



中國鎳資源

CHINA NICKEL RESOURCES

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：02889

ANNUAL REPORT 2012
二零一二年年度報告

資源有限
責任無限



STRIVING FOR BETTER ACHIEVEMENT 精益求精 自強不息



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 ("China"). The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") in 2005 (stock code: 2889.HK) and is the first non-state-owned mineral-resources exploration, development, and processing enterprises, and is the first hi-tech special steel producer in China listed abroad.

Our businesses are now vertically integrated from mining to ferrous and non-ferrous metal production. We have successfully transformed from a traditional special steel manufacturer to a leading integrated mineral-resources exploration and processing enterprise in China. Our businesses include ore trading, ore processing, ferrous and non-ferrous metallurgy. Our products have been extended to stainless steel, tool steel, bearing steel, gearing steel, and high strength alloy steel; and these products are widely used in metallurgy, automobile, ship-building, petrochemical, buildings, bridges, railway transportation and infrastructures.

The Group has successfully developed a number of innovative and patented technologies. For example, we used our own technology to extract valuable metals from the multi-element low-grade ore; which is able to produce high strength and high-value-added NiCr based alloy steel products from inferior ore resources.

The Group capitalises on its own mineral resources and technological advantages to enter into the mineral resources and ore processing industries. With the long-term exclusive offtake agreement entered into with an Indonesia mine, the Group is actively expanding in China and overseas and is seeking iron and nickel mine investment and partnership opportunities in Southeast Asia.

Currently, the Group has subsidiaries and offices in China, Hong Kong, Singapore, and Indonesia with a global workforce of over 3,500 people.

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。公司於2005年在香港聯合交易所有限公司（「聯交所」）主板上市（股份代號：2889.HK），是中國第一家非國有礦產資源勘探、開發和加工企業；也是中國第一家在境外上市的高科技特鋼企業。

集團現已形成從採礦到黑色和有色金屬冶金的垂直整合，由傳統的特鋼生產商轉型為領先的礦產資源勘探和加工綜合企業；業務包括礦石貿易、礦石加工、黑色以及有色金屬冶金；產品品種已擴展至不銹鋼、工模具鋼、軸承鋼、齒輪鋼及高強度合金鋼，該等產品廣泛應用於冶金、汽車、造船、石化、建築、橋樑、鐵路交通、和大型裝備。

集團也成功研發多項創新和專利技術，例如從多元素低品位共生礦中提取有價金屬；並利用劣質礦資源產出高附加價值的含鎳鉻成份的高強度合金鋼產品。

集團依托自身的礦產資源和技術優勢進入礦產資源和礦石加工行業；集團正在中國和海外積極擴展，在印度尼西亞擁有長期的獨家採購協議，並在東南亞地區尋找鐵、鎳礦山的投資及合夥機會。

目前，集團在中國、香港、新加坡及印度尼西亞均設有附屬公司及辦事處；全球員工超過3,500人。





CONTENTS

目錄

Corporate Information 公司資料	2	Corporate Governance Report 企業管治報告	58
Five Year Financial Summary 五年財務概要	4	Independent Auditors' Report 獨立核數師報告書	73
Corporate Responsibility 企業責任	6	Consolidated Income Statement 綜合損益表	75
Recognition and Awards 榮譽及獎項	7	Consolidated Statement of Comprehensive Income 綜合全面損益表	76
Projects Progress 項目進展	8	Consolidated and Company Statements of Financial Position 綜合及公司財務狀況表	77
Chairman's Statement 主席報告書	10	Consolidated Statement of Changes in Equity 綜合權益變動表	79
Management Discussion and Analysis 管理層討論與分析	14	Consolidated Statement of Cash Flows 綜合現金流量表	81
Directors, Senior Management and Audit Committee 董事、高級管理層及 審核委員會	34	Notes to Financial Statements 財務報表附註	83
Report of the Directors 董事會報告書	42		

Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Dong Shutong (*Chairman*)
Ms. Ng See Wai Rowena
Mr. Chiang Shyh-yi
Mr. Song Wenzhou
Mr. Dong Chengzhe
Mr. Yang Fei

Non-executive Director

Mr. Yang Tianjun

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Mr. Chan Yee Lok

AUTHORISED REPRESENTATIVES

Mr. Dong Shutong
Mr. Yang Fei

REGISTERED OFFICE

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

董事會

執行董事

董書通先生 (*主席*)
吳思煒女士
蔣士宜先生
宋文州先生
董鍼喆先生
楊飛先生

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

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

黃昌淮先生 (*委員會主席*)
董書通先生
白葆華先生
黃之強先生

提名委員會

董書通先生 (*委員會主席*)
白葆華先生
黃昌淮先生
黃之強先生

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 2681
Grand Cayman, KY1-1111
Cayman Islands

Corporate Information 公司資料

HEAD OFFICE IN HONG KONG

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China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Sheung Wan
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PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

AUDITOR

Ernst & Young

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada
Trust Company (Cayman) Limited
4th Floor
Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY1-1110
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:

China 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

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STOCK CODE

02889

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

核數師

安永會計師事務所

股份過戶登記總處

Royal Bank of Canada
Trust Company (Cayman) Limited
4th Floor
Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY1-1110
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

ir.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:

Results

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：

業績

		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		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
Revenue	收益	1,467,577	2,587,779	1,535,862	887,734	1,481,594
Cost of sales	銷售成本	(1,327,263)	(2,258,555)	(1,366,576)	(1,083,909)	(1,329,260)
Gross profit/(loss)	毛利/(毛損)	140,314	329,224	169,286	(196,175)	152,334
Other income and gains	其他收入及盈利	565,087	159,616	81,114	110,497	275,445
Selling and distribution costs	銷售及分銷成本	(15,588)	(43,292)	(23,327)	(24,909)	(30,754)
Administrative expenses	行政開支	(197,057)	(129,378)	(146,430)	(133,999)	(138,839)
Finance costs	融資成本	(289,088)	(205,098)	(90,440)	(86,500)	(153,943)
Other expenses	其他開支	(229,836)	(15,485)	(31,961)	(108,231)	(128,406)
Share of profit of an associate	應佔一間聯營公司溢利	690	3,514	18,710	—	—
(Loss)/profit before tax	除稅前(虧損)/溢利	(25,478)	99,101	(23,048)	(439,317)	(24,163)
Income tax (expense)/credit	所得稅(開支)/貸項	(201,316)	(31,721)	25,611	108,759	62,337
(Loss)/profit for the year	年度(虧損)/溢利	(226,794)	67,380	2,563	(330,558)	38,174
Attributable to:	屬於：					
Owners of the parent	母公司股權持有人	(225,647)	66,344	1,467	(332,145)	37,361
Non-controlling interests	非控股權益	(1,147)	1,036	1,096	1,587	813
		(226,794)	67,380	2,563	(330,558)	38,174
Dividends	股息	18,785	—	3,972	—	31,320

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

		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		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	6,345,386	6,609,348	7,042,112	6,698,918	7,056,354
Total liabilities	總負債	3,096,729	3,017,231	3,200,738	2,826,601	2,946,187
Non-controlling interests	非控股權益	15,287	121,608	120,572	121,226	55,004
Net assets	淨資產	3,248,657	3,592,117	3,841,374	3,872,317	4,110,167

Note:

The consolidated results of the Group for the years ended 31 December 2008, 2009, 2010 and 2011 are extracted from the Annual Report 2008, 2009, 2010 and 2011 of the Company respectively while those for the year ended 31 December 2012 were prepared based on the consolidated income statement and consolidated statement of financial position as set out on page 75 and pages 77 to 78. This summary does not form part of the audited financial statements.

附註：

本集團於截至二零零八年、二零零九年、二零一零年及二零一一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二零零八年、二零零九年、二零一零年及二零一一年年度報告，而截至二零一二年十二月三十一日止年度之綜合業績乃基於第75頁及第77頁至第78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 resources recycling with effective and comprehensive use of resources. The management believes that the Group is able to bring satisfactory economic returns for the investors through proper use of limited resources.

資源有限 責任無限

企業有責任盡力及有創意地善用有限資源及保護環境。本集團過去一直秉承「資源有限責任無限」這一信念，專注於研發嶄新及環保技術及新產品，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滿意的經濟回報。

Recognition and Awards 榮譽及獎項

AWARD 獎項



- Euromoney - Winner of the overall "Best Managed Company in Asia" for the Metals/Mining sector in the Euromoney "Best Managed and Governed Companies- Asia Poll 2013."
- 於《Euromoney》舉辦之「二零一三年最佳管理及管治公司亞洲區投票」中勇奪金屬／礦產行業「亞洲最佳管理公司」榮譽
- Certificate of achievement for top performing company in Singapore in the categories of Sales/Turnover, Net Profit and Return on Equity
- 獲頒銷售額／營業額、淨溢利及股本回報類別之新加坡最佳表現公司成就證書
- The Asset - The China's Most Promising Companies Awards for 2011
- 獲《財資》雜誌授予「二零一一年度最具潛力中國企業」獎

RECOGNITION 榮譽



- Certification for exporting and selling steel bar products in Indonesia
- 於印尼出口及銷售鋼筋產品之證書



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. The first production line of Lianyungang project has started trial production in the second half year of 2012. The plant produces nickel fine powder. This product can be treated as finished product for direct sales; alternatively, it can be treated in a blast furnace and possessed into a nickel-iron alloy fluid, which becomes a high-quality raw material for the production of stainless steel. The Lianyungang project applies low carbon metallurgical 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.

中國

本公司附屬公司連雲港市東茂礦業有限公司（「東茂礦業」）的新生產廠房已於二零零九年十月二十八日動工。連雲港項目的首條生產線已於二零一二年下半年開始試生產。該廠生產鎳精粉，此產品既可作完成品直接出售，亦可作為爐填料加工成鎳鐵合金液，成為生產不銹鋼的上乘原材料。連雲港項目採用由本集團研發的低碳冶金技術。傳統提純還原工藝採用焦煤，但新技術下則採用普通煤從而可減少碳消耗量達40%。此外，該廠可利用低品位鎳礦石進行生產，成本遠低於傳統生產工藝所用之原料。

該項目備受地方政府認同。再者，該廠位於連雲港港口，佔盡地利，來自海外的礦石及其他原材料運入廠時相當便捷，大大減低經內陸運輸的成本及物流壓力。該項目對本集團發展成高效率、低成本的營運模式而言舉足輕重。

Projects Progress 項目進展

OVERSEAS

PT. Mandan Steel, our wholly owned subsidiary, is incorporated in Indonesia and is the future processing and manufacturing arm of CNR Group in overseas. It is primarily engaged in the processing, manufacturing and trading of iron and steel products in Indonesia. PT. Mandan Steel is also recognized as a key iron and steel mill construction project of Indonesia with strong support from the Indonesian central government, and offers manufacturing capability that is valuable considering the new mining regulations in Indonesia.

PT. Mandan Steel has signed a shareholders agreement with a local business partner in connection with the subscription of existing shares of PT. Batulicin Steel (a limited liability company in Indonesia held as to 61% by PT. Mandan Steel and 39% by the local partner) for the development of the iron and steel mill, whose ground breaking was hosted in July 2012. Given there is strong demand for steel products in Indonesia, PT. Batulicin Steel will produce steel bar for concrete reinforcement to capture the market opportunities in Indonesia. This processing facility can save shipping fee, loading and unloading charges and inland port charges.

PT. Batulicin Steel is to be constructed in three stages. The Stage I development is facilitated and based on the overall relocation of the equipment from Luoyang Yongan Special Steel Company Limited ("Yongan Special Steel"), a former wholly owned subsidiary of the Company. To ensure high quality, environmental protection, energy efficiency and low production cost, new equipment will be added to existing equipment and some existing facilities will be modified. The goal is to complete the Stage I development in 2014. The existing facility of Yongan Special Steel is capable of producing 360,000 tonnes of hot molten iron, 360,000 tonnes of steel and hot steel rolling capacity of 700,000 tonnes. For Stage 1 development, the expected capital expenditure is approximately US\$150 million and of which approximately US\$90 million will be contributed by the Group by way of cash and Yongan Special Steel's equipment.

海外

本公司在印尼註冊成立的全資附屬公司PT. Mandan Steel將為中鎳集團的海外加工及生產線。其主要於印尼從事鋼鐵產品加工、生產及貿易。PT. Mandan Steel亦獲認為印尼重點鋼鐵廠建設項目，得到印尼中央政府鼎力支持，且在印尼的新採礦規定下提供寶貴的產能。

PT. Mandan Steel已與當地業務夥伴簽訂股東協議，內容有關認購PT. Batulicin Steel(為印尼有限公司，由PT. Mandan Steel持有61%股本權益，而39%股本權益由當地夥伴持有)的既有股份，以供發展鋼鐵廠之用，其動土儀式已於二零一二年七月舉行。由於印尼鋼產品需求強勁，PT. Batulicin Steel將生產鋼筋作加強混凝土之用，以抓緊印尼的市場機遇。此加工設施可節省船運成本、裝卸費用及內陸港口費用。

PT. Batulicin將分三階段興建，第一階段發展會得助及建基於本公司前全資附屬公司洛陽永安特鋼有限公司(「永安特鋼」)整體設備的重新安置。為保證高質素、環保、能源效益及低生產成本，現有設備上會添置新設備，部分現有設施亦會修改。目標是於二零一四年前完成第一階段發展。永安特鋼的現有設備產能達360,000公噸熱熔鐵、360,000公噸鋼及熱軋鋼產能700,000公噸。就第一階段發展而言，預期資本開支約為150百萬美元，當中90百萬美元將由本集團以現金及永安特鋼設備的方式提供。



Chairman's Statement

主席報告書

STRIVING FOR BETTER ACHIEVEMENT

精益求精自強不息

Dong Shutong

董書通

Chairman & CEO

主席兼總裁



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 2012 and extend my gratitude to all the shareholders on behalf of the Board of China Nickel Resources Holdings Company Limited.

REVIEW

2012 is a year full of unpredictability and changes for the world economy. The pain of sovereign debt crisis of Euro Zone has not been healed. The major economies of the world are still facing different degree of uncertainties. During the year, the commodity price of iron ore also experienced significant fluctuations. Besides, there was also a sign of slowdown of China's economy that the demand for the iron and steel in China in 2012 was sluggish. Prices of steel products also dropped significantly as a result of the steel manufacturers cut their inventory level.

The above unfavourable factors brought negative impacts to our business and financial performance. During the year ended 31 December 2012, the Group's turnover dropped when compared with last year, and the Group recorded a loss for the year.

Although the financial results of the Group were below our expectation, the five important tasks done by the Group during 2012 have achieved a satisfactory result.

1. We have completed the relocation of Yongan Special Steel smoothly to bring in strong cash flows to the Group;
2. We have actively reformed and internationalised the Group's management system to lay a solid foundation for the Group's further development;
3. We have continued to expand our ore trading business to greatly enhance our Group's efficiency and profitability;
4. We are accelerating the construction of iron and steel mill in Indonesia to establish a new growth point for the Group; and
5. We have completed the product mix adjustment of Yongtong Special Steel and East Harvest Mining.

列位股東：

本人欣然提呈本公司截至二零一二年十二月三十一日止年度之年度報告，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

二零一二年是環球經濟不可預測且多變的一年。歐元區主權債務危機對世界經濟的負面影響還沒消除。世界各主要經濟體的經濟環境仍面對不同程度的不確定因素。年內，鐵礦石的商品價格也錄得了巨大的波動。另一方面，中國經濟也面臨增長速度放緩的風險。中國各行業對鋼鐵的需求增長速度因此有所下降。在各鋼材生產商的去庫存行動下，鋼材價格於二零一二年內持續走低。

以上不利因素對本集團二零一二年的業務及業績造成一定衝擊。截至二零一二年十二月三十一日止年度，本集團的銷售額比去年下降，並錄得了年度虧損。

儘管業績不大理想，本集團於二零一二年內積極推進的五項重要工作取得令人滿意的成果。

1. 我們順利完成了永安特鋼的搬遷，為本集團帶來了強大的現金支援；
2. 我們積極推動了集團管理體制國際化改革，為本集團騰飛建立紮實的基礎；
3. 我們繼續拓展礦石貿易業務，為本集團帶來可觀的效益和利潤；
4. 我們積極推動了印尼鋼鐵廠的建設，為本集團未來盈利建立新的增長點；及
5. 完成了永通特鋼和東茂礦業的產品結構調整。



Chairman's Statement 主席報告書

PROSPECTS

We expect the global economy will begin to stabilise in 2013 and the economy of China will continue its healthy growth trend under the new leadership of China. We also expect that the commodity prices of iron ores and prices of steel products will be more stable in 2013 that our ore trading and steel making businesses will have a better environment to flourish. In longer term, China will continue its modernisation and urbanisation that the demand of high quality steel products for public infrastructure and equipment manufacturing will increase steadily. This definitely will bring enormous business opportunities for our Group.

In the next five years, the Group will strive to achieve the following three goals:

1. Complete the technology industrialisation and commence commercial production of East Harvest Mining to achieve an annual production capacity of 20,000 tonnes nickel products;
2. Complete the facility upgrade of Yongtong Special Steel to achieve an annual production capacity of 500,000 tonnes special steel products;
3. Complete the construction of the first and second phrases of our Indonesia steel mill to achieve an annual production capacity of 1.5 million tonnes steel products.

未來展望

我們預計全球經濟將於二零一三年開始穩定，而中國經濟在中國新領導層的帶領下亦將繼續其健康增長趨勢。我們亦預計由於鐵礦石的商品價格及鋼產品價格將於二零一三漸趨穩定，我們的礦石貿易及造鋼業務將在更好的環境下增長。更長遠而言，中國將繼續其現代化及城鎮化，公共基建及設備生產對高質量鋼產品的需求將穩步上升，必會為本集團帶來龐大的業務機遇。

在未來5年，集團將努力不懈，逐步實現以下三個目標：

- 第一、完成東茂礦業技術產業化及開始商業生產，達到年產能2萬公噸鎳產品的規模；
- 第二、永通特鋼完成產業升級，達到50萬公噸特鋼產品年產能的規模；
- 第三、印尼鋼鐵廠第一期及第二期工程完工，達到150萬公噸鋼產品年產能的規模。

Chairman's Statement 主席報告書

We are confident that we can complete the 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鋼鐵生產及礦石貿易業務推向高峰，實現集團的五年跨越。本人承諾會與眾員工一起達成業績目標，為股東創造豐厚的回報。

Dong Shutong
Chairman & CEO

Hong Kong, 28 March 2013

主席兼總裁
董書通

香港，二零一三年三月二十八日



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		Change 變化 %
		截至十二月三十一日止年度		
		2012	2011	
		二零一二年	二零一一年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
Revenue	收益	1,467,577	2,587,779	-43.3%
Gross Profit	毛利	140,314	329,224	-57.4%
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") [#]	除利息、稅項、折舊及 攤銷前之盈利 (「EBITDA」) [#]	431,047	482,059	-10.6%
(Loss)/Profit before Tax	除稅前(虧損)/溢利	(25,478)	99,101	N/A 不適用
(Loss)/Profit for the Year	年度(虧損)/溢利	(226,794)	67,380	N/A 不適用
Gross Profit Margin	毛利率	9.6%	12.7%	-3.1%
EBITDA Margin	EBITDA 率	29.4%	18.6%	10.8%
(Loss)/Profit before Tax Margin	除稅前(虧損)/溢利率	(1.7%)	3.8%	N/A 不適用
Net (Loss)/Profit Margin	(虧損)/溢利淨額率	(15.5%)	2.6%	N/A 不適用

[#] EBITDA for the year ended 31 December 2012 included a gain on disposal of Luoyang Yongan Special Steel Co., Ltd ("Yongan Special Steel"), a subsidiary of the Group in the PRC, of RMB547,526,000 (2011: Nil) and an impairment loss of items of property, plant and equipment of RMB123,147,000 (2011: Nil).

[#] 截至二零一二年十二月三十一日止年度的EBITDA包括出售本集團中國附屬公司洛陽永安特鋼有限公司(「永安特鋼」)獲得之盈利人民幣547,526,000元(二零一一年：無)，以及物業、廠房及設備項目的減值虧損人民幣123,147,000元(二零一一年：無)。

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 Company and its subsidiaries (collectively referred as to the "Group") for the year ended 31 December 2012 was approximately RMB1,467.6 million, representing a decrease of 43.3% as compared to 2011. EBITDA was approximately RMB431.0 million, RMB51.1 million lower than the EBITDA of RMB482.1 million in 2011. Audited loss for the year was approximately RMB226.8 million, RMB294.2 million lower than the profit for the year of RMB67.4 million in 2011. Audited basic losses per share for 2012 was RMB0.1. Basic losses per share was calculated based on the losses attributable to the Company's shareholders of RMB225.6 million divided by the weighted average of 2,304.4 million shares in issue during 2012.

中國鎳資源控股有限公司(「本公司」)董事會(「董事會」或「董事」)欣然公佈本公司及其附屬公司(統稱「本集團」)截至二零一二年十二月三十一日止年度之經審核綜合收益約為人民幣1,467.6百萬元，較二零一一年下跌43.3%。EBITDA約為人民幣431.0百萬元，較二零一一年之EBITDA人民幣482.1百萬元減少人民幣51.1百萬元。經審核年度虧損約為人民幣226.8百萬元，較二零一一年之年度溢利人民幣67.4百萬元減少人民幣294.2百萬元。二零一二年之經審核每股基本虧損為人民幣0.1元。每股基本虧損乃根據本公司股東應佔虧損人民幣225.6百萬元，除以二零一二年已發行股份之加權平均數2,304.4百萬股計算。



Management Discussion and Analysis 管理層討論與分析

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2012. The consolidated financial statements for the year ended 31 December 2012 have been reviewed by the Company's Audit Committee.

