沖工具之衍生金融工具劃分為流動或非流動，或者將之分離為流動或非流動部分。

與主合約無密切關聯之嵌入式衍生品按照與主合約現金流一致之方式分類。

##### 存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本按加權平均法釐定，而就在製品及製成品而言，成本包括直接物料成本、直接員工成本以及適當比例之間接成本。可變現淨值乃按估計售價減估計完成及出售時將產生之所有額外成本計算。

##### 現金及現金等值物

就綜合現金流量表而言，現金及現金等值物指手頭現金、活期存款及短期高流動性之投資。該投資隨時可變現為可知數額之現金，且價值變動風險不大，一般於購入日期後三個月內到期，亦沒有用途限制。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Cash and cash equivalents (continued)

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

##### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

##### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

#### 2.4 主要會計政策概要(續)

##### 現金及現金等值物(續)

就財務狀況表而言，現金及現金等值物包括手頭現金及銀行現金，包括用途不受限制之定期存款。

##### 準備

倘因過往事件須承擔現時(法定或推定)的責任，且承擔該責任可能導致日後經濟利益的外流，且對責任金額能夠可靠地估計，則確認準備。

在貼現影響屬重大的情況下，確認的準備數額為報告期末的預期承擔責任的未來支出的現值。任何因時間推移而增加的已折現現值部分，在損益表中列作融資成本。

##### 所得稅

所得稅包含即期稅項及遞延稅項。倘所得稅涉及損益表外的利得或虧損，則於其他全面收益或直接於股東權益確認。

即期及前期稅項資產及負債以預計從稅務局收回或向稅務局支付的金額衡量，基於報告日期末已頒佈或實質頒佈的稅率(及稅務法例)，同時考慮本集團運營國家的稅務解釋及慣例。

遞延稅項乃根據資產及負債的稅基及其就財務報告而言的賬面價值，於報告期末的所有暫時性差異按債務法撥備。



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

#### 2.4 主要會計政策概要(續)

##### 所得稅(續)

已就所有應課稅暫時差異確認遞延稅項負債，惟以下各項除外：

- 在交易時不影響會計溢利及應課稅溢利或虧損之非業務合併之交易中，因首次確認商譽或資產或負債而產生之遞延稅項負債；及
- 就與於附屬公司及聯營公司之投資有關之應課稅暫時差異而言，倘撥回暫時差異之時間可以控制，且暫時差異於可預見將來可能不會被撥回者。

遞延稅項資產根據所有可扣除之暫時差異、結轉未動用稅項貸項及未動用稅項虧損而確認，直至應課稅溢利將可用於抵銷可扣除暫時差異，並可利用結轉未動用稅項貸項及未動用稅項虧損，惟以下各項除外：

- 在交易時不影響會計溢利及應課稅溢利或虧損之非業務合併之交易中，因首次確認資產或負債而產生並與可扣除之暫時差異有關之遞延所得稅資產；及
- 就與於附屬公司及聯營公司之投資有關之可扣除暫時差異而言，遞延稅項資產僅可在暫時差異將於可預見將來撥回，且應課稅溢利可用以抵銷暫時差異時確認。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

##### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, the fair value is credited to other long term payables account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

#### 2.4 主要會計政策概要(續)

##### 所得稅(續)

遞延稅項資產的賬面價值於各報告期末審閱，及削減直至不再有足夠的應課稅溢利可供所有或部分遞延稅項資產動用為止。相反，先前未確認的遞延稅項資產於報告期末予以重新評估，並以可能擁有足夠的應課稅溢利可供所有或部分遞延稅項資產動用為限進行確認。

遞延稅項資產及負債乃按預期適用於資產實現或負債清償期間的稅率計量，並以報告日期末已制定或已實質上制定的稅率(及稅務法例)為基準。

倘存在可合法執行之權利致使即期稅項資產可抵銷即期稅項負債，且遞延稅項與同一課稅實體及同一稅務機關有關，則遞延稅項資產及遞延稅項負債可互相抵銷。

##### 政府撥款

政府撥款於合理確保本集團將收到撥款且符合所有附帶條件時按公允價值確認。與開支項目有關之撥款會於須將有系統之補助與擬作補償之成本適當配對之期間確認為收入。

該項資助如與資產有關，則公允價值乃計入其他長期應付款項，再於有關資產之預期可使用年期分期每年分攤計入損益表，或在資產之賬面值扣除，並以扣減折舊費用方式計入損益表。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (c) dividend income, when the shareholders' right to receive payment has been established.

##### Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 34 to the financial statements.

#### 2.4 主要會計政策概要(續)

##### 收益確認

倘本集團可能獲得有關經濟利益並可按下列基準準確計算收益，則確認收益：

- (a) 銷售貨物於擁有權之重大風險及回報已轉移至買方，而本集團對售出貨物並不保留通常與擁有權有關之管控或實質控制；
- (b) 利息收入按應計基準及使用實際利息法，按將金融工具於預計年期或更短期間(如適用)內之估計未來現金收入折算至金融資產之賬面淨值之利率計算；及
- (c) 股息收入於股東之收款權利確立時確認。

##### 以股份支付之交易

本公司設立股份激勵計劃，目的在於向對本集團成功經營作出貢獻的合資格參與者提供獎勵及回報。本集團僱員(包括董事)以股份付款交易方式收取酬金，即僱員提供服務以為獲得股本工具的代價(「權益支付交易」)。

二零零二年十一月七日之後授出的與僱員進行權益支付交易的成本按獲授當日的公允價值計算。公允價值由外聘估值師採用二項式模型釐定，其他詳情載於財務報表附註34。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

#### 2.4 主要會計政策概要(續)

##### 以股份支付之交易(續)

權益結算交易的成本連同權益的相應增加於所需符合工作表現及／或服務條件期內確認。由每個結算日起直至歸屬日期間就權益結算交易確認的累計費用反映歸屬期已屆滿的程度及本集團就最終將會歸屬的股本工具數目的最佳估計。損益表於一段期間之費用或收入代表於期初及期末已確認累計費用的變動。

最終並無歸屬的回報並不確認開支，惟不包括歸屬條件包括達成特定市場或非歸屬條件的權益支付交易，而該等權益支付交易將於達成所有其他績效及／或服務條件時視作歸屬，不論有否達成市場或非歸屬條件。

當修訂權益支付回報的條款時，若符合回報原有條款，將會至少確認開支，猶如有關條款並無修訂。此外，亦會就任何修訂確認開支，增加股份付款交易的總公允價值，或於修訂當日計算時對僱員有利。

倘若註銷權益支付回報，則會視作已於註銷當日歸屬，而任何未就回報確認的開支將立即確認。以上所述包括未符合本集團或僱員控制範圍內的非歸屬條件而仍然授出的回報。然而，倘以新回報取代所註銷的回報，並於授出當日列作取代回報，則所註銷及新授出的回報將視作原有回報的修訂，誠如前段所述。所有權益支付回報的註銷均會得到同等處理。

未行使購股權如有攤薄效應，計算每股盈利時應作額外股份攤薄，加以反映。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Retirement benefit schemes

Obligatory retirement benefits in the form of contributions under defined contribution retirement schemes administered by local government agencies are charged to the income statement as incurred.

As stipulated by the PRC State regulations, Zhengzhou Yongtong Special Steel Co., Ltd. (“Yongtong Special Steel”), Zhengzhou Yongtong Alloy Metals Co., Ltd. (“Yongtong Alloy Metals”), Luoyang Yongan Special Steel Co., Ltd. (“Yongan Special Steel”), Zhengzhou Xiangtong Electricity Co., Ltd. (“Xiangtong Electricity”), Henan Yongtong Nickel Co., Ltd. (“Yongtong Nickel”), Lianyungang East Harvest Minerals Company Limited (“East Harvest Minerals”) and Lianyungang City East Harvest Mining Company Limited (“East Harvest Mining”), subsidiaries of the Company, participate in a defined contribution retirement plan. All employees of these companies are entitled to an annual pension equal to a fixed proportion of the average basic salary amount within the geographical area of their last employment at their retirement date. Yongtong Special Steel, Yongtong Alloy Metals, Xiangtong Electricity, Yongtong Nickel, East Harvest Minerals and East Harvest Mining are required to make contributions to the local social security bureau at 20% of the previous year’s average basic salaries within the geographical area where the employees are under employment, and Yongan Special Steel is required to make contributions to the local social security bureau at 21% of the previous year’s average basic salary amount within the geographical area where the employees are under employment. The Group has no obligations for the payment of pension benefits beyond the annual contributions as set out above. The contributions are charged to the income statement as they become payable.

#### 2.4 主要會計政策概要(續)

##### 退休福利計劃

強制退休福利指向地方政府當局管理之定額供款退休計劃作出之供款，於產生時自損益表扣除。

根據中國法規規定，本公司的附屬公司鄭州永通特鋼有限公司(「永通特鋼」)、鄭州永通合金材料有限公司(「永通合金」)、洛陽永安特鋼有限公司(「永安特鋼」)、鄭州祥通發電有限公司(「祥通發電」)、河南永通鎳業有限公司(「永通鎳業」)、連雲港東茂礦產品有限公司(「東茂礦產品」)及連雲港市東茂礦業有限公司(「東茂礦業」)參與一項定額供款退休金計劃。所有公司員工均享有年度養老金，金額相等於其退休當日所處最後受僱地區平均基本薪金之某固定比率。永通特鋼、永通合金、祥通發電、永通鎳業、東茂礦產品及東茂礦業須按旗下員工受聘地區之上年度平均基本薪金20%，向當地之社會保障局供款。永安特鋼按旗下員工受聘地區之上年度平均基本薪金之21%，向當地之社會保障局供款。除上述之年度供款以外，本集團毋須支付其他養老金福利。該等供款於應付時自損益表內扣除。



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Retirement benefit schemes (continued)

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all employees of the companies in Hong Kong who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed to the MPF Scheme.

As stipulated by the Indonesia State regulations, PT. Mandan Steel (“PT Mandan”), a subsidiary of the Company, participates in a defined contribution retirement plan namely the Day Old Assurance Program (the “DOA Program”) for all employees of PT Mandan in Indonesia who are eligible to participate in the DOA Program. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the DOA Program.

As stipulated by the Singapore State regulations, CNR Group Holdings Pte. Ltd. (“CNR Group Holdings”), a subsidiary of the Company, participates in a defined contribution retirement plan namely the Central Provident Fund (the “CPF Scheme”) for all employees of CNR Group Holdings in Singapore who are eligible to participate in the CPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the CPF Scheme.

#### 2.4 主要會計政策概要(續)

##### 退休福利計劃(續)

本集團根據強制性公積金計劃條例為所有合資格香港公司僱員設有一項定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃根據僱員基本薪金之若干百分比釐定，並根據強積金計劃之規定在應付有關款項時在損益表扣除。強積金計劃之資產與本集團之資產分開，由一獨立管理之基金持有。本集團向強積金計劃作出僱主供款後，有關供款即全數屬僱員所有。

根據印尼國家條例規定，PT. Mandan Steel(「PT Mandan」)，本公司的一家附屬公司，為其所有合資格印尼僱員參與一項定額供款退休金計劃Day Old Assurance Program(「DOA Program」)。供款乃根據僱員基本薪金之若干百分比釐定，並根據DOA Program之規定於應付有關款項時在損益表扣除。

按新加坡政府條例規定，中鎳控股有限公司(「中鎳控股」)，本公司的一家附屬公司，為其所有合資格新加坡僱員參與定額供款退休金計劃中央公積金(「中央公積金計劃」)。供款乃根據僱員基本薪金之若干百分比釐定，並根據中央公積金計劃之規定於應付有關款項時在損益表扣除。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate ranging between 5.84% and 32.23% (2010: 5.85% and 10.30%) has been applied to the expenditure on the individual assets.

##### Dividends

Final dividends proposed by the Directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### 2.4 主要會計政策概要(續)

##### 借款成本

購入、建造或生產合資格的資產，即需要一段長期間以達致其擬定用途或銷售之資產，其直接借款成本應資本化為該資產之部分成本。當該等資產已大致上能用作其擬定用途或銷售時，相關之借款成本則停止資本化。資本化之借款成本中已扣除待用作籌建合資格資產的專門借貸在作為臨時投資時所賺取之投資收入。其他借款成本在發生當期確認為費用。借款成本包括實體獲得借貸資金時的利息及其他成本。

當資金以一般用途借入且用作取得合資格的資產時，單個資產之利息開支乃按5.84%至32.23%資本化比率(二零一零年：5.85%至10.30%)計算。

##### 股息

董事建議之末期股息歸類為財務狀況表之股權中保留溢利之獨立分配部分，直至於股東大會獲股東批准。已獲股東批准及宣派之股息將確認為負債。

由於本公司之章程大綱及細則賦予董事宣派中期股息之權利，因此會同時建議並宣派中期股息。中期股息於建議及宣派時即時確認為負債。

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### 財務報表附註

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Foreign currencies

The functional currency of the Company is Hong Kong dollars (“HK\$”), the functional currency of its subsidiaries incorporated outside the PRC are HK\$ or United States dollars (“US\$”) and the functional currency of the PRC subsidiaries is RMB. The functional currency of each entity is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in RMB, which is the Group’s presentation currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on retranslation of non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

As at the end of the reporting period, the assets and liabilities of the Group’s non-PRC entities are translated into RMB, the presentation currency of the Group, at the exchange rates ruling at the end of the reporting period and their income statements are translated into RMB at the weighted average exchange rates for the year.

#### 2.4 主要會計政策概要(續)

##### 外幣

本公司之功能貨幣為港元(「港元」)，本公司於中國境外註冊成立之附屬公司之功能貨幣為港元或美元(「美元」)，中國附屬公司之功能貨幣為人民幣。各實體之功能貨幣以各自營運所在之主要經濟環境之貨幣計量。本財務報表以人民幣(本集團之呈列貨幣)列值。

本集團內各實體之外幣交易在初始確認時按交易日的功能貨幣匯率記賬。以外幣列值的貨幣性資產和負債按報告日的功能貨幣匯率重新換算。所有自貨幣項目結算或換算產生的差額均計入損益表內。以外幣列值按歷史成本計量的非貨幣項目，乃按最初進行交易當日的匯率換算。以外幣列值且按公允價值計量的非貨幣項目，須按釐定公允價值當日的匯率換算。重新換算非貨幣項目而產生的收益或虧損，按確認該項目的公允價值變動的收益或虧損一致的方法處理(公允價值變動收益或虧損於其他全面收益或損益確認的項目，其換算差額亦相應於其他全面收益或損益確認)。

於報告期末，本集團中國境外實體之資產及負債按報告期末之適用匯率換算為人民幣(本集團之呈列貨幣)，而損益表則按本年度之加權平均匯率換算為人民幣。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Foreign currencies (continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a non-PRC operation, the component of other comprehensive income relating to that particular non-PRC operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and its non-PRC subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Company and its non-PRC subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

#### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### 2.4 主要會計政策概要(續)

##### 外幣(續)

所產生之滙兌差額於其他全面收益中確認，並在權益項下獨立列賬累計。出售中國境外實體時，已於其他全面收益中確認之有關特定中國境外實體之部分於損益表確認。

就綜合現金流量表而言，本公司及其中國境外附屬公司之現金流量按現金流量日期之滙率換算為人民幣。本公司及其中國境外附屬公司於整個年度產生之頻繁循環現金流量按本年度之加權平均滙率換算為人民幣。

#### 3. 重大會計判斷及估計

本集團財務報表之編製，需管理層作出會影響報告期末收入、開支、資產與負債之呈報金額以及或然負債之披露判斷、估計及假設。然而，該等假設及估計之不明朗因素可導致須對於未來受影響之資產或負債的賬面價值作出重大調整。

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### 財務報表附註

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Applicable income tax rate of a subsidiary incorporated in Singapore

CNR Group Holdings, a subsidiary of the Company incorporated in Singapore, was entitled to a five-year tax concessionary rate of 5% as it was awarded the Global Trader Programme ("GTP") status by International Enterprise ("IE") Singapore with effect from 1 January 2009, on the condition that its turnover meets a certain level within these five years. On 24 October 2011, CNR Group Holdings wrote to IE Singapore to withdraw its GTP incentive with effect from 1 September 2011. In this regard, the Group has determined to prepare the provisional income tax computation of CNR Group Holdings on the basis as follows:

- (i) its qualifying income earned during the GTP incentive period from 1 January 2009 to 31 August 2011 would be taxable at the concessionary tax rate of 5% on the basis that there was no revocation of the incentive and there are no legislation stating that there would be clawback of the incentive should there be a withdrawal from the incentive by CNR Group Holdings; and
- (ii) the income earned with effect from 1 September 2011 would be taxable at the normal tax rate of 17%.

### 3. 重大會計判斷及估計(續)

#### 判斷

於應用本集團之會計政策過程中，除涉及估計之項目外，管理層作出下列對財務報表內已確認金額構成最重大影響之判斷：

#### 於新加坡註冊成立附屬公司之適用所得稅率

本公司於新加坡註冊成立之附屬公司中鎳控股因其獲得新加坡國際企業發展局(「企業發展局」)授予環球貿易商(「環球貿易商」)資格(自二零零九年一月一日起生效)，故其可享有5%之優惠稅率，條件是其營業額須在五年內達到一定水平。於二零一一年十月二十四日，中鎳控股向企業發展局遞交書面申請，申請自二零一一年九月一日起退出其環球貿易商計劃。鑒於此，本集團決定按以下基準計算中鎳控股之所得稅撥備：

- (i) 於環球貿易商計劃期間(自二零零九年一月一日起至二零一一年八月三十一日)產生之合資格收益乃按5%之優惠稅率課稅，以不會取消計劃及倘中鎳控股退出計劃並無法規規定有關計劃會被取消為基準；及
- (ii) 自二零一一年九月一日起錄得之收益按17%之一般稅率繳稅。



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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)****Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

**(a) Share-based payment transactions**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the forfeiture rate, the volatility and dividend yield and making assumptions about them.

**(b) Impairment of receivables**

Impairment of receivables is made based on assessment of the recoverability of receivables. The identification of bad and doubtful debts requires management judgement and estimates. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying values of receivables and expenses for write-back of bad and doubtful debts in the period in which the estimate has been changed. The carrying amount of trade and notes receivables as at 31 December 2011 was RMB148,292,000 (2010: RMB119,318,000) as set out in note 22 to the financial statements. The carrying amount of other receivables as at 31 December 2011 was RMB263,011,000 (2010: RMB272,712,000) as set out in note 23 to the financial statements.

**3. 重大會計判斷及估計(續)****估計之不明朗因素**

下文載述有關未來的主要假設及於報告期末估計不明朗因素的其他主要來源，兩者均涉及導致下個財政年度資產及負債賬面價值大幅調整的重大風險。

**(a) 以股份支付之交易**

本集團與僱員進行以股權支付之交易之成本，乃參照股權工具於授出日期之公允價值計量。估計公允價值時，須基於授出之條款及條件釐定授出股權工具之最恰當估值模式，亦須釐定該估值模式所需輸入之最恰當資料，包括沒收比率、波動及股息率，並須作出相關假設。

**(b) 應收款項減值**

應收款項減值按應收款項之估計可收回程度釐定。呆壞賬之識別需管理層作出判斷及估計。倘有客觀證據顯示本集團將無法收回賬項，則將計提撥備。倘實際結果或未來預算與原定估計不同，則有關差異將影響估計變更期間之應收款項賬面價值及呆壞賬撥回支出。於二零一一年十二月三十一日，應收賬款及應收票據之賬面價值為人民幣148,292,000元(二零一零年：人民幣119,318,000元)，詳情載於財務報表附註22。於二零一一年十二月三十一日，其他應收款項之賬面值為人民幣263,011,000元(二零一零年：人民幣272,712,000元)，詳情載於財務報表附註23。

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#### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

##### Estimation uncertainty (continued)

##### (c) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The carrying amount of property, plant and equipment as at 31 December 2011 was RMB2,108,753,000 (2010: RMB2,008,210,000) as set out in note 13 to the financial statements.

##### (d) Impairment of an exclusive offtake right

The Group assesses whether there are any indicators of impairment for its exclusive offtake right at the end of each reporting period. When an impairment test is undertaken, management judgement and estimates are required in determining suitable valuation factors in the impairment test. The fair value could change significantly as a result of changes in the discount rate, estimation of market prices of nickel and iron and other risk factors related to the exclusive offtake right. The carrying amount of the exclusive offtake right as at 31 December 2011 was RMB2,090,159,000 (2010: RMB2,531,910,000). Further details are included in note 16 to the financial statements.