OPERATING ENVIRONMENT ANALYSIS

Impacted by the debt crisis in the Euro Zone and the United States as well as the domestic macroeconomic policies, demand for the iron and steel in China in 2012 was sluggish. Prices of steel products dropped significantly and the falling rate was higher than that of raw materials and fuels. Besides, the commodity prices of iron ores experienced great fluctuation in 2012 due to the high uncertainty in the global economy and the potential slowdown of China's economy. Since July 2012, the commodity price of iron ore has experienced a substantial downfall of almost 30%. The price was stabilised in November 2012. Close to the end of 2012, in a hope of new stimulus policies to be launched by the new leadership of China, the market became less pessimistic and both the commodity prices of iron ore and the prices of steel products rebounded.

We expect the global economy will begin to stabilise in 2013 and the economy of China will continue its healthy growth trend under the new leadership of China. We also expect that the commodity prices of iron ores and prices of steel products will be more stable in 2013 that our ore trading and steel making businesses will have a better environment to flourish.

According to the "Twelfth Five-Year Plan", the development of China's steel industry will focus on efficiency, which includes 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. The Directors believe that the Group is progressing in the right direction and the demand and market shares of our special steel, alloy steel and stainless steel products will increase in the future.

董事不建議宣派截至二零一二年十二月三十一日止年度之末期股息。截至二零一二年十二月三十一日止年度之綜合財務報表已由本公司之審核委員會審閱。

經營環境分析

受歐元區及美國的債務危機及國內宏觀調控措施影響，中國二零一二年鋼鐵需求緩滯。鋼產品價格大幅下滑，下降比率比原材料及燃料的下降比率更高。此外，鐵礦石二零一二年商品價格波動相當大，原因是環球經濟情況非常不明朗，及中國經濟或會放緩。自二零一二年七月起，鐵礦石的商品價格經歷了接近30%的跌幅。價格至二零一二年十一月始趨穩定。近二零一二年年末，在中國新領導層會推出新的刺激經濟政策的希望下，市場悲觀情緒減退，而鐵礦石商品價格以及鋼產品價格回升。

我們預期全球經濟將於二零一三年開始穩定，中國經濟亦會在中國新領導層的管治下重拾健康升軌。我們亦預期鐵礦石商品價格及鋼產品價格於二零一三年會更為穩定，從而令我們的礦石貿易及造鋼業務有更佳環境大展拳腳。

根據「十二五規劃」，中國鋼材業會以效率為發展重心，其中包括低耗能、低碳、低排放、高回收率及高增值產品輸出。國內市場會以質素為主導，在環保、安全耐用、可持續及可回收方面對產品有更高的要求。對高質素鋼產品數量的需求預期會顯著上升，而產品開發會傾向高檔市場。為緊握此業務機遇，本集團已改為以利用更環保的生產方式生產高質素的鋼鐵產品。董事相信本集團正向正確的方向邁進，而我們的特鋼、合金鋼以及不銹鋼產品的需求及市場份額在未來將會增加。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

Project Progress

In China, Lianyungang City East Harvest Mining Company Limited ("East Harvest Mining"), a subsidiary of the Company, commenced the construction of a new production plant in 2009. The first production line of Lianyungang project started trial production in the second half year of 2012. The plant produces nickel fine powder. This product can be treated as finished product for direct sales; alternatively, it can be treated in a blast furnace and possessed into nickel-iron alloy fluid, which becomes a high-quality raw material for the production of stainless steel. The Lianyungang project applies low carbon metallurgical 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.

In Indonesia, PT. Mandan Steel, our wholly owned subsidiary incorporated in Indonesia, is our future processing and manufacturing arm in overseas. PT. Mandan Steel is also recognized as a key iron and steel mill construction project of Indonesia with strong support from the Indonesian central government, and offers manufacturing capability that is valuable considering the new mining regulations in Indonesia. PT. Mandan Steel has signed a shareholders agreement with a local business partner in connection with the subscription of existing shares of PT. Batulicin Steel (a limited liability company in Indonesia held as to 61% by PT. Mandan Steel and 39% by the local partner) for the development of the iron and steel mill, whose ground breaking was hosted in July 2012. Given there is strong demand for steel products in Indonesia, PT. Batulicin Steel will produce steel bar for concrete reinforcement to capture the market opportunities in Indonesia. This processing facility can save shipping fee, loading and unloading charges and inland port charges. PT. Batulicin Steel is to be constructed in three stages. The Stage 1 development is facilitated and based on the overall relocation of the equipment from Luoyang Yongan Special Steel Company Limited ("Yongan Special Steel"), a former wholly owned subsidiary of the Company. To ensure high quality, environmental protection, energy efficiency and low production cost, new equipment will be added to existing equipment and some existing facilities will be modified. The goal is to complete the Stage I development by 2014. The existing facility of Yongan Special Steel is capable of producing 360,000 tonnes of hot molten iron, 360,000 tonnes of steel and hot steel rolling capacity of 700,000 tonnes. For Stage 1 development, the expected capital expenditure is approximately US\$150 million and of which approximately US\$90 million will be contributed by the Group by way of cash and Yongan Special Steel's equipment.

業務回顧

項目進展

在中國，本公司附屬公司連雲港市東茂礦業有限公司(「東茂礦業」)的新生產廠房已於二零零九年動工。連雲港項目的首條生產線已於二零一二年下半年開始試生產。該廠生產鎳精粉，此產品既可作完成品直接出售，亦可作為爐填料加工成鎳鐵合金液，成為生產不銹鋼的上乘原材料。連雲港項目採用由本集團研發的低碳冶金技術。傳統提純還原工藝採用焦煤，但新技術下則採用普通煤從而可減少碳消耗量達40%。此外，該廠可利用低品位鎳礦石進行生產，成本遠低於傳統生產工藝所用之原料。該項目備受地方政府認同。再者，該廠位於連雲港港口，佔盡地利，來自海外的礦石及其他原材料運入廠時相當便捷，大大減低經內陸運輸的成本及物流壓力。該項目對本集團發展成高效率、低成本的營運模式而言舉足輕重。

在印尼，本公司在印尼註冊成立的全資附屬公司PT. Mandan Steel將為本集團的海外加工及生產線。PT. Mandan Steel亦獲認為印尼重點鋼鐵廠建設項目，得到印尼中央政府鼎力支持，且在印尼的新採礦規定下提供寶貴的產能。PT. Mandan Steel已與當地業務夥伴簽訂股東協議，內容有關認購PT. Batulicin Steel(為印尼有限公司，由PT. Mandan Steel持有61%股本權益，而39%股本權益由當地夥伴持有)的既有股份，以供發展鋼鐵廠之用，其動土儀式已於二零一二年七月舉行。由於印尼鋼產品需求強勁，PT. Batulicin Steel將生產鋼筋作加強混凝土之用，以抓緊印尼的市場機遇。此加工設施可節省船運成本、裝卸費用及內陸港口費用。PT. Batulicin將分三階段興建，第一階段發展會得助及建基於本公司前全資附屬公司洛陽永安特鋼有限公司(「永安特鋼」)整體設備的重新安置。為保證高質素、環保、能源效益及低生產成本，現有設備上會添置新設備，部分現有設施亦會修改。目標是於二零一四年前完成第一階段發展。永安特鋼的現有設備產能達360,000公噸熱熔鐵、360,000公噸鋼及熱軋鋼產能700,000公噸。就第一階段發展而言，預期資本開支約為150百萬美元，當中90百萬美元將由本集團以現金及永安特鋼設備的方式提供。



Management Discussion and Analysis 管理層討論與分析

Business Development

The Group purchases ore from Indonesia through exclusive offtake agreement at fixed price for self-use or sales, and has started selling ore to third parties since the end of 2009. The ore trading business had a remarkable growth in the past few years due to continuous strong demand from the PRC customers.

During the year ended 31 December 2012, the Group's ore trading business faced two unexpected obstacles. Firstly, on 7 May 2012, the Minister of Trade of the Republic of Indonesia ("Indonesia") promulgated the Regulations Concerning Provisions of Mining Product Export No. 29/M-DAG/PER/5/2012 ("Regulation No. 29"), pursuant to which all mine owners in Indonesia are required to obtain certain approvals from the relevant Indonesian governmental authorities before they can continue to export ores. Pursuant to Regulations No. 574.K/30/DJB/2012 dated 11 May 2012 promulgated by the Directorate General of Mineral and Coal ("Regulation No. 574") regarding the procedures and regulations on recommendation for ores export, all mine owners in Indonesia need to obtain the ore exporter status (the "Status Approval") and an ore export approval (the "Export Approval") in respect of the ores being exported. Accordingly, the export of iron-nickel ores from PT. Yiwang Mining ("Yiwang Mining"), our major ore supplier, had been temporarily suspended since 7 May 2012. Yiwang Mining obtained the Status Approval and the Export Approval on 13 June 2012 and 27 June 2012, respectively. The export of the iron-nickel ores from Yiwang Mining to the Company was resumed on 6 July 2012. However, according to the recommendation letter issued by the Minister of Mineral and Coal on 25 June 2012 to the Minister of Commerce which granted the Export Approval to Yiwang Mining, the export price of iron-nickel ores to be sold by Yiwang Mining to the Group shall be US\$23.5 per tonne (excluding the Export Tax (as defined below)) (the "New Export Price") instead of the original price of US\$16 per tonne. In addition, on 16 May 2012 the Ministry of Finance of Indonesia (the "MOF") also promulgated the Regulations Concerning Determination of Goods Subject to Export Tax and Tariff of the Export Tax No. 75/PMK.011/2012, pursuant to which a 20% export tax (the "Export Tax") would be imposed on 65 types of mineral exporting from Indonesia, including the iron-nickel ores exported from Yiwang Mining to the Group. The Export Tax is calculated based on the base price published by the MOF periodically. In addition, from July to October of 2012, the commodity prices of iron ore dropped significantly due to investors were worry about the potential slowdown in China's economy and the overstock issue of China ore traders. During these months, the commodity prices of iron ore had fallen around 30% that the Group had temporarily halt the ore trading. Due to the above factors, both the revenue and quantity of our ore trading business fell short of our original expectation.

業務發展

本集團透過獨家採購協議以固定價格由印尼購入礦石以供自用或銷售，並且已於二零零九年年末開始向第三方銷售礦石。礦石貿易業務於過往數年有長足增長，原因為中國客戶的需求強勁。

於截至二零一二年十二月三十一日止年度期間，本集團的礦石貿易業務面對兩重意料之外的難關。首先，於二零一二年五月七日，印度尼西亞共和國（「印尼」）商貿部頒佈有關礦產品出口條款29/M-DAG/PER/5/2012號規例（「第29號規例」），據此，所有印尼礦場擁有人均須從相關印尼政府部門取得若干批文方可繼續出口礦石。根據由礦物及煤礦總局於二零一二年五月十一日就引薦礦石出口的程序及規定頒佈的574.K/30/DJB/2012號規例（「第574號規例」），所有印尼礦場擁有人均須申請礦石出口商資格（「資格認可」）及就擬出口的礦石申請出口許可（「出口許可」）。因此，我們的主要礦石供應商PT. Yiwang Mining（「Yiwang Mining」）由二零一二年五月七日起曾暫停出口鐵鎳礦石。Yiwang Mining分別於二零一二年六月十三日及二零一二年六月二十七日取得資格認可及出口許可，Yiwang Mining於二零一二年七月六日恢復向本公司出口鐵鎳礦石。然而，根據煤礦部長於二零一二年六月二十五日向授予Yiwang Mining出口許可的商務部長發出之建議函件，Yiwang Mining售予本集團的鐵鎳礦石出口價將為每公噸23.5美元（未計出口稅（定義見下文））（「新出口價」），而非目前的每公噸16美元。此外，於二零一二年五月十六日，印尼財政部（「財政部」）亦頒佈有關釐定貨品須徵收出口稅及出口稅之關稅條款75/PMK.011/2012號規例，據此，有65種礦物自印尼出口時會徵收20%的出口稅（「出口稅」），包括Yiwang Mining向本集團出口的鐵鎳礦石。出口稅按財政部定期公佈的基本價格計算。此外，於二零一二年七月至十月，因投資者憂慮中國經濟可能放緩，以及中國礦石貿易商積存過多存貨，鐵礦石的商品價格大幅下滑。在該數月期間，鐵礦石的商品價格曾跌近30%，令本集團暫停礦石交易。由於以上因素，我們的礦石貿易業務在收益及數量方面均低於我們原先預期。



Management Discussion and Analysis 管理層討論與分析

For 2013, the Directors are cautiously optimistic about our ore trading business as the commodity price of iron ore has been rebound significantly since November 2012 and the market sentiment of steel making industry in China has improved since the year end of 2012. The Group will continue to develop relationship with up and down-stream trading partners to expand the resources trading business in order to bring a steady growth of revenue.

For the steel making operations of the Group, both the sales volume and profit margins of stainless steel base materials and Ni-Cr alloy steel ingot shrunk significantly during the year as a result of the weak demand and intense competition in China. While we expect the keen competition in China will continue in 2013, the demand for steel products will gradually pick up. The Group is actively developing new high value-added steel products and identifying overseas markets with growth potentials to strengthen our product portfolio and reduce market concentration risk.

Disposal of equity interests in Yongan Special Steel

In accordance with the policy of relocating iron and steel enterprises out from the urban areas under the “Twelfth Five Year Plan” of China and as part of Luoyang City’s development planning policy, the Government of Luoyang City has arranged the relocation of Yongan Special Steel (“Relocation Plan”). Pursuant to the Relocation Plan, the Government of Luoyang City will pay various fees in an aggregate amount of RMB1 billion (the “Consideration”) to Yongtong Special Steel for its equity interests in Yongan Special Steel. The equity interests of Yongan Special Steel had been transferred to a company designated by the Government of Luoyang City and the relocation of Yongan Special Steel was completed in 2012.

The Group’s gain on disposal of equity interests in Yongan Special Steel before income tax was amounted to RMB547.5 million and have been reflected in the consolidated income statement for the year ended 31 December 2012. As of the date of this annual report, the Group has received RMB430 million from the Government of Luoyang City. The Directors expect that the remaining amount of the Consideration will be received in 2013.

董事對我們在二零一三年的礦石貿易業務持審慎樂觀態度，因為鐵礦石的商品價格自二零一二年十一月起已顯著回升，中國造鋼業的市場情緒由二零一二年年末起亦有所改善。本集團會繼續與上下游貿易夥伴拓展關係，擴充資源貿易業務，以帶來穩定收益增長。

就本集團的造鋼業務而言，不銹鋼基料及鎳鉻合金鋼錠的銷量及溢利率於年內均大幅下跌，原因是中國需求疲弱且競爭激烈。儘管我們預期中國競爭激烈的情況於二零一三年仍會持續，鋼產品的需求將會逐步回復。本集團現正積極發展新的高增值鋼產品，並物色具增長潛力的海外市場，以鞏固我們的產品組合，減低市場集中的風險。

出售永安特鋼的股本權益

根據中國「十二五規劃」下鋼鐵企業退城進園的政策，及作為洛陽市發展規劃政策的一部分，洛陽市政府已安排搬遷永安特鋼（「搬遷計劃」）。根據搬遷計劃，洛陽市政府會就其於永安特鋼持有的股本權益向永通特鋼支付總計人民幣10億元的多項費用（「代價」）。永安特鋼的股本權益已轉讓予一家由洛陽市政府指定的公司，而永安特鋼已於二零一二年完成搬遷。

本集團出售永安特鋼股本權益的除所得稅前盈利為人民幣547.5百萬元，並已反映於截至二零一二年十二月三十一日止年度的綜合損益表中。截至本年度報告日期，本集團已從洛陽市政府收到人民幣430百萬元。董事預計代價餘款將於二零一三年收妥。



Management Discussion and Analysis 管理層討論與分析

Financing Arrangement

On 8 May 2012, the Company made available to eligible holders of the 10% Coupon Convertible Bonds due 2012 ("10% Convertible Bonds") an exchange offer (the "Exchange Offer"). The Company invited the eligible holders of the 10% Convertible Bonds to tender their 10% Convertible Bonds (subject to a minimum of HK\$100,000 or an integral multiple of HK\$100,000 in excess thereof) for exchange by the Company for the New Senior Bonds and New Convertible Bonds ("New Bonds"). For each HK\$100,000 in principal amount of 10% Convertible Bonds validly tendered in the Exchange Offer and accepted for exchange by the Company, the Company would deliver to eligible holders:

- New Senior Bonds in a principal amount of HK\$75,000 ("New Senior Bonds") for each 10% Convertible Bond of principal amount HK\$100,000 to be delivered on the settlement date; and
- New Convertible Bonds in a principal amount of HK\$25,000 ("6% Convertible Bonds") for each 10% Convertible Bond of principal amount HK\$100,000 to be delivered on the settlement date.

The Company have completed the Exchange Offer to the bondholders and the 10% Convertible Bonds in the amount of HK\$1,303,300,000 (representing approximately 97.87% of the aggregate outstanding principal amount of the Existing Bonds) were tendered and accepted for exchange by the Company pursuant to the Exchange Offer and were exchanged for the New Bonds comprising the New Senior Bonds in the principal amount of HK\$977,475,000 and the New Convertible Bonds in the principal amount of HK\$325,825,000 and the New Bonds were issued by the Company on 12 June 2012. The 10% Convertible Bonds in the amount of HK\$28,400,000 which were not tendered for exchange pursuant to the Exchange Offer remained outstanding subject to the terms and conditions as amended pursuant to the Extraordinary Resolution of the holders of the 10% Convertible Bonds approved on 31 May 2012.

Besides, 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 HK\$384 million) and the issue of warrants to the lender (the "Term Loan with Warrants"). The term of the facility is two years. The Term Loan with Warrants was fully settled in December 2012.

融資安排

二零一二年五月八日，本公司向二零一二年到期的10厘息可換股債券（「10%可換股債券」）的合資格持有人提呈交換要約（「交換要約」）。本公司邀請10%可換股債券合資格持有人交回其10%可換股債券（須最少為100,000港元或100,000港元的完整倍數），以換取本公司發行的新優先債券及新可換股債券（「新債券」）。根據交換要約有效交回並獲本公司接受作交換的10%可換股債券每本金額100,000港元，本公司將於結算日期就10%可換股債券本金額每100,000港元向合資格持有人交付：

- 本金額75,000港元的新優先債券（「新優先債券」）；及
- 本金額25,000港元的新可換股債券（「6%可換股債券」）。

本公司已向債券持有人完成交換要約。本金額1,303,300,000港元的10%可換股債券（相當於現有債券未償還本金總額約97.87%）已根據交換要約交回並獲本公司接納作交換，並已交換為新債券（包含本金額977,475,000港元的新優先債券及本金額325,825,000港元的新可換股債券），而本公司亦已於二零一二年六月十二日發行新債券。並無根據交換要約交回以供交換、本金額為28,400,000港元的10%可換股債券依舊有待償還，其中須受根據10%可換股債券持有人於二零一二年五月三十一日批准的特別決議案予以修訂的條款及條件所限。

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。含認股權證的定期貸款已於二零一二年十二月悉數償還。

Management Discussion and Analysis 管理層討論與分析

In addition, the Group has been actively negotiating with PRC and overseas banks and institutional investors for new borrowings and the renewal of existing borrowings when those borrowings fall due. During the year, the Group has successfully obtained short-term bank borrowings of RMB550 million from a PRC bank and a new credit facilities of RMB63 million from an overseas bank. Based on our management's past experience, the Group did not encounter any significant difficulties in renewing the borrowings.

Last but not least, on 21 January 2013, the Group has also entered into a framework agreement with a potential investor for the disposal of 30% equity interests of S.E.A. Mineral Limited, a wholly-owned subsidiary of the Group, for an aggregate consideration of US\$150 million. The transaction is expected to be completed in 2013.

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

CONCLUSION AND PROSPECTS

2012 was a year full of unpredictability and challenges for the Group. Both our ore trading business and steel making business were hindered by some unexpected unfavorable factors. However, with the combined efforts of all our employees, the Group sailed through the storms.

During the year, the Group has completed the relocation of Yongan Special Steel smoothly. The cash received from the disposal of Yongan Special Steel's equity interests has significantly improved the Group's working capital and financial position. Although the ore trading business of the Group had been troubled by a couple of unexpected unfavourable factors, it still made a significant contribution to our Group's profitability and cash flows.

We expect the global economy will begin to stabilise in 2013 and the economy of China will continue its healthy growth trend under the new leadership of China. We also expect that the commodity prices of iron ores and prices of steel products will be more stable in 2013 that our ore trading and steel making businesses will have a better environment to flourish.

此外，本集團已與中國境內及海外銀行以及機構投資者積極磋商新借款及將到期的現有借款展期。年內，本集團已順利獲得一家中國境內銀行人民幣550百萬元之短期銀行借款及海外銀行人民幣63百萬元之新信貸融資。根據我們管理層的過往經驗，本集團在借款展期方面未遇到任何重大困難。

最後但亦重要的，於二零一三年一月二十一日，本集團亦與準投資者就以代價總額150百萬美元出售本集團全資附屬公司南洋礦業有限公司30%權益訂立框架協議。該交易預計於二零一三年完成。

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

總結與展望

對本集團而言，二零一二年是難以預測且挑戰重重的一年。本集團的礦石貿易業務及造鋼業務均受若干無法預計的不利因素阻礙。然而，藉着全體員工的共同努力，本集團安然渡過時艱。

年內，本集團順利完成永安特鋼的搬遷事宜。出售永安特鋼股權所得的現金大大改善本集團的營運資金及財務狀況。儘管本集團的礦石貿易業務受數項無法預計的不利因素困擾，但仍然為本集團的利潤及現金流量帶來重大貢獻。

我們預計全球經濟將於二零一三年開始穩定，而中國經濟在中國新領導層的帶領下亦將繼續其健康增長趨勢。我們亦預計由於鐵礦石的商品價格及鋼產品價格將於二零一三漸趨穩定，我們的礦石貿易及造鋼業務將在更好的環境下增長。



Management Discussion and Analysis 管理層討論與分析

In a longer term, China will continue its modernization and urbanization that the demand of high quality steel products for public infrastructure and equipment manufacturing will increase steadily. This definitely will bring enormous business opportunities for our Group.

According to the plan of management, the 2013 sales targets of the Group are as follows:

Sales targets

		2013 二零一三年 Product 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	5,000,000

更長遠而言，中國將繼續其現代化及城鎮化，公共基建及設備生產對高質量鋼產品的需求將穩步上升，必會為本集團帶來龐大的業務機遇。

根據管理層計劃，本集團二零一三年的銷售目標如下：

銷售目標

In the next five years, the Group will strive to achieve the following three goals:

1. Complete the technology industrialisation and commence commercial production of East Harvest Mining to achieve an annual production capacity of 20,000 tonnes nickel products;
2. Complete the facility upgrade of Yongtong Special Steel to achieve an annual production capacity of 500,000 tonnes special steel products;
3. Complete the construction of the first and second phrases of our Indonesia steel mill to achieve an annual production capacity of 1.5 million tonnes steel products.

We believe that after the technology industrialization and commercial production of our Lianyungang plant, facility upgrade of Yongtong Special Steel and the completion of our Indonesia steel mill, the Group will have a stronger competitive advantage in the industry. With greater flexibility and effective execution, we are confident to continue to be a major player in this highly competitive market.

在未來5年，集團將努力不懈，逐步實現以下三個目標：

- 第一、完成東茂礦業技術產業化及開始商業生產，達到年產能2萬公噸鎳產品的規模；
- 第二、永通特鋼完成產業升級，達到50萬公噸特鋼產品年產能的規模；
- 第三、印尼鋼鐵廠第一期及第二期工程完工，達到150萬公噸鋼產品年產能的規模。

我們相信，連雲港廠房進行產業化及商業生產、永通特鋼完成產業升級及印尼鋼鐵廠完成建設後，本集團於業內的競爭優勢將更為強大。憑藉更高的靈活性及有效執行運作，我們有信心繼續成為這個競爭激烈的市場的主要企業。

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 materials, Ni-Cr alloy steel ingot, ferro-nickel alloys and limonitic ores. The table below sets out the turnover and sales volume of our 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。下表載列本集團產品於所示年度之營業額及銷量：

Turnover

營業額

		For the year ended 31 December 2012 截至二零一二年 十二月三十一日止年度 RMB'000 人民幣千元		For the year ended 31 December 2011 截至二零一一年 十二月三十一日止年度 RMB'000 人民幣千元	
			%		%
Stainless steel base materials	不銹鋼基料	307,371	21%	928,527	36%
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	113,775	8%	309,081	12%
Ferro-nickel alloys and others	鎳鐵合金及其他	131,930	9%	81,052	3%
Limonitic ores	褐鐵礦	914,501	62%	1,269,119	49%
Total	總計	1,467,577	100%	2,587,779	100%

Sales volume

銷量

		For the year ended 31 December 2012 截至二零一二年 十二月三十一日止年度 (tonnes) (公噸)		For the year ended 31 December 2011 截至二零一一年 十二月三十一日止年度 (tonnes) (公噸)	
			%		%
Stainless steel base materials	不銹鋼基料	46,328	2%	108,603	3%
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	13,469	1%	39,419	1%
Ferro-nickel alloys and others	鎳鐵合金及其他	29,296	1%	20,869	1%
Limonitic ores	褐鐵礦	2,443,447	96%	3,518,582	95%
Total	總計	2,532,540	100%	3,687,473	100%



Management Discussion and Analysis 管理層討論與分析

The Group's turnover in 2012 decreased by RMB1,120.2 million, or 43.3%, to approximately RMB1,467.6 million (2011: RMB2,587.8 million). The decrease was primarily due to the decrease in trading of limonitic ores and sales of stainless steel base materials and Ni-Cr alloy steel ingot.

During the year, the Group's ore trading business experienced unexpected significant fluctuation due to:

- In the first four months of 2012, the ore trading business showed a promising growth in trading volume and selling price when compared to the same period in 2011 due to the hike in commodity price of iron ore as a result of strong demand in China;
- On 7 May 2012, the Minister of Trade of the Republic of Indonesia ("Indonesia") promulgated the Regulation No. 29, pursuant to which all mine owners in Indonesia are required to obtain certain approvals from the relevant Indonesian governmental authorities before they can continue to export ores. Pursuant to Regulations No. 574, all mine owners in Indonesia need to obtain the Status Approval and the Export Approval in respect of the ores being exported. Accordingly, the export of iron-nickel ores from Yiwang Mining, our major ore supplier, had been temporarily suspended since 7 May 2012. Yiwang Mining obtained the Status Approval and the Export Approval on 13 June 2012 and 27 June 2012, respectively. The export of the iron-nickel ores from Yiwang Mining to the Company was resumed on 6 July 2012. However, according to the recommendation letter issued by the Minister of Mineral and Coal on 25 June 2012 to the Minister of Commerce which granted the Export Approval to Yiwang Mining, the export price of iron-nickel ores to be sold by Yiwang Mining to the Company shall be the New Export Price instead of the original price of US\$16 per tonne. In addition, the Export Tax of 20% would be imposed on the iron-nickel ores exported from Yiwang Mining to the Group. The Export Tax is calculated based on the base price published by the MOF periodically. Due to adoption of the Export Tax and New Export Price since July 2012 and the drop in commodity price of iron ore in the second half of 2012, the profit margin of ore trading shrunk significantly;

本集團於二零一二年之營業額減少人民幣1,120.2百萬元或43.3%至約人民幣1,467.6百萬元(二零一一年:人民幣2,587.8百萬元),主要是由於褐鐵礦貿易及不銹鋼基料與鎳鉻合金鋼錠的貿易減少。

年內,本集團的礦石貿易業務經歷出乎意料的大幅波動,原因為:

- 於二零一二年首四個月,由於中國需求強勁,鐵礦石商品價格上揚,令礦石貿易業務不論於貿易數量或銷售價格均較二零一一年同期呈現可觀的增長;
- 於二零一二年五月七日,印度尼西亞共和國(「印尼」)貿易部長頒佈第29號規例,據此,所有印尼礦場擁有人在繼續出口礦石前,須從有關印尼政府當局取得若干批文。根據第574號規例,所有印尼礦場擁有人須就出口礦石取得資格認可及出口許可。因此,我們的主要礦石供應商Yiwang Mining自二零一二年五月七日起曾暫停出口鐵鎳礦石。Yiwang Mining分別於二零一二年六月十三日及二零一二年六月二十七日取得資格認可及出口許可。Yiwang Mining對本公司的鐵鎳礦石出口已於二零一二年七月六日恢復。然而,根據煤礦務部長於二零一二年六月二十五日向授予Yiwang Mining出口許可的商務部長發出的建議函件,Yiwang Mining將售予本公司的鐵鎳礦石出口價格應為新出口價,而非原來價格每公噸16美元。此外,Yiwang Mining出口予本集團的鐵鎳礦石須繳納20%的出口稅。出口稅按照財政部定期頒佈的基準價格計算。由於自二零一二年七月採用出口稅及新出口價,加上二零一二年下半年鐵礦石商品價格下跌,礦石貿易的溢利率顯著收窄;

Management Discussion and Analysis 管理層討論與分析

- From July to October of 2012, the global commodity market worsen due to investors were worry about the potential slowdown in China's economy and the overstock issue of China ore traders. During these months, the commodity prices of iron ore had fallen by around 30% that the Group had temporarily halt the ore trading;
- In November and December 2012, the global commodity market had been stabilised due to market's expectation on further stimulus policies to be launched by the new China leadership. The commodity price rebound significantly since November 2012.
- 自二零一二年七月至十月，由於投資者憂慮中國經濟可能放緩和中國礦石貿易商過度囤積，環球商品市場表現惡化。在這些月份，鐵礦石商品價格跌近30%，以致本集團曾暫停礦石貿易；
- 於二零一二年十一月及十二月，由於市場預計中國新領導層會推出進一步刺激經濟措施，環球商品市場變得穩定。由二零一二年十一月起，商品價格明顯反彈。

Due to the significant changes in market environment in 2012, both the revenue and quantity of our ore trading business fell short of our original expectation.

因為市場環境於二零一二年變化劇烈，我們的鐵礦石貿易收益及數量較我們原來預期少。

In addition, as a result of the weak demand and intense market competition in China, both the sales volume and profit margins of stainless steel base materials and Ni-Cr alloy steel ingot shrunk significantly during the year.

此外，由於中國需求疲弱而市場競爭激烈，不銹鋼基料與鎳鉻合金鋼錠的銷量及溢利率均在年內大幅收窄。

The Group's sales volume of stainless steel base materials and Ni-Cr alloy steel ingot in 2012 decreased by approximately 62,275 tonnes and 25,950 tonnes, or 57.3% and 65.8%, to approximately 46,328 tonnes and 13,469 tonnes respectively (2011: 108,603 tonnes and 39,419 tonnes). The Group's sales volume of limonitic ores in 2012 decreased by approximately 1.1 million tonnes, or 30.6% to approximately 2.4 million tonnes (2011: 3.5 million tonnes). During 2012, the Group's average selling price per tonne for stainless steel base materials and Ni-Cr alloy steel ingot were RMB6,635 (2011: RMB8,550) and RMB8,447 (2011: RMB7,841) respectively while the average unit selling price per tonne for limonitic ores was RMB374 (2011: RMB361).

本集團的不銹鋼基料與鎳鉻合金鋼錠銷量於二零一二年分別約為46,328公噸及13,469公噸(二零一一年：108,603公噸及39,419公噸)，分別下跌約62,275公噸及25,950公噸或57.3%及65.8%。本集團的褐鐵礦銷量於二零一二年約為2.4百萬公噸(二零一一年：3.5百萬公噸)，下跌約1.1百萬公噸或30.6%。二零一二年內，本集團的不銹鋼基料與鎳鉻合金鋼錠平均售價分別為每公噸人民幣6,635元(二零一一年：人民幣8,550元)及人民幣8,447元(二零一一年：人民幣7,841元)，而褐鐵礦的平均單位售價為每公噸人民幣374元(二零一一年：人民幣361元)。



Management Discussion and Analysis

管理層討論與分析

Cost of sales

The cost of sales in 2012 decreased by RMB931.3 million, or 41.2%, to approximately RMB1,327.3 million (2011: RMB2,258.6 million). The decrease in cost of sales is in line with the decrease in turnover of 43.3%.

The unit cost of sales for stainless steel base materials and Ni-Cr alloy steel ingot were RMB7,345 and RMB9,709 per tonne respectively in 2012 (2011: RMB8,561 and RMB7,245 per tonne respectively). The unit cost of limonitic ores in 2012 increased by RMB33 per tonne, or 12.7%, to RMB293 per tonne (2011: RMB260 per tonne).

The table below shows a breakdown of our costs of sales for the year:

銷售成本

於二零一二年，銷售成本減少人民幣931.3百萬元或41.2%至約人民幣1,327.3百萬元(二零一一年：人民幣2,258.6百萬元)。銷售成本之減幅與營業額之減幅43.3%一致。

於二零一二年，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7,345元及人民幣9,709元(二零一一年：分別為每公噸人民幣8,561元及人民幣7,245元)。於二零一二年，褐鐵礦的單位成本每公噸增加人民幣33元或12.7%至每公噸人民幣293元(二零一一年：每公噸人民幣260元)。

下表為本公司於年內之銷售成本明細：

		For the year ended 31 December 2012 截至二零一二年 十二月三十一日止年度		For the year ended 31 December 2011 截至二零一一年 十二月三十一日止年度	
		RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元	
Raw materials	原材料	987,388	74%	1,587,097	70%
Fuel	燃料	153,940	12%	407,997	18%
Utilities	水電費	56,148	4%	110,238	5%
Depreciation	折舊	80,961	6%	91,080	4%
Staff costs	員工成本	34,461	3%	38,519	2%
Others	其他	14,365	1%	23,624	1%
Total	總計	1,327,263	100%	2,258,555	100%

Management Discussion and Analysis 管理層討論與分析

Gross profit

The unit gross (losses)/profits for stainless steel base materials and Ni-Cr alloy steel ingot in 2012 were RMB(710) and RMB(1,262) per tonne respectively (2011: unit gross loss of RMB11 and gross profit of RMB596 per tonne respectively). The unit gross loss margin of these products was mainly due to decrease in selling price as a result of weak steel demand in China. The unit gross profit for limonitic ores in 2012 was RMB81 per tonne (2011: unit gross profit of RMB101 per tonne). Decrease in the unit gross profit for limonitic ores in 2012 was primarily due to adoption of Export Tax and New Export Price since July 2012.

As a result of the factors discussed above, the Group's gross profit decreased from RMB329.2 million in 2011 to RMB140.3 million in 2012.

Other income and gains

Other income and gains in 2012 increased by RMB405.5 million to RMB565.1 million (2011: RMB159.6 million). Such increase was mainly attributable to the gain on disposal of Yongan Special Steel amounted to RMB547.5 million. In 2011, there was a decrease in fair value of financial liabilities of RMB123.0 million which was absent in 2012.

Selling and distribution expenses

Selling and distribution expenses in 2012 decreased by RMB27.7 million to RMB15.6 million (2011: RMB43.3 million), representing 1.1% of turnover (2011: 1.7%). Decrease in selling and distribution expenses was in line with decrease in sales of steel products during the year.

Administrative expenses

Administrative expenses in 2012 increased by RMB67.7 million, or 52.3%, to RMB197.1 million (2011: RMB129.4 million), representing 13.4% of turnover (2011: 5.0%). The increase in administrative expenses was mainly due to increase in the costs of testing our new production lines in Lianyungang.

毛利

二零一二年之不銹鋼基料及鎳鉻合金鋼錠單位(毛損)/毛利分別為每公噸人民幣(710)元及人民幣(1,262)元(二零一一年：分別為單位毛損每公噸人民幣11元及毛利人民幣596元)。該等產品之單位毛損率乃主要由於中國鋼鐵需求下降，導致售價下跌所致。二零一二年之褐鐵礦單位毛利為每公噸人民幣81元(二零一一年：單位毛利每公噸人民幣101元)。於二零一二年褐鐵礦之單位毛利減少乃主要由於自二零一二年七月推行的出口稅以及新出口價。

基於以上所討論之因素，本集團之毛利由二零一一年之人民幣329.2百萬元減至二零一二年之人民幣140.3百萬元。

其他收入及盈利

二零一二年之其他收入及盈利增加人民幣405.5百萬元至人民幣565.1百萬元(二零一一年：人民幣159.6百萬元)，主要是由於出售永安特鋼獲得盈利人民幣547.5百萬元。於二零一一年，財務負債公允價值減少人民幣123.0百萬元，而在二零一二年並無此項數字。

銷售及分銷支出

二零一二年之銷售及分銷支出減少人民幣27.7百萬元至人民幣15.6百萬元(二零一一年：人民幣43.3百萬元)，佔營業額的1.1%(二零一一年：1.7%)。鋼產品銷售及分銷支出減幅與年內之銷售額減幅相符。

行政開支

二零一二年之行政開支增加人民幣67.7百萬元或52.3%至人民幣197.1百萬元(二零一一年：人民幣129.4百萬元)，相當於營業額之13.4%(二零一一年：5.0%)。行政開支增加乃主要由於測試連雲港新生產線增加成本所致。



Management Discussion and Analysis 管理層討論與分析

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, New Senior Bonds and Term Loan with Warrants based on effective interest method amounted to RMB312.1 million in 2012 (2011: RMB409.2 million), of which RMB77.2 million was capitalised as part of the cost of construction in progress. Finance costs charged to the consolidated income statement in 2012 was RMB289.1 million (2011: RMB205.1 million).

Increase in finance costs charged to the consolidated income statement in 2012 was mainly due to the cessation of capitalization of finance costs for our Lianyungang project in the second quarter of 2012 as the construction of the project was nearly completed.

Other expenses

Other expenses in 2012 increased by RMB214.3 million, or 1,384.2%, to RMB229.8 million (2011: RMB15.5 million). The significant increase in other expenses was mainly due to the loss on cancellation of warrants issued to Asia Equity of RMB63.1 million and the impairment of certain property, plant and equipment in our PRC production plants of RMB123.1 million.

(Loss)/profit before tax

As a result of the factors discussed above, the loss before tax for the year ended 31 December 2012 was RMB25.5 million (2011: profit of RMB99.1 million).

The Group's loss before tax margin was 1.7% (2011: profit before tax margin 3.8%). The earnings before interest, tax, depreciation and amortisation (EBITDA) margin was 29.4% (2011: 18.6%).

Income tax expense

The applicable Hong Kong profits 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 China, Singapore and Indonesia are subject to corporate income tax at a rate of 17% to 25% for the year ended 31 December 2012.

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。於二零一二年,按實際利息法計算之可換股債券、新優先債券及含認股權證的定期貸款之總財務支出為人民幣312.1百萬元(二零一一年:人民幣409.2百萬元),其中人民幣77.2百萬元被資本化為部分在建工程成本。二零一二年計入綜合損益表之融資成本為人民幣289.1百萬元(二零一一年:人民幣205.1百萬元)。

計入二零一二年綜合損益表的融資成本增加主要由於連雲港項目因項目接近完成以致於二零一二年第二季的融資成本停止資本化所致。

其他開支

二零一二年的其他開支增加人民幣214.3百萬元或1,384.2%至人民幣229.8百萬元(二零一一年:人民幣15.5百萬元)。其他開支顯著增加主要由於註銷向Asia Equity發行的認股權證虧損人民幣63.1百萬元,以及我們中國生產廠房若干物業、廠房及設備減值人民幣123.1百萬元。

除稅前(虧損)/溢利

基於以上所討論之因素,截至二零一二年十二月三十一日止年度,除稅前虧損為人民幣25.5百萬元(二零一一年:溢利人民幣99.1百萬元)。

本集團除稅前虧損率為1.7%(二零一一年:除稅前溢利率3.8%)。除利息、稅項、折舊及攤銷前之盈利(EBITDA)率為29.4%(二零一一年:18.6%)。

所得稅開支

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%。截至二零一二年十二月三十一日止年度,本集團於中國、新加坡及印尼經營之實體須按介乎17%至25%之稅率繳納企業所得稅。

Management Discussion and Analysis

管理層討論與分析

(Loss)/profit for the year and (loss)/profit attributable to shareholders

As a result of the factors discussed above, the Group's 2012 loss for the year was RMB226.8 million (2011: profit of RMB67.4 million) and the 2012 loss attributable to shareholders was RMB225.6 million (2011: profit of RMB66.3 million).

年度(虧損)/溢利及股東應佔(虧損)/溢利

基於以上所討論之因素，本集團於二零一二年之虧損為人民幣226.8百萬元(二零一一年：溢利人民幣67.4百萬元)。於二零一二年，股東應佔虧損為人民幣225.6百萬元(二零一一年：溢利人民幣66.3百萬元)。

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	2012 二零一二年	2011 二零一一年
Current ratio	流動比率	1	80%	69%
Inventory turnover days	存貨週轉日數	2	157 days 日	93 days 日
Debtor turnover days	應收賬款週轉日數	3	22 days 日	21 days 日
Creditor turnover days	應付賬款週轉日數	4	183 days 日	96 days 日
Interest cover	盈利對利息倍數	5	0.9 times 倍	1.5 time 倍
Interest-bearing gearing ratio	計息資本負債比率	6	55%	47%
Debt to EBITDA ratio	負債與EBITDA比率	7	4.2 times 倍	3.4 times 倍
Net debt/Capital and net debt ratio	淨負債/資本與淨負債比率	8	43%	40%

Notes:

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

附註：

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



Management Discussion and Analysis 管理層討論與分析

Property, plant and equipment

Property, plant and equipment as at 31 December 2012 mainly comprised plant and machinery, buildings and construction in progress. The decrease in balance to RMB2,087.3 million (2011: RMB2,108.8 million) was mainly due to the depreciation charges for the year and impairment of plant and equipment of RMB123.1 million offset by the purchase costs and finance costs for the addition of new production facilities in the production plant of East Harvest Mining during the year.

Intangible asset

The intangible asset solely represents the unamortised amount of the exclusive offtake right from Yiwan 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 increased from 93 days in 2011 to 157 days in 2012. As at 31 December 2012, inventories balance decreased by RMB3.8 million, or 0.7%, to RMB569.2 million (2011: RMB573.0 million). There was no significant change in inventory level.

Trade and notes receivables

The debtor turnover days increased from 21 days in 2011 to 22 days in 2012. As at 31 December 2012, trade and notes receivables balance decreased by RMB58.1 million, or 39.2%, to RMB90.2 million (2011: RMB148.3 million). The decrease in trade and notes receivables was in line with decrease in sales.