#### 3. 重大會計判斷及估計(續)

##### 估計之不明朗因素(續)

##### (c) 物業、廠房及設備之可使用年期

本集團之管理層釐定其物業、廠房及設備之估計可使用年期及相關折舊費用。該估計根據類似性質及功能之物業、廠房及設備之實際可使用年期之過往記錄而釐定，並可能因技術創新及競爭對手應對行業重大週期變化之行為而有重大改變。當可使用年期少於先前之估計年期時，管理層將增加折舊費用或沖銷或撇減已報廢或出售之技術過時或非策略性之資產。於二零一一年十二月三十一日，物業、廠房及設備之賬面價值為人民幣2,108,753,000元(二零一零年：人民幣2,008,210,000元)，詳情載於財務報表附註13。

##### (d) 獨家採購權之減值

本集團於各報告期末評估獨家採購權有否減值跡象。進行減值測試時，管理層須就釐定合適之估值因素作出判斷及估計。公允價值可因折現率之變動、鎳及鐵之市價估計及有關獨家採購權之其他風險因素而出現重大變動。於二零一一年十二月三十一日，獨家採購權之賬面價值為人民幣2,090,159,000元(二零一零年：人民幣2,531,910,000元)。其他詳情載於財務報表附註16。

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## 財務報表附註

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二零一一年十二月三十一日**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)****Estimation uncertainty (continued)****(e) Amortisation of an exclusive offtake right**

Amortisation of the Group's exclusive offtake right is made based on the actual limonitic ore purchase during the period over the total planned purchase volume during the contractual period. The estimation of the total planned purchase volume requires management judgement and estimates. It could change significantly as a result of market demand for nickel-based products, technical innovations, reserve of the mine, the ability of the miner in meeting the Group's ore orders and other relevant factors. Management reviews the total planned purchase volume at least annually, and adjusts the amortisation calculation accordingly. Further details are included in note 16 to the financial statements.

**(f) Impairment of non-financial assets (other than goodwill)**

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

**(g) Net realisable value of inventories**

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste or competitor actions in response to severe consumer product industry cycles. Management reassesses these estimates at the end of each reporting period. The carrying amount of inventories as at 31 December 2011 was RMB573,013,000 (2010: RMB859,709,000) as set out in note 21 to the financial statements.

**3. 重大會計判斷及估計(續)****估計之不明朗因素(續)****(e) 攤銷獨家採購權**

本集團之獨家採購權按期內實際已採購鐵礦石除以合約期內總計劃採購量攤銷。總計劃採購量之估計需由管理層作出判斷及估計，並會因市場對鎳產品之需求、技術創新、礦藏儲量、採礦公司滿足本集團礦石訂單之能力及其他相關因素而有重大改動。管理層會最少每年檢討總計劃採購量一次，並相應調整攤銷計算方法。其他詳情載於財務報表附註16。

**(f) 非金融資產(商譽除外)減值**

本集團於各報告期末評估有否跡象顯示所有非金融資產出現減值。其他非金融資產會於有跡象顯示無法收回賬面金額時進行減值測試。當採用使用價值計演算法時，管理層必須估計該資產或現金產生單元之預期未來現金流量，並選取合適之折現率以計算該等現金流量之現值。

**(g) 存貨之可變現淨值**

存貨之可變現淨值指於一般業務過程中估計售價減估計達致完成及出售所涉成本後之金額。該等估計乃根據當前市況及銷售相似性質產品之過往經驗而作出。客戶品味出現變動或競爭對手應對消費品行業重大週期變化所採取之行動，可能令其發生重大變動。管理層會於各報告期末重新評估所作出之估計。於二零一一年十二月三十一日，存貨之賬面價值為人民幣573,013,000元(二零一零年：人民幣859,709,000元)，詳情載於財務報表附註21。

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Estimation uncertainty (continued)

##### (h) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2011 was RMB118,783,000 (2010: RMB221,824,000). The amount of unrecognised tax losses at 31 December 2011 was RMB44,176,000 (2010: RMB1,164,000). Further details are contained in note 17 to the financial statements.

##### (i) Fair value of derivative financial instruments

As described in notes 29 and 30, the Company's other borrowings from Asia Equity Value Ltd. of RMB330,000,000 and the 10% Coupon Convertible Bonds contain a number of derivative financial instruments that are measured at fair value through profit or loss. The Company engaged an independent appraiser to assist it in determining the fair values of these derivative financial instruments. The determination was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, some of which cannot be easily quantified or ascertained. The carrying amount of derivative financial instruments at 31 December 2011 was RMB8,774,000 (2010: RMB136,777,000) as set out in note 28 to the financial statements.

### 3. 重大會計判斷及估計(續)

#### 估計之不明朗因素(續)

##### (h) 遞延稅項資產

倘未動用之稅項虧損應可用作抵銷應課稅溢利，則就所有該等虧損確認遞延稅項資產。釐定可確認之遞延稅項資產金額時，管理層須根據日後應課稅溢利可能出現之時間及水準以及未來稅項規劃策略作出重大判斷。二零一一年十二月三十一日，有關已確認稅項虧損之遞延稅項資產賬面價值為人民幣118,783,000元(二零一零年：人民幣221,824,000元)。二零一一年十二月三十一日之未確認稅務虧損為人民幣44,176,000元(二零一零年：人民幣1,164,000元)。其他詳情載於財務報表附註17。

##### (i) 衍生金融工具之公允價值

如附註29及30所述，本公司結欠Asia Equity Value Ltd.之其他貸款人民幣330,000,000元及10厘息可換股債券包含了部分以公允價值計量且差異計入損益之衍生金融工具。公司聘請獨立評估師參與評估此衍生金融工具之公允價值，此估值基於被廣泛認可的價值評估模式，此模式包含了大量假設及無法定性之不明朗因素。於二零一一年十二月三十一日，衍生金融工具之賬面價值為人民幣8,774,000元(二零一零年：人民幣136,777,000元)，詳情載於財務報表附註28。

## Notes to Financial Statements

## 財務報表附註

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## 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one reportable operating segment: the trading of ore and the manufacturing and sale of special steel products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation and performance assessment.

## Geographical information

## (a) Revenue from external customers

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Mainland China	中國大陸	2,285,651	1,465,245
Other countries	其他國家	302,128	70,617
		<b>2,587,779</b>	1,535,862

The revenue information above is based on the location of the customers.

## (b) Non-current assets

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Mainland China	中國大陸	2,260,660	2,412,486
Other countries	其他國家	2,154,670	2,647,028
		<b>4,415,330</b>	5,059,514

The non-current asset information above is based on the location of the assets and excludes deferred tax assets.

## Information about major customers

Revenue of approximately RMB1,449,183,000 (2010: RMB445,438,000) was derived from sales to two major customers.

## 4. 經營分部資料

根據經營管理需要，本集團僅有一個可呈報經營分部礦石貿易以及生產及銷售特鋼產品。管理層出於資源配置及績效考評之決策目的，將各業務單元之經營成果作為一個整體來進行管理。

## 地域資料

## (a) 來自第三方客戶之收益

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Mainland China	中國大陸	2,285,651	1,465,245
Other countries	其他國家	302,128	70,617
		<b>2,587,779</b>	1,535,862

以上之收入資料乃基於客戶之地理位置。

## (b) 非流動資產

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Mainland China	中國大陸	2,260,660	2,412,486
Other countries	其他國家	2,154,670	2,647,028
		<b>4,415,330</b>	5,059,514

以上之非流動資產資料乃基於該資產之地理位置，並不包括遞延稅項資產。

## 主要客戶資料

約人民幣1,449,183,000元(二零一零年：人民幣445,438,000元)之收益來自兩大主要客戶的銷售。



## Notes to Financial Statements

### 財務報表附註

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#### 5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, net of value-added tax.

An analysis of revenue, other income and gains is as follows:

#### 5. 收益、其他收入及盈利

收益亦即本集團之營業額，指所售貨品之發票淨值（經扣除增值稅）。

收益、其他收入及盈利之分析如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>		
Sale of goods:	銷貨：		
Stainless steel base materials	不銹鋼基料	928,527	408,030
Bearing steel	軸承鋼	—	26,598
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	309,081	107,422
Ni-Cr bearing steel	鎳鉻軸承鋼	—	2,371
Ferro-nickel alloys and others	鎳鐵合金及其他	81,052	496,865
Limonitic ores	褐鐵礦	1,269,119	494,576
<b>Total revenue</b>	<b>收益總額</b>	<b>2,587,779</b>	1,535,862
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	9,776	8,233
Sales of scrap materials and others	廢料及其他銷售	—	3,381
Others	其他	1,119	12,045
		<b>10,895</b>	23,659
<b>Gains</b>	<b>盈利</b>		
Gain on repurchase and redemption of convertible bonds	回購及贖回可換股債券之盈利	—	2,704
Gain on extinguishment of convertible bonds	終止可換股債券之盈利	—	20,300
Changes in fair value of derivative financial instruments	衍生金融工具公允價值變動	123,043	28,000
Write-down of long aging payables	沖銷長賬齡應付款項	20,818	—
Government grants*	政府補助*	290	1,697
Gain on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目之盈利淨額	3,304	—
Others	其他	1,266	4,754
		<b>148,721</b>	57,455
<b>Total other income and gains</b>	<b>其他收入及盈利總額</b>	<b>159,616</b>	81,114

\* There are no unfulfilled conditions or contingencies relating to the government grants.

\* 政府補助並無相關未達成條件或或然事項。

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## 財務報表附註

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## 6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

## 6. 除稅前溢利/(虧損)

本集團除稅前溢利/(虧損)已扣除/(計入)下列各項：

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Staff costs (including Directors' remuneration as set out in note 8):	員工成本(包括詳載於附註8之董事酬金)：			
Salaries and other staff costs	薪金及其他員工成本		<b>87,408</b>	46,594
Retirement benefit scheme contributions	退休福利計劃供款		<b>4,137</b>	4,999
Equity-settled share-based expense	以股權結算之股份開支	34	<b>883</b>	3,467
<b>Total staff costs</b>	<b>總員工成本</b>		<b>92,428</b>	55,060
Costs of inventories sold	已售存貨成本		<b>2,200,057</b>	1,337,101
Research costs	研發成本		<b>238</b>	1,275
Auditors' remuneration	核數師酬金		<b>5,467</b>	3,810
Depreciation	折舊	13	<b>110,910</b>	92,119
Provision for impairment for items of property, plant and equipment*	物業、廠房及設備項目減值撥備*	13	<b>—</b>	4,274
Amortisation of exclusive offtake right#	獨家採購權攤銷#	16	<b>58,498</b>	29,475
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	14	<b>8,452</b>	8,575
Amortisation of other non-current assets	其他非流動資產攤銷	20	<b>—</b>	3,130
Gain on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目之盈利淨額	5	<b>(3,304)</b>	—
Provision for impairment of trade receivables*	應收賬款減值撥備*	22	<b>2,832</b>	—
Write-down of inventories to net realisable value*	存貨撇減至可變現淨值*	21	<b>3,741</b>	—
Transaction costs of restructure of convertible bonds*	可換股債券重組交易費用*		<b>—</b>	19,160
Bank interest income	銀行利息收入	5	<b>(9,776)</b>	(8,233)
Gain on repurchase and redemption of convertible bonds	回購及贖回可換股債券之盈利	5	<b>—</b>	(2,704)
Gain on extinguishment of convertible bonds	終止可換股債券之盈利	5	<b>—</b>	(20,300)
Changes in fair value of derivative financial instruments	衍生金融工具公允價值變動	5	<b>(123,043)</b>	(28,000)
Foreign exchange gains, net	滙兌盈利淨額		<b>(1,019)</b>	—
Foreign exchange losses, net*	滙兌虧損淨額*		<b>—</b>	2,004
Minimum lease payments under operating leases in respect of buildings and other assets	有關樓宇及其他資產之經營租賃之最低租賃付款		<b>4,808</b>	4,456
Write-down of long aging payables	沖銷長賬齡應付款項	5	<b>(20,818)</b>	—

## Notes to Financial Statements

### 財務報表附註

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#### 6. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

- # The amortisation of the exclusive offtake right is included in "cost of sales" in the consolidated income statement.
- \* These items are included in "other expenses" on the face of the consolidated income statement.

#### 6. 除稅前溢利／(虧損)(續)

- # 獨家採購權攤銷計入綜合損益表之「銷售成本」內。
- \* 該等項目均計入綜合損益表中之「其他開支」。

#### 7. FINANCE COSTS

An analysis of finance costs is as follows:

#### 7. 融資成本

融資成本分析如下：

			2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
		Notes 附註		
Interest on bank loans and other borrowings	銀行貸款及其他借貸利息		<b>133,474</b>	41,800
Interest on convertible bonds	可換股債券利息	30	<b>325,691</b>	121,624
Total interest expenses	利息開支總額		<b>459,165</b>	163,424
Less: Interest capitalised	減：資本化利息	13	<b>(254,067)</b>	(72,984)
			<b>205,098</b>	90,440

## Notes to Financial Statements

## 財務報表附註

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## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

## Group

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Fees	袍金	830	754
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	6,180	3,876
Equity-settled share option expense	以股權支付之購股權開支	—	717
Retirement benefit scheme contributions	退休福利計劃供款	56	40
		<b>7,066</b>	5,387

In July 2005, March 2007, April 2007 and March 2008, certain Directors and employees were granted share options, in respect of their services to the Group, under the Company's share option scheme, further details of which are set out in note 34 to the financial statements. The fair value of these options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements is included in the above Director's remuneration disclosures.

## 8. 董事酬金及五名最高薪僱員

本年度董事酬金，根據上市規則及香港公司條例第161條披露如下：

## 本集團

於二零零五年七月、二零零七年三月、二零零七年四月及二零零八年三月，若干董事及僱員就彼等於本集團之服務根據本公司之購股權計劃獲授購股權，詳情載於財務報表附註34。該等購股權之公允價值已於歸屬期內於損益表確認，並於授出日期釐定，且本年度財務報表所列之金額計入上文披露之董事酬金內。

## Notes to Financial Statements

### 財務報表附註

31 December 2011  
二零一一年十二月三十一日

#### 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

##### (a) Independent non-executive Directors

The fees paid to independent non-executive Directors during the year were as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Mr. Bai Baohua	白葆華先生	166	173
Mr. Huang Changhuai	黃昌淮先生	166	173
Mr. Wong Chi Keung	黃之強先生	166	173
Mr. Fahmi Idris	法米先生	166	62
		<b>664</b>	581

There were no other emoluments payable to the independent non-executive Directors during the year (2010: Nil).

#### 8. 董事酬金及五名最高薪僱員(續)

##### (a) 獨立非執行董事

年內，向獨立非執行董事支付之袍金如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Mr. Bai Baohua	白葆華先生	166	173
Mr. Huang Changhuai	黃昌淮先生	166	173
Mr. Wong Chi Keung	黃之強先生	166	173
Mr. Fahmi Idris	法米先生	166	62
		<b>664</b>	581

年內，並無應付獨立非執行董事之其他酬金(二零一零年：無)。



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## 財務報表附註

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## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

## 8. 董事酬金及五名最高薪僱員(續)

## (b) Executive Directors and a non-executive Director

## (b) 執行董事及一名非執行董事

		Salaries, allowances and benefits Fees	Equity-settled share option expense	Retirement benefit scheme contributions	Total remuneration
		in kind			
		薪金、津貼及 袍金	以股權支付 之購股權開支	退休福利 計劃供款	總酬金
		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
2011	二零一一年				
Executive Directors:	執行董事：				
Mr. Dong Shutong	董書通先生	—	2,209	35	2,244
Ms. Ng See Wai Rowena	吳思煒女士	—	675	4	679
Mr. Lau Hok Yuk	劉學郁先生	—	433	6	439
Mr. Song Wenzhou	宋文州先生	—	249	1	250
Mr. Zhao Ping	趙平先生	—	643	—	643
Mr. Dong Chengzhe	董鉞喆先生	—	748	—	748
Mr. Yang Fei	楊飛先生	—	563	10	573
Mr. Mao Yehong	毛葉紅先生	—	660	—	660
Non-executive Director:	非執行董事：				
Mr. Yang Tianjun	楊天鈞先生	166	—	—	166
		166	6,180	56	6,402

## Notes to Financial Statements

### 財務報表附註

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#### 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

##### (b) Executive Directors and a non-executive Director (continued)

		Salaries, allowances and benefits	Equity-settled share option expense	Retirement benefit scheme contributions	Total remuneration
	Fees	in kind	in kind		
	袍金	薪金、津貼及實物福利	以股權支付之購股權開支	退休福利計劃供款	總酬金
	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
2010	二零一零年				
Executive Directors:	執行董事：				
Mr. Dong Shutong	董書通先生	—	1,194	33	1,240
Mr. He Weiquan	何維泉先生	—	668	26	694
Mr. Lau Hok Yuk	劉學郁先生	—	620	218	848
Mr. Song Wenzhou	宋文州先生	—	203	7	213
Mr. Zhao Ping	趙平先生	—	708	309	1,017
Mr. Dong Chengzhe	董鉞喆先生	—	306	93	409
Mr. Yang Fei	楊飛先生	—	177	31	212
		—	3,876	717	4,633
Non-executive Director:	非執行董事：				
Mr. Yang Tianjun	楊天鈞先生	173	—	—	173
		173	3,876	717	4,806

The remuneration package of each Director is determined with reference to his/her duties and responsibilities in the Company.

During the year ended 31 December 2011, no Directors waived or agreed to waive any emolument; and no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

During the year ended 31 December 2011, the five highest paid individuals of the Group included five (2010: five) Directors. Information relating to these Directors' emoluments has been disclosed above.

#### 8. 董事酬金及五名最高薪僱員(續)

##### (b) 執行董事及一名非執行董事(續)

本公司各董事之酬金根據其於本公司之職責釐定。

截至二零一一年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金，以及任何酬金，由本集團支付給董事作為招攬加入或於加入本集團或作為離職補償。

截至二零一一年十二月三十一日止年度，本集團之五名最高薪僱員包括五名董事(二零一零年：五名)。該等董事之酬金之相關資料已於上文披露。

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#### 9. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

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.

The applicable Hong Kong profits tax rate of the Company, Infonics International Limited, Group Rise Trading Limited and S.E.A. Mineral Limited, which operate in Hong Kong, is 16.5% based on existing legislation. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the entity operates, based on existing legislation, interpretations and practices in respect thereof.

The applicable income tax rate of CNR Group Holdings was 5% for the period from 1 January 2011 to 31 August 2011, and 17% for the period from 1 September 2011 to 31 December 2011 (2010: 5%). CNR Group Holdings was entitled to a five-year tax concessionary rate of 5% as it was awarded GTP status by IE Singapore for the five years ending 31 December 2013, and has written to IE Singapore to withdraw its GTP incentive with effect from 1 September 2011.

PT Mandan, a subsidiary of the Company incorporated in Indonesia, was subject to an income tax rate of 25% for the fiscal year 2011 and onwards (2010: 25%).

#### 9. 所得稅

本集團須按實體基準就產生或源於本集團成員公司註冊及經營所在管轄權區域的溢利繳納所得稅。

根據開曼群島及英屬處女群島法規及規例，本集團於開曼群島及英屬處女群島無須繳納任何所得稅。

根據現行法例，於香港經營之本公司、永豐國際有限公司、Group Rise Trading Limited及南洋礦業有限公司適用香港利得稅稅率為16.5%。其他地區應課稅溢利之稅項根據實體經營所在司法權區之現行相關法例、詮釋及慣例，按適用稅率計算。

中鎳控股於二零一一年一月一日至二零一一年八月三十一日期間之適用所得稅稅率為5%，而二零一一年九月一日至二零一一年十二月三十一日期間之適用所得稅稅率為17%（二零一零年：5%）。由於中鎳控股獲新加坡企業發展局授予環球貿易商資格，故於截至二零一三年十二月三十一日止五個年度享有5%之優惠稅率，其已向企業發展局遞交書面申請，申請自二零一一年九月一日起退出其環球貿易商計劃。

本公司於印尼註冊成立之附屬公司PT Mandan於二零一一年及其後財政年度適用25%之所得稅稅率（二零一零年：25%）。

## Notes to Financial Statements

### 財務報表附註

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二零一一年十二月三十一日

#### 9. INCOME TAX (CONTINUED)

According to the PRC Corporate Income Tax Law, the applicable income tax rate of the PRC subsidiaries of the Company was 25% for the year.

#### 9. 所得稅(續)

根據中國企業所得稅法，本公司中國附屬公司之適用所得稅稅率為25%。

	Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Group:	本集團：		
Current — Mainland China	即期 — 中國大陸	<b>(23,537)</b>	513
Current — Singapore	即期 — 新加坡	<b>27,593</b>	8,136
Current — Hong Kong and others	即期 — 香港及其他	<b>1,543</b>	—
Deferred	遞延稅項	<b>26,122</b>	(34,260)
	17		
Total tax expense/(credit) for the year	年度所得稅 開支/(貸項)	<b>31,721</b>	(25,611)

A reconciliation of the income tax expense/(credit) applicable to profit/(loss) before tax at the statutory rate to the income tax expense/(credit) at the effective tax rate is as follows:

使用法定稅率計算適用於除稅前溢利/(虧損)之所得稅開支/(貸項)與根據實際稅率計算之所得稅開支/(貸項)之對賬如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit/(loss) before tax	除稅前溢利/(虧損)	<b>99,101</b>	(23,048)
Tax at blend of statutory tax rates	按混合法定稅率計算之稅項	<b>6,649</b>	588
Tax effect of:	下列各項之稅務影響：		
Lower income tax rate for the Singapore subsidiary	新加坡附屬公司適用較低所得稅率	<b>(22,422)</b>	(32,345)
Profit attributable to an associate	歸屬於一間聯營公司之溢利	<b>(580)</b>	(3,087)
Income not subject to tax	毋須課稅收入	<b>(23,514)</b>	(9,080)
Expenses not deductible for tax	不可扣稅開支	<b>54,104</b>	22,420
Previously unrecognised deferred tax assets recognised	確認過往年度未確認之遞延稅項資產	—	(4,731)
Tax losses not recognised	未確認稅項虧損	<b>17,484</b>	624
Tax expense/(credit) at the Group's effective rate	按本集團實際稅率計算之稅項開支/(貸項)	<b>31,721</b>	(25,611)

## Notes to Financial Statements

## 財務報表附註

31 December 2011  
二零一一年十二月三十一日**10. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT**

Of the Group's profit attributable to owners of the parent of RMB66,344,000 (2010: RMB1,467,000), a loss of RMB259,041,000 (2010: RMB123,531,000) has been dealt with in the financial statements of the Company (note 33(b)).

**11. DIVIDENDS**

- (a) The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2011 (2010: HKD0.002). More details are given in note 33 to the financial statements.
- (b) The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: Nil).

**12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT****Basic**

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,304,031,807 (2010: 2,208,205,624) in issue during the year.

**Diluted**

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the Zero Coupon Convertible Bonds (note a), the 10% Coupon Convertible Bonds and the Term Loan with Warrants (note b), where applicable (see below). The weighted average number of ordinary shares used in the calculation is the weighted average number of the ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

**10. 母公司股權持有人應佔溢利**

母公司股權持有人應佔溢利人民幣66,344,000元(二零一零年：人民幣1,467,000元)中，虧損人民幣259,041,000元(二零一零年：人民幣123,531,000元)已於本公司財務報表內處理(附註33(b))。

**11. 股息**

- (a) 董事未提議宣派截至二零一一年六月三十日止六個月的中期股息(二零一零年：0.002港元)。詳載於本財務報表附註33。
- (b) 董事未提議宣派截至二零一一年十二月三十一日止年度之末期股息(二零一零年：無)。

**12. 母公司普通股股權持有人應佔每股盈利/(虧損)****基本**

每股基本盈利金額乃根據母公司普通股股權持有人應佔年度溢利及年內已發行普通股之加權平均股數即2,304,031,807股(二零一零年：2,208,205,624股)計算。

**攤薄**

每股攤薄盈利乃根據母公司普通股股權持有人應佔年度溢利計算，並於適用時經調整以反映零息可換股債券(附註a)、10厘息可換股債券及含認股權證之定期貸款(附註b)之利息(見下文)。用作計算之普通股加權平均股數為年內已發行普通股之加權平均股數(按計算每股基本盈利所使用者)，而假設普通股加權平均股數已把所有潛在攤薄性普通股視為行使或換取普通股下按無償方式發行。



## Notes to Financial Statements

### 財務報表附註

31 December 2011  
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#### 12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

##### Diluted (Continued)

The calculation of diluted earnings per share is based on:

#### 12. 母公司普通股股權持有人應佔每股盈利/(虧損)(續)

##### 攤薄(續)

每股攤薄盈利乃根據下列基準計算：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	用於計算每股基本盈利之 母公司普通股股權持有人 應佔溢利	<b>66,344</b>	1,467
Interest on the Zero Coupon Convertible Bonds	零息可換股債券利息	<b>*1,085</b>	*43,415
Interest on the 10% Coupon Convertible Bonds	10厘息可換股債券利息	<b>*93,149</b>	18,466
Interest on the Term Loan with Warrants	含認股權證之定期貸款利息	<b>*83,515</b>	*5,861
Less: Gain on extinguishment of the Zero Coupon Convertible Bonds	扣除：終止零息可換股債券之盈利	—	*(20,300)
Gain on redemption of the Zero Coupon Convertible Bonds	贖回零息可換股債券之盈利	—	*(2,704)
Change in fair value of the derivative component of the 10% Coupon Convertible Bonds	10厘息可換股債券衍生部分之公允價值變動	<b>*(61,373)</b>	(27,704)
Change in fair value of the Warrants	認股權證公允價值變動	<b>*(61,670)</b>	*(296)
		<b>121,050</b>	18,205

Notes:

- (a) Details of the Zero Coupon Convertible Bonds are included in note 30 to the financial statements.
- (b) Details of the Term Loan with Warrants are included in note 29(c) to the financial statements.

附註：

- (a) 零息可換股債券之詳情載於財務報表附註30。
- (b) 含認股權證之定期貸款之詳情載於財務報表附註29(c)。

## Notes to Financial Statements

## 財務報表附註

31 December 2011

二零一一年十二月三十一日

## 12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

## 12. 母公司普通股股權持有人應佔每股盈利/(虧損)(續)

Shares 股數	Number of shares 股份數目	
	2011 二零一一年	2010 二零一零年
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用以計算每股基本盈利之年內已發行普通股加權平均股數 <b>2,304,031,807</b>	2,208,205,624
Effect of dilution — weighted average number of ordinary shares:	攤薄影響 — 普通股加權平均股數：	
— Share options	— 購股權 <b>240,568</b>	5,513,634
— Convertible notes	— 可換股票據 —	68,587,869
— The Zero Coupon Convertible Bonds	— 零息可換股債券 <b>*1,525,130</b>	*210,658,341
— The 10% Coupon Convertible Bonds	— 10厘息可換股債券 <b>*915,011,655</b>	121,994,435
— The Term Loan with Warrants	— 含認股權證之定期貸款 <b>*232,188,211</b>	*15,054,843
	<b>3,452,997,371</b>	2,630,014,746

## Notes to Financial Statements

## 財務報表附註

31 December 2011  
二零一一年十二月三十一日

## 12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

## 12. 母公司普通股股權持有人應佔每股盈利/(虧損)(續)

2011

二零一一年

		Earnings 盈利 RMB'000 人民幣千元	Number of shares 股份數目
		<b>121,050</b>	<b>3,452,997,371</b>
Less the impact of:	扣除下列影響：		
— The Zero Coupon Convertible Bonds*	— 零息可換股債券*	<b>1,085</b>	<b>1,525,130</b>
— The 10% Coupon Convertible Bonds*	— 10厘息可換股債券*	<b>31,776</b>	<b>915,011,655</b>
— The Term Loan with Warrants*	— 含認股權證之定期貸款*	<b>21,845</b>	<b>232,188,211</b>
Amount adjusted and used in the diluted earnings per share calculation	用於計算每股攤薄盈利之調整後金額	<b>66,344</b>	<b>2,304,272,375</b>

2010

二零一零年

		Earnings/(loss) 盈利/(虧損) RMB'000 人民幣千元	Number of shares 股份數目
		18,205	2,630,014,746
Less the impact of:	扣除下列影響：		
— The Zero Coupon Convertible Bonds*	— 零息可換股債券*	20,411	210,658,341
— The Term Loan with Warrants*	— 含認股權證之定期貸款*	5,565	15,054,843
Amount adjusted and used in the diluted loss per share calculation	用於計算每股攤薄虧損之調整後金額	(7,771)	2,404,301,562

\* Since the impact of the dilution of the Zero Coupon Convertible Bonds, the 10% Coupon Convertible Bonds and the Term Loan with Warrants is anti-dilutive, the amount presented for the diluted earnings per share is the same as the basic earnings per share amount.

\* 由於零息可換股債券、10厘息可換股債券及含認股權證之定期貸款具有反攤薄影響，故所呈列之每股攤薄盈利與每股基本盈利相同。

## Notes to Financial Statements

## 財務報表附註

31 December 2011

二零一一年十二月三十一日

## 13. PROPERTY, PLANT AND EQUIPMENT

## 13. 物業、廠房及設備

## Group

## 本集團

		Buildings	Plant and machinery	Office equipment	Motor vehicles and others	Construction in progress	Total
		樓宇	廠房及機器	辦公室設備	汽車及其他	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本值：</b>						
At 1 January 2010	於二零一零年 一月一日	265,447	1,096,864	9,531	43,503	507,159	1,922,504
Additions	添置	793	1,983	1,749	3,739	650,347	658,611
Transfers	轉撥	303	118,694	1,229	2,384	(122,610)	—
Exchange realignment	外幣折算差額	(369)	—	(43)	(771)	—	(1,183)
At 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日 及二零一一年 一月一日	266,174	1,217,541	12,466	48,855	1,034,896	2,579,932
Additions	添置	2,099	7,495	7,258	17,334	477,228	511,414
Transfers	轉撥	—	62,399	—	2,219	(64,618)	—
Disposal	出售	(73)	(626)	(47)	(1,580)	—	(2,326)
Assets included in assets of a disposal group classified as held for sale (note 25)	分類為持作出售之 處置組中資產 (附註25)	(98,387)	(239,509)	(508)	(1,965)	(74,184)	(414,553)
Exchange realignment	外幣折算差額	(507)	—	(74)	(733)	—	(1,314)
At 31 December 2011	於二零一一年 十二月三十一日	<b>169,306</b>	<b>1,047,300</b>	<b>19,095</b>	<b>64,130</b>	<b>1,373,322</b>	<b>2,673,153</b>

## Notes to Financial Statements

## 財務報表附註

31 December 2011  
二零一一年十二月三十一日13. PROPERTY, PLANT AND EQUIPMENT  
(CONTINUED)

## 13. 物業、廠房及設備(續)

## Group (continued)

## 本集團(續)

		Buildings	Plant and machinery	Office equipment	Motor vehicles and others	Construction in progress	Total
		樓宇	廠房及機器	辦公室設備	汽車及其他	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Accumulated depreciation and provision for impairment losses:</b>	<b>累計折舊及減值虧損撥備：</b>						
At 1 January 2010	於二零一零年一月一日	52,788	394,271	6,770	21,682	—	475,511
Depreciation charge for the year	本年度折舊支出	13,496	75,479	93	3,051	—	92,119
Exchange realignment	外幣折算差額	69	—	5	(256)	—	(182)
Impairment (note 6)	減值(附註6)	—	—	—	4,274	—	4,274
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	66,353	469,750	6,868	28,751	—	571,722
Depreciation charge for the year	本年度折舊支出	14,242	90,233	1,854	4,581	—	110,910
Disposal	出售	—	(168)	(47)	(1,446)	—	(1,661)
Assets included in assets of a disposal group classified as held for sale (note 25)	分類為持作出售之處置組中資產(附註25)	(14,866)	(99,722)	(478)	(1,209)	—	(116,275)
Exchange realignment	外幣折算差額	(59)	—	(49)	(188)	—	(296)
At 31 December 2011	於二零一一年十二月三十一日	<b>65,670</b>	<b>460,093</b>	<b>8,148</b>	<b>30,489</b>	<b>—</b>	<b>564,400</b>
<b>Net carrying amount:</b>	<b>賬面淨值：</b>						
At 31 December 2011	於二零一一年十二月三十一日	<b>103,636</b>	<b>587,207</b>	<b>10,947</b>	<b>33,641</b>	<b>1,373,322</b>	<b>2,108,753</b>
At 31 December 2010	於二零一零年十二月三十一日	199,821	747,791	5,598	20,104	1,034,896	2,008,210

## Notes to Financial Statements

## 財務報表附註

31 December 2011  
二零一一年十二月三十一日13. PROPERTY, PLANT AND EQUIPMENT  
(CONTINUED)

## Group (continued)

During the year, interest of RMB254,067,000 (2010: RMB72,984,000) was capitalised in construction in progress at the capitalisation rate ranging from 5.84% to 32.23% (2010: 5.85% to 10.30%) as set out in note 7 to the financial statements.

At 31 December 2011, certain of the Group's buildings and plant and machinery with a net carrying amount of approximately RMB51,715,000 (2010: RMB56,503,000) were pledged to secure a bank loan granted to the Group (note 29(a)).

## Company

## 13. 物業、廠房及設備(續)

## 本集團(續)

年內，人民幣254,067,000元(二零一零年：人民幣72,984,000元)之利息已資本化為在建工程，資本化率為5.84%至32.23%之間(二零一零年：5.85%至10.30%)，詳情載於財務報表附註7。

於二零一一年十二月三十一日，本集團賬面淨值約為人民幣51,715,000元(二零一零年：人民幣56,503,000)之樓宇與廠房及機器已抵押作本集團獲授貸款(附註29(a))的質押物。

## 本公司

		Buildings 樓宇 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles and others 汽車及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本值：</b>				
At 1 January 2010	於二零一零年 一月一日	10,070	1,133	22,642	33,845
Additions	添置	—	260	—	260
Exchange realignment	外幣折算差額	(339)	(38)	(761)	(1,138)
At 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日 及二零一一年 一月一日	9,731	1,355	21,881	32,967
Additions	添置	—	56	—	56
Exchange realignment	外幣折算差額	(460)	(64)	(717)	(1,241)
At 31 December 2011	於二零一一年 十二月三十一日	<b>9,271</b>	<b>1,347</b>	<b>21,164</b>	<b>31,782</b>



## Notes to Financial Statements

## 財務報表附註

31 December 2011  
二零一一年十二月三十一日13. PROPERTY, PLANT AND EQUIPMENT  
(CONTINUED)

## 13. 物業、廠房及設備(續)

## Company (continued)

## 本公司(續)

		<b>Buildings</b> 樓宇 RMB'000 人民幣千元	<b>Office equipment</b> 辦公室設備 RMB'000 人民幣千元	<b>Motor vehicles and others</b> 汽車及其他 RMB'000 人民幣千元	<b>Total</b> 總計 RMB'000 人民幣千元
<b>Accumulated depreciation and provision for impairment losses:</b>	<b>累計折舊及減值虧損撥備：</b>				
At 1 January 2010	於二零一零年一月一日	123	688	5,437	6,248
Depreciation charge for the year	本年度折舊支出	389	189	861	1,439
Exchange realignment	外幣折算差額	(4)	(23)	(256)	(283)
Impairment	減值	—	—	4,274	4,274
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	508	854	10,316	11,678
Depreciation charge for the year	本年度折舊支出	380	176	524	1,080
Exchange realignment	外幣折算差額	(33)	(45)	(182)	(260)
At 31 December 2011	於二零一一年十二月三十一日	<b>855</b>	<b>985</b>	<b>10,658</b>	<b>12,498</b>
<b>Net carrying amount:</b>	<b>賬面淨值：</b>				
At 31 December 2011	於二零一一年十二月三十一日	<b>8,416</b>	<b>362</b>	<b>10,506</b>	<b>19,284</b>
At 31 December 2010	於二零一零年十二月三十一日	9,223	501	11,565	21,289

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## 14. PREPAID LAND LEASE PAYMENTS

## 14. 預付土地租賃款項

		Notes 附註	Group 本集團		Company 本公司	
			2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之 賬面價值		<b>391,690</b>	400,091	<b>11,276</b>	11,669
Additions	添置		<b>265</b>	683	—	—
Amortisation during the year	於年內攤銷	6	<b>(8,452)</b>	(8,575)	—	—
Assets included in assets of a disposal group classified as held for sale	分類為持作出售 之處置組中 資產	25	<b>(184,329)</b>	—	—	—
Exchange realignment	外幣折算差額		<b>(740)</b>	(509)	<b>(532)</b>	(393)
Carrying amount at 31 December	於十二月 三十一日之 賬面價值		<b>198,434</b>	391,690	<b>10,744</b>	11,276
Less: Current portion included in prepayments, deposits and other receivables	減：計入預付款 項、按金 及其他應 收款項之 即期部分	23	<b>(4,290)</b>	(8,148)	—	—
Non-current portion	非即期部分		<b>194,144</b>	383,542	<b>10,744</b>	11,276

At 31 December 2011, the carrying amounts of the Group's prepaid land lease payments, which are related to land situated in Mainland China, Indonesia and Australia, amounted to RMB183,555,000 (2010: RMB376,217,000) (under a medium term lease), RMB4,135,000 (2010: RMB4,197,000) (under a long term lease) and RMB10,744,000 (2010: RMB11,276,000) (under a long term lease), respectively.

At 31 December 2011, certain parcels of the Group's leasehold land situated in Mainland China with a net carrying amount of RMB123,511,000 (2010: RMB159,797,000) were pledged for bank loans granted to the Group (note 29(a)).

於二零一一年十二月三十一日，與本集團位於中國大陸、印度尼西亞、澳大利亞土地有關的預付土地租賃款項賬面價值分別為人民幣183,555,000元（二零一零年：人民幣376,217,000元）（中期租約）、人民幣4,135,000元（二零一零年：人民幣4,197,000元）（長期租約）和人民幣10,744,000元（二零一零年：人民幣11,276,000元）（長期租約）。

於二零一一年十二月三十一日，本集團位於中國境內賬面淨值為人民幣123,511,000元（二零一零年：人民幣159,797,000元）的若干幅租賃土地已作為本集團獲授銀行貸款（附註29(a)）的質押物。

## Notes to Financial Statements

### 財務報表附註

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#### 15. GOODWILL

##### Group

		Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面價值		<b>58,394</b>	58,394
Assets included in assets of a disposal group classified as held for sale	分類為持作出售之處置組中資產	25	<b>(58,394)</b>	—
Carrying amount at 31 December	於十二月三十一日之賬面價值		<b>—</b>	58,394

#### 15. 商譽

##### 本集團

#### 16. INTANGIBLE ASSET

##### Group

			2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Exclusive offtake right</b>	<b>獨家採購權</b>			
Carrying amount at 1 January	於一月一日之賬面價值		<b>2,531,910</b>	2,640,288
Amortisation provided during the year	年內攤銷撥備		<b>(58,498)</b>	(29,475)
Exchange realignment	外幣折算差額		<b>(383,253)</b>	(78,903)
Carrying amount at 31 December	於十二月三十一日之賬面價值		<b>2,090,159</b>	2,531,910

#### 16. 無形資產

##### 本集團

In May 2007, the Group secured an exclusive offtake right from PT. Yiwon Mining ("Yiwon Mining"), a limited company incorporated in Indonesia, whereby Yiwon Mining agreed to exclusively sell the limonitic ores produced by Yiwon Mining to the Group at a fixed price of US\$16 per dry tonne for a period of approximately 14 years. On 12 September 2008, the term of the exclusive offtake right was extended to 29 years expiring on 24 January 2036.

於二零零七年五月，本集團獲得一間於印尼註冊成立之有限公司PT. Yiwon Mining (「Yiwon Mining」)之獨家採購權，Yiwon Mining同意以固定價格每乾噸16美元向本集團獨家出售其所產鐵礦石，年期約為十四年。於二零零八年九月十二日，獨家採購權之年期延長至二十九年，於二零三六年一月二十四日屆滿。

## Notes to Financial Statements

## 財務報表附註

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## 16. INTANGIBLE ASSET (CONTINUED)

**Group (continued)**

The purchase consideration was satisfied by cash of HK\$95.56 million (equivalent to RMB94.05 million), issuance of 1,340,067,052 ordinary shares, and issuance of convertible notes with a principal of HK\$316,130,000 (equivalent to RMB311,135,000) which are neither transferable nor redeemable. On 18 May 2010, the convertible notes were fully converted to 182,734,104 ordinary shares of the Company as set out in note 32 to the financial statements.

The Group measured the exclusive offtake right acquired and the corresponding increase in equity and cash consideration paid, directly, at the fair value of the exclusive offtake right. The fair value of the exclusive offtake right was determined at RMB2,686,865,000 by the Directors with reference to the valuation performed by Greater China Appraisal Limited ("Greater China Appraisal"), an independent valuer, dated 2 May 2007. The independent valuer used the income approach by applying the discounted cash flow method in its valuation. The transaction cost directly attributable to the acquisition of the exclusive offtake right amounted to RMB11,420,000 and was capitalised as part of the cost of this intangible asset.

## 16. 無形資產(續)

**本集團(續)**

收購獨家採購權之代價以下列方式支付：現金95.56百萬港元(相等於人民幣94.05百萬元)、發行1,340,067,052股普通股以及發行本金額為316,130,000港元(相等於人民幣311,135,000元)之不可轉讓兼不可贖回可換股票據。於二零一零年五月十八日，可換股票據全部轉換為182,734,104股本公司普通股。詳情載於財務報表附註32。

本集團計量所收購之獨家採購權、股本之相關增加以及已付現金代價乃按獨家採購權之公允價值直接計算。獨家採購權之公允價值人民幣2,686,865,000元乃由董事經參考獨立估值師漢華評值有限公司(「漢華評值」)於二零零七年五月二日之估值而釐定。獨立估值師於估值時採用折現現金流量法以收入法計量。收購獨家採購權之應佔直接交易成本人民幣11,420,000元已撥充為該無形資產之部分成本。

## Notes to Financial Statements

### 財務報表附註

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#### 17. DEFERRED TAX

The movements in the deferred tax assets and liabilities during the year are as follows:

##### Deferred tax assets

##### Group

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	於一月一日	<b>256,763</b>	226,530
Deferred tax (charged)/credited to the income statement during the year (note 9)	於年內損益表(扣除)/計入之遞延稅項(附註9)	<b>(26,144)</b>	30,233
Deferred tax assets included in assets of a disposal group classified as held for sale (note 25)	分類為持作出售處置組中遞延稅項資產(附註25)	<b>(78,073)</b>	—
At 31 December	於十二月三十一日	<b>152,546</b>	256,763
The deferred tax balance is in respect of:	有關下列各項的遞延稅項結餘：		
Losses available for offsetting against future taxable profits	可供抵銷日後應課稅溢利之虧損	<b>118,783</b>	221,824
Inventory provision	存貨撥備	<b>630</b>	630
Unrealised profit eliminated on consolidation	於合併時撇銷之未變現溢利	<b>7,715</b>	21,054
Decelerated tax depreciation	減速稅項折舊	<b>—</b>	18
Liabilities for accrued expenses that are deductible for tax purpose only when paid	於支付時方可抵扣的預提費用負債	<b>25,418</b>	13,237
		<b>152,546</b>	256,763

The Group has no tax losses arising in Hong Kong (2010: RMB49,648,000) that are available for offsetting against future taxable profits of the companies in which the loss arose.