Cash and cash equivalents and pledged time deposits

The cash and bank balances increased by approximately RMB157.0 million, or 46.9%, to approximately RMB491.4 million as at 31 December 2012 when compared to that as at 31 December 2011. It was mainly due to the net cash inflow generated from operating activities of approximately RMB222.8 million and net increase in bank and other borrowings of RMB149.1 million, offset by the interest payment of RMB188.3 million.

物業、廠房及設備

於二零一二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。有關結餘降至人民幣2,087.3百萬元(二零一一年：人民幣2,108.8百萬元)乃主要歸因於年內折舊費用加上廠房及設備減值人民幣123.1百萬元所致，被年內東茂礦業廠房添置新生產設施之採購成本及融資成本有所抵銷。

無形資產

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

存貨

存貨週轉日數由二零一一年之93日延長至二零一二年之157日。於二零一二年十二月三十一日，存貨結餘減少人民幣3.8百萬元或0.7%至人民幣569.2百萬元(二零一一年：人民幣573.0百萬元)。存貨水平並無顯著變動。

應收賬款及應收票據

應收賬款週轉日數由二零一一年之21日延長至二零一二年之22日。於二零一二年十二月三十一日，應收賬款及應收票據結餘減少人民幣58.1百萬元或39.2%至人民幣90.2百萬元(二零一一年：人民幣148.3百萬元)。應收賬款及應收票據的減幅與銷售的下降相符。

現金及現金等值物與已抵押定期存款

於二零一二年十二月三十一日之現金及銀行存款約為人民幣491.4百萬元，較二零一一年十二月三十一日增加約人民幣157.0百萬元，增幅為46.9%，主要是由於經營活動所得現金流入淨額約人民幣222.8百萬元及銀行貸款及其他借款淨增加人民幣149.1百萬元，惟被支付利息人民幣188.3百萬元有所抵銷。

Management Discussion and Analysis 管理層討論與分析

Trade and notes payables

The creditor turnover days increased from 96 days in 2011 to 183 days in 2012. As at 31 December 2012, trade and notes payables balance increased by RMB72.2 million, or 12.2%, to RMB665.7 million (2011: RMB593.5 million). This was mainly due to management used more bank bills for settlement of purchases. These bank bills were generally on terms of 90 to 180 days.

Convertible bonds

The Company have completed the Exchange Offer to the bondholders and the Existing Bonds in the amount of HK\$1,303,300,000 (representing approximately 97.87% of the aggregate outstanding principal amount of the Existing Bonds) were tendered and accepted for exchange by the Company pursuant to the Exchange Offer and were exchanged for the New Bonds comprising the New Senior Bonds in the principal amount of HK\$977,475,000 and the New Convertible Bonds in the principal amount of HK\$325,825,000 and the New Bonds were issued by the Company on 12 June 2012. The Existing Bonds in the amount of HK\$28,400,000 which were not tendered for exchange pursuant to the Exchange Offer remained outstanding subject to the terms and conditions as amended pursuant to the Extraordinary Resolution of the holders of the Existing Bonds approved on 31 May 2012.

Decrease in the convertible bonds balance was mainly attributable to the Existing Bonds in the principal amount of HK\$977,475,000 were exchanged into New Senior Bonds pursuant to the Exchange Offer.

Bank and other borrowings

As at 31 December 2012, total bank and other borrowings balance increased by RMB1,176.4 million, or 250.0%, to RMB1,646.9 million (2011: RMB470.5 million) was mainly attributable to the Existing Bonds in the principal amount of HK\$977,475,000 were exchanged into New Senior Bonds pursuant to the Exchange Offer. As at 31 December 2012, the amortised cost of the outstanding New Senior Bonds was RMB766.5 million. The interest-bearing gearing ratio (gearing ratio) increased from 47% in 2011 to 55% in 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. Since the disposal was completed in 2012, these assets and liabilities were included as part of the costs of disposal.

應付賬款及應付票據

應付賬款週轉日數由二零一一年之96日延長至二零一二年之183日。於二零一二年十二月三十一日，應付賬款及應付票據結餘增加人民幣72.2百萬元或12.2%至人民幣665.7百萬元（二零一一年：人民幣593.5百萬元），主要是由於管理層更多使用銀行票據清償採購款項。該等銀行票據一般為期90日至180日。

可換股債券

本公司已向債券持有人完成交換要約。本金額1,303,300,000港元的現有債券（相當於現有債券未償還本金總額約97.87%）已根據交換要約交回並獲本公司接納作交換，並已交換為新債券（包含本金額977,475,000港元的新優先債券及本金額325,825,000港元的新可換股債券），而本公司亦已於二零一二年六月十二日發行新債券。並無根據交換要約交回以供交換、本金額為28,400,000港元的現有債券依舊有待償還，其中須受根據現有債券持有人於二零一二年五月三十一日批准的特別決議案予以修訂的條款及條件所限。

可換股債券結餘減少，主要由於本金額977,475,000港元之現有債券根據交換要約交換為新優先債券。

銀行貸款及其他借貸

於二零一二年十二月三十一日，總銀行貸款及其他借貸結餘增加人民幣1,176.4百萬元或250.0%至人民幣1,646.9百萬元（二零一一年：人民幣470.5百萬元），主要由於本金額977,475,000港元之現有債券按照交換要約轉換為新優先債券。於二零一二年十二月三十一日，已發行新優先債券的攤餘成本為人民幣766.5百萬元。計息資本負債比率（資本負債比率）由二零一一年之47%增至二零一二年之55%。

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。由於出售已在二零一二年完成，有關資產及負債計入為出售成本之一部分。



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 borrowings. We also utilise advances received from our customers to finance part of our working capital requirements. As at 31 December 2012, the advances from customers amounted to RMB265.2 million.

As at 31 December 2012, we had current liabilities of RMB2,477.5 million, of which RMB1,262.8 million were bank and other borrowings repayable within one year and RMB665.7 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 Group's purchase and sales contracts of ore trading business are principally denominated in USD and purchase and sales of iron and steel products are mainly denominated in RMB. As at 31 December 2012, apart from the convertible bonds, the New Senior Bonds and intangible asset which are denominated in HKD, HKD and USD, respectively, other assets and liabilities of the Group are mainly denominated in RMB. Since RMB against USD and HKD is in a favourable trend in recent years, no hedging of foreign currency risk 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 2012, 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

本集團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借貸。本集團亦使用客戶墊款撥付部分所需營運資金。於二零一二年十二月三十一日，來自客戶之墊款為人民幣265.2百萬元。

於二零一二年十二月三十一日，本集團之流動負債為人民幣2,477.5百萬元，其中人民幣1,262.8百萬元為須於一年內償還之銀行貸款及其他借貸，而人民幣665.7百萬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。本集團礦石貿易業務之買賣合約主要以美元計值，而有關鋼鐵產品之買賣主要以人民幣計值。於二零一二年十二月三十一日，除可換股債券、新優先債券及無形資產分別以港元、港元及美元計值外，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，故目前毋須就外匯風險作出對沖。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。

於二零一二年十二月三十一日，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 2012, the Group had following assets being pledged: (1) time deposits of RMB283.2 million (2011: RMB216.1 million), certain parcels of the Group's leasehold lands situated in the PRC with the carrying amounts of RMB125.8 million and building and plant and machinery with net carry amounts of RMB47.2 million were secured for notes payables of RMB523.1 million (2011: RMB401.1 million) and bank loans granted to certain of the Group's subsidiaries of RMB100.0 million (2011: RMB130.0 million); and (2) the Exclusive Offtake Agreement with Yiwang Mining and USD bank deposits of RMB93.4 million were secured for the New Bonds issued by the Company in June 2012.

Capital commitment

As at 31 December 2012, the Group had capital commitments in the amount of approximately RMB237.9 million.

抵押品

於二零一二年十二月三十一日，本集團已抵押以下資產：(1)本集團若干附屬公司的應付票據人民幣523.1百萬元(二零一一年：人民幣401.1百萬元)及獲授銀行貸款人民幣100.0百萬元(二零一一年：人民幣130.0百萬元)以本集團定期存款人民幣283.2百萬元(二零一一年：人民幣216.1百萬元)、位於中國賬面值為人民幣125.8百萬元的若干幅租賃土地及賬面淨值為人民幣47.2百萬元的樓宇、廠房及機器作為抵押；及(2)本公司於二零一二年六月發行的新債券以與Yiwang Mining訂立的獨家採購協議及人民幣93.4百萬元的美元銀行存款作抵押。

資本承擔

於二零一二年十二月三十一日，本集團之資本承擔約為人民幣237.9百萬元。



Directors, Senior Management and Audit Committee
董事、高級管理層及審核委員會

MAINTAIN & FOCUS on
Cost Controls in the
coming years
降低生產成本
未來發展重點



Directors, Senior Management and Audit Committee 董事、高級管理層及審核委員會

DIRECTORS

Executive Directors

Mr. Dong Shutong, aged 61, 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

董事

執行董事

董書通先生，61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、總裁、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亦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生產及管理耐火材料。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



Directors, Senior Management and Audit Committee 董事、高級管理層及審核委員會

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 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 50, 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 21 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.

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，屢獲多個中國政府部門表揚。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誠喆先生之父。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，50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21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, Senior Management and Audit Committee 董事、高級管理層及審核委員會

Mr. Chiang Shyh-yi, aged 66, was appointed as Executive Director and Deputy Chief Executive Officer of the Company on 1 April 2012. Mr. Chiang graduated from the National Cheng Kung University Mining and Metallurgical Department of Taiwan in 1969. Mr. Chiang has over 43 years of experience in mining and metallurgical industry. Prior to joining the Company, he has held various senior positions in several Taiwan listed companies. In the past three years, Mr. Chiang held directorships in CHC Resources Corporation, Tang Eng Iron Works Co., Ltd., Union Steel Development Corporation and PAO Good Industrial Co., Ltd., the securities of which are listed in Taiwan.

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 34, 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 35, 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.

蔣士宜先生，66歲，於二零一二年四月一日獲委任為本公司執行董事兼副總裁。蔣先生於一九六九年畢業於台灣國立成功大學礦冶工程系。蔣先生於礦冶業積逾43年經驗。於加入本公司前，彼曾於多家台灣上市公司任職多個高級職位。於過往三年，蔣先生曾擔任中聯資源股份有限公司、唐榮鐵工廠股份有限公司、聯鋼開發股份有限公司及寶固實業股份有限公司之董事職務，該等公司之證券在台灣上市。

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。

董鍼喆先生，34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，35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，獲委任為本公司主席助理。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，楊先生於一九九八年八月至二零零一年六月擔任中國人壽保險股份有限公司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理學碩士學位。



Directors, Senior Management and Audit Committee 董事、高級管理層及審核委員會

Non-executive Director

Mr. Yang Tianjun, aged 69, 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 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 71, 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 45 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.

非執行董事

楊天鈞先生，69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。

自一九八九年，彼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、二級或三級國家科學技術進步獎。彼為中德合作研究多用途鉬項目之主席，曾應韓國產業科學研究院(Research 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，71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成員。彼具備近45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，他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系。

Directors, Senior Management and Audit Committee 董事、高級管理層及審核委員會

Mr. Huang Changhuai, aged 77, 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 58, 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 36 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, Golden Eagle Retail Group Limited, Ngai Lik Industrial Holdings Limited, PacMOS Technologies Holdings Limited, Paliburg Holdings Limited, Regal Hotels International Holdings Limited, TPV Technology Limited and Zhuguang Holdings Group Company Limited, all of which are listed on the Stock Exchange of Hong Kong Limited. He was formerly an independent non-executive director of FU JI Food and Catering Services Holdings Limited (provisional liquidators appointed) (up to 24 June 2011).

黃昌淮先生，77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成員。彼曾於一間印刷及染色廠擔任生產主任、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*，58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成員。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36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、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、冠捷科技有限公司及珠光控股集團有限公司的獨立非執行董事兼審核委員會成員，而上述公司均為於香港聯合交易所有限公司上市之公司。彼曾任福記食品服務控股有限公司(已委任臨時清盤人)之獨立非執行董事(任期至二零一一年六月二十四日)。



Directors, Senior Management and Audit Committee 董事、高級管理層及審核委員會

Mr. Fahmi Idris, aged 69, was appointed as an Independent Non-executive Director of the Company on 24 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.

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.

法米先生，69歲，於二零一零年八月二十四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。彼現為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。一九八六年至一九九二年，彼為Bank Susila Bhakti的專員。一九八七年至一九九零年，彼出任PT. Permadani Teleconsult Pratama的總裁。一九八七年至二零零四年，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。

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二零零零年至二零零五年擔任印度尼西亞共和國人力部部長，亦於二零零零年至二零零九年擔任印度尼西亞共和國工業部部長。

Directors, Senior Management and Audit Committee 董事、高級管理層及審核委員會

SENIOR MANAGEMENT

Ms. Ho Kit Ling, aged 36, was appointed as head of corporate finance and investor relations on 22 August 2011. She is a member of American Institute of Certified Public Accountants and the Hong Kong Securities Institute. Ms. Ho holds a Bachelor's Degree in Business Administration with honours and Dean's List Awards from The Hong Kong University of Science and Technology. Prior to joining the Company, Ms. Ho served as a director of Equity Capital Markets in Bank of China International. She had also held several positions in the corporate finance and investment banking divisions in various reputable investment banks. Ms. Ho has over 10 years of experience in equity capital raising, corporate finance advisory, merger and acquisition transactions and investment banking industry in Hong Kong and the PRC. Ms. Ho is mainly responsible for in-house corporate finance activities, corporate transactions (including acquisition and disposal and facilitating completion of these transactions), corporate disclosure and relations with the shareholders, investors, analysts and professional advisors of the Company.

COMPANY SECRETARY

Mr. Chan Yee Lok, aged 38, 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 15 years of accounting and auditing experience, and he was the audit project leader for several multi-national 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.

高級管理層

何潔玲女士，36歲，自2011年8月22日獲委任為企業融資及投資者關係主管。彼為美國註冊會計師協會及香港證券專業學會會員。何女士擁有香港科技大學工商管理榮譽學士學位，並取得優秀學生榮譽。在加入本公司之前，何女士曾擔任中銀國際資本市場的董事。彼亦曾在各知名投資銀行的企業融資及投資銀行部門裏擔任多個職位。何女士在香港及中國的證券融資、企業融資顧問、合併與收購交易和投資銀行業界擁有超過十年經驗。何女士主要負責企業內部的融資活動、企業交易(包括收購與出售，及促進這些交易完成)、企業披露及與本公司的股東、投資者、分析師和專業顧問之間的關係。

公司秘書

陳貽恪先生，38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榮譽學士學位。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十五年經驗，彼曾主導多宗跨國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內。



Report of the Directors
董事會報告書

QUALITY with
Cost effectiveness
龐大生產規模
市場地位顯赫



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 2012.

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 19 to the consolidated financial statements.

SEGMENT INFORMATION

The Group's revenue and profit/loss for the year ended 31 December 2012 were primarily 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 2012. Geographical information 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 2012 and the state of affairs of the Company and of the Group as at 31 December 2012 are set out in the consolidated financial statements on pages 75 to 204.

An interim dividend of HK1 cent per share, totalling RMB18,785,000, was paid to the shareholders of the Company during the year (2011: Nil). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2012 (2011: 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 4 to 5 of this annual report.

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 14 to the consolidated financial statements.

本公司董事(「董事」)謹此提呈本集團截至二零一二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19。

分部資料

本集團截至二零一二年十二月三十一日止年度之收益及溢利／虧損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，並無呈列截至二零一二年十二月三十一日止年度按業務劃分之分部分析。按地區劃分之信息載於綜合財務報表附註4。

業績及股息

本集團截至二零一二年十二月三十一日止年度之業績，以及本公司與本集團於二零一二年十二月三十一日之財務狀況載於綜合財務報表第75頁至第204頁。

年內，本公司向股東支付中期股息每股1港仙，總計人民幣18,785,000元(二零一一年：無)。董事並不建議派付截至二零一二年十二月三十一日止年度的末期股息(二零一一年：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4頁至第5頁披露。

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14。



Report of the Directors 董事會報告書

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, 36, 29(c) 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 2012.

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.

DISTRIBUTABLE RESERVES

As at 31 December 2012, 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 RMB2,508,388,000.

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.

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、36、29(c)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

本公司於截至二零一二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。

可供分派儲備

於二零一二年十二月三十一日，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2,508,388,000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，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。

Report of the Directors 董事會報告書

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 22% of the total sales for the year respectively. Purchases from the Group's five largest suppliers and from the largest supplier accounted for 50% and 22% of the total purchases for the year respectively.

Apart from the information as disclosed in the paragraphs headed "CONNECTED TRANSACTIONS" and "DIRECTORS' INTERESTS IN CONTRACTS" in the directors' report, 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.

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
 Mr. Chiang Shyh-yi (appointed on 1 April 2012)
 Mr. Song Wenzhou
 Mr. Dong Chengzhe
 Mr. Yang Fei
 Mr. Mao Yehong (resigned on 1 October 2012)

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22%。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50%及22%。

除了於董事會報告書中「關連交易」及「董事於合約之權益」兩段所披露之資料外，董事或彼等之任何聯繫人或本公司任何股東（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。

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
 蔣士宜先生 (於二零一二年四月一日獲委任)
 宋文州先生
 董鉞喆先生
 楊飛先生
 毛葉紅先生 (於二零一二年十月一日辭任)



Report of the Directors

董事會報告書

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 Shutong, Mr. Yang Fei, Mr. Yang Tianjun and Mr. Fahmi Idris will retire as Directors by rotation at the forthcoming annual general meeting of the Company. 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 34 to 41 of this annual report.

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.

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，董書通先生、楊飛先生、楊天鈞先生及法米先生須於本公司應屆股東週年大會輪流退任董事職務。所有合資格重選之退任董事均願意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34頁至第41頁。

董事之服務合約

擬於應屆股東週年大會重選之董事與本公司概無訂立本公司在一年內不可在不予賠償(法定賠償除外)的情況下終止之服務合約。

董事酬金

董事之酬金乃由董事會經參考董事之職責、責任及表現以及本集團之業績而釐定。

Report of the Directors

董事會報告書

DIRECTORS' INTERESTS IN CONTRACTS

On 5 March 2007, S.E.A. Mineral Limited ("SEAM"), an indirect wholly-owned subsidiary of the Company, 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, who at 31 December 2012 and the date of this report holds more than 5% of the issued share capital of the Company. Pursuant to the Exclusive Offtake Agreement, Yiwang Mining agreed to exclusively sell and SEAM 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 tonnes 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. Pursuant to the recommendation letter issued by the Minister of Mineral and Coal on 25 June 2012 to the Minister of Commerce which granted the export approval to Yiwang Mining, the export price of iron ore was changed to US\$23.5 commencing from 1 July 2012.

By virtue of the convertible bonds issued by Yiwang Mining to S.E.A. Mining Limited and S.E.A. Mining Resources Limited which are indirectly substantially owned by Mr. Dong Shutong, Executive Director and Chairman of the Board, Mr. Dong has an indirect interest in the Exclusive Offtake Agreement. Further details of the transaction undertaken in connection therewith are included in Note 40 to the consolidated financial statements.

Save as disclosed above and in the paragraph headed "CONNECTED TRANSACTIONS" as set out on pages 54 to 55 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.

董事於合約之權益

於二零零七年三月五日，本公司間接全資附屬公司南洋礦業有限公司（「南洋礦業」）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，其於二零一二年十二月三十一日及本報告日期持有本公司已發行股本超過5%）訂立獨家採購協議（「獨家採購協議」）。根據獨家採購協議，Yiwang Mining 同意獨家出售而南洋礦業同意購買 Yiwang Mining 生產之鐵礦石，協定之固定價格為每乾公噸 16 美元，於二零一一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 乾公噸鐵礦石。其後，獨家採購權期限經附加協議延長至二零三六年一月二十四日。根據煤礦務部長於二零一二年六月二十五日向授與 Yiwang Mining 出口批准的商務部長發出的推薦函件，鐵礦石的出口價自二零一二年七月一日起更改為 23.5 美元。

由於 Yiwang Mining 發行可換股債券予南洋礦產有限公司及南洋礦產資源有限公司，而執行董事兼董事會主席董書通先生為這兩家公司之間接大股東，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 40。

除上文及載於本年度報告第 54 頁至第 55 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 2012, 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 2012:**

董事於股份、相關股份及債權證之權益及淡倉

於二零一二年十二月三十一日，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) 於二零一二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 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	持有權益之身份	持有股份數目	
Mr. Dong Shutong 董書通先生	Held by controlled corporations 由受控法團持有	1,394,106,705 (note 1) (附註1)	60.45%
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 2012 (ii) 於二零一二年十二月三十一日於本公司相關股份之好倉

Name of Director 董事姓名	Capacity in which interests are held 持有權益之身份	Number of underlying shares held 持有相關股份數目	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
Mr. Dong Shutong 董書通先生	Beneficial owner 實益擁有人	5,000,000 (note 2) (附註2)	0.22%
	Held by spouse 由配偶持有	1,700,000 (note 2) (附註2)	0.07%
Ms. Ng See Wai Rowena 吳思煒女士	Beneficial owner 實益擁有人	8,000,000 (note 2) (附註2)	0.35%
Mr. Song Wenzhou 宋文州先生	Beneficial owner 實益擁有人	2,520,000 (note 2) (附註2)	0.11%
Mr. Dong Chengzhe 董鉞喆先生	Beneficial owner 實益擁有人	2,775,000 (note 2) (附註2)	0.12%
Mr. Yang Fei 楊飛先生	Beneficial owner 實益擁有人	2,775,000 (note 2) (附註2)	0.12%

Notes:

- As at 31 December 2012, 1,371,074,705 Shares and 23,032,000 Shares were held by Easyman and Sino Regent Worldwide Limited ("Sino Regent"), respectively. As the entire issued share capital of each of Easyman and Sino Regent is held by Mr. Dong, Mr. Dong is deemed to be beneficial interested in such Shares by virtue of the SFO.
- The share options are unlisted equity-settled options granted pursuant to the Company's share option scheme adopted on 2 May 2005. Upon exercise of the share options in accordance with such share option scheme, Shares are issuable to the option holder(s) who exercise(s) the rights.