#### 17. 遞延稅項

年內遞延稅項資產及負債變動如下：

##### 遞延稅項資產

##### 本集團

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	<b>256,763</b>	226,530
Deferred tax (charged)/credited to the income statement during the year (note 9)	<b>(26,144)</b>	30,233
Deferred tax assets included in assets of a disposal group classified as held for sale (note 25)	<b>(78,073)</b>	—
At 31 December	<b>152,546</b>	256,763
The deferred tax balance is in respect of:		
Losses available for offsetting against future taxable profits	<b>118,783</b>	221,824
Inventory provision	<b>630</b>	630
Unrealised profit eliminated on consolidation	<b>7,715</b>	21,054
Decelerated tax depreciation	<b>—</b>	18
Liabilities for accrued expenses that are deductible for tax purpose only when paid	<b>25,418</b>	13,237
	<b>152,546</b>	256,763

本集團並無自香港產生任何稅項虧損(二零一零年：人民幣49,648,000元)可用以抵銷出現虧損的公司日後應課稅溢利。

## Notes to Financial Statements

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## 17. DEFERRED TAX (CONTINUED)

## Deferred tax assets (continued)

## Group (continued)

The Group has tax losses arising in Mainland China of RMB475,132,000 (2010: RMB854,528,000) that will expire in one to five years for offsetting against future taxable profits. Based on the five-year forecasts of these companies, the Directors believe that sufficient taxable profit will be available to allow these deferred tax assets to be utilised.

Key assumptions in the five-year forecasts include the budgeted sales and gross margins that are determined by the Directors based on the planned production strategy and management's past experience and expectations regarding the selling price strategy (by reference to market reports on the future market price of nickel), cost of production, sales volume and the market development.

The Group also has tax losses arising in Mainland China of RMB44,176,000 (2010: RMB1,164,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

## Company

## 17. 遞延稅項(續)

## 遞延稅項資產(續)

## 本集團(續)

本集團自中國大陸產生的稅項虧損人民幣475,132,000元(二零一零年:人民幣854,528,000元)將於一至五年內到期,用作抵銷未來應課稅溢利。基於該等公司的五年期預測,董事認為,將具備充足應課稅溢利可令該等遞延稅項資產獲利用。

未來五年盈利預測的主要假設,是本集團董事根據生產計劃、管理層過去的經驗和預期的產品銷售價格(參考市場報告及未來市場鎳價格預測),以及產品生產成本、銷量及市場的發展而得出。

本集團亦自中國大陸產生人民幣44,176,000元之稅項虧損(二零一零年:人民幣1,164,000元)將於一至五年內到期,用作抵銷未來應課稅溢利。因該等虧損乃由曾經出現虧損之附屬公司產生,未能確認是否在不遠未來將有應課稅溢利可用以抵銷稅項虧損,故並未就該等虧損確認為遞延稅項資產。

## 本公司

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	於一月一日	7,176	—
Deferred tax (charged)/credited to the income statement during the year	年內於損益表(扣除)/計入之遞延稅項	(7,176)	7,176
At 31 December	於十二月三十一日	—	7,176
The deferred tax balance in respect of:	有關下列各項的遞延稅項結餘:		
Losses available for offsetting against future taxable profits	可供抵銷日後應課稅溢利之虧損	—	7,176



## Notes to Financial Statements

### 財務報表附註

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#### 17. DEFERRED TAX (CONTINUED)

##### Deferred tax liabilities

##### Group

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	於一月一日	<b>23,890</b>	27,917
Deferred tax credited to the income statement during the year (note 9)	年內計入損益表之遞延稅項 (附註9)	<b>(22)</b>	(4,027)
Deferred tax liabilities included in liabilities directly associated with the assets classified as held for sale (note 25)	直接與分類為持作出售的資產相關之遞延稅項負債 (附註25)	<b>(21,467)</b>	—
At 31 December	於十二月三十一日	<b>2,401</b>	23,890
Provisions in respect of:	有關下列各項的準備：		
Fair value adjustments arising from acquisition of a subsidiary	收購附屬公司所產生公允價值調整	—	22,439
Others	其他	<b>2,401</b>	1,451
		<b>2,401</b>	23,890

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated after 31 December 2007.

At 31 December 2011, there was no unrecognised deferred tax liability (2010: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries as these subsidiaries did not have profits available for distribution.

#### 17. 遞延稅項 (續)

##### 遞延稅項負債

##### 本集團

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	<b>23,890</b>	27,917
Deferred tax credited to the income statement during the year (note 9)	<b>(22)</b>	(4,027)
Deferred tax liabilities included in liabilities directly associated with the assets classified as held for sale (note 25)	<b>(21,467)</b>	—
At 31 December	<b>2,401</b>	23,890
Provisions in respect of:		
Fair value adjustments arising from acquisition of a subsidiary	—	22,439
Others	<b>2,401</b>	1,451
	<b>2,401</b>	23,890

據中國企業所得稅法，於中國國內成立的外商投資企業向外國投資者宣派股息須按10%徵收預扣稅。此規定由二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者的司法權區訂有稅務協議，則可應用較低的預扣稅率。本集團適用的稅率為10%。因此，本集團有責任就於中國大陸成立的該等附屬公司於二零零七年十二月三十一日起產生的盈利所分派的股息繳付預扣稅。

於二零一一年十二月三十一日，由於本集團若干附屬公司並無可供分派儲備，故該等附屬公司之未匯出盈利之應付稅項並無導致未確認遞延稅項負債(二零一零年：無)。

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## 17. DEFERRED TAX (CONTINUED)

## Deferred tax liabilities (continued)

## Company

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	於一月一日	—	—
Deferred tax credited to the income statement during the year	年內計入損益表之遞延稅項	1,137	—
At 31 December	於十二月三十一日	1,137	—
Provisions in respect of: Depreciation allowance in excess of related depreciation	有關下列各項的準備： 超出相關折舊之折舊撥備	1,137	—

## 17. 遞延稅項(續)

## 遞延稅項負債(續)

## 本公司

## 18. INVESTMENTS IN SUBSIDIARIES

## Company

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Unlisted investments/shares, at cost	非上市投資/股份，以成本計算	322,204	322,204
Advances to subsidiaries	對附屬公司之墊款	4,102,924	4,387,368
		4,425,128	4,709,572

## 18. 於附屬公司之投資

## 本公司

The amounts advanced to the subsidiaries included in the investments in subsidiaries above are denominated in HK\$, US\$ and the Singapore dollar ("SG\$"), and are unsecured, and have no fixed terms of repayment. In the opinion of the Directors, these advances are considered as quasi-equity loans to the subsidiaries.

上述計入於附屬公司投資之對附屬公司之墊款以港元、美元及新加坡元(「新加坡元」)計值，為無抵押及無固定還款期。本公司董事認為，該等墊款可視為授予附屬公司之準股本貸款。

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### 財務報表附註

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#### 18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the Company's subsidiaries are as follows:

#### 18. 於附屬公司之投資(續)

本公司附屬公司之詳情如下：

Name of companies 公司名稱	Place of incorporation and place of operations 註冊成立及營業地點	Nominal value of issued shares/paid-up capital 已發行股份/ 繳足股本之面值	Percentage of equity interest attributable to the Company 本公司應佔 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Infonics International Limited 永豐國際有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$10,001 10,001美元	100	—	Investment holding 投資控股
China Yongtong International Metallurgy Engineering Technology Company Limited 中國永通國際冶金工程技術 有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100	—	Dormant 暫無營業
China Special Steel Holdings Company Limited 中國特鋼控股有限公司	Cayman Islands/ Hong Kong 開曼群島/香港	US\$1 1美元	—	100	Dormant 暫無營業
S.E.A. Mineral Limited 南洋礦業有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$100 100美元	—	100	Trading of ore 礦石貿易
Group Rise Trading Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	—	100	Dormant 暫無營業
CNR Group Holdings 中鎳控股	Singapore 新加坡	US\$400,000 400,000美元	—	100	Trading of minerals, steel products and investment holding 礦產、鋼產品貿易 及投資控股
PT Mandan	Indonesia 印度尼西亞	IDR131,264,000,000 131,264,000,000印尼盾	—	100	Under construction 在建
Yongtong Special Steel 永通特鋼	PRC 中國	RMB636,760,000 人民幣636,760,000元	—	100	Manufacture and sale of special steel products 製造及銷售特鋼產品

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## 18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

## 18. 於附屬公司之投資(續)

Name of companies 公司名稱	Place of incorporation and place of operations 註冊成立及營業地點	Nominal value of issued shares/paid-up capital 已發行股份/ 繳足股本之面值	Percentage of equity interest attributable to the Company 本公司應佔 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Yongan Special Steel* 永安特鋼*	PRC 中國	RMB336,000,000 人民幣 336,000,000 元	—	51	Manufacture and sale of special steel products 製造及銷售特鋼產品
Yongtong Alloy Metals 永通合金	PRC 中國	RMB3,000,000 人民幣 3,000,000 元	—	95	Trading of scrap steel 廢鋼貿易
Xiangtong Electricity 祥通發電	PRC 中國	RMB10,000,000 人民幣 10,000,000 元	—	50.01	Generation and sale of electricity 發電及銷售電力
Yongtong Nickel 永通鎳業	PRC 中國	RMB266,000,000 人民幣 266,000,000 元	—	100	Under construction 在建
East Harvest Minerals 東茂礦產品	PRC 中國	US\$127,000,000 127,000,000 美元	—	100	Trading of mineral products and investment holding 礦產品貿易及 投資控股
East Harvest Mining 東茂礦業	PRC 中國	RMB390,000,000 人民幣 390,000,000 元	—	100	Under construction 在建

\* Pursuant to an agreement for the disposal of the Group's entire shareholding of 51% in Yongan Special Steel, Yongan Special Steel was classified as a disposal group held for sale in the consolidated financial statements as at 31 December 2011. Further details are included in note 25 to the financial statements.

\* 根據出售本集團於永安特鋼51%全部股權之協議，永安特鋼於二零一一年十二月三十一日之綜合財務報表中分類為持作出售組別。有關詳情載於財務報表附註25。

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#### 19. INVESTMENT IN AN ASSOCIATE

##### Group

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Share of net assets	應佔資產淨值	<b>22,274</b>	18,760

Particulars of the associate are as below:

該聯營公司之詳情如下：

Name 公司名稱	Particulars of issued shares 已發行 股份詳情	Place of incorporation 註冊成立地點	Percentage of ownership interest attributable to the Group 本集團 所佔股權比例	Principal activity 主要業務
Full Harvest Development Limited	15,500 ordinary shares of US\$ 1 each	Republic of Seychelles	47.42%	Investment holding 投資控股
豐盛發展有限公司	15,500股每股 1美元之普通股	塞舌爾共和國		

The following table illustrates the summarised financial information of the Group's associate extracted from its financial statements:

下表載列本集團聯營公司節選自其財務報表之財務資料概要：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Assets	資產	<b>130,875</b>	131,116
Liabilities	負債	<b>101,138</b>	107,214
Revenue	收益	—	23,617
Profit	溢利	<b>7,410</b>	39,473

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## 20. OTHER NON-CURRENT ASSETS

## 20. 其他非流動資產

## Group

## 本集團

		Notes 附註	Prepayment for purchases of raw materials 採購原材料 預付款項 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
2011	二零一一年				
Carrying amount at 1 January 2011	於二零一一年 一月一日之 賬面價值		94,059	20,076	114,135
Utilisation	結算		(57,290)	—	(57,290)
Exchange realignment	外幣折算差額		(4,444)	—	(4,444)
Assets included in assets of a disposal group classified as held for sale	分類為 持作出售處置 組中之資產	25	—	(20,076)	(20,076)
Carrying amount at 31 December 2011	於二零一一年 十二月三十一日 之賬面價值		32,325	—	32,325
Less: Current portion included in prepayments, deposits and other receivables	減：預付款項、 按金及其他 應收款項之 即期部分	23	(32,325)	—	(32,325)
Non-current portion	非即期部分		—	—	—
2010	二零一零年				
Carrying amount at 1 January 2010	於二零一零年 一月一日之 賬面價值		97,083	23,206	120,289
Additions	添置		15,359	—	15,359
Utilisation/amortisation	結算/攤銷		(15,116)	(3,130)	(18,246)
Exchange realignment	外幣折算差額		(3,267)	—	(3,267)
Carrying amount at 31 December 2010	於二零一零年 十二月三十一日 之賬面價值		94,059	20,076	114,135
Less: Current portion included in prepayments, deposits and other receivables	減：預付款項、 按金及其他應收 款項之即期部分	23	(55,437)	—	(55,437)
Non-current portion	非即期部分		38,622	20,076	58,698



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#### 21. INVENTORIES

##### Group

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Raw materials	原材料	247,348	418,921
Work in progress	在製品	73,886	108,059
Finished goods	製成品	214,148	282,203
Spare parts and consumables	備件及易耗品	37,631	50,526
		<b>573,013</b>	859,709

The cost of inventories recognised as an expense includes RMB3,741,000 (2010: Nil) in respect of write-downs of inventories to their net realisable values.

#### 21. 存貨

##### 本集團

就沖銷存貨至彼等之可變現淨值已確認為開支的存貨成本包括人民幣3,741,000元(二零一零年：無)。

#### 22. TRADE AND NOTES RECEIVABLES

##### Group

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade receivables	應收賬款	104,346	108,125
Notes receivable	應收票據	43,946	11,193
		<b>148,292</b>	119,318

#### 22. 應收賬款及應收票據

##### 本集團

## Notes to Financial Statements

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## 22. TRADE AND NOTES RECEIVABLES (CONTINUED) 22. 應收賬款及應收票據(續)

The Group's trading terms with its customers are mainly on credit, except for new customers and customers of limonitic ores, where payment in advance is normally required. The credit period is generally one to two months. During the year, the Group generated its revenue from sales of ore and special steel products to other steel producers, thereby exposing the Group to the concentration of credit risk in the steel industry. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing. The carrying amounts of trade and notes receivables approximate to their fair values.

An aging analysis of the trade and notes receivables at the end of the reporting period, based on the invoice date, is as follows:

本集團與客戶之交易主要以信貸方式結算，惟一般要求新客戶及褐鐵礦客戶預付款項。信貸期一般為一至兩個月。年內，本集團之收益來自向鋼鐵製造商銷售礦石及特鋼產品，因此，本集團面臨鋼鐵行業之信貸集中風險。本集團並無就該等結餘持有任何抵押品或其他信貸保證。應收賬款不計利息，應收賬款及應收票據的賬面價值與其公允價值相若。

於報告期末，按發票日期計算之應收賬款及應收票據之賬齡分析如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 90 days	90日內	<b>113,793</b>	104,758
91 to 180 days	91至180日	<b>18,251</b>	9,052
181 to 365 days	181至365日	<b>15,288</b>	32
Over 1 year	超過1年	<b>7,336</b>	9,020
		<b>154,668</b>	122,862
Less: Provision for impairment of trade receivables	減：應收賬款減值撥備	<b>(6,376)</b>	(3,544)
		<b>148,292</b>	119,318

## Notes to Financial Statements

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#### 22. TRADE AND NOTES RECEIVABLES (CONTINUED) 22. 應收賬款及應收票據(續)

The movements in the provision for impairment of trade receivables are as follows:

應收賬款減值撥備變動如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	於一月一日	3,544	3,544
Impairment losses recognised	已確認減值虧損	2,832	—
At 31 December	於十二月三十一日	6,376	3,544

At 31 December 2011, included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB6,376,000 (2010: RMB3,544,000) with a carrying amount before provision of RMB6,376,000 (2010: RMB3,544,000). The individually impaired trade receivables relate to customers that were in financial difficulties.

於二零一一年十二月三十一日，上述應收賬款減值撥備包括個別應收賬款減值撥備人民幣6,376,000元(二零一零年：人民幣3,544,000元)；該等應收賬款減值前賬面值為人民幣6,376,000元(二零一零年：人民幣3,544,000元)。個別應收賬款減值乃與出現財務困難之客戶有關。

The aging analysis of trade and notes receivables that are neither individually nor collectively considered to be impaired is as follows:

個別或共同不被視作需減值之應收賬款及應收票據之賬齡分析如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	147,332	113,810
Less than 90 days past due	逾期少於90日	—	—
91 to 180 days past due	逾期91至180日	—	—
181 to 365 days past due	逾期181至365日	—	32
Past due over 1 year	逾期超過1年	960	5,476
		148,292	119,318

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## 22. TRADE AND NOTES RECEIVABLES (CONTINUED)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## 23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments to suppliers	預付供應商之款項		<b>49,624</b>	77,465	—	4,613
Other prepayments	其他預付款項		<b>7,853</b>	7,652	<b>4,472</b>	5,775
Other receivables	其他應收款項		<b>70,029</b>	39,034	<b>1,597</b>	9,831
Value-added tax receivable	應收增值稅		<b>53,495</b>	41,927	—	—
Shareholder's loan to an associate	對聯營公司作出之股東借款		<b>50,522</b>	48,414	<b>4,395</b>	—
Current portion of other non-current assets	其他非流動資產之即期部分	20	<b>32,325</b>	55,437	—	—
Current portion of prepaid land lease payments	預付土地租賃款項之即期部分	14	<b>4,290</b>	8,148	—	—
			<b>268,138</b>	278,077	<b>10,464</b>	20,219
Less: Provision for impairment of other receivables	減：其他應收款項之減值撥備		<b>(5,127)</b>	(5,365)	—	—
			<b>263,011</b>	272,712	<b>10,464</b>	20,219

The carrying amounts of other receivables and the shareholder's loan to an associate approximate to their fair values at the end of the reporting period.

## 22. 應收賬款及應收票據(續)

尚未逾期亦無減值之應收款項與近期無拖欠記錄之大量不同類型的客戶有關。

已逾期但無減值之應收款項與若干獨立客戶有關，該等客戶於本集團過往紀錄良好。基於過往經驗，本公司董事認為由於客戶信貸質素並無重大改變，且有關結餘仍視為可悉數收回，故毋須就有關結餘作出減值撥備。

## 23. 預付款項、按金及其他應收款項

Notes 附註	Group 本集團		Company 本公司	
	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
		<b>49,624</b>	77,465	—
	<b>7,853</b>	7,652	<b>4,472</b>	5,775
	<b>70,029</b>	39,034	<b>1,597</b>	9,831
	<b>53,495</b>	41,927	—	—
	<b>50,522</b>	48,414	<b>4,395</b>	—
20	<b>32,325</b>	55,437	—	—
14	<b>4,290</b>	8,148	—	—
	<b>268,138</b>	278,077	<b>10,464</b>	20,219
	<b>(5,127)</b>	(5,365)	—	—
	<b>263,011</b>	272,712	<b>10,464</b>	20,219

其他應收款項及對聯營公司作出之股東借款賬面值與彼等於報告期末之公允價值相若。

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#### 24. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

#### 24. 現金及現金等值物 and 已抵押定期存款

		Group 本集團		Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	<b>114,824</b>	172,100	<b>5,554</b>	26,656
Time deposits	定期存款	<b>219,601</b>	301,996	—	—
		<b>334,425</b>	474,096	<b>5,554</b>	26,656
Less: Guarantee as salvage security (note 35(a))	減：作為打撈擔保之保證(附註35(a))	<b>(3,466)</b>	—	—	—
Pledged time deposits for issuing bank acceptance notes (note 26)	為取得銀行承兌票據已抵押之定期存款(附註26)	<b>(216,135)</b>	(301,505)	—	—
		<b>(219,601)</b>	(301,505)	—	—
Cash and cash equivalents	現金及現金等值物	<b>114,824</b>	172,591	<b>5,554</b>	26,656

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged time deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the pledged time deposits approximate to their fair values.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB52,366,000 (2010: RMB105,625,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

存於銀行之現金按每日銀行存款利率計算浮息。短期定期存款之存款期由一日至三個月不等，視乎本集團之即時現金需要而定，並按相應短期定期存款利率計息。銀行結餘及已抵押存款存於信譽良好且無近期壞賬記錄之銀行。現金及現金等值物 and 已抵押存款之賬面價值與彼等之公允價值相若。

本集團於報告期末以人民幣計值的現金及銀行結餘總計達人民幣52,366,000元(二零一零年：人民幣105,625,000元)。人民幣與其他貨幣不可自由兌換，然而根據中國大陸外匯管理條例，以及結匯、售匯及付匯管理規定，本集團獲准透過經授權從事外匯兌換業務的銀行將人民幣兌換成其他貨幣。

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**25. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

At 31 December 2011, the assets and liabilities of a disposal group classified as held for sale represent the Group's investment in a subsidiary, Yongan Special Steel.

In accordance with the policy of relocating iron steel enterprises out from the urban areas under the "Twelfth Five Year Plan" of the PRC and as part of Luoyang City's development planning policy, the Government of Luoyang City has arranged the relocation of Yongan Special Steel.

On 19 December 2011, the Group entered into an agreement with the Government of Luoyang City (the "Relocation Agreement") in relation to the relocation of Yongan Special Steel. On 20 February 2012, in order to implement the Relocation Agreement, the Group and the non-controlling shareholder of Yongan Special Steel entered into an equity transfer agreement with Luoyang Anhui Trading Services Center (Limited Liabilities Partnership) (洛陽安匯貿易服務中心(有限合夥)) ("Anhui Center"), a limited liability partnership nominated by the Government of Luoyang City, to dispose the Group's entire shareholding of 51% equity interests in Yongan Special Steel. The Group has 100% control over Yongan Special Steel according to the profit sharing agreement entered into between the Group and its non-controlling shareholders.

Pursuant to the Relocation Agreement and the equity transfer agreement, the Group will receive various fees in an aggregate amount of RMB1 billion, which was determined after arm's length negotiation between the two parties involved and is intended to compensate the Group for: (i) the working capital contributed by the Group and its related finance costs, (ii) repayment of existing external debt of Yongan Special Steel by the Group; and (iii) the estimated relocation expenses and employee settlement to be incurred.

The Group ceased the production activities of Yongan Special Steel and classified the carrying amounts of the assets and liabilities to a disposal group classified as held for sale on 31 December 2011.

**25. 分類為持作出售之處置組中資產及負債**

於二零一一年十二月三十一日，分類為持作出售之處置組中資產及負債指本集團於一間附屬公司永安特鋼之投資。

根據中國「十二五規劃」將鋼鐵企業遷離城市地區之政策，以及作為洛陽市發展規劃政策之一部分，洛陽市政府已就永安特鋼之搬遷作出安排。

於二零一一年十二月十九日，本集團與洛陽市政府就永安特鋼之搬遷簽訂協議（「搬遷協議」）。於二零一二年二月二十日，為執行搬遷協議，本集團及永安特鋼之非控股股東與洛陽安匯貿易服務中心（有限合夥）（「安匯中心」，洛陽市政府指定之有限責任合夥人）訂立股權轉讓協議，以出售本集團於永安特鋼擁有51%之全部股權。根據本集團與其非控股股東簽訂之溢利共享協議，本集團對永安特鋼擁有100%控制權。

根據搬遷協議及股權轉讓協議，本集團將收取各種費用共計人民幣1,000,000,000元，該等費用乃經涉及雙方公平協商並參考下列各項釐定後釐定：(i)本集團投入之營運資本及其相關融資成本；(ii)本集團為永安特鋼償還之外債；及(iii)估計將產生之搬遷費用及員工補償。

本集團已停止永安特鋼之生產活動，並於二零一一年十二月三十一日將該等資產及負債之賬面值分類為持作出售之處置組中資產及負債。



## Notes to Financial Statements

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#### 25. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

The major classes of assets and liabilities of Yongan Special Steel classified as held for sale at 31 December 2011 are as follows:

#### 25. 分類為持作出售之處置組中資產及負債(續)

於二零一一年十二月三十一日，永安特鋼分類為持作出售主要類別之資產及負債主要類別如下：

	Notes 附註	2011 二零一一年 RMB'000 人民幣千元
<b>Assets</b>	<b>資產</b>	
Property, plant and equipment	物業、廠房及設備	298,278
Prepaid land lease payments	預付土地租賃付款	184,329
Deferred tax assets	遞延稅項資產	78,073
Inventories	存貨	73,234
Trade and notes receivables	應收賬款及應收票據	37
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	10,267
Cash and cash equivalents	現金及現金等值物	43
Goodwill	商譽	58,394
Other non-current assets	其他非流動資產	20,076
Assets classified as held for sale	分類為持作出售之資產	722,731
<b>Liabilities</b>	<b>負債</b>	
Trade and notes payables	應付賬款及應付票據	68,373
Other payables and accruals	應計負債及其他應付款項	56,358
Interest-bearing bank and other borrowings	計息銀行貸款及其他貸款	142,569
Deferred tax liabilities	遞延稅項負債	21,467
Other long term payables	其他長期應付款項	25,801
Liabilities directly associated with the assets classified as held for sale	直接與分類為持作出售的資產相關之負債	314,568
Net assets directly associated with the disposal group	直接與處置組相關之資產淨額	408,163
Amount attributable to non-controlling interests	非控股權益應佔款項	—

## Notes to Financial Statements

## 財務報表附註

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## 26. TRADE AND NOTES PAYABLES

## 26. 應付賬款及應付票據

		Note 附註	Group 本集團		Company 本公司	
			2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade payables	應付賬款		<b>192,347</b>	249,412	<b>1,049</b>	1,100
Notes payable	應付票據	(a)	<b>401,108</b>	423,119	—	—
			<b>593,455</b>	672,531	<b>1,049</b>	1,100

Note:

(a) At 31 December 2011, notes payable of RMB401,108,000 (2010: RMB423,119,000) were secured by time deposits amounting to RMB216,135,000 (2010: RMB301,505,000).

附註：

(a) 於二零一一年十二月三十一日，應付票據人民幣401,108,000元(二零一零年：人民幣423,119,000元)以定期存款人民幣216,135,000元(二零一零年：人民幣301,505,000元)作為保證金。

An aging analysis of the trade and notes payables at the end of the reporting period, based on the invoice date, is as follows:

於報告期末，按發票日期計算之應付賬款及應付票據之賬齡分析如下：

		Group 本集團		Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 90 days	90日內	<b>310,563</b>	162,969	—	—
91 to 180 days	91至180日	<b>259,953</b>	410,474	—	—
181 to 365 days	181至365日	<b>12,462</b>	47,145	—	—
1 to 2 years	1至2年	<b>9,406</b>	16,036	—	—
2 to 3 years	2至3年	<b>18</b>	11,987	—	1,100
Over 3 years	超過3年	<b>1,053</b>	23,920	<b>1,049</b>	—
		<b>593,455</b>	672,531	<b>1,049</b>	1,100

Of the trade payables included in a disposal group (note 25), RMB45,621,000 is aged within one year and RMB22,752,000 is aged over one year.

分類為持作出售之處置組(附註25)之應付賬款人民幣45,621,000元之賬齡為一年以內，人民幣22,752,000元之賬齡為一年以上。

The trade payables are unsecured, interest-free and normally settled on terms of 30 to 90 days.

應付賬款屬無抵押、免息，一般支付期為30至90日。

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## 27. OTHER PAYABLES AND ACCRUALS

## 27. 應計負債及其他應付款項

		Group 本集團		Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Advances from customers	預收貨款	<b>216,032</b>	108,389	—	—
Payables related to purchases of items of property, plant and equipment	與購入物業、廠房及設備項目有關之應付款項	<b>142,029</b>	178,149	—	—
Accrued interest expenses	應計利息開支	<b>5,177</b>	3,705	—	—
Payroll payable	應付工資	<b>5,784</b>	11,765	<b>135</b>	142
Amounts due to non-controlling shareholders of a subsidiary	應付附屬公司非控股股東款項	—	31,766	—	1,993
Liabilities assumed in the acquisition of a subsidiary	因收購附屬公司需承擔的負債	<b>23,186</b>	25,982	—	—
Others	其他	<b>34,933</b>	112,339	<b>5,353</b>	3,845
		<b>427,141</b>	472,095	<b>5,488</b>	5,980

Other payables are non-interest-bearing and have no fixed terms of repayment.

其他應付款項屬免息，亦無固定還款期。

## Notes to Financial Statements

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## 28. DERIVATIVE FINANCIAL INSTRUMENTS

## 28. 衍生金融工具

## Group and Company

## 本集團與本公司

		Notes 附註	2011 二零一一年 Liabilities 負債 RMB'000 人民幣千元	2010 二零一零年 Liabilities 負債 RMB'000 人民幣千元
Warrants bifurcated from the host contract of the Term Loan	分離自定期貸款主合同之認股權證部分	29	9,432	73,062
Conversion option and redemption option bifurcated from the host contract of the 10% Coupon Convertible Bonds	分離自10厘息可換股債券主合同之轉換權及贖回權	30	(658)	63,715
			8,774	136,777
Less: Portion classified as current	減：分類為即期之部分		(8,774)	(31,312)
Non-current portion	非即期部分		—	105,465

## Notes to Financial Statements

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## 29. INTEREST-BEARING BANK AND OTHER BORROWINGS

## 29. 計息貸款及其他借貸

## Group

## 本集團

	Notes 附註	2011 二零一一年			2010 二零一零年		
		Contractual interest rate (%) 合同利率 (%)	Maturity 到期日	RMB'000 人民幣千元	Contractual interest rate (%) 合同利率 (%)	Maturity 到期日	RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>						
Bank loans — unsecured		6.1 – 8.2	2012	85,000	4.8 – 6.8	2011	129,078
Bank loans — secured	(a)	7.2 – 7.9	2012	130,000	5.3 – 6.6	2011	177,723
Other borrowings — unsecured	(b)	0 – 8.0	2012	22,942	0 – 7.5	2011	27,760
Other borrowings — secured	(c)	9.5	2012	164,748	9.5	2011	141,429
				402,690			475,990
<b>Non-current</b>	<b>非即期</b>						
Bank loans — unsecured		7.94	2013	49,900	5.0 – 6.2	2012 – 2013	93,000
Other borrowings — unsecured	(b)	8.0	2013	17,876	5.7 – 8.0	2012	141,448
Other borrowings — secured	(c)			—	9.5	2012	109,224
				67,776			343,672
				470,466			819,662

## Company

## 本公司

	Note 附註	2011 二零一一年			2010 二零一零年		
		Contractual interest rate (%) 合同利率 (%)	Maturity 到期日	RMB'000 人民幣千元	Contractual interest rate (%) 合同利率 (%)	Maturity 到期日	RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>						
Other borrowings — secured	(c)	9.5	2012	164,748	9.5	2011	141,429
<b>Non-current</b>	<b>非即期</b>						
Other borrowings — secured	(c)			—	9.5	2012	109,224
				164,748			250,653

## Notes to Financial Statements

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## 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

## 29. 計息貸款及其他借貸(續)

		Group 本集團		Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Analysed into:	前述計息貸款及其他借貸的分析如下：				
Bank loans repayable:	銀行貸款還款期：				
Within one year	一年內	215,000	306,801	—	—
In the second year	第二年	49,900	43,000	—	—
In the third year	第三年	—	50,000	—	—
		264,900	399,801	—	—
Other borrowings repayable:	其他借款還款期：				
Within one year	一年內	187,690	169,189	164,748	141,429
In the second year	第二年	17,876	250,672	—	109,224
		205,566	419,861	164,748	250,653
		470,466	819,662	164,748	250,653

Notes:

- (a) At 31 December 2011, the secured bank loans comprised of: (i) bank loans of RMB30,000,000 (2010: RMB77,723,000) secured by a parcel of leasehold land in Mainland China with a net carrying amount of RMB37,582,000 (2010: RMB70,456,000); (ii) a bank loan of RMB50,000,000 (2010: RMB50,000,000) secured by a parcel of leasehold land in Mainland China with a net carrying amount of RMB68,304,000 (2010: RMB71,329,000); and (iii) a bank loan of RMB50,000,000 (2010: RMB50,000,000) secured by a parcel of leasehold land in Mainland China and buildings and plant and machinery with net carrying amounts of RMB17,625,000 (2010: RMB18,012,000) and RMB51,715,000 (2010: RMB56,503,000), respectively.

附註：

- (a) 於二零一一年十二月三十一日，有抵押的銀行貸款包括：(i) 以位於中國大陸的，賬面淨值為人民幣37,582,000元(二零一零年：人民幣70,456,000元)的租賃土地作為抵押的銀行貸款人民幣30,000,000元(二零一零年：人民幣77,723,000元)；(ii) 以位於中國大陸的，賬面淨值為人民幣68,304,000元(二零一零年：人民幣71,329,000元)的租賃土地作為抵押的銀行貸款人民幣50,000,000元(二零一零年：人民幣50,000,000元)；及(iii) 以位於中國大陸，賬面淨值分別為人民幣17,625,000元(二零一零年：人民幣18,012,000元)的租賃土地以及賬面淨值為人民幣51,715,000元(二零一零年：人民幣56,503,000元)的物業廠房及設備作為抵押的銀行貸款人民幣50,000,000元(二零一零年：人民幣50,000,000元)。



## Notes to Financial Statements

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#### 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (continued)

- (b) At 31 December 2011, the unsecured other borrowings included: (i) a loan of RMB89,000 (2010: RMB589,000) from Xianghe Group Shangjie Power Engineering Co., Ltd., which is interest-free; (ii) a loan from a shareholder of the Company of US\$2,500,000 (equivalent to RMB15,708,000) (2010: RMB16,486,000), which bore interest at a rate of 8% per annum; (iii) a loan from the ultimate holding company of the Group consisting of amounts of SG\$4,295,000 and HK\$5,000,000 (aggregately equivalent to RMB22,853,000) (2010: RMB44,101,000), which bore interest at a rate of 8% per annum; and (iv) a loan of US\$344,177 (equivalent to RMB2,168,000) (2010: Nil) from hire purchase of motor vehicles, which bore interest at a rate of 3.52% per annum.
- (c) At 31 December 2011, the secured other borrowings represented a facility of RMB330,000,000 (the "Term Loan") obtained by the Company in December 2010 by entering into a term loan agreement with a third party, Asia Equity Value Ltd. (the "Lender"), pursuant to which the Company agreed, as a condition to the availability of the Term Loan, to issue to the Lender warrant instruments (the "Warrants").

The principal terms of the Agreement are as follows:

##### Term Loan

- (i) **Interest rate:** 9.5% per annum
- (ii) **Maturity date:** 24 months since the Drawdown Date, 8 December 2010
- (iii) **Repayment:** The Company shall repay the Term Loan in seven equal instalments on the dates falling 6, 9, 12, 15, 18, 21 and 24 months after the Drawdown Date.
- (iv) **Equity pledge:** The entire registered capital of East Harvest Minerals, a subsidiary of the Group, is pledged in favour of the Lender for the availability of the Term Loan. At 31 December 2011, the paid-up capital of East Harvest Minerals amounted to US\$127,000,000, equivalent to RMB800,214,300 (31 December 2010: RMB740,207,000).

#### 29. 計息貸款及其他借貸(續)

附註：(續)

- (b) 於二零一一年十二月三十一日，無抵押的其他借貸包括：(i) 向祥和集團上街電力工程有限公司借入借款人民幣89,000元(二零一零年：人民幣589,000元)，該借款免息；(ii) 向本公司一股東借入借款2,500,000美元(相當於人民幣15,708,000元)(二零一零年：人民幣16,486,000元)，借款年利率為8%；(iii) 向本集團最終控股公司借入借款4,295,000新加坡元及5,000,000港元(合計相當於人民幣22,853,000元)(二零一零年：人民幣44,101,000元)，借款年利率為8%；及(iv) 汽車租用採購貸款344,177美元(相當於人民幣2,168,000元)(二零一零年：無)，該貸款年利率為3.52%。
- (c) 於二零一一年十二月三十一日，本公司與Asia Equity Value Ltd. (「貸方」)訂立定期貸款協議以獲取一筆相當於人民幣330,000,000元(「定期貸款」)之等值美元信貸；作為取得定期貸款的條件，本公司同意向貸方發行認股權證工具(「認股權證」)。

該協議之的主要條款載列如下：

##### 定期貸款

- (i) **利率：**每年9.5%
- (ii) **到期日：**自提取日(二零一零年十二月八日)起24個月
- (iii) **償還方式：**本公司於提取日期起計滿6、9、12、15、18、21及24個月的日期分7期等額償還貸款。
- (iv) **股權質押：**本集團附屬公司東茂礦產品向貸方質押其全部註冊資本以取得定期貸款。於二零一一年十二月三十一日，東茂礦產品之已繳實收資本為127,000,000美元，相當於人民幣800,214,300元(二零一零年十二月三十一日：人民幣740,207,000元)。

## Notes to Financial Statements

## 財務報表附註

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## 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (continued)

(c) (continued)

**Warrants**

The Warrants carry the rights to subscribe at any time and from time to time during the subscription period for up to 263,226,563 shares of the Company. The other principal terms of the Warrants are as follows:

- (i) **Subscription Price:** Initially HK\$1.68 per share and subject to adjustments.
- (ii) **Subscription period:** Three years since the commencement date, 8 December 2010.
- (iii) **Loan cancellation method:** Each holder of the Warrants (the "Warrant Holder") may elect to pay the Subscription Price of the Warrants by discharging the Company's obligations to repay the outstanding principal of the Term Loan and any accrued but unpaid interest and other sums payable under the Agreement.
- (iv) **The Company's call option:** If, on any date after the expiry of a period of six months commencing on the commencement date, the volume weighted average price ("VWAP") per share of the Company is greater than 180% of the initial Subscription Price, the Company may require the Warrant Holder to exercise the subscription rights attaching to the Warrants in whole or in part within the aforesaid period of 30 trading days.

The net proceeds less the transaction costs, received from the Term Loan of approximately RMB318,750,000 have been split into a liability component and a derivative financial instrument as follows:

- (i) Liability component initially recognised at its fair value, which was measured as the residual amount after deducting the fair value of the derivative component as at 8 December 2010, and is subsequently carried at amortised cost.
- (ii) The Warrants as a whole as derivative financial instrument recognised at its fair value, which is valued by Greater China Appraisal. The trinomial lattice model was used in the valuation of the derivative.

## 29. 計息貸款及其他借貸(續)

附註：(續)

(c) (續)

**認股權證**

認股權證附有權利可於認購期內隨時及不時認購股份，惟總數不超過本公司發行之263,226,563股股份。認股權證其他主要條款載列如下：

- (i) **認購價：**初步認購價為每股1.68港元，並可進行調整。
- (ii) **認購期：**於開始日期(二零一零十二月八日)至其後滿三年之日。
- (iii) **以免除債務之方式認購：**各認股權證持有人(「認股權證持有人」)可選擇以免除本公司之債務之方式支付認購價，該債務中包含本公司據協議規定須償還的定期貸款未償本金，未付之應計利息及其他應付款項總額。
- (iv) **本公司之看漲期權：**倘開始日期起計六個月屆滿後的任何日期，本公司股票之每股交易量加權平均價超逾初步認購價的180%，本公司須至少提前30個交易日要求認股權證持有人於上述期間行使認股權證所附全部或部分認購權。

扣除交易費用後，通過定期貸款所得款項淨額約人民幣318,750,000元，已被分拆為負債部分與衍生金融工具，載列如下：

- (i) 負債部分按其公允價值進行初始確認，該公允價值為扣除衍生品部分於二零一零年十二月八日之公允價值後的剩餘金額，其後以攤餘成本計量。
- (ii) 認股權證整體作為衍生金融工具並按漢華評估之公允價值確認，其估價模式採用三項式定價模式。

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#### 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (continued)

(c) (continued)

The movements of the liability and derivative components of the Term Loan for the year ended 31 December 2011 are as follows:

##### Group and Company

		Liability component 負債部分 RMB'000 人民幣千元	Derivative 衍生工具部分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Drawdown of the Term Loan on 8 December 2010	於二零一零年十二月八日 定期貸款之提取日	244,792	73,958	318,750
Interest expenses	利息費用	5,861	—	5,861
Changes in fair value	公允價值變動	—	(296)	(296)
Exchange realignment	外幣折算差額	—	(600)	(600)
At 1 January 2011	於二零一一年一月一日	250,653	73,062	323,715
Interest expenses	利息費用	83,515	—	83,515
Repayment	還款	(169,420)	—	(169,420)
Changes in fair value	公允價值變動	—	(61,670)	(61,670)
Exchange realignment	外幣折算差額	—	(1,960)	(1,959)
As at 31 December 2011	於二零一一年十二月三十一日	164,748	9,432	174,180
Portion classified as current:	即期部分：	(164,748)	(9,432)	(174,180)
Non-current portion	非即期部分	—	—	—

The carrying amounts of the Group's borrowings approximate to their fair values.