附註：

- 於二零一二年十二月三十一日，Easyman及Sino Regent Worldwide Limited（「Sino Regent」）分別持有1,371,074,705股及23,032,000股股份。由於Easyman及Sino Regent各自的全部已發行股本均由董先生所持有，根據證券及期貨條例，董先生被視為為該等股份中擁有實益權益。
- 該等購股權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，可向行使有關權利的購股權持有人發行股份。



Report of the Directors 董事會報告書

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

As at 31 December 2012, shareholders (other than the interest disclosed above in respect of the Director who is also a 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 positions in the shares and underlying shares of the Company as at 31 December 2012:

主要股東於本公司股份及相關股份中之權益及淡倉

於二零一二年十二月三十一日，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：

於二零一二年十二月三十一日於本公司股份及相關股份之好倉：

Name of shareholders 股東姓名	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
Easyman	Beneficial owner 實益擁有人	1,371,074,705	59.46%
Soen Bin Kuan 李民權	Beneficial owner 實益擁有人	182,734,104	7.92%
Sun Qiaodian 孫巧點	Beneficial owner 實益擁有人	1,700,000 (note 1) (附註1)	0.07%
	Held by spouse (note 2) 由配偶持有(附註2)	5,000,000 (note 1) (附註1)	0.22%

Report of the Directors

董事會報告書

Notes:

1. The share options are unlisted equity-settled options granted pursuant to the Company's share option scheme adopted on 2 May 2005. Upon exercise of the share options in accordance with such share option scheme, Shares are issuable to the option holder(s) who exercise(s) the rights.
2. Ms. Sun Qiaodian is the spouse of Mr. Dong Shutong, whose interest was disclosed in previous section.

Save as disclosed above, so far as was known to the Directors, there was no other person who, as at 31 December 2012, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, beneficially interested in 5% or more of the issued share capital of the Company; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

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.

附註：

1. 該等購股權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，可向行使有關權利的購股權持有人發行股份。
2. 孫巧點女士乃董書通先生之配偶，董先生的權益於前一節中披露。

除上文所披露者外，就董事迄今所知，於二零一二年十二月三十一日，概無其他人士於本公司之股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部須知會本公司之權益或淡倉，或直接或間接於本公司已發行股本中擁有5%或以上的實益權益，或直接或間接擁有附有任何情況下於本集團的任何成員公司的股東大會上投票權利的任何類別股本面值10%或以上權益。

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。



Report of the Directors

董事會報告書

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 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. Details of movements in the Company's share options during the year are as follows:

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計為期十年，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12個月後行使，而承授人可於每接續之一年行使額外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。年內本公司購股權之變動詳情如下：

		No. of share options 購股權數目					Exercise price of share options (Note 2)	Price of Company's shares at exercise date of options (Note 3)
	Outstanding as at 1 January 2012	Granted during the year (Note 1)	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2012			
	於二零一二年 一月一日 尚未行使	於年內授出 (附註1)	於年內行使	於年內失效	於二零一二年 十二月三十一日 尚未行使	購股權之 行使價 (附註2)	本公司股份 於購股權 行使日的股價 (附註3)	
							HK\$	
							港元	
Directors	董事							
Mr. Dong Shutong	董書通先生	5,000,000	—	—	—	5,000,000	1.07	N/A 不適用
Ms. Ng See Wai Rowena	吳思煒女士	—	8,000,000	—	—	8,000,000	0.63	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
		—	1,500,000	—	—	1,500,000	0.63	N/A 不適用
Mr. Mao Yehong	毛葉紅先生	—	1,500,000	—	(1,500,000)	—	0.63	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
		—	1,500,000	—	—	1,500,000	0.63	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
		—	1,500,000	—	—	1,500,000	0.63	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
Sub-total for number of share options to Directors	授予董事之購股權 數目小計	12,820,000	14,000,000	—	(5,750,000)	21,070,000	—	—
Senior management	高級管理層	—	5,500,000	—	—	5,500,000	0.63	N/A 不適用
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
		11,385,000	—	—	(750,000)	10,635,000	2.45	N/A 不適用
		—	30,500,000	—	(1,100,000)	29,400,000	0.63	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	26,285,000	30,500,000	—	(4,850,000)	51,935,000		
Total	總計	39,105,000	50,000,000	—	(10,600,000)	78,505,000		

Report of the Directors

董事會報告書

Notes:

1. Pursuant to a board resolution passed on 20 January 2012, the Company granted share options (the "Options") under its Share Option Scheme to the eligible participants of the Share Option Scheme (the "Grantees") which 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).

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.

2. 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.
3. 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：

1. 根據於二零一二年一月二十日通過的董事會決議案，本公司根據其購股權計劃向購股權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）。

本公司獨立非執行董事已批准向董事及本公司控股股東之聯繫人授出以上購股權。

2. 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。
3. 本公司於購股權行使日期之股價為緊接購股權行使日期前之交易日之聯交所收市價。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the Share Option Scheme as set out in Note 36 to the consolidated financial statements, at no time during the year ended 31 December 2012 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.

董事收購股份或債權證之權利

除綜合財務報表附註36所載的購股權計劃一段中所披露者外，於截至二零一二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權證而獲利。



Report of the Directors

董事會報告書

CONNECTED TRANSACTIONS

Pursuant to the extraordinary general meetings of the Company held on 28 January 2010 and 22 June 2012, 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 and supplemental agreements entered into between Yiwang Mining and SEAM in connection with the purchasing of ore, Yiwang Mining agreed to supply ore to the Group until 24 January 2036. According to the Exclusive Offtake Agreement and supplemental agreements, the prices for these continuing connected transactions would be US\$16 per dry tonne and subsequently adjusted to the New Export Price pursuant to the recommendation letter issued by the Minister of Mineral and Coal on 25 June 2012 to the Minister of Commerce of Indonesia. Pursuant to the terms of the Exclusive Offtake Agreement, SEAM and Yiwang Mining may agree to alter the purchase price if being directed by the relevant governmental authorities. Since the New Export Price is a price directed by the relevant governmental authorities of Indonesia, SEAM and Yiwang Mining have agreed to adopt the New Export Price as the ore purchase price commencing from 1 July 2012 under the Exclusive Offtake Agreement.

These transactions will be entered into in usual and ordinary course of business of the Group and the annual cap for these transactions for the years ending 31 December 2012, 2013 and 2014 will not exceed HK\$998.4 million, HK\$1,248 million and HK\$1,248 million, respectively. During the year, the Group purchased US\$46.4 million (approximately HK\$359.5 million) (2011: US\$53.4 million (approximately HK\$415.4 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及二零一二年六月二十二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與南洋礦業所訂立有關採購礦石之獨家採購協議及附加協議，Yiwang Mining同意供應礦石予本集團直至二零三六年一月二十四日。根據獨家採購協議及附加協議，該等持續關連交易之價格將為每乾公噸16美元，其後並根據印尼煤礦務長部於二零一二年六月二十五日向商務部長發出的推薦函件調整至新出口價。根據獨家採購協議之條款，南洋礦業與Yiwang Mining可按有關政府當局指示更改採購價。由於新出口價為印尼有關政府當局指定的價格，南洋礦業與Yiwang Mining已同意於二零一二年七月一日開始採納新出口價作為獨家採購協議下的礦石採購價。

該等交易將於本集團之日常及一般業務過程中訂立，而該等交易於截至二零一二年、二零一三年及二零一四年十二月三十一日止年度之年度上限分別不超過998.4百萬港元、1,248百萬港元及1,248百萬港元。年內，本集團已從Yiwang Mining購買合共46.4百萬美元（約359.5百萬港元）（二零一一年：53.4百萬美元（約415.4百萬港元））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條就上述本集團所披露之持續關連交易編製載有其調查結果及結論之無保留意見函件。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、其控股公司或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 2012 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.

獨立非執行董事已審閱於二零一二年之持續關連交易，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，則按本集團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有關上限金額。

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.

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競爭或可能競爭之業務中擁有任何權益。

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in Note 45 to the consolidated financial statements.

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45。

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.

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。



Report of the Directors 董事會報告書

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the financial statements for the year ended 31 December 2012.

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.

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 36 to the consolidated financial statements.

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，包括審閱截至二零一二年十二月三十一日止年度之財務報表。

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。

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／高級管理層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36。

Report of the Directors

董事會報告書

AUDITOR

The financial statements have been audited by Ernst & Young who retire and being eligible, offer themselves for re-appointment.

ON BEHALF OF THE BOARD

Dong Shutong

Chairman

28 March 2013

核數師

本財務報表經由安永會計師事務所審核。安永會計師事務所將退任，並合資格且願意受聘連任。

代表董事會

主席

董書通

二零一三年三月二十八日



Corporate Governance Report 企業管治報告

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the confidence of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards by focusing on areas such as internal control, fair disclosure and accountability to all shareholders.

Saved as disclosed below, the Company complied with the code provisions of the Code on Corporate Governance Practices (the "Former Code", formerly set out in Appendix 14 to the Listing Rules) during the period from 1 January 2012 to 31 March 2012 and of the Corporate Governance Code and Corporate Governance Report (the "New Code", the new edition of the Code on Corporate Governance Practices, which is applicable to financial reports covering the period after 1 April 2012) (collectively the "CG Code") during the period from 1 April 2012 to 31 December 2012. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

(A) THE BOARD OF DIRECTORS

The overall management of the Company's operation is vested in the Board. The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitoring of the performance of the senior management. The Directors make decisions objectively in the interests of the Company. Currently, the Board comprises eleven Directors, including six Executive Directors, one Non-executive Director and four Independent Non-executive Directors:

Executive Directors

Mr. Dong Shutong (*Chairman*)
Ms. Ng See Wai Rowena
Mr. Chiang Shyh-yi
Mr. Song Wenzhou
Mr. Dong Chengzhe
Mr. Yang Fei

Non-executive Director

Mr. Yang Tianjun

Independent Non-executive Directors

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

本公司認同達到高水準企業管治之價值及重要性，其有助於提升企業表現、透明度及問責程度以獲得股東及公眾的信心。董事會致力遵守企業管治之原則並採納合理之企業管治常規以符合法律及商業標準，其專注的範圍包括內部監控、公平披露及對全體股東負責。

除下文所披露者外，本公司於二零一二年一月一日至二零一二年三月三十一日期間已遵守企業管治常規守則（「原守則」，原載於上市規則附錄十四）之守則條文及於二零一二年四月一日至二零一二年十二月三十一日期間已遵守企業管治守則及企業管治報告（「新守則」，企業管治常規守則之新版本，適用於涵蓋二零一二年四月一日以後期間的財務報表）（統稱「企業管治守則」）。本公司定期檢討其企業管治常規以確保其持續遵守該常規。

(A) 董事會

董事會全權負責本公司經營業務的整體管理。董事會負責監察本公司所有主要事項，包括制定及批准所有政策事宜、整體策略、內部監控及風險管理系統；以及監督高級管理層的表現。董事就本公司的利益作出客觀的決定。董事會現時共有十一名董事，六名為執行董事、一名為非執行董事，四名為獨立非執行董事。

執行董事

董書通先生(主席)
吳思煒女士
蔣士宜先生
宋文州先生
董鍼喆先生
楊飛先生

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

Corporate Governance Report

企業管治報告

Their biographical details and relationships (some of the Directors are related to each other) are set out in the section entitled "Directors, Senior Management and Audit Committee" in the annual report.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the Executive Directors, senior management and certain specific responsibilities to the Board committees.

Composition and Appointment

As at 31 December 2012, the Board comprises eleven Directors, including six Executive Directors, one Non-executive Director and four Independent Non-executive Directors.

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.

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 thirteen 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. If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction.

董事的簡歷詳情及關係(若干董事與其他董事有關)載於本年度報告「董事、高級管理層及審核委員會」一節。

董事會授予執行董事及高級管理層權力及責任以執行本集團業務之日常營運、業務策略及管理；董事會亦授予董事委員會若干特定的責任。

組成及委任

於二零一二年十二月三十一日，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。

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。

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，董事會共召開十三次會議，以履行其考慮(其中包括)本公司之持續關連交易以及章程細則條文所規定之財務及其他事項之職責。倘一名董事於董事會將考慮的交易或建議中有利益衝突，該名人士須申報有關利益並放棄投票。有關事宜會於交易中無重大權益的董事出席的董事會會議上考慮。



Corporate Governance Report

企業管治報告

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

年內，董事會召開十三次會議，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	Title 職銜	Times of attendance/ No. of meetings held during the tenure of directorship 出席次數/ 任職董事期間會議次數
Dong Shutong 董書通	Chairman, Executive Director, Chief Executive Officer 主席、執行董事、總裁	13/13
Ng See Wai Rowena 吳思煒	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁	13/13
Chiang Shyh-yi # 蔣士宜 #	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁	6/8
Song Wenzhou 宋文州	Executive Director 執行董事	9/13
Dong Chengzhe 董鉞喆	Executive Director 執行董事	9/13
Yang Fei 楊飛	Executive Director 執行董事	12/13
Mao Yehong* 毛葉紅*	Executive Director 執行董事	3/12
Yang Tianjun 楊天鈞	Non-executive Director 非執行董事	4/13
Bai Baohua 白葆華	Independent Non-executive Director 獨立非執行董事	4/13
Huang Changhuai 黃昌淮	Independent Non-executive Director 獨立非執行董事	5/13
Wong Chi Keung 黃之強	Independent Non-executive Director 獨立非執行董事	9/13
Fahmi Idris 法米	Independent Non-executive Director 獨立非執行董事	1/13

Corporate Governance Report

企業管治報告

Only two regular Board meetings were held, which constitutes a deviation from code provision A.1.1, as the Company is not required under the Listing Rules to announce its results quarterly.

- # appointed on 1 April 2012
- * resigned on 1 October 2012

Under Code Provision A.4.1, Non-executive Directors should be appointed for a specific term. Except for Mr. Fahmi Idris, Independent Non-executive Director, who was appointed for a term of three years, Mr. Yang Tianjun, Non-executive Director, and 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 2012 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.

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，因而構成守則條文第A.1.1條的偏離。

- # 於二零一二年四月一日獲委任
- * 於二零一二年十月一日辭任

根據守則條文第A.4.1條，非執行董事之委任應有特定任期。除獨立非執行董事法米先生任期為三年外，非執行董事楊天鈞先生及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。此事偏離守則條文第A.4.1條。然而，根據本公司之章程細則，於每屆股東週年大會，當時三分之一之董事須輪流退任，而須輪流退任之董事須為上一次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總裁。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。本公司於截至二零一二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，故此舉符合本公司及股東之整體最佳利益。



Corporate Governance Report 企業管治報告

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.

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.

Independent Non-executive Directors

Independent Non-executive Directors play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring an impartial view to bear on issues of the Company's strategy, performance and control. All Independent Non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board. The Board also considers that Independent Non-executive Directors can provide independent advice on the Company's business strategy, results and management so that all interests of shareholders can be taken into account, and the interests of the Company and its shareholders can be protected.

The Company has received annual confirmations of independence from each of the existing Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Company considers that all the Independent Non-executive Directors are independent in accordance with the Listing Rules.

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。

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。

獨立非執行董事

獨立非執行董事憑藉其獨立判斷於董事會擔當重要角色，其意見對董事會的決定舉足輕重。尤其是獨立非執行董事能為本公司策略、表現及監控事宜帶來公正的觀點。所有獨立非執行董事均擁有豐富的學術、專業及行業知識以及管理經驗，並提供專業意見予董事會。董事會認為獨立非執行董事能就本公司之業務策略、業績及管理提供獨立建議，故能顧及股東的所有利益，且本公司及其股東的利益亦能受到保障。

根據上市規則第3.13條，本公司已收到現有每名獨立非執行董事就其獨立性而作出的年度確認函。本公司認為全體獨立非執行董事之獨立性均符合上市規則。

Corporate Governance Report

企業管治報告

Training and Support for Directors

Directors must keep abreast of their collective responsibilities. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Group continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management where appropriate, to ensure awareness of best corporate governance practices.

During the period from 1 April 2012 to 31 December 2012, the Directors have attended seminars and/or conferences and/or forums relating to directors' duties and/or read newspapers, journals and updates relating to the economy, general business or directors' duties etc.

Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

Model Code for Securities Transactions

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.

董事之培訓及支援

董事須時刻了解其集體責任。每位新獲委任的董事將收到一份涵蓋本集團業務及上市公司董事之法律及監管責任的就職資料。本集團亦提供簡介會及其他培訓以發展及更新董事的知識及技術。本集團持續更新董事有關上市規則及其他適用監管規則的最新發展，確保董事遵守有關規則及提高董事對良好企業管治常規的意識。本集團亦向董事及高級管理層發出通函及指引(如適用)，確保他們了解最佳企業管治常規。

於二零一二年四月一日至二零一二年十二月三十一日期間，董事已出席有關董事職責之研討會及／或會議及／或論壇及／或閱讀有關經濟、通用商務或董事職責等的報章、期刊及最新資訊。

董事及高級職員之保險

本公司已就董事及高級職員可能面對的法律行動購買適當之保險。

證券交易的標準守則

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。



Corporate Governance Report

企業管治報告

Board Committees

The Board has established Audit Committee, Remuneration Committee and Nomination Committee (collectively "Board Committees") with defined terms of reference. The terms of reference of the Board Committees are posted on the websites of the Company and Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

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 26 March 2012 and 22 August 2012 respectively and all committee members attended the meetings.

During the meetings held in 2012, the audit committee performed the following work:

- (1) reviewed the financial reports for the year ended 31 December 2011 and for the six months ended 30 June 2012;
- (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 Company for the year ended 31 December 2011; and
- (5) reviewed and recommended for approval by the Board the 2011 audit scope and fees.

董事委員會

董事會已成立審核委員會、薪酬委員會及提名委員會(合稱「董事委員會」)，各有特定職權範圍。董事委員會之職權範圍載於本公司及聯交所網站內。董事委員會獲提供充足資源以履行其職責；以及遇上合理要求時，可在適合情況下尋求獨立專業意見，有關費用由本公司支付。

審核委員會

審核委員會包括三名獨立非執行董事，由黃之強先生出任審核委員會主席。年內，審核委員會分別於二零一二年三月二十六日及二零一二年八月二十二日舉行兩次會議，全體委員會成員均有出席。

於二零一二年舉行之會議上，審核委員會已完成下列工作：

- (1) 審閱截至二零一一年十二月三十一日止年度及截至二零一二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公司截至二零一一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二零一一年審核範圍及費用。

Corporate Governance Report

企業管治報告

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;
- (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 financial statements of the Company for the year ended 31 December 2012.

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 three meetings on 20 January 2012, 26 March 2012 and 22 August 2012 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 2012.

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；
- (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二零一二年十二月三十一日止年度之審核表現、內部監控及財務報表。

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，薪酬委員會分別於二零一二年一月二十日、二零一二年三月二十六日及二零一二年八月二十二日舉行三次會議，全體委員會成員均有出席，以審閱二零一二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。



Corporate Governance Report 企業管治報告

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其職位或委任之應付補償），並就非執行董事之薪酬向董事會作出建議。薪酬委員會應考慮可資比較公司支付之薪金、董事服務時間及責任、本集團其他受僱用情況以及與表現掛鈎之薪酬是否可取等因素；
- (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鈎之薪酬；
- (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層之補償；
- (5) 檢討及批准有關董事因行為失當而遭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。

Corporate Governance Report

企業管治報告

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 and 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 appropriate. The committee also reviews the size, structure and composition of the Board and assesses the independence of Independent Non-executive Directors.

During the year, the nomination committee held two meetings on 26 March 2012 and 22 August 2012 respectively and all committee members attended the meeting to review the composition of the Board and independence of the Independent Non-executive Directors.

Company Secretary

Mr. Chan Yee Lok, the Company Secretary of the Company, is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. During the financial year, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biographical details of the Company Secretary is set out on in the section entitled "Directors, Senior Management and Audit Committee" in the annual report.

提名委員會

提名委員會於二零一一年十二月三十日成立，由執行董事董書通先生擔任主席。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，並考慮不同的衡量標準，包括合適的專業知識及行業經驗，並在適當的情況下諮詢外部招聘專家。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。

年內，提名委員會分別於二零一二年三月二十六日及二零一二年八月二十二日舉行兩次會議，全體委員會成員均有出席，以檢討董事會的組成及獨立非執行董事的獨立性。

公司秘書

陳貽烙先生為本公司的公司秘書，為本集團的全職僱員，了解本公司的日常事務。於財政年度內，公司秘書已妥為遵守上市規則第3.29條下相關專業培訓之規定。公司秘書之簡歷詳情載於本年度報告「董事、高級管理層及審核委員會」一節。



Corporate Governance Report

企業管治報告

(B) FINANCIAL REPORTING AND INTERNAL CONTROL

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.