#### 29. 計息貸款及其他借貸(續)

附註：(續)

(c) (續)

截至二零一一年十二月三十一日止年度，定期貸款之負債及衍生部分之變動如下：

##### 本集團及本公司

		Liability component 負債部分 RMB'000 人民幣千元	Derivative 衍生工具部分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Drawdown of the Term Loan on 8 December 2010	於二零一零年十二月八日 定期貸款之提取日	244,792	73,958	318,750
Interest expenses	利息費用	5,861	—	5,861
Changes in fair value	公允價值變動	—	(296)	(296)
Exchange realignment	外幣折算差額	—	(600)	(600)
At 1 January 2011	於二零一一年一月一日	250,653	73,062	323,715
Interest expenses	利息費用	83,515	—	83,515
Repayment	還款	(169,420)	—	(169,420)
Changes in fair value	公允價值變動	—	(61,670)	(61,670)
Exchange realignment	外幣折算差額	—	(1,960)	(1,959)
As at 31 December 2011	於二零一一年十二月三十一日	164,748	9,432	174,180
Portion classified as current:	即期部分：	(164,748)	(9,432)	(174,180)
Non-current portion	非即期部分	—	—	—

本集團借貸之賬面價值與其公允價值相若。

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## 30. CONVERTIBLE BONDS

## Group and Company

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Liability component:	負債部分：			
The Zero Coupon Convertible Bonds	零息可換股債券	(i)	8,225	7,521
The 10% Coupon Convertible Bonds	10厘息可換股債券	(ii)	1,156,195	1,028,658
			<b>1,164,420</b>	1,036,179
Less: Current portion	減：即期部分	(i)/(ii)	<b>(1,164,420)</b>	—
Non-current portion of liability component of convertible bonds	可換股債券負債部分之非即期部分		—	1,036,179

**(i) HK\$2,000 million zero coupon convertible bonds due 2012 (the “Zero Coupon Convertible Bonds”)**

On 12 December 2007, the Company issued 20,000 zero coupon convertible bonds due 2012 at HK\$100,000 each with an aggregate nominal value of HK\$2,000,000,000, which were subsequently traded on the Hong Kong Stock Exchange.

Some of the key terms of the Zero Coupon Convertible Bonds are as follows:

- (a) convertible at the option of the bond holders into fully paid ordinary shares at any time from 22 January 2008 to 2 December 2012 at a conversion price of HK\$5.77 per share;
- (b) redeemable at the option of the bond holders on 12 December 2010, being the third anniversary of the issue date, at the principal amount multiplied by 117.68%;

**(i) 二零一二年到期20億港元零息可換股債券(「零息可換股債券」)**

於二零零七年十二月十二日，本公司以每份100,000港元發行20,000份於二零一二年到期之零息可換股債券，總面值為20億港元，其後有關債券於香港聯交所上市。

零息可換股債券之部分主要條款如下：

- (a) 債券持有人可選擇於二零零八年一月二十二日至二零一二年十二月二日隨時以兌換價每股5.77港元兌換作為已繳足普通股；
- (b) 債券持有人可選擇於二零一零年十二月十二日(即發行日期第三週年)按本金額乘以117.68%贖回；

## Notes to Financial Statements

### 財務報表附註

31 December 2011  
二零一一年十二月三十一日

#### 30. CONVERTIBLE BONDS (CONTINUED)

##### (i) HK\$2,000 million zero coupon convertible bonds due 2012 (the “Zero Coupon Convertible Bonds”) (continued)

- (c) redeemable at the option of the Company at their early redemption amount calculated by using the bond principal with an interest rate of 5.5% on a semi-annual basis, at any time from 12 December 2010 to 12 December 2012, providing the prices of the Company's shares for 20 consecutive trading days are over 130% of the early redemption price divided by a conversion ratio; and
- (d) to be redeemed at 131.17% of its principal amount on 12 December 2012.

The Company determined the fair value of the liability component of the Zero Coupon Convertible Bonds based on the valuation performed by Greater China Appraisal using an equivalent market interest rate for a similar bond without a conversion option.

On 19 October 2010, the Company announced an extraordinary resolution (the “Extraordinary Resolution”) to the existing Zero Coupon Convertible Bonds holders (the “Existing Bondholders”), the main effect of which would be the removal of the right of Existing Bondholders to require the Company to redeem all or some of the Zero Coupon Convertible Bonds on 12 December 2010 (term (b) above) (the “Amendments”).

In conjunction with the announcement, the Company also invited eligible holders of the outstanding Zero Coupon Convertible Bonds to tender their existing bonds in exchange for (1) a cash payment of HK\$20,000 for each HK\$100,000 in principal amount of Zero Coupon Convertible Bonds; and (2) HK\$100,000 in nominal amount of new bonds (“10% Convertible Bonds”) for each HK\$100,000 in principal amount of the Zero Coupon Convertible Bonds (the “Offer”).

#### 30. 可換股債券(續)

##### (i) 二零一二年到期20億港元零息可換股債券(「零息可換股債券」)(續)

- (c) 倘本公司股價連續20個交易日均超過提早贖回價除以兌換比率之130%，本公司可選擇於二零一零年十二月十二日至二零一二年十二月十二日隨時使用債券本金額與利率5.5%（每半年計息一次）計算之提早贖回金額贖回；及
- (d) 零息可換股債券將於二零一二年十二月十二日按本金額乘以131.17%贖回。

本公司乃根據漢華評值利用同類債券（並無兌換期權）之相等市場利率作出之估值釐定零息可換股債券負債部分之公允價值。

於二零一零年十月十九日，本公司向現有零息可換股債券持有人（「現有債券持有人」）發出公告提出一項特別決議案（「特別決議案」），該特別決議之主要影響為可能撤銷現有債券持有人的權利，要求本公司於二零一零年十二月十二日全部或部分贖回零息可換股債券（詳見上述(b)條）（「修訂案」）。

上述公告發佈的同時，本公司亦邀請尚未贖回零息可換股債券之合資格持有人提交彼等所持現有債券以(1)每100,000港元本金額零息可換股債券現金付款20,000港元；及(2)每100,000港元本金額零息可換股債券換面值100,000港元之新債券（「10厘息可換股債券」）（「要約」）。

## Notes to Financial Statements

## 財務報表附註

31 December 2011  
二零一一年十二月三十一日

## 30. CONVERTIBLE BONDS (CONTINUED)

## (i) HK\$2,000 million zero coupon convertible bonds due 2012 (the “Zero Coupon Convertible Bonds”) (continued)

The Extraordinary Resolution was duly passed by the Existing Bondholders at a meeting held on 10 November 2010. The Existing Bondholders holding the Zero Coupon Convertible Bonds of an aggregate principal amount of HK\$1,374,800,000 tendered their existing bonds for exchange pursuant to the Offer.

The movements in the liability component and equity component of the Zero Coupon Convertible Bonds during the year ended 31 December 2011 are as follows:

## 30. 可換股債券(續)

## (i) 二零一二年到期20億港元零息可換股債券(「零息可換股債券」)(續)

所提呈的特別決議於二零一零年十一月十日召開的現有債券持有人大會上獲正式通過。本金總額1,374,800,000港元的現有債券持有人已根據要約兌換了彼等現有債券。

截至二零一一年十二月三十一日止年度，零息可換股債券之負債部分及權益部分之變動如下：

		Liability component of convertible bonds 可換股債券之 負債部分 RMB'000 人民幣千元	Equity component of convertible bonds 可換股債券 之權益部分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	1,336,076	45,920	1,381,996
Interest expenses	利息開支	77,550	—	77,550
Extinguishment	終止	(1,344,596)	(45,221)	(1,389,817)
Redemption	贖回	(21,086)	(699)	(21,785)
Exchange realignment	外幣折算差額	(40,423)	—	(40,423)
At 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日及 二零一一年一月一日	<b>7,521</b>	<b>—</b>	<b>7,521</b>
Interest expenses	利息開支	<b>1,085</b>	<b>—</b>	<b>1,085</b>
Exchange realignment	外幣折算差額	<b>(381)</b>	<b>—</b>	<b>(381)</b>
At 31 December 2011	於二零一一年 十二月三十一日	<b>8,225</b>	<b>—</b>	<b>8,225</b>

At 31 December 2011, the principal amount of the Zero Coupon Convertible Bonds outstanding was HK\$8,800,000.

於二零一一年十二月三十一日，零息可換股債券的尚餘本金為8,800,000港元。



## Notes to Financial Statements

### 財務報表附註

31 December 2011  
二零一一年十二月三十一日

#### 30. CONVERTIBLE BONDS (CONTINUED)

##### (ii) The 10% Coupon Convertible Bonds

On 12 November 2010, the Company issued 13,748 10% Coupon Convertible Bonds due 2012 at HK\$100,000 each with an aggregate nominal value of HK\$1,374,800,000.

Some of the key terms of the 10% Coupon Convertible Bonds are as follows:

- (a) convertible at the option of the bond holders into fully paid ordinary shares at any time from 12 November 2010 to 2 December 2012 at a conversion price of HK\$1.541 per share (the "Initial Conversion Price"). The Initial Conversion Price is subject to adjustment on 12 November 2011 so that it may be adjusted to a price that is equal to the VWAP of the shares of the Company for the period of 90 consecutive trading days immediately prior to 12 November 2011 provided that, among other things, any such adjustment to the Initial Conversion Price shall only be downwards and shall be limited such that the adjusted Initial Conversion Price shall be in no event less than 70% of the Initial Conversion Price prevailing on 12 November 2011. Accordingly, the Initial Conversion Price of HK\$1.541 was adjusted to HK\$1.08 with effect from 12 November 2011 (the "Adjustment"). Apart from the Adjustment, there is no change in terms of the 10% Coupon Convertible Bonds;
- (b) redeemable in cash at the option of the Company at their early redemption amount calculated by using the bond principal at an interest rate of 13.68% per annum on a semi-annual basis, at any time from 12 November 2010 to 12 December 2012, providing the prices of the Company's shares for each 20 out of 30 consecutive trading days are at least 130% of the early redemption amount divided by a conversion ratio; and

#### 30. 可換股債券(續)

##### (ii) 10厘息可換股債券

於二零一零年十一月十二日，本公司以每份100,000港元發行13,748份於二零一二年到期之10厘息可換股債券，總面值為1,374,800,000港元。

10厘息可換股債券之部分主要條款如下：

- (a) 債券持有人可選擇於二零一零年十一月十二日至二零一二年十二月二日隨時以兌換價每股1.541港元(「初始轉換價格」)兌換作為已繳足普通股。初始轉換價格可能於二零一一年十一月十二日調整至等於緊接二零一一年十一月十二日前連續90個交易日的成交量加權平均價，惟除其他限制外，新債券換股價可下調，且上述調整後經調整新債券換股價於任何情況下不低於二零一一年十一月十二日之新債券換股價70%。因此，初始轉換價1.541港元自二零一一年十一月十二日調整為1.08港元(「調整」)。除調整外，10厘息可換股債券之條款並無變動。
- (b) 倘本公司股價連續30個交易日內其中20個交易日均超過提早贖回價除以兌換比率之130%，本公司可選擇於二零一零年十一月十二日至二零一二年十二月二日隨時使用債券本金額與利率13.68%(每半年計息一次)計算之提早贖回金額贖回；及

## Notes to Financial Statements

## 財務報表附註

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二零一一年十二月三十一日

## 30. CONVERTIBLE BONDS (CONTINUED)

## (ii) The 10% Coupon Convertible Bonds (continued)

- (c) to be redeemed at 131.17% of its principal amount on 12 December 2012. The 10% Coupon Convertible Bonds carry interest at a rate of 10% per annum, which is payable semi-annually in arrears on 12 June and 12 December in each year.

The Company determined the fair value of the liability component of the 10% Coupon Convertible Bonds based on the valuation performed by Greater China Appraisal using an equivalent market interest rate for a similar bond without a conversion option.

The Company also recognised a number of derivatives, the values of which comprise:

- (a) The fair value of the option of the bond holders to convert the 10% Coupon Convertible Bonds into ordinary shares of the Company at the conversion price; and
- (b) The fair value of the option of the Company to redeem the 10% Coupon Convertible Bonds.

These options are interdependent as only one of these options can be exercised. Therefore, they are not able to be accounted for separately and a single compound derivative financial instrument was recognised.

The fair values of the derivatives were valued by Greater China Appraisal, using the trinomial model.

## 30. 可換股債券(續)

## (ii) 10厘息可換股債券(續)

- (c) 10厘息可換股債券將於二零一二年十二月十二日按本金額乘以131.17%贖回。10厘息可換股債券利息為每年10%，本公司每半年（即每年的六月十二日與十二月十二日）支付前期的利息。

本公司乃根據漢華評值利用同類債券（並無兌換期權）之相等市場利率作出之估值釐定10厘息可換股債券負債部分之公允價值。

本公司同時確認了若干衍生金融工具，其價值構成如下：

- (a) 債券持有人之選擇權之公允價值，該選擇權指債券持有人可按照轉換價將10厘息可換股債券轉換成本公司之普通股；及
- (b) 本公司之選擇權之公允價值，該選擇權指本公司可贖回10厘息可換股債券。

該等選擇權相互關連，二者間僅有一項可被行使。因此，二者不能單獨確認，而被整體確認為單一的複合衍生金融工具。

本公司乃根據漢華評值利用三項式定價模型作出之估值釐定該衍生金融工具之公允價值。

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#### 30. CONVERTIBLE BONDS (CONTINUED)

##### (ii) The 10% Coupon Convertible Bonds (continued)

The movements of the liability component and derivatives of the 10% Coupon Convertible Bonds are set out below:

		<b>Liability component</b>	<b>Derivatives</b>	<b>Total</b>
		負債部分	衍生工具	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
The 10% Coupon Convertible Bonds issued on 12 November 2010	10厘息可換股債券 於二零一零年 十一月十二日發行	997,043	91,827	1,088,870
Interest expenses	利息開支	44,074	—	44,074
Conversion	轉換	(7,506)	495	(7,011)
Changes in fair value	公允價值變動	—	(27,704)	(27,704)
Exchange realignment	外匯調整	(4,953)	(903)	(5,856)
At 31 December 2010	於二零一零年 十二月三十一日	1,028,658	63,715	1,092,373
Interest expenses	利息開支	324,606	—	324,606
Payment of interest	支付利息	(116,958)	—	(116,958)
Conversion	轉換	(24,890)	(1,581)	(26,471)
Changes in fair value	公允價值變動	—	(61,373)	(61,373)
Exchange realignment	外匯調整	(55,221)	(1,419)	(56,640)
At 31 December 2011	於二零一一年 十二月三十一日	<b>1,156,195</b>	<b>(658)</b>	<b>1,155,537</b>

At 31 December 2011, the principal amount of the 10% Coupon Convertible Bonds outstanding was HK\$1,331,700,000.

##### (ii) 10厘息可換股債券(續)

10厘息可換股債券之負債部分及衍生工具部分之變動如下：

於二零一一年十二月三十一日，10厘息可換股債券尚餘本金1,331,700,000港元。

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## 31. OTHER LONG TERM PAYABLES

## 31. 其他長期應付款項

## Group

## 本集團

		Other long term payables arising from a profit sharing agreement 應佔協議溢利產生之其他應付長期貸款 RMB'000 人民幣千元	Government grant related to an asset 有關資產之政府補助 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>2011</b>	<b>二零一一年</b>			
Carrying amount at 1 January	於一月一日之賬面值	25,801	—	25,801
Liabilities included in liabilities directly associated with the assets classified as held for sale (note 25)	直接與分類為持作出售資產有關之負債(附註25)	(25,801)	—	(25,801)
Addition of government grant related to an asset	有關資產之政府補助增加	—	5,280	5,280
Carrying amount at 31 December	於十二月三十一日之賬面值	—	5,280	5,280
<b>2010</b>	<b>二零一零年</b>			
Carrying amount at 1 January	於一月一日之賬面值	—	—	—
Reclassification from other payables and accruals	自應計負債及其他應付款項重新分類	27,346	—	27,346
Interest increment	利息增加	1,865	—	1,865
Payment	付款	(3,410)	—	(3,410)
Carrying amount at 31 December	於十二月三十一日之賬面值	25,801	—	25,801
Classified as current portion	分類為即期部分	(1,650)	—	(1,650)
Non-current portion	非即期部分	24,151	—	24,151

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### 財務報表附註

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#### 31. OTHER LONG TERM PAYABLES (CONTINUED)

##### Group (continued)

As at 31 December 2011, the balance of other long term payables represents the science and technology subsidies received from local Science and Technology Bureaus in the PRC.

As at 31 December 2010, the balance of other long term payables represents the payables arising from a profit sharing agreement. According to a management agreement entered into between Yongtong Special Steel and the non-controlling shareholders of Yongan Special Steel, Yongtong Special Steel was entitled to all remaining undistributable profits of Yongan Special Steel in return for an annual fixed payment of RMB6,310,000 for a period of 15 years from 5 January 2007.

#### 31. 其他長期應付款項(續)

##### 本集團(續)

於二零一一年十二月三十一日，其他長期應付款項之結餘指中國地方科學技術局之科技補貼。

於二零一零年十二月三十一日，其他長期應付款項指應佔協議溢利產生之應付款。根據永通特鋼與永通特鋼非控股股東簽訂之協議，永通特鋼有權享有永安特鋼之所有未分配溢利，以作為自二零零七年一月五日起15年期間每年固定付款人民幣6,310,000元之回報。

#### 32. ISSUED CAPITAL

#### 32. 已發行股本

		Year ended 31 December 2011 截至二零一一年 十二月三十一日止年度		Year ended 31 December 2010 截至二零一零年 十二月三十一日止年度	
		Number of ordinary shares	RMB'000	Number of ordinary shares	RMB'000
		普通股數	人民幣千元	普通股數	人民幣千元
Authorised (HK\$0.1 each):	法定(每股0.1港元):				
At 1 January and 31 December	於一月一日及 十二月三十一日	5,000,000,000	479,200	5,000,000,000	479,200
Issued and fully paid (HK\$0.1 each):	已發行及繳足(每股 0.1港元):				
At 1 January	於一月一日	2,282,983,565	228,553	2,093,630,385	210,006
Conversion of convertible bonds	轉換可換股債券	21,349,772	1,820	6,619,076	563
Conversion of convertible notes (note 16)	轉換可換股票據 (附註16)	—	—	182,734,104	17,984
At 31 December	於十二月三十一日	2,304,333,337	230,373	2,282,983,565	228,553

## Notes to Financial Statements

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### 33. RESERVES

#### (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 71 to 72 of the financial statements.

#### Contributed surplus

The contributed surplus of the Group represents the difference between the aggregate of the nominal value of the paid-up capital of Infonics International Limited acquired pursuant to the group reorganisation on 29 April 2006 and the nominal value of the Company's shares issued in exchange therefore.

#### Share premium account

Under the Companies Law (2009 Revision) of the Cayman Islands, the share premium and contribution surplus are distributable to the 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 and when they fall due in the ordinary course of business.

#### Capital reserve

The capital reserve mainly related to the convertible notes (stock options) with a principal of HK\$316,130,000 (equivalent to RMB311,135,000) issued by the Company as part of the consideration for the exclusive offtake right in May 2007. On 18 May 2010, the convertible notes were fully converted and the capital reserve was transferred to issued capital and share premium account.

### 33. 儲備

#### (a) 本集團

本年集團本年度及過往年度儲備的餘額及其變動在財務報表第71到72頁的綜合權益變動表中列示。

#### 實繳盈餘

本集團之實繳盈餘指根據於二零零六年四月二十九日之集團重組所收購永豐國際有限公司之繳足股本之面值總額與本公司就交換有關股本而發行之股份之面值之差額。

#### 股份溢價賬

根據開曼群島公司法(二零零九年修訂本), 股份溢價及實繳盈餘可分派予本公司股東, 條件為本公司緊隨建議分派股息日期後將可於一般業務過程中, 在債項到期時還款。

#### 資本儲備

本公司於二零零七年五月發行本金額為316,130,000港元(相等於人民幣311,135,000元)之可換股票據(購股權)作為獨家採購權之部分代價。於二零一零年五月十八日, 可換股票據已悉數轉換, 且該資本儲備已相應轉入已發行股本與股份溢價賬。



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#### 33. RESERVES (CONTINUED)

##### (a) Group (continued)

###### Capital reserve (continued)

At 31 December 2011, the balance of capital reserve is non-distributable and represents the additional contribution by a shareholder in 2003 amounting to RMB37,147,000, and the capitalisation of payable to a shareholder amounting to RMB85,000,000 in respect of which Mr. Dong Shutong waived his rights and benefits to the debts owed to him by Yongtong Special Steel in 2004.

###### Share option reserves

The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain Directors and senior employees as set out in note 34 to the financial statements.

The share option reserves include a proportion of the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

###### Statutory surplus reserves and statutory reserve fund

In accordance with the Company Law of the PRC and the respective Articles of Association of Yongtong Special Steel, Yongtong Alloy Metals, Yongan Special Steel, Xiangtong Electricity, Yongtong Nickel, East Harvest Minerals and East Harvest Mining, these companies are each required to allocate 10% of their profit after tax, as determined in accordance with PRC Generally Accepted Accounting Principles ("PRC GAAP"), to the statutory surplus reserves (the "SSR") until such reserves reach 50% of the registered capital.

#### 33. 儲備 (續)

##### (a) 本集團 (續)

###### 資本儲備 (續)

於二零一一年十二月三十一日，其餘資本儲備乃不可分派之儲備，包含股東於二零零三年增資之人民幣37,147,000元，以及二零零四年董書通先生同意放棄對永通特鋼欠彼債務之權利及利益，按應付股東款項撥充資本方式，於資本儲備賬內入賬之人民幣85,000,000元。

###### 購股權儲備

本公司設有購股權計劃，據此可向若干董事及高級僱員授出可認購本公司股份之購股權，詳情載於財務報表附註34。

購股權儲備包括已授出但尚未行使之購股權之公允價值部分，詳情載於財務報表附註2.4有關以股份支付之交易之會計政策。若相關購股權獲行使，該金額將轉撥往股份溢價賬；若相關購股權到期或被沒收，則轉撥往保留溢利。

###### 法定公積金及法定準備金

根據中國公司法以及永通特鋼、永通合金、永安特鋼、祥通發電、永通鎳業、東茂礦產品和東茂礦業之公司細則，該等公司各自須按根據中國普遍採納之會計準則（「中國會計準則」）計算之除稅後溢利之10%提取法定公積金（「法定公積金」），直至該儲備已分別達到各自註冊資本之50%為止。

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## 33. RESERVES (CONTINUED)

## (a) Group (continued)

**Statutory surplus reserves and statutory reserve fund (continued)**

Subsequent to the re-registration of Yongtong Special Steel as a wholly-foreign-owned company on 10 November 2003, allocation to the SSR was no longer required. According to the relevant PRC regulations applicable to wholly-foreign-owned companies, Yongtong Special Steel is required to allocate a certain portion (not less than 10%) of its profit after tax in accordance with PRC GAAP to the statutory reserve fund (the “SRF”) until such reserve reaches 50% of its registered capital.

The SSR and SRF are non-distributable other than in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as paid-up capital.

**Distributable reserves**

For dividend purposes, the amount which the PRC subsidiaries can legally distribute by way of a dividend is determined by reference to the distributable profits as reflected in their PRC statutory financial statements which are prepared in accordance with PRC GAAP. These profits differ from those that are reflected in this report which is prepared in accordance with IFRSs.

In accordance with the Company Law of the PRC, profits after tax of the PRC subsidiaries can be distributed as dividends after the appropriations to the SSR and SRF set out above.

## 33. 儲備(續)

## (a) 本集團(續)

**法定公積金及法定準備金(續)**

永通特鋼於二零零三年十一月十日轉制為外商獨資企業後毋須再分配法定公積金。根據適用於外商獨資企業之有關中國法規，永通特鋼須將根據中國會計準則計算之除稅後溢利按若干比例(不少於10%)提撥法定準備金(「法定準備金」)，直至該儲備達到永通特鋼註冊資本之50%為止。

除非公司清盤，否則法定公積金與法定準備金概不可分派，但可在符合中國有關法規所載之若干限制下用於抵銷累計虧損或撥充繳足股本。

**可供分派儲備**

就股息而言，中國境內附屬公司可合法分派之股息金額，乃參考按照中國會計準則編製之中國法定財務報表所反映之可供分派溢利而釐定。有關溢利與本報告按照國際財務報告準則所編製之溢利並不相同。

根據中國公司法，中國境內附屬公司除稅後溢利在按上文所述分配予法定公積金及法定準備金後，可分派作股息。

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## 33. RESERVES (CONTINUED)

## (b) Company

## 33. 儲備(續)

## (b) 本公司

		Share premium account	Contributed surplus	Capital reserve	Share option reserves	Exchange fluctuation reserve	Retained profits/ (accumulated losses)	Total
		股份溢價賬	實繳盈餘	資本儲備	購股權儲備	滙兌波動儲備	保留溢利/ (累計虧損)	總額
		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
<b>Year ended 31 December 2011</b>	<b>截至二零一一年十二月三十一日止年度</b>							
At 1 January 2011	於二零一一年一月一日	3,003,805	314,784	—	25,926	(86,019)	(121,556)	3,136,940
Total comprehensive expenses for the year	年度全面虧損合計	—	—	—	—	(10,626)	(259,041)	(269,667)
Conversion of convertible bonds	轉換可換股債券	25,350	—	—	—	—	—	25,350
Equity-settled share option arrangements (note 34)	以股權支付之購股權安排(附註34)	—	—	—	3,878	—	—	3,878
Forfeited share option reserve	已沒收之購股權儲備	—	—	—	(2,995)	—	—	(2,995)
<b>At 31 December 2011</b>	<b>於二零一一年十二月三十一日</b>	<b>3,029,155</b>	<b>314,784</b>	<b>—</b>	<b>26,809</b>	<b>(96,645)</b>	<b>(380,597)</b>	<b>2,893,506</b>
<b>Year ended 31 December 2010</b>	<b>截至二零一零年十二月三十一日止年度</b>							
At 1 January 2010	於二零一零年一月一日	2,661,351	314,784	311,135	22,459	(72,601)	4,516	3,241,644
Total comprehensive expenses for the year	年度全面虧損合計	—	—	—	—	(13,418)	(123,531)	(136,949)
Conversion of convertible bonds	轉換可換股債券	8,054	—	—	—	—	—	8,054
Redemption of convertible bonds	贖回可換股債券	—	—	—	—	—	(2,541)	(2,541)
Extinguishment of convertible bonds	終止可換股債券	45,221	—	—	—	—	—	45,221
Conversion of convertible notes	轉換可換股票據	293,151	—	(311,135)	—	—	—	(17,984)
Equity-settled share option arrangements (note 34)	以股權支付之購股權安排(附註34)	—	—	—	4,246	—	—	4,246
Forfeited share option reserve	已沒收之購股權儲備	—	—	—	(779)	—	—	(779)
Interim 2010 dividend	二零一零年中期股息	(3,972)	—	—	—	—	—	(3,972)
<b>At 31 December 2010</b>	<b>於二零一零年十二月三十一日</b>	<b>3,003,805</b>	<b>314,784</b>	<b>—</b>	<b>25,926</b>	<b>(86,019)</b>	<b>(121,556)</b>	<b>3,136,940</b>

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#### 34. SHARE OPTION SCHEME

On 2 May 2005, the Company approved a share option scheme (the "Share Option Scheme") under which the Directors may, at their discretion, grant options to the Directors and employees of the Group to subscribe for shares in the Company. The subscription price for shares under the Share Option Scheme will be determined by the Directors, which shall be calculated at the time of grant of the relevant option and shall not be less than the highest of (i) the nominal value of a share; (ii) the closing price of a share as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date of grant of the relevant option, which must be a business day; and (iii) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not exceed 10% of the share capital of the Company in issue and may not exceed in nominal value 30% of the issued share capital of the Company in issue for a period of 10 consecutive years. The Share Option Scheme will remain in force for the period of 10 years commencing on 2 May 2005. No option may be granted to any one person which, if exercised in full, would result in the total number of shares which were already issued and may fall to be issued to him under all the options previously granted to him pursuant to the Share Option Scheme in any 12-month period up to the date of grant, exceeding 1% of the maximum aggregate number of shares for the time being issued and which may fall to be issued under the Share Option Scheme.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

#### 34. 購股權計劃

於二零零五年五月二日，本公司批准一項購股權計劃（「購股權計劃」），據此，董事可酌情授予本集團董事及僱員認購本公司股份之購股權。購股權計劃之股份認購價將由董事於授出有關購股權當時釐定，不得低於下列各項之最高者：(i) 股份面值；(ii) 於授出有關購股權當日（必須為營業日）香港聯交所日報表所列股份之收市價；及 (iii) 緊接授出有關購股權當日前五個營業日香港聯交所每日報表所列之股份收市價平均值。

根據購股權計劃可授出之購股權涉及之股份數目最多不得超逾本公司已發行股本之10%，亦不得超逾本公司已發行股本面值之30%，連續十年有效。購股權計劃自二零零五年五月二日起為期十年有效。倘於截至授出日期止任何12個月期間全面行使過往授予一名人士之購股權將導致根據購股權計劃向其授出之所有購股權所涉及已經或將可向其發行之股份總數，超逾當時根據該購股權計劃已經及將可發行之股份上限1%，則不得向其授出購股權。

授予本公司董事、首席執行官或主要股東、或任何彼等聯繫人士須事先經獨立非執行董事或任何彼等之聯繫人士准許。此外，授予本公司主要股東或獨立非執行董事、或任何彼等之聯繫人士之任何購股權，若於任何12個月期間的任何時間超出本公司已發行股份0.1%或總值（根據本公司於授出日期之股份價格）超過5百萬港元，均須得到股東於股東大會之預先批准。

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#### 34. SHARE OPTION SCHEME (CONTINUED)

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of offer of the share options. The options will have a vesting schedule of five years whereby only 20% of the options shall be exercisable 12 months after the grant date and an additional 20% may be exercised by the grantee in each subsequent year until five years later when 100% of the options may be exercised.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Share Option Scheme during the year:

#### 34. 購股權計劃(續)

提呈授出之購股權可於提呈日期起計28日內接納，而承授人須支付合共1港元之象徵式代價。所授出之購股權之行使期由各董事釐定，經過一段歸屬期後可開始行使，而屆滿日期不得遲於提呈購股權日期起計十年。購股權之歸屬期為五年，據此，僅20%購股權可於授出日期後12個月行使，而其後每年承授人將可行使額外20%購股權，直至五年期後購股權可全數行使。

購股權並不授予持有人享有股息或於股東大會上投票之權利。

下列為年內根據購股權計劃尚未行使之購股權：

		2011 二零一一年		2010 二零一零年	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	1.76	43,675	1.78	44,935
Forfeited during the year	於年內沒收	2.10	(4,570)	2.45	(1,260)
At 31 December	於十二月三十一日	1.72	39,105	1.76	43,675

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## 34. SHARE OPTION SCHEME (CONTINUED)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2011

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
17,920	1.07	30 July 2006 to 29 July 2015 二零零六年七月三十日至 二零一五年七月二十九日
6,800	1.91	6 March 2008 to 5 March 2017 二零零八年三月六日至二零一七年三月五日
3,000	2.37	20 April 2008 to 19 April 2017 二零零八年四月二十日至二零一七年四月十九日
11,385	2.45	20 March 2009 to 19 March 2018 二零零九年三月二十日至二零一八年三月十九日
<b>39,105</b>		

二零一一年

## 34. 購股權計劃(續)

於報告期末行使購股權之行使價格及行使期如下：

2010

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
17,920	1.07	30 July 2006 to 29 July 2015 二零零六年七月三十日至 二零一五年七月二十九日
9,800	1.91	6 March 2008 to 5 March 2017 二零零八年三月六日至二零一七年三月五日
3,000	2.37	20 April 2008 to 19 April 2017 二零零八年四月二十日至二零一七年四月十九日
12,955	2.45	20 March 2009 to 19 March 2018 二零零九年三月二十日至二零一八年三月十九日
<b>43,675</b>		

二零一零年

\* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

\* 於供股及紅股發行或於本公司其他類似股本變動之情況下購股權行使價須予調整。



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#### 34. SHARE OPTION SCHEME (CONTINUED)

The Group recognised a net share option expense of approximately RMB883,000 during the year ended 31 December 2011 (2010: RMB3,467,000).

At the end of the reporting period, the Company had 39,105,000 share options outstanding under the Share Option Scheme, which represented approximately 1.7% of the Company's shares in issue as at 31 December 2011. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 39,105,000 additional ordinary shares of the Company and an additional share capital of HK\$3,910,500 (equivalent to RMB3,170,242) and share premium of HK\$60,345,315 (equivalent to RMB48,921,947) (before issue expenses).

Subsequent to the end of the reporting period, on 20 January 2012, a total of 50,000,000 share options were granted to the eligible participants under the Share Option Scheme in respect of their services to the Group in the forthcoming year. These share options have a certain vesting period and an exercise period consistent with the Share Option Scheme, with an exercise price of HK\$0.63 per share. The price of the Company's share at the date of grant was HK\$0.63 per share.

At the date of approval of these financial statements, the Company had 81,415,000 share options outstanding under the Share Option Scheme, which represented approximately 3.5% of the Company's shares in issue as at that date.

#### 34. 購股權計劃(續)

本集團於截至二零一一年十二月三十一日止年度年確認的購股權開支支出為人民幣883,000元(二零一零年：人民幣3,467,000元)。

於報告期末，本公司根據購股權計劃，有39,105,000份尚未行使之購股權，佔本公司於二零一一年十二月三十一日之已發行股份約1.7%。在本公司現行股本結構下，倘悉數行使尚未行使之購股權，將導致本公司額外發行39,105,000股本公司之普通股，增添股本3,910,500港元(相當於人民幣3,170,242元)，以及扣除股份發行開支前之股份溢價60,345,315港元(相當於人民幣48,921,947元)。

報告期完結後，於二零一二年一月二十日，根據購股權計劃，授予合資格參與者合共50,000,000份購股權，以鼓勵彼等來年為本集團提供服務。該等購股權具有特定歸屬期且行使期與購股權一致，行使價為每股0.63港元。本公司股份於授出日期的價格為每股0.63港元。

於該等財務報表批准日期，根據購股權計劃，本公司有81,415,000份未行使購股權，約佔本公司於該日期已發行股本之3.5%。

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#### 35. CONTINGENT LIABILITIES

- (a) CNR Group Holdings assigned its carrier to ship a cargo of 41,900 tons of iron ores from Indonesia to the PRC in November 2009. The vessel was stranded in November 2009 and salvors were engaged to salvage both the vessel and the cargo on board pursuant to the terms of the salvage contract entered into with the owner of the vessel. Subsequent to the salvage operation, the salvors claimed against both the owner of the vessel and CNR Group Holdings, as the owner of the cargo on board, for remuneration and salvage expenses. The salvors also exercised a lien against the cargo on board for their salvage expenses. CNR Group Holdings was requested to put up security to the salvors in the sum of US\$550,000. Therefore, CNR Group Holdings arranged for and put up a letter of guarantee issued by its bank in December 2009 in this amount and procured its carrier to put up security in the sum of US\$50,000, both as salvage security to the salvors.

In January 2010, CNR Group Holdings prepaid an average bond and general average deposit of US\$12,500 to an average adjuster as security for the general average claims of the same marine casualty incident.

The Group received the cargo of iron ore in January 2010 without quality or quantity damage. Up to the approval date of these financial statements, the amount of awards and compensation to the salvors have not been determined and are subject to arbitrators' further adjustment of portions among CNR Group Holdings, its carrier and the owner of the vessel and no provision for the Group's share of the salvage expenses was made as at 31 December 2011.

The Directors believe the Group's share of the salvage expenses would not exceed the salvage security requested by the salvors and would not have significant impact on the financial position of the Group.

#### 35. 或然負債

- (a) 中鎳控股於二零零九年十一月委託其承運人自印尼運輸41,900公噸鐵礦石到中國。該運輸船隻於二零零九年十一月擱淺。根據中鎳控股與船主訂立之救助合約，已聘請打撈公司營救運輸船隻及船上所載貨物。營救工作完結後，打撈公司要求船主及中鎳控股(作為船上所載貨物之貨主)支付酬金及救助費用。打撈公司亦就其救助費用對船上所載貨物行使留置權，要求中鎳控股向其提供共計550,000美元之擔保。中鎳控股為此作出安排，於二零零九年十二月提供由其銀行出具之同等金額保函，並促使其承運人提供合共50,000美元之擔保，以作為向打撈公司提供之打撈擔保。

於二零一零年一月，中鎳控股向海損理算人預付共同海損擔保及共同海損保證金共計12,500美元作為上述同一海上意外事故共同海損申索之擔保。

本集團於二零一零年一月收到該船鐵礦石，其質量與數量均無缺損。截至該等財務報表批准日期，應付打撈公司之酬勞及補償尚未釐定，就中鎳控股、其承運人及船主應付之比例仍需待仲裁員作出進一步調整。於二零一一年十二月三十一日，本集團並未對應付之打撈費用計提撥備。

董事認為，本集團應付之打撈費用不會超過打撈公司要求提供之打撈擔保，故該款項不會對本集團的財務狀況造成重大影響。

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#### 35. CONTINGENT LIABILITIES (CONTINUED)

- (b) As set out in note 25, pursuant to the Relocation Agreement and the equity share transfer agreement, the Company will provide a guarantee in favour of Anhui Center, in relation to any possible contingent liability or employee compensation on health or injuries incurred during the period when Yongan Special Steel was managed by the Group.
- (c) A subsidiary of the Group is currently a prosecutor in a lawsuit alleging that the contractor breached a contract related to a construction project located in Lianyungang City, Jiangsu Province, the PRC. The subsidiary claimed that the construction quality of the contractor did not meet the standards stipulated in the contract, thus the outstanding payables for the construction of RMB4,500,000 was controversial.

The Directors believe that the subsidiary had a good chance of success in the final trial and the unrecorded construction payables would not exceed RMB4,500,000 and would not have significant impact on the financial position of the Group.

#### 35. 或然負債(續)

- (b) 誠如附註25所述，根據搬遷協議及股權轉讓協議，本公司將就永安特鋼受本集團監管期間產生之任何潛在或然負債或因身體或人身傷害而向僱員提供之補償，向安匯中心提供擔保。
- (c) 本集團之一間附屬公司目前涉及一宗訴訟案件，其作為原告聲稱位於中國江蘇省連雲港市的建築工程承包商違約。該附屬公司稱，承包商之建築質素不符合合約所訂之標準，因此建築工程應付餘款人民幣4,500,000元存在爭議。

董事相信該附屬公司在最終判決中有較大機會勝出，未經入賬之應付工程款項不會超過人民幣4,500,000元，且本集團之財務狀況不會因此受到重大影響。

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## 36. OPERATING LEASE ARRANGEMENT

**As lessee**

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from two to three years.

At 31 December 2011, the Group and Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團		Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within one year	一年內	2,468	2,704	1,206	2,342
In the second to fifth years, inclusive	第二至第五年， 包括首尾兩年	1,704	1,288	306	752
		<b>4,172</b>	3,992	<b>1,512</b>	3,094

## 37. COMMITMENTS

**Group**

In addition to the operating lease commitments detailed in note 36 above, the Group had the following capital commitments at the end of the reporting period:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Contracted, but not provided for: Property, plant and equipment	已訂約但未撥備： 物業、廠房及設備	334,473	380,659

## 36. 經營租賃安排

**作為承租人**

本集團根據經營租賃安排租用若干辦公室物業。經商定之物業租賃年期介乎兩至三年。

於二零一一年十二月三十一日，本集團及本公司於下列各段期間到期之不可撤銷經營租賃之未來最低租金付款總額如下：

## 37. 承擔

**本集團**

除上文附註36中詳列之經營租賃承擔外，本集團於報告期末之資本承擔如下：

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#### 38. RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

Names of related parties 關聯方名稱	Nature of transactions 交易性質	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Yiwan Mining (Note a) (附註 a)	Purchases of ores (Note b) 購入礦石(附註 b)	345,101	173,239
Easyman	Loan provided by the related company (Note c) 關聯公司提供之貸款(附註 c)	22,853	56,686
Easyman	Interest expense (Note c) 利息費用(附註 c)	3,299	1,870
Full Harvest Development Limited (Note d) 豐盛發展有限公司(附註 d)	Shareholder's loan (Note e) 股東借款(附註 e)	46,126	—

Notes:

- (a) Easyman is a company wholly owned by Mr. Dong Shutong, an executive Director and a substantial shareholder of the Company. The Directors consider that Mr. Dong Shutong through Easyman, as a lender of Yiwan Mining, has an indirect economic interest in Yiwan Mining.

- (b) The transactions were carried out based on the terms agreed by the parties under an exclusive offtake agreement signed between Yiwan Mining and the Group in March 2007.

The transactions constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules for the year ended 31 December 2011. The Group confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the transactions.

- (c) The loan in the amount of RMB22,853,000 is provided by Easyman and is unsecured, repayable in 2012 and bears an interest rate of 8% per annum as set out in note 29(b) to the financial statements.

附註：

- (a) Easyman 乃一間由本公司執行董事兼主要股東董書通先生全資擁有之公司。董事認為董書通先生通過 Yiwan Mining 之放款人 Easyman 於 Yiwan Mining 擁有間接經濟利益。

- (b) 該交易按照 Yiwan Mining 與本集團於二零零七年三月簽訂之獨家採購協議之條款進行。

根據上市規則第 14A 章，該交易於截至二零一一年十二月三十一日止年度構成本集團之持續關連交易。本集團確認上述交易已遵循上市規則第 14A 章之披露要求。

- (c) 由 Easyman 提供之貸款總額為人民幣 22,853,000 元，該貸款無抵押，須於二零一二年償還，並按年利率 8% 計息。詳情載於財務報表附註 29(b)。

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## 財務報表附註

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## 38. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) (continued)

Notes: (continued)

(d) This company is an associate of the Group.

(e) The shareholder's loan to Full Harvest Development Limited is unsecured, interest-free and repayable by 31 December 2012.

(ii) Compensation of key management personnel of the Group:

In the opinion of the Directors, key management personnel of the Group are all Directors. Further details of Directors' remuneration are set out in note 8 to the financial statements.