The Board and the Audit Committee considered that the key areas of the Group's internal control systems are reasonably implemented and the Group has substantially complied with the code provisions of the Former Code and the New Code (where applicable) regarding internal control systems.

(B) 財務報告及內部監控

內部監控

董事會負責本公司內部監控系統及其成效。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記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成效進行檢討，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度報告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。

董事會及審核委員會認為本集團已合理地執行其內部監控系統之主要範圍，且已大致遵守原守則及新守則(若適用)有關內部監控系統之守則條文。

Corporate Governance Report

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 73 and 74 of the annual report.

Auditor's Remuneration

For the year ended 31 December 2012, the auditor of the Company, Ernst & Young, has carried out the statutory audit for the Company and certain subsidiaries of the Company.

For the year ended 31 December 2012, the total fee paid/payable in respect of audit and non-audit services provided by Ernst & Young is set out below:

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度報告第73及第74頁之獨立核數師報告書。

核數師酬金

截至二零一二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公司的若干附屬公司進行法定審核。

截至二零一二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 2012 截至 二零一二年 十二月三十一 止年度 RMB'000 人民幣千元
Audit services	審核服務	
Annual audit and audit related services	年度審核及審核相關服務	3,930,000
Non-audit services	非審核服務	
Tax advisory services	稅務諮詢服務	130,000



Corporate Governance Report 企業管治報告

(C) SHAREHOLDERS' RIGHTS AND COMMUNICATIONS WITH SHAREHOLDERS

The management believes that it is essential to maintain effective communication with the investment community in a timely manner through various media and channels. The Company holds regular briefings, attends investor conferences and participates in one-on-one meetings and conversations with institutional investors and analysts in Hong Kong, China and overseas countries to keep them abreast of the Company's business and development.

Communications with Shareholders

As the key principle of corporate governance, the Company has a set of values and behaviors to ensure transparency and fair dealing and to protect and facilitate the exercise of shareholder's rights. Shareholders are provided with contact details of the Company, such as telephone hotline, fax number and postal address, which enable them to engage actively with the Company and make any query with respect to the Company.

To promote open, efficient and transparent communications with shareholders, investors and analysts, the Investor Relations Department commits to promptly responding to their enquiries and also providing them with the necessary information in a timely manner so as to facilitate the investment community to better understand the Company's strategy and latest developments. Shareholders, investors and analysts can also send enquires and concerns to the Board by addressing them to the Investor Relations Department of the Company by letter, telephone, fax or email. In addition, if shareholders have any enquiries about their shares and dividends, they can contact Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company. The contact details of the Company are stated in the section entitled "Corporate Information" on page 2 to 3 in this annual report.

(C) 股東權利及與股東之溝通

管理層相信通過各個媒體及渠道與投資者維持及時有效的溝通至為重要。本公司舉辦定期簡介會，出席投資者會議及參加與香港、中國及海外國家機構投資者及分析師的一對一會議及對談，讓彼等及時了解本公司的業務及發展。

與股東之溝通

作為企業管治的主要原則，本公司已制訂一套價值標準及行為，確保透明度及公平交易，保障及促進股東行使權利。股東可獲提供本公司的聯繫詳情，包括電話熱線、傳真號碼及郵寄地址，讓彼等能主動接觸本公司，並提出任何有關本公司的疑問。

為促進與股東、投資者及分析師之間開放、有效率及具透明度的溝通，投資者關係部門致力迅速回應彼等之查詢，並及時為彼等提供必要資訊，致使投資者能夠更深入了解本公司的策略及最新發展。股東、投資者及分析師亦可透過郵寄、電話、傳真、或電郵方式將彼等之查詢及疑慮送交本公司投資者關係部門，經其向董事會反映。此外，倘股東對其股份及股息有任何查詢，可聯絡本公司股份過戶登記處之香港分部香港中央證券登記有限公司。本公司的聯繫詳情於本年度報告第2頁至第3頁「公司資料」一節列明。

Corporate Governance Report

企業管治報告

The Board endeavors to provide timely and accurate information equally to shareholders and investors. The Company's website (<http://ir.cnrholdings.com>) facilitates effective communications with shareholders, investors and other stakeholders of the Company by providing up-to-date information relating to the Company's latest development, corporate events, press releases, financial reports and other information on a timely basis. Annual reports, interim reports and other relevant information, including announcements in accordance with the Company's continuous disclosure obligations are available and also posted on the respective websites of the Stock Exchange and the Company for the public's review.

Shareholders' Meetings

The Company regards the Annual General Meeting ("AGM") as an important event as it provides invaluable opportunity for the Directors to meet and communicate with the shareholders. The Company ensures that shareholders' views are extended to the Board. Chairman of the AGM proposes separate resolutions for each issue to be considered. Members of the audit, remuneration and nomination committees and the external auditor also attend the AGM to answer questions from shareholders.

AGM proceedings are reviewed from time to time to ensure that the Company follows best corporate governance practices. The notice of AGM is distributed to all shareholders at least 20 clear business days prior to the AGM, and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. Chairman of the AGM exercises his power under the articles of association of the Company to put each proposed resolution to the vote by way of a poll. The procedures for demanding and conducting a poll are explained at the beginning of the meeting. Voting results are posted on the respective websites of the Stock Exchange and the Company in a timely manner.

董事會竭力為股東及投資者平等地提供及時且準確的資訊。本公司網站 (<http://ir.cnrholdings.com>) 及時提供關於本公司最新發展、公司活動、新聞稿、財務報告及其他資料的更新資訊，促進與本公司股東、投資者及其他利益相關者的有效溝通。年度報告、中期報告及其他相關資料(包括本公司根據持續披露責任刊發的公告)亦已刊登於聯交所及本公司各自之網站內，供公眾查閱。

股東會議

本公司認為股東週年大會(「股東週年大會」)相當重要，因為股東週年大會為董事提供與股東會面及溝通的寶貴機會。本公司確保股東的意見能傳達給董事會。股東週年大會的主席就每項將考慮的事宜建議獨立的決議。審核委員會、薪酬委員會及提名委員會之成員，以及外聘核數師亦會出席股東週年大會以解答股東提問。

本公司會不時檢討股東週年大會的議程，確保本公司遵從最佳的企業管治常規。根據上市規則的規定，股東週年大會的通告會於召開股東週年大會前至少二十個營業日發送至所有股東，隨附的通函亦會載列各建議決議的詳細資料及其他相關資料。股東週年大會的主席按本公司的章程細則行使其權力，提出各建議決議以按股數投票方式表決。會議開始時會解釋要求以投票方式表決及以投票方式進行表決之程序。投票表決的結果會及時於聯交所及本公司各自之網站內公佈。



Corporate Governance Report

企業管治報告

Shareholders' Rights

Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an extraordinary general meeting pursuant to article 58 of the Company's articles of association. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the Hong Kong office of the Company, which is presently situated at Room 3501, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

There are no provisions under the Company's articles of association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

The 2012 AGM was held on 22 June 2012. Except for Mr. Song Wenzhou, Mr. Dong Chengzhe, Mr. Mao Yehong, Mr. Yang Tianjun and Mr. Huang Changhuai, all other members of the Board has attended the 2012 AGM.

Under code provision A.6.7, Independent Non-executive Directors and other Non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Yang Tianjun, a Non-executive Director and Mr. Huang Changhuai, an Independent Non-executive Director of the Company were unable to attend the 2012 AGM due to other business commitment.

Under code provision E.1.2, the Chairman of the Board should invite the Chairman of the audit committee, the remuneration committee and the nomination committee to attend and answer questions at the AGM. Mr. Huang Changhuai, the Chairman of the remuneration committee was unable to attend the 2012 AGM.

During the financial year, there were no changes in any of the Company's constitutional documents.

股東權利

持有本公司已繳股本不少於十分一的股東可根據本公司之章程細則第58條向董事會或公司秘書發出書面要求，請求召開股東特別大會。書面要求須列明會議之目的，且須由有關股東簽署及遞交至本公司現時位於香港干諾道中168–200號信德中心招商局大廈3501室的香港辦事處。

本公司之章程細則或開曼群島公司法(第22章)(一九六一年第3條，經整合及修訂)概無就股東於股東大會上提呈建議的程序載列任何規定(提呈膺選董事之建議除外)。股東可遵照上述程序召開股東特別大會，以討論於該書面要求指定之任何業務。

二零一二年股東週年大會於二零一二年六月二十二日舉行。除宋文州先生、董鍼喆先生、毛葉紅先生、楊天鈞先生及黃昌淮先生外，所有其他董事會成員均有出席二零一二年股東週年大會。

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會，並對股東之意見建立公正瞭解。本公司非執行董事楊天鈞先生及獨立非執行董事黃昌淮先生因公未能出席二零一二年股東週年大會。

根據守則條文第E.1.2條，董事會主席應邀請審核委員會、薪酬委員會及提名委員會主席出席股東週年大會，並於會上答問。薪酬委員會主席黃昌淮先生未能出席二零一二年股東週年大會。

本公司的憲制性文件於財政年度內並無任何變更。

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 75 to 204, which comprise the consolidated and company statements of financial position as at 31 December 2012, 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, 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 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

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75頁至第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，此財務報表包括於二零一二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。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



Independent Auditors' Report 獨立核數師報告書

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 2012, and of the Group's loss 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 of 31 December 2012, the Group's and the Company's current liabilities exceeded its current assets by RMB500,093,000 and RMB296,950,000, respectively. 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 and the Company's ability to complete the disposal of 30% equity interest in S.E.A. Mineral Limited timely, 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 and the Company to meet its financial obligations as and when 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 and the Company's ability to continue as a going concern.

Ernst & Young

Certified Public Accountants

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

28 March 2013

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 貴集團於二零一二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虧損及現金流量，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 貴集團及 貴公司於二零一二年十二月三十一日之流動負債分別超出其流動資產人民幣500,093,000元及人民幣296,950,000元。然而，綜合財務報表仍按持續經營基準編製，其有效性取決於 貴集團及 貴公司能否及時完成出售於南洋礦業有限公司的30%股權、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，並為未來營運資金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 貴集團及 貴公司之持續經營能力存有重大疑問。

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

二零一三年三月二十八日



Consolidated Income Statement

綜合損益表

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

			2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
		Notes 附註		
REVENUE	收益	5	1,467,577	2,587,779
Cost of sales	銷售成本		(1,327,263)	(2,258,555)
Gross profit	毛利		140,314	329,224
Other income and gains	其他收入及盈利	5	565,087	159,616
Selling and distribution expenses	銷售及分銷開支		(15,588)	(43,292)
Administrative expenses	行政開支		(197,057)	(129,378)
Finance costs	融資成本	7	(289,088)	(205,098)
Other expenses	其他開支		(229,836)	(15,485)
Share of profit of an associate	應佔一間聯營公司溢利		690	3,514
(LOSS)/PROFIT BEFORE TAX	除稅前(虧損)/溢利	6	(25,478)	99,101
Income tax expense	所得稅開支	10	(201,316)	(31,721)
(LOSS)/PROFIT FOR THE YEAR	年度(虧損)/溢利		(226,794)	67,380
Attributable to:	屬於:			
Owners of the parent	母公司股權持有人	11	(225,647)	66,344
Non-controlling interests	非控股權益		(1,147)	1,036
			(226,794)	67,380
(LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股股權 持有人應佔 每股(虧損)/盈利			
— Basic (RMB)	— 基本(人民幣元)	13	(0.09792)	0.02880
— Diluted (RMB)	— 攤薄(人民幣元)	13	N/A 不適用	0.02879

Details of the dividends payable and proposed for the year are disclosed in note 12 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12。



Consolidated Statement of Comprehensive Income

綜合全面損益表

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(LOSS)/PROFIT FOR THE YEAR	年度(虧損)/溢利	(226,794)	67,380
OTHER COMPREHENSIVE INCOME/(EXPENSE)	其他全面收益/(虧損)		
Exchange differences on translation of foreign operations	境外經營報表折算匯兌差額	3,196	(344,690)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	年度除稅後其他全面收益/ (虧損)	3,196	(344,690)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	年度全面虧損合計	(223,598)	(277,310)
Attributable to:	屬於:		
Owners of the parent	母公司股權持有人	(222,451)	(278,346)
Non-controlling interests	非控股權益	(1,147)	1,036
		(223,598)	(277,310)

Consolidated and Company Statements of Financial Position

綜合及公司財務狀況表

31 December 2012 二零一二年十二月三十一日

		Group 本集團		Company 本公司	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		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
	Notes 附註				
NON-CURRENT ASSETS	非流動資產				
Property, plant and equipment	物業、廠房及設備	14	2,087,349	2,108,753	19,284
Prepaid land lease payments	預付土地租賃款項	15	179,199	194,144	10,744
Intangible asset	無形資產	17	2,026,233	2,090,159	-
Deferred tax assets	遞延稅項資產	18	721	152,546	-
Investments in subsidiaries	於附屬公司之投資	19	-	-	3,561,496
Investment in an associate	於一間聯營公司之投資	20	73,499	22,274	-
Other non-current assets	其他非流動資產	21	1,000	-	-
Total non-current assets	非流動資產總值		4,368,001	4,567,876	3,581,238
CURRENT ASSETS	流動資產				
Inventories	存貨	22	569,236	573,013	-
Trade and notes receivables	應收賬款及應收票據	23	90,157	148,292	-
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	24	826,612	263,011	9,723
Pledged time deposits	已抵押定期存款	25	376,556	219,601	93,354
Cash and cash equivalents	現金及現金等值物	25	114,824	114,824	2,673
			1,977,385	1,318,741	105,750
Assets of a disposal group classified as held for sale	分類為持作出售之處置組中資產		-	722,731	-
Total current assets	流動資產總值		1,977,385	2,041,472	105,750
CURRENT LIABILITIES	流動負債				
Trade and notes payables	應付賬款及應付票據	26	665,737	593,455	3,120
Other payables and accruals	其他應付款項及應計負債	27	496,565	427,141	3,281
Derivative financial instruments	衍生金融工具	28	-	8,774	-
Dividend payable	應付股息		6	6	6
Bank and other borrowings	銀行貸款及其他借貸	29	1,262,825	402,690	396,293
Current portion of convertible bonds	可換股債券之即期部分	30	-	1,164,420	-
Tax payable	應付稅項		52,345	30,720	-
			2,477,478	2,627,206	402,700
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	-
Total current liabilities	流動負債總額		2,477,478	2,941,774	402,700



Consolidated and Company Statements of Financial Position

綜合及公司財務狀況表

31 December 2012 二零一二年十二月三十一日

		Notes 附註	Group 本集團		Company 本公司	
			2012	2011	2012	2011
			二零一二年	二零一一年	二零一二年	二零一一年
			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
NET CURRENT LIABILITIES	流動負債淨值		(500,093)	(900,302)	(296,950)	(1,330,140)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,867,908	3,667,574	3,284,288	3,125,016
NON-CURRENT LIABILITIES	非流動負債					
Bank and other borrowings	銀行貸款及其他借貸	29	384,026	67,776	384,026	-
Convertible bonds	可換股債券	30	144,056	-	144,056	-
Derivative financial instruments	衍生金融工具	28	82,376	-	82,376	-
Deferred tax liabilities	遞延稅項負債	18	2,213	2,401	1,137	1,137
Other long term payables	其他長期應付款項	31	6,580	5,280	-	-
Total non-current liabilities	非流動負債總額		619,251	75,457	611,595	1,137
Net assets	淨資產		3,248,657	3,592,117	2,672,693	3,123,879
EQUITY	權益					
Equity attributable to owners of the parent	母公司股權持有人 應佔權益					
Issued capital	已發行股本	32	230,513	230,373	230,513	230,373
Reserves	儲備	33	3,002,857	3,240,136	2,442,180	2,893,506
			3,233,370	3,470,509	2,672,693	3,123,879
Non-controlling interests	非控股權益		15,287	121,608	-	-
Total equity	權益總額		3,248,657	3,592,117	2,672,693	3,123,879

Dong Shutong
董書通
Chairman
主席

Ng See Wai Rowena
吳思煒
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2012 截至二零一二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 法定公積金	Exchange fluctuation reserve	Retained profits	Total	Non- controlling interests	Total equity
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
		(附註32)	(附註33)	(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	36	-	-	-	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 Changes in Equity

綜合權益變動表

Year ended 31 December 2012 截至二零一二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 reserve fund 法定公積金	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	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) (附註 32)	(note 33) (附註 33)	(note 33) (附註 33)	(note 33) (附註 33)	(note 33) (附註 33)	(note 33) (附註 33)					
At 1 January 2012	於二零一二年一月一日	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
Loss for the year	年度虧損	-	-	-	-	-	-	-	(225,647)	(225,647)	(1,147)	(226,794)
Other comprehensive income for the year:	年內其他全面收益：											
Exchange differences on translation of foreign operations	境外經常報表折算滙兌差額	-	-	-	-	-	-	3,196	-	3,196	-	3,196
Total comprehensive income/(expense) for the year	年內全面收益/(虧損)總額	-	-	-	-	-	-	3,196	(225,647)	(222,451)	(1,147)	(223,598)
Establishment of a subsidiary	成立一家附屬公司	-	-	-	-	-	-	-	-	-	6,159	6,159
Disposal of a subsidiary	出售一家附屬公司	34	-	-	-	-	-	-	-	-	(111,333)	(111,333)
Equity-settled share option arrangements	以股權支付之購股權安排	36	-	-	-	4,342	-	-	-	4,342	-	4,342
Conversion of convertible bonds	轉換可換股債券	30	140	300	-	-	-	-	-	440	-	440
Forfeited share option reserve	已沒收之購股權儲備		-	-	-	(685)	-	-	-	(685)	-	(685)
Interim 2012 dividend	二零一二年中期股息	12	(18,785)	-	-	-	-	-	-	(18,785)	-	(18,785)
Transferred from retained profits	轉撥自保留溢利		-	-	-	-	11,065	-	(11,065)	-	-	-
At 31 December 2012	於二零一二年十二月三十一日	230,513	3,010,670*	51,599*	122,147*	30,466*	87,005*	(394,568)*	95,538*	3,233,370	15,287	3,248,657

* These reserve accounts comprise the consolidated reserves of RMB3,002,857,000 in the consolidated statement of financial position as at 31 December 2012.

* 於二零一二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3,002,857,000元。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES			
經營活動之現金流量			
(Loss)/profit before tax		(25,478)	99,101
Adjustments for:			
除稅前(虧損)/溢利			
經下列各項調整:			
Finance costs	7	289,088	205,098
融資成本			
Interest income	5	(16,659)	(9,776)
利息收入			
Write-down of long ageing payables	5	-	(20,818)
沖銷長賬齡應付款項			
Gain on disposal of items of property, plant and equipment, net	5	(57)	(3,304)
出售物業、廠房及設備項目之盈利淨額			
Changes in fair value of derivative financial instruments	6	17,597	(123,043)
衍生金融工具公允價值變動			
Loss on restructuring of convertible bonds, net	6	287	-
可換股債券重組之虧損淨額			
Depreciation	6, 14	98,937	110,910
折舊			
Amortisation of prepaid land lease payments	6, 15	4,191	8,452
預付土地租賃款項攤銷			
Amortisation of intangible asset	6, 17	64,309	58,498
無形資產攤銷			
Provision of impairment for trade receivables	6, 23	1,318	2,832
應收賬款減值撥備			
Reversal of provision of impairment for trade receivables	6, 23	(2,367)	-
應收賬款減值撥備撥回			
Provision of impairment for items of property, plant and equipment	6, 14	123,147	-
物業、廠房及設備項目減值撥備			
Inventory provision	6, 22	15,468	3,741
存貨撥備			
Utilisation of inventory provision	22	(15,605)	-
存貨撥備消耗			
Share of profit of an associate		(690)	(3,514)
應佔一間聯營公司溢利			
Derecognition of redemption option related to conversion of convertible bonds		-	1,085
終止確認有關可換股債券之贖回權			
Equity-settled share option expense		-	1,085
以股權支付之購股權開支	36	3,657	883
Gain on disposal of a subsidiary	5, 34	(547,526)	-
出售一家附屬公司之盈利			
Loss on cancellation of warrants	6, 29	63,106	-
註銷認股權證之虧損			
		72,723	330,145
Decrease in inventories		28,552	209,722
存貨減少			
Decrease/(increase) in trade and notes receivables		59,184	(31,842)
應收賬款及應收票據減少/(增加)			
(Increase)/decrease in prepayments, deposits and other receivables		(4,221)	6,122
預付款項、按金及其他應收款項(增加)/減少			
Increase in trade and notes payables		72,282	9,056
應付賬款及應付票據增加			
Increase in other payables and accruals		21,053	13,334
其他應付款項及應計負債增加			
Increase/(decrease) in other long term payables		1,300	(18,871)
其他長期應付款項增加/(減少)			
Decrease in other non-current assets		-	38,622
其他非流動資產減少			
Cash generated from operations		250,873	556,288
經營活動產生之現金			
Income tax paid		(28,053)	(11,903)
已付所得稅			
Net cash flows from operating activities		222,820	544,385
經營活動之現金流入淨額			



Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Net cash flows from operating activities	經營活動之現金流入淨額		222,820	544,385
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量			
Interest received	利息所得款項		7,466	9,776
Proceeds on disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項		4,013	3,968
Purchases of items of property, plant and equipment	購入物業、廠房及設備項目		(99,078)	(243,833)
Additions to prepaid land lease payments (Increase)/decrease in pledged time deposits	增加預付土地租賃款項 已抵押定期存款(增加)/減少	15	-	(265)
Proceeds on disposal of a subsidiary	出售一家附屬公司所得款項	34	245,958	-
Net cash flows from/(used in) investing activities	投資活動之現金流入/(流出)淨額		1,404	(148,450)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量			
Transaction costs paid for restructuring of convertible bonds	可換股債券重組已支付之交易費用		(17,580)	-
Addition of bank loans and other borrowings	取得銀行貸款及其他借貸		823,772	346,080
Repayment of bank loans and other borrowings	償還銀行貸款及其他借貸		(674,653)	(626,208)
Repayment of convertible bonds	償還可換股債券		(89,456)	-
Dividends paid	已付股息		(18,785)	(1,750)
Interest paid	已付利息		(188,287)	(170,826)
Acquisition of non-controlling interests	收購非控股權益		(1,000)	-
Cancellation of warrants	註銷認股權證	29	(68,927)	-
Capital received from non-controlling shareholder of a subsidiary	向一家附屬公司非控股股東收取之資金		6,159	-
Net cash flows used in financing activities	融資活動之現金流出淨額		(228,757)	(452,704)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物之減少淨額		(4,533)	(56,769)
Cash and cash equivalents at beginning of year	年初之現金及現金等值物		114,867	172,591
Effect of foreign exchange rate changes, net	滙兌變動影響淨額		4,490	(955)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末之現金及現金等值物		114,824	114,867
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘分析			
Cash and bank balances	現金及銀行結餘	25	114,824	114,824
Cash and cash equivalents as stated in the statement of financial position	於財務狀況表中列示之現金及現金等值物		114,824	114,824
Cash and cash equivalents attributable to assets of disposal group classified as held for sale	分類為持作出售處置組中資產應佔現金及現金等值物		-	43
Cash and cash equivalents as stated in the statement of cash flows	現金流量表中列示之現金及現金等值物		114,824	114,867

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company and its subsidiaries (collectively referred to as the "Group") is located at No. 7, Block F, Runhua Business Garden, No. 24 Jinshui Road, Jinshui District, Zhengzhou City, Henan Province, the People's Republic of China (the "PRC"), 450012. The principal place of business of the Company is located at Room 3501, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The principal activities of the Company are investment holding and the trading of ore. The Group is principally engaged in the manufacture and sale of iron and steel products in the PRC and the trading of ore. Details of the principal activities of the subsidiaries are set out in note 19 to the financial statements.