## 38. 關聯方交易(續)

(i) (續)

附註：(續)

(d) 該公司為本集團之聯營公司。

(e) 對豐盛發展有限公司提供的股東借款無抵押，不計息，並須於二零一二年十二月三十一日償還。

(ii) 本集團主要管理人員之補償：

董事認為，本集團主要管理人員為全體董事。董事酬金之進一步詳情載於財務報表附註8。

## 39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of reporting period are as follows:

## Group

## Financial assets

## 39. 金融工具分類

於報告期末各金融工具類別之賬面價值如下：

## 本集團

## 金融資產

		2011 二零一一年 Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	2010 二零一零年 Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元
Trade and notes receivables	應收賬款及應收票據	148,292	119,318
Financial assets included in prepayments, deposits and other receivables	包括於預付款項、按金及其他應收款項中之金融資產	115,423	82,083
Cash and cash equivalents	現金及現金等值物	114,824	172,591
Pledged time deposits	已抵押定期存款	219,601	301,505
		<b>598,140</b>	675,497



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(CONTINUED)

## Group (continued)

## Financial liabilities

## 39. 金融工具分類(續)

## 本集團(續)

## 金融負債

		2011 二零一一年		2010 二零一零年	
		Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost
		按公允價值計算且其變動計入當期損益之金融負債	按攤餘成本計算之金融負債	按公允價值計算且其變動計入當期損益之金融負債	按攤餘成本計算之金融負債
		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
Trade and notes payables	應付賬款及應付票據	—	593,455	—	672,531
Financial liabilities included in other payables and accruals	包括於應計負債及其他應付款項中之金融負債	—	211,405	—	348,236
Derivative financial instruments	衍生金融工具	8,774	—	136,777	—
Liability component of convertible bonds	可換股債券之負債部分	—	1,164,420	—	1,036,179
Interest-bearing bank and other borrowings	計息貸款及其他借貸	—	470,466	—	819,662
Other long term payables	其他長期應付款項	—	—	—	24,151
		8,774	2,439,746	136,777	2,900,759

## Notes to Financial Statements

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39. FINANCIAL INSTRUMENTS BY CATEGORY  
(CONTINUED)

## 39. 金融工具分類(續)

## Company

## 本公司

## Financial assets

## 金融資產

		2011 二零一一年 <b>Loans and receivables</b> 貸款及 應收款項 <b>RMB'000</b> 人民幣千元	2010 二零一零年 Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元
Financial assets included in prepayments, deposits and other receivables	包括於預付款項、按金及其他應收款項中之金融資產	<b>5,992</b>	9,831
Cash and cash equivalents	現金及現金等值物	<b>5,554</b>	26,656
		<b>11,546</b>	36,487

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#### 39. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

##### Company (continued)

##### Financial liabilities

#### 39. 金融工具分類(續)

##### 本公司(續)

##### 金融負債

		2011 二零一一年		2010 二零一零年	
		Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost
		按公允價值計算且其變動計入當期損益之金融負債	按攤餘成本計算之金融負債	按公允價值計算且其變動計入當期損益之金融負債	按攤餘成本計算之金融負債
		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
Trade and notes payables	應付賬款及應付票據	—	1,049	—	1,100
Financial liabilities included in other payables and accruals	包括於應計負債及其他應付款項之金融負債	—	5,488	—	5,838
Derivative financial instruments	衍生金融工具	8,774	—	136,777	—
Liability component of convertible bonds	可換股債券之負債部分	—	1,164,420	—	1,036,179
Interest-bearing bank and other borrowings	計息貸款及其他借貸	—	164,748	—	250,653
		<b>8,774</b>	<b>1,335,705</b>	136,777	1,293,770

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#### 40. FAIR VALUE AND FAIR VALUE HIERARCHY

##### Fair value

Except for derivative financial instruments, the fair values of the financial assets and liabilities of the Group and the Company approximate to their carrying amounts, as presented in note 39 to the financial statements. The fair values of derivative financial instruments are the same as their carrying amounts.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, pledged time deposits, trade and notes receivables, financial assets included in prepayments, deposits and other receivables, trade and notes payables, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

#### 40. 公允價值及公允價值層級

##### 公允價值

除衍生金融工具外，本集團及本公司之金融資產及金融負債之公允價值與其在財務報表附註39呈列之賬面價值相若，衍生金融工具的公允價值等於其賬面值。

金融資產及負債的公允價值可根據現時交易中雙方願意交換之金額進行計量，該等交易不能是一項強迫進行的交易或清算交易。

估計公允價值的模式和假設列示如下：

現金及現金等值物、已抵押定期存款、應收賬款及應收票據、包含於預付款項、按金及其他應收款中之金融資產，應付賬款及應付票據，包含於應計負債及其他應付款項之金融負債，計息貸款及其他借貸之即期部分的公允價值與其賬面價值相若，其主要原因為該等金融工具到期日較短。

## Notes to Financial Statements

### 財務報表附註

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#### 40. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

##### Fair value (continued)

The fair values of the non-current portion of interest-bearing bank and other borrowings and other long term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities. The fair value of the liability component of convertible bonds is estimated using an equivalent market interest rate for a similar convertible bond. The fair values of these instruments approximate to their carrying amounts.

Derivative financial instruments are measured using trinomial model as the valuation techniques. The model incorporates various market observable inputs including risk-free rate, volatility and dividend yield. The carrying amounts of derivative financial instruments are the same as their fair values.

##### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

#### 40. 公允價值及公允價值層級(續)

##### 公允價值(續)

計息貸款及其他借貸之非即期部分及其他長期應付款項之公允價值按未來預期現金流量折現法計算，其所使用的折現率來自於具有相似期限、信貸風險及剩餘到期日的金融工具。可換股債券負債部分之公允價值採用同等市場利率下相似可換股債券進行估計。該等金融工具的公允價值與其賬面價值相若。

衍生金融工具採用三項式定價模式的估值模式。此模式採用可以觀察得到的多項市場數據進行估值，包括無風險利率，波動比率及股息生息率。衍生金融工具的賬面價值與其公允價值一致。

##### 公允價值層級

本集團根據下述層級參數來計量及披露金融工具之公允價值：

- 第一層級：公允價值計量方法基於相同資產或負債在活躍市場中的標價(未經調整)
- 第二層級：公允價值計量方法基於對公允價值有重大影響的直接或間接可觀察變量的估值技術
- 第三層級：公允價值計量方法基於對公允價值有重大影響的不可觀察市場數據的變量(不可觀察的變量)的估值技術

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## 40. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

## Fair value hierarchy (continued)

Liabilities measure at fair value at 31 December 2011:

## Group and Company

At 31 December 2011

		Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivative financial instruments	衍生金融工具	—	8,774	—	8,774

At 31 December 2010

		Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivative financial instruments	衍生金融工具	—	136,777	—	136,777

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2010: Nil).

## 40. 公允價值及公允價值層級(續)

## 公允價值層級(續)

於二零一一年十二月三十一日以公允價值計量之負債：

## 本集團及本公司

於二零一一年十二月三十一日

於二零一零年十二月三十一日

本年第一層級與第二層級公允價值計量之間無轉換，也沒有轉入或轉出第三層級(二零一零年：無)。



## Notes to Financial Statements

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans, convertible bonds, other interest-bearing loans, cash and pledged time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivables and trade and notes payables, which arise directly from its operations.

The Group's derivative financial instruments are bifurcated from the host contracts of convertible bonds and other interest-bearing loans.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk. The board of Directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

#### 41. 金融風險管理目標及政策

本集團之主要金融工具(衍生工具除外)包括銀行貸款、可換股債券、其他計息貸款、現金及有抵押定期存款。該等金融工具之主要目的在於為本集團業務籌集資金。本集團擁有多項其他金融資產及負債，例如應收賬款、應收票據及應付賬款及應付票據，均直接由其業務產生。

本集團之衍生金融工具主要是自可換股債券及其他計息貸款主合同中分離出之衍生品。

於回顧年度，本集團之政策一直為不進行金融工具買賣。

本集團面對之主要金融工具風險為利率風險、信貸風險、外幣風險及流動資金風險。董事會對於管理此類風險已審核及批准相關政策，總結如下。本集團關於衍生金融工具的相關會計政策見財務報表附註2.4。

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## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. At 31 December 2011, approximately 72% (2010: 82%) of the Group's interest-bearing borrowings bore interest at fixed rates.

At 31 December 2011, changes in market interest rates could have an insignificant impact on the Group's total equity apart from the retained profits. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings).

## Group:

		Increase/ (decrease) in basis points 基點之 增加/(減少)	(Decrease)/ increase in profit before tax 除稅前溢利 (減少)/增加 RMB'000 人民幣千元
2011	二零一一年	75 (25)	(976) 325
2010	二零一零年	75 (25)	(1,078) 359

## 41. 金融風險管理目標及政策(續)

## 利率風險

本集團承受主要與本集團浮息長期債項承擔有關之市場利率變動之風險。

本集團政策乃使用混合之固定及浮動利率債項以管理其利率成本。於二零一一年十二月三十一日，本集團之計息貸款中以固定利率計息者約佔72% (二零一零年：82%)。

於二零一一年十二月三十一日，市場利率的變化對留存收益以外的本集團權益總額並無重大影響。下表列示於在其他條件不變的情況下，受利率變化影響(浮動利率借款)本集團除稅前溢利/(虧損)對利率變化的敏感性分析。

## 本集團：

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, amounts due from associates, other receivables, arising from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

At 31 December 2011, the maximum exposure to credit risk was represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance.

Substantial amounts of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China, Hong Kong, Singapore and Indonesia, which management believes are of high credit quality.

#### 41. 金融風險管理目標及政策(續)

##### 信貸風險

本集團僅與享譽盛名兼信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須通過信貸核實程序。此外，本集團持續監察應收結餘的情況，而本集團的壞賬風險並不重大。

就本集團其他金融資產(包括現金及現金等值物、應收聯營公司款項及其他應收款項)所產生的信貸風險而言，本集團所承擔的信貸風險源自交易對方的違約，最大風險程度等於該等工具的賬面值。

於二零一一年十二月三十一日，最高信貸風險為綜合財務狀況表內經扣除任何減值撥備後之各類金融資產賬面價值。

本集團大部分現金及現金等值物乃由管理層認為信譽良好之中國大陸、香港、新加坡及印度尼西亞金融機構持有。

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk (continued)

The Group's notes receivable are guaranteed by banks and the risk for default in payment is minimal. In respect of trade and other receivables, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not require collateral in respect of its financial assets. Debts are usually due within 90 days from the date of billing.

In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

##### Foreign currency risk

The Group principally operates in the PRC and its principal activities are transacted in RMB. The Group's financial assets and liabilities are not subject to foreign currency risk, except for cash and cash equivalents, interest-bearing loans and convertible bonds, and the intercompany trade and loan balances which are denominated in US\$, HK\$, SG\$ and the Euro ("EUR"). Therefore, the fluctuations in the exchange rates of RMB against these foreign currencies could affect the Group's results of operations and equity. The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currencies.

#### 41. 金融風險管理目標及政策(續)

##### 信貸風險(續)

本集團應收票據由銀行擔保，拖欠付款之風險極小。就應收賬款及其他應收款項而言，為盡量減低風險，管理層已實施信貸政策，持續監控該等信貸風險。本集團定期對各主要客戶之財務狀況及情況進行信貸評估，重點評估客戶過往到期付款記錄及現時付款能力，並考慮客戶之具體資料及其營運所在經濟環境。本集團並無就金融資產要求抵押品。債項通常於發單日期起計90日內到期。

就應收賬款而言，本集團承受之信貸風險主要受各客戶之個別特徵影響。本集團所承受之源自應收賬款的信貸風險之數據信息載列於財務報表附註22。

##### 外幣風險

本集團主要於中國營運，而其主要業務以人民幣交易。除以美元、港元、新加坡元及歐元(「歐元」)計值之現金及現金等值物、計息貸款及可換股債券，以及以該等貨幣計值之公司間內部交易及借貸結存外，本集團之金融資產及負債並無面對外匯風險。因此，人民幣兌外幣之匯率變動可影響本集團之營運業績及權益。本集團並無進行任何對沖交易以控制外幣之潛在波動。

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US\$, HK\$ and SG\$ exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the fair value of monetary liabilities).

2011	二零一一年		
If RMB weakens against US\$	倘若人民幣兌美元減弱	5	117
If RMB strengthens against US\$	倘若人民幣兌美元加強	5	(117)
If RMB weakens against HK\$	倘若人民幣兌港元減弱	5	—
If RMB strengthens against HK\$	倘若人民幣兌港元加強	5	—
If RMB weakens against SG\$	倘若人民幣兌新加坡元減弱	5	998
If RMB strengthens against SG\$	倘若人民幣兌新加坡元加強	5	(998)
2010	二零一零年		
If RMB weakens against US\$	倘若人民幣兌美元減弱	5	1,980
If RMB strengthens against US\$	倘若人民幣兌美元加強	5	(1,980)
If RMB weakens against HK\$	倘若人民幣兌港元減弱	5	8,027
If RMB strengthens against HK\$	倘若人民幣兌港元加強	5	(8,027)
If RMB weakens against SG\$	倘若人民幣兌新加坡元減弱	5	1,167
If RMB strengthens against SG\$	倘若人民幣兌新加坡元加強	5	(1,167)

##### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets (e.g., trade receivables) and projected cash flows from operations.

#### 41. 金融風險管理目標及政策(續)

##### 外幣風險(續)

下表列示於報告期末美元、港元及新加坡元滙率之合理可能變動，而其他變數保持不變下，本集團除稅前溢利／(虧損) (由於貨幣負債公允價值之變動) 之敏感性分析。

Fluctuation in foreign currency rate	Increase/ (decrease) in profit before tax
滙率波動 %	除稅前溢利 (減少)／增加 RMB'000 人民幣千元
5	117
5	(117)
5	—
5	—
5	998
5	(998)
5	1,980
5	(1,980)
5	8,027
5	(8,027)
5	1,167
5	(1,167)

##### 流動資金風險

本集團透過採用循環資金計劃工具，監察資金短缺之風險。此工具會考慮金融負債及金融資產(如應收賬款)之到期日以及來自經營業務之預期現金流量。

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## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## Liquidity risk (continued)

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, convertible bonds, and other interest-bearing loans. At 31 December 2011, 85% (2010: 52%) of the Group's debts would mature in less than one year based on the carrying value of debts reflected in the financial statements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

## 2011 Group

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	即期	少於三個月	十二個月	一至五年	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Convertible bonds* Interest-bearing bank and other borrowings	—	—	1,461,955	—	1,461,955
Trade and notes payables	—	107,942	318,748	67,776	494,466
Financial liabilities included in other payables and accruals	—	310,563	272,415	10,477	593,455
	69,376	142,029	—	—	211,405
	69,376	560,534	2,053,118	78,253	2,761,281

## 41. 金融風險管理目標及政策(續)

## 流動資金風險(續)

本集團之目的在於透過利用銀行貸款、可換股債券及其他計息貸款，維持資金不斷與靈活性之平衡。於二零一一年十二月三十一日，根據財務報表所反映之借款賬面價值，本集團85%債項(二零一零年：52%)將於不足一年內到期。

下表乃根據已訂約未折現款項載列本集團於報告期末之金融負債到期狀況：

## 二零一一年本集團



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## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## 41. 金融風險管理目標及政策(續)

## Liquidity risk (continued)

## 流動資金風險(續)

## 2010 Group

## 二零一零年本集團

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	即期	少於三個月	十二個月	一至五年	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Convertible bonds*	—	—	—	1,532,887	1,532,887
Other long term payables	—	—	3,410	34,100	37,510
Interest-bearing bank and other borrowings	—	245,217	230,773	423,019	899,009
Trade and notes payables	—	162,969	457,619	51,943	672,531
Financial liabilities included in other payables and accruals	316,470	31,766	—	—	348,236
	316,470	439,952	691,802	2,041,949	3,490,173

\* The maturity dates of the Zero Coupon Convertible Bonds and the 10% Coupon Convertible Bonds defined in the relevant agreements were both 12 December 2012. Since the Zero Coupon Convertible Bonds and the 10% Coupon Convertible Bonds are both redeemable at the option of their holders on 12 December 2012 at the principal amount multiplied by 131.17% according to the aforesaid agreements, the management prepared the above analysis with an assumption that all bondholders will redeem the Zero Coupon Convertible Bonds and the 10% Coupon Convertible Bonds on 12 December 2012.

\* 根據有關協議，零息可換股債券及10厘息可換股債券的到期日均為二零一二年十二月十二日。由於根據上述協議，零息可換股債券及10厘息可換股債券之持有人均可於二零一二年十二月十二日按照本金乘以131.17%的價格贖回該等債券，故在編製上表的過程中，管理層所應用的假設為：所有債券持有人均將於二零一二年十二月十二日贖回零息可換股債券及10厘息可換股債券。

## Notes to Financial Statements

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## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## 41. 金融風險管理目標及政策(續)

## Liquidity risk (continued)

## 流動資金風險(續)

## 2011 Company

## 二零一一年本公司

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	即期	少於三個月	十二個月	一至五年	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Convertible bonds* Interest-bearing bank and other borrowings	—	—	1,461,955	—	1,461,955
Trade and notes payables	—	47,142	141,429	—	188,571
Financial liabilities included in other payables and accruals	—	1,049	—	—	1,049
	5,488	—	—	—	5,488
	5,488	48,191	1,603,384	—	1,657,063

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk (continued)

##### 2010 Company

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	即期	少於三個月	十二個月	一至五年	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Convertible bonds*	—	—	—	1,532,887	1,532,887
Interest-bearing bank and other borrowings	—	—	141,429	188,571	330,000
Trade and notes payables	—	—	—	1,100	1,100
Financial liabilities included in other payables and accruals	5,838	—	—	—	5,838
	5,838	—	141,429	1,722,558	1,869,825

\* The maturity dates of the Zero Coupon Convertible Bonds and the 10% Coupon Convertible Bonds defined in the relevant agreements were both 12 December 2012. Since the Zero Coupon Convertible Bonds and the 10% Coupon Convertible Bonds are both redeemable at the option of their holders on 12 December 2012 at the principal amount multiplied by 131.17% according to the aforesaid agreements, the management prepared the above analysis with an assumption that all bondholders will redeem the Zero Coupon Convertible Bonds and the 10% Coupon Convertible Bonds on 12 December 2012.

##### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

#### 41. 金融風險管理目標及政策(續)

##### 流動資金風險(續)

##### 二零一零年本公司

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	即期	少於三個月	十二個月	一至五年	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Convertible bonds*	—	—	—	1,532,887	1,532,887
Interest-bearing bank and other borrowings	—	—	141,429	188,571	330,000
Trade and notes payables	—	—	—	1,100	1,100
Financial liabilities included in other payables and accruals	5,838	—	—	—	5,838
	5,838	—	141,429	1,722,558	1,869,825

\* 根據有關協議，零息可換股債券及10厘息可換股債券的到期日均為二零一二年十二月十二日。由於根據上述協議，零息可換股債券及10厘息可換股債券之持有人均可於二零一二年十二月十二日按照本金乘以131.17%的價格贖回該等債券，故在編製上表的過程中，管理層所應用的假設為：所有債券持有人均將於二零一二年十二月十二日贖回零息可換股債券及10厘息可換股債券。

##### 資本管理

本集團資本管理之主要目標為保障本集團之持續經營能力及維持穩健之資本比率，以支持其業務並盡力提高股東之價值。

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## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## Capital management (continued)

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue bonds or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2011 and 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by capital and net debt. Net debt includes interest-bearing bank and other borrowings, the liability component of convertible bonds, trade and notes payables and other payables and accruals less cash and cash equivalents and pledged time deposits. Capital represents equity attributable to the owners of the parent. The gearing ratios as at 31 December 2011 and 2010 were as follows:

## 41. 金融風險管理目標及政策(續)

## 資本管理(續)

本集團管理其資本架構，並就經濟情況變動作出調整。本集團可能調整向股東派發之股息、發行債券或發行新股份以維持或調整資本結構。截至二零一一年及二零一零年十二月三十一日止年度，管理資本之目標、政策或過程並無變動。

本集團使用資本負債比率(以債項淨額除以資本加上債項淨額計算)監察資本。債項淨額包括計息銀行貸款及其他借貸、可換股債券負債部分、應付賬款及應付票據及應計負債及其他應付款項減現金及現金等值物及已抵押定期存款。資本包括母公司股權持有人應佔權益。於二零一一年及二零一零年十二月三十一日，資本負債比率如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Interest-bearing loans and other borrowings	計息貸款及其他借貸	470,466	819,662
Trade and notes payables	應付賬款及應付票據	593,455	672,531
Other payables and accruals	應計負債及其他應付款項	427,141	472,095
Convertible bonds, the liability component	可換股債券之負債部分	1,164,420	1,036,179
Less: Cash and cash equivalents and pledged time deposits	減：現金及現金等值物及已抵押定期存款	(334,425)	(474,096)
Net debt	債項淨額	2,321,057	2,526,371
Equity attributable to owners of the parent	母公司股權持有人應佔權益	3,470,509	3,720,802
Capital and net debt	資本及債項淨額	5,791,566	6,247,173
Gearing ratio	資本負債比率	40%	40%

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二零一一年十二月三十一日

#### 42. EVENTS AFTER THE REPORTING PERIOD

On 20 January 2012, 50,000,000 share options were granted to the eligible participants under the Share Option Scheme, as further detailed in note 34 to the financial statements.

#### 43. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current year's presentation.

#### 44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Directors on 27 March 2012.

#### 42. 報告期後事項

於二零一二年一月二十日，根據購股權計劃向合資格參考與者授予50,000,000份購股權，有關其他詳情載於財務報表附註34。

#### 43. 比較數據

若干比較數據已按照本次報告呈報形式重新編排。

#### 44. 批准財務報表

財務報表已於二零一二年三月二十七日獲董事會批准及授權刊發。