In the opinion of the directors of the Company (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 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司及其附屬公司(統稱「本集團」)主要營業地點位於中華人民共和國(「中國」)河南省鄭州市金水區金水路24號潤華商務花園F座7號(郵編450012)。本公司主要營業地點位於香港干諾道中168-200號信德中心招商局大廈3501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鋼鐵產品生產和銷售及礦石貿易業務。附屬公司之主要業務詳情載於財務報表附註19。

根據本公司董事(「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 2012 二零一二年十二月三十一日

2.1 BASIS OF PREPARATION

These 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. These 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 2012, the Group had net current liabilities of RMB500,093,000, which mainly included the current portion of the 39,099 10% coupon senior bonds with nominal value of HK\$25,000 each issued on 12 June 2012 (the “10% Coupon Senior Bonds”) of RMB396,293,000 and the remaining bank and other borrowings of RMB866,532,000.

On 21 January 2013, the Group entered into a framework agreement with Beijing Wincapital Management Co., Ltd. in relation to the disposal of 30% equity interest in S.E.A. Mineral Limited (“S.E.A.M”), a wholly-owned subsidiary of the Group. The Company announced the transaction on 24 January 2013. The Directors believe that the disposal can significantly strengthen the cash flow position of the Group as a whole in the near future.

In addition, the Group has been actively negotiating with PRC banks for the renewal of PRC bank borrowings when those borrowings fall due in 2013. In previous years, the Group did not encounter any significant difficulties in renewing the PRC bank borrowings.

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，詳情載於附註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，儘管於二零一二年十二月三十一日，本集團之流動負債淨額為人民幣500,093,000元，主要包括於二零一二年六月十二日發行之39,099份每份面值為25,000港元之10厘息優先債券（「10厘息優先債券」）之即期部分人民幣396,293,000元及其餘銀行貸款及其他借貸人民幣866,532,000元。

於二零一三年一月二十一日，本集團與北京匯贏創業投資有限公司訂立有關出售本集團全資附屬公司南洋礦業有限公司（「南業礦業」）30%權益的框架協議。本公司已於二零一三年一月二十四日公佈該交易。董事相信該出售將於不久將來大大加強本集團的整體現金流量狀況。

此外，本集團正為將於二零一三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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of preparation (continued)

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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2012. 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 it 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)

編製基準(續)

經考慮上述措施，董事相信本集團在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。

倘本集團無法繼續按持續經營基準營運，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。

合併基準

綜合財務報表包括本公司及其附屬公司於截至二零一二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。附屬公司的經營業績自收購之日(即本集團取得控制權之日)起計合併入賬，並繼續合併直至對附屬公司控制權終止之日。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及股息均於合併賬目時悉數抵銷。

附屬公司之全面溢利總額可歸入非控股權益，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)所收取代價的公允價值、(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。以往於其他全面損益表內確認的本集團應佔部分重分類至損益或留存溢利(如適用)。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's 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 First-time Adopters</i>
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures — Transfers of Financial Assets</i>
IAS 12 Amendments	Amendments to IAS 12 <i>Income Taxes — Deferred Tax: Recovery of Underlying Assets</i>

The adoption of the revised IFRSs has had no significant financial effect on these 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)	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
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
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

採納經修訂國際財務報告準則並無對該等財務報表產生重大財務影響。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 these financial statements.

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards — Government Loans</i> ²
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities</i> ²
IFRS 9	<i>Financial Instruments</i> ⁴
IFRS 10	<i>Consolidated Financial Statements</i> ²
IFRS 11	<i>Joint Arrangements</i> ²
IFRS 12	<i>Disclosure of Interests in Other Entities</i> ²
IFRS 10, IFRS 11, and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12: <i>Transition Guidance</i> ²
IFRS 10, IFRS 12, and IAS 27 Revised Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 Revised — <i>Investment Entities</i> ³
IFRS 13	<i>Fair Value Measurement</i> ²
IAS 1 Amendments	Amendments to IAS 1 <i>Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income</i> ¹
IAS 19 Amendments	<i>Employee Benefits</i> ²
IAS 27 Revised	<i>Separate Financial Statements</i> ²
IAS 28 Revised	<i>Investments in Associates and Joint Ventures</i> ²
IAS 32 Amendments	Amendments to IAS 32 <i>Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities</i> ³
IFRIC Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ²
Annual Improvements to IFRSs 2009–2011 Cycle	Amendments to a number of IFRSs issue in May 2012 ²

2.3 已頒佈但尚未生效之國際財務報告準則

本集團並無於該等財務報表內，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—政府貸款 ²
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 ²
國際財務報告準則第9號	金融工具 ⁴
國際財務報告準則第10號	綜合財務報表 ²
國際財務報告準則第11號	共同安排 ²
國際財務報告準則第12號	披露於其他實體的權益 ²
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 (修訂本)	修訂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：過渡指引 ²
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號 (經修訂)	修訂國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號(經修訂)—投資實體 ³
國際財務報告準則第13號	公允價值計量 ²
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 ¹
國際會計準則第19號 (修訂本)	僱員福利 ²
國際會計準則第27號 (經修訂)	獨立財務報表 ²
國際會計準則第28號 (經修訂)	於聯營公司及合營公司之投資 ²
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 ³
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 ²
國際財務報告準則二零零九年至二零一一年週期之年度改進	二零一二年五月頒佈之若干國際財務報告準則之修訂 ²



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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

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

Further information about those IFRSs, that are expected to be applicable to the Group is as follows:

The IFRS 7 Amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The Group expects to adopt the amendments from 1 January 2013.

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.

2.3 已頒佈但尚未生效之國際財務報告準則(續)

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

預期將適用於本集團之該等國際財務報告準則之進一步詳情如下：

國際財務報告準則第7號(修訂本)要求某一實體披露有關抵銷之權利及相關安排(例如抵押品安排)的資料。披露將為用戶提供對評估淨額結算安排對某一實體之財務狀況的影響之有用資料。所有根據國際會計準則第32號金融工具：呈列抵銷之已確認金融工具均須作出新披露。該等披露亦適用於受可強制執行主淨額結算安排或類似協議所規限之已確認金融工具，無論彼等是否根據國際會計準則第32號抵銷。本集團預期自二零一三年一月一日起採納該等修訂。

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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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

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.

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. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

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，新增規定並不適用於使用公允價值選擇權的貸款承諾及財務擔保合約。

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。於最終準則(包括所有階段)頒佈時，本集團將連同其他階段一同量化該影響。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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

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 addresses the issues raised in SIC 12. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the currently held investments of the Group.

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation.

IFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities 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.

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,亦提及國際會計準則解釋公告第12號提出之問題。根據已進行的初步分析,預期國際財務報告準則第10號將不會對本集團現時持有的投資構成任何影響。

國際財務報告準則第11號取代國際會計準則第31號於合營公司的權益及國際會計準則解釋公告第13號共同控制實體—合營方作出之非貨幣出資,說明共同控制之合營安排之入賬。該準則僅指明兩種形式之合營安排,即共同經營及合營公司,取消了採用按比例綜合的合營公司入賬之選擇。

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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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

In June 2012, the IASB issued amendments to IFRS 10, IFRS 11 and IFRS 12 which clarify the transition guidance in IFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between IFRS 10 and IAS 27 or SIC-Int 12 at the beginning of the annual period in which IFRS 10 is applied for the first time. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

The amendments to IFRS 10 issued in October 2012 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 rather than consolidate them. Consequential amendments were made to IFRS 12 and IAS 27 Revised. The amendments to IFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in IFRS 10.

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, IAS 27 Revised, IAS 28 Revised, and the subsequent amendments to these standards issued in June and October 2012 from 1 January 2013.

2.3 已頒佈但尚未生效之國際財務報告 準則(續)

於二零一二年六月，國際會計準則理事會已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號之修訂，以釐清國際財務報告準則第10號之過渡指引，並進一步免除對該等準則採納完全追溯，限定僅須就上一個比較期間提供經調整比較資料。該等修訂釐清，倘於國際財務報告準則第10號首次獲應用之年度期間開始時，國際財務報告準則第10號及國際會計準則第27號或國際會計準則解釋公告第12號有關本集團所控制實體之綜合結論有所不同，方須進行追溯調整。此外，就有關未經綜合之結構性實體之披露而言，該等修訂將刪除須就首次應用國際財務報告準則第12號前之期間呈列比較資料之規定。

於二零一二年十月頒佈的國際財務報告準則第10號之修訂包括投資實體之定義，並為符合投資實體定義之實體豁免綜合入賬。根據國際財務報告準則第9號，投資實體須按附屬公司公允價值計入損益入賬，而非予以綜合。國際財務報告準則第12號及國際會計準則第27號(經修訂)已作出後續修訂。國際財務報告準則第12號之修訂亦載列投資實體之披露規定。由於本公司並非國際財務報告準則第10號所界定之投資實體，故本集團預期該等修訂將不會對本集團構成任何影響。

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、國際財務報告準則第12號、國際會計準則第27號(經修訂)、國際會計準則第28號(經修訂)及該等準則於二零一二年六月及十月頒佈之後續修訂。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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.

The IAS 1 Amendments 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, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments will affect presentation only and have no impact on the financial position or performance. The Group expects to adopt the amendments from 1 January 2013.

IAS 19 Amendments includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. 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 Amendments 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，惟對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(例如對沖一項投資淨額之收益淨額、境外經營報表折算匯兌差額、現金流量對沖變動淨額及可供出售金融資產之虧損或收益淨額)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(例如固定受益計劃之精算損益以及土地及樓宇重估)分開呈列。該等修訂僅影響呈列，並不會對財務狀況或表現構成任何影響。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(修訂本)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(修訂本)。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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

The IAS 32 Amendments clarify the meaning of “currently has a legally enforceable right to setoff” for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in IAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2014.

The *Annual Improvements to IFRSs 2009–2011 Cycle* issued in May 2012 sets out amendments to a number of IFRSs. The Group expects to adopt the amendments from 1 January 2013. 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 are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group’s policies are as follows:

- (a) *IAS 1 Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

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32號之修訂為抵銷金融資產及金融負債釐清「目前具有合法可強制執行抵銷權利」的釋義。該等修訂亦釐清國際會計準則第32號之抵銷標準於結算系統(例如中央結算所系統)之應用,而該等系統乃採用非同步的總額結算機制。本集團將於二零一四年一月一日採納該等修訂,而該等修訂預期將不會對本集團的財務狀況或表現構成任何影響。

二零一二年五月頒佈之國際財務報告準則二零零九年至二零一一年週期之年度改進載列若干對國際財務報告準則之修訂。本集團預期將於二零一三年一月一日採納該等修訂。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,惟此等修訂預期不會對本集團產生重大財務影響。預期將對本集團政策產生重大影響的該等修訂如下:

- (a) 國際會計準則第1號財務報表之呈列:釐清自願性額外比較資料與最低規定比較資料之間的差異。一般而言,最低規定比較期間為上一個期間。當實體自願提供上一個期間以外的比較資料時,其須於財務報表的相關附註中載入比較資料。額外比較資料毋須包含完整財務報表。

此外,該修訂釐清,當實體變更其會計政策、作出追溯重列或進行重新分類,而有關變動對財務狀況表構成重大影響時,須呈列上一個期間開始時的期初財務狀況表。然而,上一個期間開始時的期初財務狀況表的相關附註則毋須呈列。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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

- (b) IAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

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.

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. Adjustments are made to bring into line any dissimilar accounting policies that may exist. 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.

2.3 已頒佈但尚未生效之國際財務報告準則(續)

- (b) 國際會計準則第32號金融工具：呈列：釐清向權益持有人作出分派所產生的所得稅須按國際會計準則第12號所得稅入賬。該修訂刪除國際會計準則第32號的現有所得稅規定，並要求實體就向權益持有人作出分派所產生的任何所得稅須應用國際會計準則第12號的規定。

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。

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綜合財務狀況表內列示。倘會計政策有任何不一致的地方，將作出相應調整。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綜合儲備內。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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Associates (continued)

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 to measure 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 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-related costs are expensed as incurred.

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 previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriated IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要(續)

聯營公司(續)

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轉讓資產、所承擔負債，以及本集團就取得被收購公司控制權所發行股權之公允價值的總和。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。收購相關成本按實際發生確認為開支。

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，先前已持有之權益按於收購日之公允價值重新計量，由此產生之任何損益於損益內確認。

任何收購方支付之或然代價按收購日之公允價值確認。國際會計準則第39號涉及且被分類為金融工具之資產或負債之或然代價按公允價值計量，公允價值變動於損益內確認，或確認為其他全面損益變動。倘或然代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計量。被分類為權益之或然代價不需重新計量，其後結算於權益內作會計處理。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

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 acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

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 has been allocated to a cash-generating unit (or 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 the disposal. Goodwill disposed in these circumstances is measured based on the relative value of the disposed operation 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)

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淨資產的公允價值，該差異在重估之後在損益表中確認為廉價收購之收益。

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協同效益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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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, goodwill and non-current assets classified as held for sale), 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 as other expenses.

An assessment is made at the end of each reporting period as to whether there is an 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、商譽及分類為持作出售的非流動資產),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於損益表內作其他開支扣除。

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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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:

Land	Not depreciated
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國際財務報告準則第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，則本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：

土地	無折舊
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財政年度末審閱一次並作出調整(如適合)。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including 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、廠房及設備不予折舊或攤銷。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 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 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)

單獨收購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收購日的公允價值。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至少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，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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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.

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 assets, 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.

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。於訂立融資租賃時,租賃資產之成本按最低應付租賃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賃持有之資產,包括融資租賃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。

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計量且其變動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(非按公允價值計量且其變動計入損益的金融資產情況)直接歸屬於該投資的交易成本。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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.

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.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as other expenses 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.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

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。

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：

按公允價值計量且其變動計入損益的金融資產

按公允價值計量且其變動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計量且其變動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，則分類為持作買賣金融資產。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。

按公允價值計量且其變動計入損益的金融資產在財務狀況表中以公允價值列賬，倘公允價值變動淨額為正數，則於損益表內呈列為其他收入及盈利；倘公允價值變動淨額為負數，則於損益表內呈列為其他開支。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量且其變動計入損益的金融資產。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

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

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 them. 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.

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 and gains in the income statement. The loss arising from impairment is recognised in the income statement in other expenses.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

按公允價值計量且其變動計入損益的金融資產(續)

本集團評價其按公允價值計量且其變動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的意願是否依然適當。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計量且其變動計入損益的金融資產。

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計量且其變動計入損益,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於損益表確認。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報價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及盈利。因減值產生的虧損則於損益表中其他開支確認。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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;及本集團(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。

當本集團轉讓了收取一項資產所產生的現金流量的權利或訂立「轉移」協議時,會評估保留資產的風險和回報。如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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 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.

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.

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。

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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and 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 write-off is later recovered, the recovery is credited to other expenses in the income statement.

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 and, in the case of loans and borrowings, net of 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.

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)

資產賬面值可透過使用備抵賬調低，虧損在損益表確認。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撇銷。

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。如果於其後收回撇清，該項收回將貸計入損益表中的其他開支。

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且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，則扣除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、計息銀行貸款和其他借貸，可換股債券及其他長期應付款項。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

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.

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 in 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.

2.4 主要會計政策概要(續)

金融負債(續)

後續計量

金融負債根據其分類進行如下後續計量：

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持作買賣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訂立，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持作買賣金融負債，惟其被指定為有效對沖工具除外。持作買賣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。

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，付息貸款及借貨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收購產生的所有溢價或折價和屬於實際利率組成部分的所有費用或貼息。實際利率攤銷計入損益表的融資成本內。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

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.

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.

2.4 主要會計政策概要(續)

金融負債(續)

財務擔保合約

財務擔保合約，是指保證人和債權人約定，當債務人未能按債務工具條款支付到期款項時，保證人償付該項虧損。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)。

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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Convertible bonds (continued)

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.

When the convertible bonds are extinguished 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.

2.4 主要會計政策概要(續)

金融負債(續)

可換股債券(續)

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即時於損益表確認。

當可換股債券於到期前透過提早贖回或購回被註銷，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計量且其變動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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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)

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條款幾乎完全不同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。

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，是以市場報價或交易報價（長倉投標價及短倉沽盤價），不扣除任何交易成本釐定。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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments

Initial recognition and subsequent measurement

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 on the date on which a derivative contract is entered into 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

Derivative financial instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

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

初始確認及後續計量

本集團之衍生金融工具指從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訂立衍生合約日期之公允價值進行初始確認，其後按公允價值重新計量。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所產生的任何盈虧直接計入損益表。

流動與非流動之分類

基於對現實狀況與環境之評估(即相關已訂約現金流量)，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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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。

撥備

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資源的外流，且對責任金額能夠可靠地估計，則確認撥備。

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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

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。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將有系統地於擬作補償之成本開銷期間確認為收入。

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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 over 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 payments

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 payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants 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 36 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。

以股份付款

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」)。

所授出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36。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments (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 payments, 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)

以股份付款(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，猶如有關係款並無修訂。此外，亦會就任何修訂確認開支，增加股份付款的總公允價值，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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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.

The PRC subsidiaries of the Company participate in defined contribution retirement plans. 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. The subsidiaries are required to make contributions to the local social security bureau at rates ranging from 20% to 21% of the previous year's average basic salaries 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.

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, the Indonesian subsidiaries of the Company participate in a defined contribution retirement plan namely the Day Old Assurance Program (the "DOA Program") for all employees 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.

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。

本公司中國附屬公司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。該等附屬公司須按旗下員工受聘地區之上年度平均基本薪金20%至21%之比率，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。

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而釐定，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，本公司印尼附屬公司為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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefit schemes (continued)

As stipulated by the Singapore State regulations, the Singaporean subsidiaries of the Company participate in a defined contribution retirement plan namely the Central Provident Fund (the "CPF Scheme") for all employees 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.

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, and used for the purpose of obtaining qualifying assets, a capitalisation rate ranging between 6.10% and 32.23% (2011: 5.84% and 32.23%) 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)

退休福利計劃(續)

按新加坡政府條例規定，本公司新加坡附屬公司為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。

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。所有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6.10%至32.23%資本化比率(二零一一年：5.84%至32.23%)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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 Renminbi ("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 prevailing 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. Differences arising on settlement or translation of monetary items are recognised in 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 translation of non-monetary item measured at fair value 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 the 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 prevailing at the end of the reporting period and their income statements are translated into RMB at the weighted average exchange rates for the year.

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.

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(「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。自貨幣項目結算或換算產生的差額於損益表內確認。

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。換算非貨幣項目而產生的收益或虧損按公允價值計量，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。

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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

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 their accompanying disclosures, and the disclosure of contingent liabilities. 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.

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:

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption are set out in note 2.1 to the financial statements.

2.4 主要會計政策概要(續)

外幣(續)

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收入、開支、資產與負債之呈報金額及其隨附之披露，以及或然負債之披露判斷、估計及假設。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。

判斷

於應用本集團之會計政策過程中，除涉及及估計之項目外，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：

持續經營基準

評估持續經營假設時，董事需於特定時間就本質上不確定之事件及情況之未來結果作出判斷。董事認為，本集團有能力持續經營，而可能個別或共同對持續經營假設構成重大疑問，且或會引致業務風險之重大事件或情況載於財務報表附註2.1。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 prepayments, deposits and receivables

Impairment of prepayments, deposits and receivables is made based on assessment of the recoverability. 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, the 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 2012 was RMB90,157,000 (2011: RMB148,292,000) as set out in note 23 to the financial statements. The carrying amount of prepayments, deposits and other receivables as at 31 December 2012 was RMB826,612,000 (2011: RMB263,011,000) as set out in note 24 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) 預付款項、按金及應收款項減值

預付款項、按金及應收款項減值按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。於二零一二年十二月三十一日，應收賬款及應收票據之賬面價值為人民幣90,157,000元(二零一一年：人民幣148,292,000元)，詳情載於財務報表附註23。於二零一二年十二月三十一日，預付款項、按金及其他應收款項之賬面值為人民幣826,612,000元(二零一一年：人民幣263,011,000元)，詳情載於財務報表附註24。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 2012 was RMB2,087,349,000 (2011: RMB2,108,753,000) as set out in note 14 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 2012 was RMB2,026,233,000 (2011: RMB2,090,159,000). Further details are included in note 17 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。於二零一二年十二月三十一日，物業、廠房及設備之賬面價值為人民幣2,087,349,000元(二零一一年：人民幣2,108,753,000元)，詳情載於財務報表附註14。

(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。於二零一二年十二月三十一日，獨家採購權之賬面價值為人民幣2,026,233,000元(二零一一年：人民幣2,090,159,000元)。其他詳情載於財務報表附註17。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 purchased 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 17 to the financial statements.

(f) Impairment of non-financial assets (other than goodwill and an exclusive offtake right)

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 costs 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 2012 was RMB569,236,000 (2011: RMB573,013,000) as set out in note 22 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17。

(f) 非金融資產(商譽及獨家採購權除外)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。於二零一二年十二月三十一日，存貨之賬面價值為人民幣569,236,000元(二零一一年：人民幣573,013,000元)，詳情載於財務報表附註22。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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 2012 was nil (2011: RMB118,783,000). The amount of unrecognised tax losses at 31 December 2012 was RMB273,490,000 (2011: RMB44,176,000). Further details are contained in note 18 to the financial statements.

(i) Fair value of derivative financial instruments

As described in note 30, the 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 2012 was RMB82,376,000 (2011: RMB8,774,000) 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

尚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。二零一二年十二月三十一日，有關已確認稅項虧損之遞延稅項資產賬面價值為零(二零一一年：人民幣118,783,000元)。二零一二年十二月三十一日之未確認稅務虧損為人民幣273,490,000元(二零一一年：人民幣44,176,000元)。其他詳情載於財務報表附註18。

(i) 衍生金融工具之公允價值

如附註30所述，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，此估值基於公認估值程序及慣例，包含了大量假設及無法定量或定性之不明朗因素。於二零一二年十二月三十一日，衍生金融工具之賬面價值為人民幣82,376,000元(二零一一年：人民幣8,774,000元)，詳情載於財務報表附註28。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one reportable operating segment: the trading of ore and the manufacturing and sale of iron and special steel products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

(a) Revenue from external customers

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Mainland China	中國大陸	979,264	2,285,651
Singapore	新加坡	277,192	186,715
Hong Kong	香港	152,510	71,325
Others	其他	58,611	44,088
		1,467,577	2,587,779

The revenue information above is based on the locations of the customers.

(b) Non-current assets

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Mainland China	中國大陸	2,224,494	2,260,660
Indonesia	印尼	2,104,143	2,116,988
Others	其他	38,643	37,682
		4,367,280	4,415,330

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

Information about major customers

Revenue of approximately RMB734,248,000 (2011: RMB1,449,183,000) was derived from sales to three (2011: 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鋼鐵產品。管理層在資源配置及績效考評之決策目的上，將各業務單元之經營業績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

以上之收入資料乃基於客戶之地理位置。

(b) 非流動資產

以上之非流動資產資料乃基於該等資產之地理位置，並不包括遞延稅項資產。

主要客戶資料

約人民幣734,248,000元(二零一一年：人民幣1,449,183,000元)之收益來自三名(二零一一年：兩名)主要客戶的銷售。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Revenue	收益		
Sale of goods:	銷貨：		
Stainless steel base materials	不銹鋼基料	307,371	928,527
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	113,775	309,081
Ferro-nickel alloys and others	鎳鐵合金及其他	131,930	81,052
Limonitic ores	褐鐵礦	914,501	1,269,119
Total revenue	收益總額	1,467,577	2,587,779
Other income	其他收入		
Interest income	利息收入	16,659	9,776
Others	其他	768	1,119
		17,427	10,895
Gains	盈利		
Changes in fair value of derivative financial instruments	衍生金融工具公允價值變動	-	123,043
Write-down of long ageing payables	沖銷長賬齡應付款項	-	20,818
Government grants*	政府補助*	61	290
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	57	3,304
Gain on disposal of a subsidiary (note 34)	出售一間附屬公司之盈利（附註34）	547,526	-
Others	其他	16	1,266
		547,660	148,721
Total other income and gains	其他收入及盈利總額	565,087	159,616

* 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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

6. 除稅前(虧損)/溢利

本集團除稅前(虧損)/溢利已扣除/(計入)下列各項：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Notes 附註		
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	88,318	87,408
Retirement benefit scheme contributions	退休福利計劃供款	7,046	4,137
Equity-settled share-based expense	以股權結算之股份開支	3,657	883
	36		
Total staff costs	總員工成本	99,021	92,428
Costs of inventories sold	已售存貨成本	1,262,954	2,200,057
Research costs	研發成本	27,058	238
Auditors' remuneration	核數師酬金	3,933	5,467
Depreciation	折舊	98,937	110,910
	14		
Impairment of items of property, plant and equipment*	物業、廠房及設備項目減值*	123,147	-
	14		
Amortisation of intangible assets**	無形資產攤銷**	64,309	58,498
	17		
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	4,191	8,452
	15		
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	(57)	(3,304)
	5		
Provision of impairment of trade receivables*	應收賬款減值撥備*	1,318	2,832
	23		
Reversal of provision of impairment for trade receivables*	應收賬款減值撥備撥回*	(2,367)	-
	23		
Inventory provision*	存貨撥備*	15,468	3,741
	22		
Loss on restructure of convertible bonds, net*	可換股債券重組虧損淨額*	287	-
Interest income	利息收入	(16,659)	(9,776)
	5		
Gain on fair value adjustment of derivative financial instruments	衍生金融工具公允價值調整之盈利	-	(123,043)
	5		
Loss on fair value adjustment of derivative financial instruments*	衍生金融工具公允價值調整之虧損*	17,597	-
Foreign exchange gains, net	滙兌盈利淨額	-	(1,019)
Foreign exchange losses, net*	滙兌虧損淨額*	1,329	-
Gain on disposal of a subsidiary [#]	出售一間附屬公司之盈利 [#]	(547,526)	-
	34		
Loss on cancellation of warrants*	註銷認股權證之虧損*	63,106	-
	29		
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租賃付款	5,176	4,808
Write-down of long ageing payables	沖銷長賬齡應付款項	-	(20,818)
	5		

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

6. (LOSS)/PROFIT BEFORE TAX (CONTINUED)

- * These items are included in "other expenses" in the consolidated income statement.
- ** The amortisation of the exclusive offtake right is included in "cost of sales" in the consolidated income statement.
- # Termination benefit for staff of the disposed subsidiary are included in "Gain on disposal of a subsidiary".

6. 除稅前(虧損)/溢利(續)

- * 該等項目均計入綜合損益表中之「其他開支」內。
- ** 獨家採購權攤銷計入綜合損益表之「銷售成本」內。
- # 已出售附屬公司的員工離職福利計入「出售一間附屬公司之盈利」內。

7. FINANCE COSTS

An analysis of finance costs is as follows:

7. 融資成本

融資成本分析如下：

			2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
		Notes 附註		
Interest on bank loans and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行貸款及其他借貸利息		165,061	133,474
Interest on convertible bonds	可換股債券利息	30	206,032	325,691
Total interest expenses	利息開支總額		371,093	459,165
Less: Interest capitalised	減：資本化利息	14	(82,005)	(254,067)
			289,088	205,098



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

8. DIRECTORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Fees	袍金	810	830
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	8,516	6,180
Equity-settled share option expense	以股權支付之購股權開支	1,179	-
Retirement benefit scheme contributions	退休福利計劃供款	57	56
		10,562	7,066

In July 2005, March 2007, April 2007, March 2008 and January 2012, 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 36 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 for the current year is included in the above Director's and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive Directors during the year were as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Mr. Bai Baohua	白葆華先生	162	166
Mr. Huang Changhuai	黃昌淮先生	162	166
Mr. Wong Chi Keung	黃之強先生	162	166
Mr. Fahmi Idris	法米先生	162	166
		648	664

There were no other emoluments payable to the independent non-executive Directors during the year (2011: Nil).

8. 董事酬金

本年度董事及首席執行官酬金，根據上市規則及香港公司條例第161條披露如下：

於二零零五年七月、二零零七年三月、二零零七年四月、二零零八年三月及二零一二年一月，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36。該等購股權之公允價值於授出日期釐定，並已於歸屬期內於損益表確認，且已計入本年度財務報表之金額已包括於上文披露之董事及首席執行官酬金內。

(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：

年內，並無應付獨立非執行董事之其他酬金(二零一一年：無)。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

8. DIRECTORS' REMUNERATION (CONTINUED)

8. 董事酬金(續)

(b) Executive Directors, a non-executive Director and the chief executive

(b) 執行董事、一名非執行董事及首席執行官

		Fees	Salaries, allowances and benefits in kind	Equity-settled share option expense	Retirement benefit scheme contributions	Total remuneration
		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
2012	二零一二年					
Executive Directors:	執行董事：					
Ms. Ng See Wai Rowena	吳思煒女士	-	1,581	705	11	2,297
Mr. Song Wenzhou	宋文州先生	-	326	132	-	458
Mr. Dong Chengzhe	董誠喆先生	-	824	171	-	995
Mr. Yang Fei	楊飛先生	-	681	171	11	863
Mr. Chiang Shyh-yi	蔣士宜先生	-	1,838	-	-	1,838
Mr. Mao Yehong	毛葉紅先生	-	459	-	-	459
		-	5,709	1,179	22	6,910
Non-executive Director:	非執行董事：					
Mr. Yang Tianjun	楊天鈞先生	162	-	-	-	162
Chief executive:	首席執行官：					
Mr. Dong Shutong	董書通先生	-	2,807	-	35	2,842
		162	8,516	1,179	57	9,914



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

8. DIRECTORS' REMUNERATION (CONTINUED)

8. 董事酬金(續)

(b) Executive Directors, a non-executive Director and the chief executive (continued)

(b) 執行董事、一名非執行董事及首席執行官(續)

		Salaries, allowances and benefits	Equity-settled share option expense	Retirement benefit scheme contributions	Total	
	Fees	in kind			remuneration	
	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	
2011	二零一一年					
Executive Directors:	執行董事：					
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
		–	3,971	–	21	3,992
Non-executive Director:	非執行董事：					
Mr. Yang Tianjun	楊天鈞先生	166	–	–	–	166
Chief executive:	首席執行官：					
Mr. Dong Shutong	董書通先生	–	2,209	–	35	2,244
		166	6,180	–	56	6,402

The remuneration package of each Director is determined with reference to his/her duties and responsibilities in the Company.

各董事之酬金根據其於本公司之職責釐定。

During the year ended 31 December 2012, no Director or chief executive waived or agreed to waive any emolument; and no emoluments were paid by the Group to the Directors or chief executive as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一二年十二月三十一日止年度，概無董事或首席執行官放棄或同意放棄任何酬金，亦無作為招攬加入或於加入本集團或作為離職補償而由本集團支付給董事或首席執行官之酬金。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2011: five directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2011: Nil) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,072	-
Equity-settled share option expense	以股權支付之購股權開支	573	-
Pension scheme contributions	退休金計劃供款	22	-
		2,667	-

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		2012 二零一二年	2011 二零一一年
HK\$1,000,001–HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	-
HK\$1,500,001–HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	-

During the year, share options were granted to two (2011: Nil) non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 36 to the financial statements. The fair value of such 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 for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

9. 五名最高薪僱員

本年度五名最高薪僱員包括三名董事(二零一一年：五名董事)，該等董事之薪酬之詳情已載列於上文附註8。餘下兩名(二零一一年：無)既非本公司董事亦非本公司首席執行官的最高薪僱員本年度薪酬的詳情如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,072	-
Equity-settled share option expense	以股權支付之購股權開支	573	-
Pension scheme contributions	退休金計劃供款	22	-
		2,667	-

薪酬屬於下列範圍之非董事及非首席執行官的最高薪僱員數目如下：

		2012 二零一二年	2011 二零一一年
HK\$1,000,001–HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	-
HK\$1,500,001–HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	-

年內，兩名(二零一一年：無)非董事及非首席執行官的最高薪僱員就其對本集團的服務獲授購股權，進一步詳情於財務報表附註36披露。該等購股權之公允價值於授出當日釐定，並已在歸屬期內於損益表確認。計入本年度財務報表的金額亦已包括於上文披露之非董事及非首席執行官的最高薪僱員薪酬內。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

10. 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, and its subsidiaries, which operate in Hong Kong, is 16.5% (2011: 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 the Singaporean subsidiaries is 17% in 2012 (eight months ended 31 August 2011: 5%; four months ended 31 December 2011: 17%). Previously, CNR Group Holdings Pte. Ltd. ("CNR Group Holdings") was entitled to a five-year tax concessionary rate of 5% as it was awarded Global Trader Programme ("GTP") status by International Enterprise Singapore ("IE Singapore") for the five years ending 31 December 2013, and it had written to IE Singapore to withdraw its GTP incentive with effect from 1 September 2011.

The subsidiaries of the Company incorporated in Indonesia are subject to an income tax rate of 25% (2011: 25%).

According to the PRC Corporate Income Tax Law (the "New CIT Law"), the applicable income tax rate of the PRC subsidiaries of the Company is 25% for the year (2011: 25%).

10. 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司法權區的溢利繳納所得稅。

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毋須繳納任何所得稅。

根據現行法例，本公司及其於香港經營之附屬公司適用香港利得稅稅率為16.5%（二零一一年：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當前相關法例、詮釋及慣例，按現行稅率計算。

新加坡附屬公司於之二零一二年適用所得稅稅率為17%（截至二零一一年八月三十一日止八個月：5%；截至二零一一年十二月三十一日止四個月：17%）。由於CNR Group Holdings Pte. Ltd.（「中鎳控股」）之前獲新加坡企業發展局（「新加坡企業發展局」）授予環球貿易商（「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，其已向新加坡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。

本公司於印度尼西亞註冊成立之附屬公司須按25%（二零一一年：25%）之所得稅稅率繳納所得稅。

根據中國企業所得稅法（「新企業所得稅法」），本公司中國附屬公司本年度之適用所得稅稅率為25%（二零一一年：25%）。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

10. INCOME TAX (CONTINUED)

10. 所得稅(續)

			2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
		Note 附註		
Current — Mainland China	即期 — 中國大陸		9,514	(23,537)
Current — Singapore	即期 — 新加坡		40,165	27,593
Current — Hong Kong and others	即期 — 香港及其他		-	1,543
Deferred	遞延	18	151,637	26,122
Total tax expense for the year		年度稅項開支總額	201,316	31,721

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate to the income tax expense at the effective tax rate is as follows:

使用法定稅率計算適用於除稅前溢利之所得稅開支與使用實際稅率計算之所得稅開支之對賬如下：

			2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(Loss)/profit before tax	除稅前(虧損)/溢利		(25,478)	99,101
Tax at entities' applicable statutory tax rates	按各實體適用法定稅率計算之稅項		25,898	(15,773)
Tax effect of:	下列各項之稅務影響：			
Profit attributable to an associate	歸屬於一間聯營公司之溢利		(113)	(580)
Income not subject to tax	毋須課稅收入		(6,113)	(23,514)
Expenses not deductible for tax	不可扣稅開支		122,375	54,104
Tax losses not recognised	未確認稅項虧損		59,269	17,484
Tax expense at the Group's effective rate	按本集團實際稅率計算之稅項開支		201,316	31,721



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

11. (LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Of the Group's loss attributable to owners of the parent of RMB225,647,000 (2011 Profit: RMB66,344,000), a loss of RMB436,469,000 (2011 Loss: RMB259,041,000) has been dealt with in the financial statements of the Company (note 33(b)).

12. DIVIDENDS

Interim — HK1 cent (2011: Nil) per ordinary share, paid

中期一已派付每股普通股
1港仙(二零一一年：無)

2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元

18,785

—

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2012 (2011: Nil).

董事不建議宣派截至二零一二年十二月三十一日止年度之末期股息(二零一一年：無)。

13. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic

The calculation of the basic losses (2011: earnings) per share amounts is based on the loss (2011: profit) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,304,394,577 (2011: 2,304,031,807) in issue during the year.

Dilute

Diluted losses per share for the year ended 31 December 2012 has not been disclosed, as the share options and convertible bonds outstanding had an anti-dilutive effect on the basic losses per share for the year.

11. 母公司股權持有人應佔(虧損)/溢利

母公司股權持有人應佔本集團虧損人民幣225,647,000元(二零一一年溢利：人民幣66,344,000元)中，虧損人民幣436,469,000元(二零一一年虧損：人民幣259,041,000元)已於本公司財務報表內處理(附註33(b))。

12. 股息

13. 母公司普通股股權持有人應佔每股(虧損)/盈利

基本

每股基本虧損(二零一一年：盈利)金額乃根據母公司普通股股權持有人應佔年度虧損(二零一一年：溢利)及年內已發行普通股之加權平均股數即2,304,394,577股(二零一一年：2,304,031,807股)計算。

攤薄

由於尚未行使之購股權及可換股債券對本年度之每股基本虧損有反攤薄影響，故無披露截至二零一二年十二月三十一日止年度之每股攤薄虧損。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

13. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

Dilute (continued)

The calculation of the diluted earnings per share amounts for the year ended 31 December 2011 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.

The calculation of diluted earnings per share for the year ended 31 December 2011 is based on:

13. 母公司普通股股權持有人應佔每股(虧損)/盈利(續)

攤薄(續)

截至二零一一年十二月三十一日止年度之每股攤薄盈利金額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(附註b)及含認股權證之定期貸款(附註c)之利息(見下文)。計算所用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)，以及假設於所有潛在攤薄普通股視為行使或轉換為普通股時按無償方式發行之普通股加權平均股數。

截至二零一一年十二月三十一日止年度之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
Earnings	盈利	
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	66,344
Interest on the Zero Coupon Convertible Bonds	零息可換股債券利息	1,085*
Interest on the 10% Coupon Convertible Bonds	10厘息可換股債券利息	93,149*
Interest on the Term Loan with Warrants	含認股權證之定期貸款利息	83,515*
Less: Change in fair value of the derivative component of the 10% Coupon Convertible Bonds	扣除：10厘息可換股債券衍生 部分之公允價值變動	(61,373)*
Change in fair value of the Warrants	認股權證公允價值變動	(61,670)*
		121,050

Notes:

- (a) Details of the Zero Coupon Convertible Bonds are included in note 30(a) to the financial statements.
- (b) Details of the 10% Coupon Convertible Bonds are included in note 30(b) to the financial statements.
- (c) 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(a)。
- (b) 10厘息可換股債券之詳情載於財務報表附註30(b)。
- (c) 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 2012 二零一二年十二月三十一日

13. (LOSSES)/EARNINGS PER SHARE
ATTRIBUTABLE TO ORDINARY EQUITY
HOLDERS OF THE PARENT (CONTINUED)13. 母公司普通股股權持有人應佔每股
(虧損)/盈利(續)

		2011 二零一一年 Number of shares 股份數目
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	2,304,031,807
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	240,568
— The Zero Coupon Convertible Bonds	— 零息可換股債券	1,525,130*
— The 10% Coupon Convertible Bonds	— 10厘息可換股債券	915,011,655*
— The Term Loan with Warrants	— 含認股權證之定期貸款	232,188,211*
		3,452,997,371

2011

二零一一年

		Earnings 盈利 RMB'000 人民幣千元	Number of shares 股份數目 RMB'000 人民幣千元
		121,050	3,452,997,371
Less the impact of:	扣除下列影響：		
— The Zero Coupon Convertible Bonds*	— 零息可換股債券*	(1,085)	(1,525,130)
— The 10% Coupon Convertible Bonds*	— 10厘息可換股債券*	(31,776)	(915,011,655)
— The Term Loan with Warrants*	— 含認股權證之定期貸款*	(21,845)	(232,188,211)
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	66,344	2,304,272,375

* Since the impact of the dilution of the Zero Coupon Convertible Bonds, the 10% Coupon Convertible Bonds and the Term Loan with Warrants for the year 2011 was anti-dilutive, the amount presented for the diluted earnings per share for the year 2011 was the same as the basic earnings per share amount.

* 由於二零一一年零息可換股債券、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，故所呈列之二零一一年每股攤薄盈利金額與每股基本盈利金額相同。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

Group

本集團

		Land and buildings	Plant and machinery	Office equipment	Motor vehicles and others	Construction in progress	Total
		土地及樓宇	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
Cost:	成本值：						
At 1 January 2011	於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)	-
Disposals	處置	(73)	(626)	(47)	(1,580)	-	(2,326)
Assets included in assets of a disposal group classified as held for sale	包括在分類為持作 出售之處置組中 資產之資產	(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 and 1 January 2012	於二零一一年 十二月三十一日 及二零一二年 一月一日	169,306	1,047,300	19,095	64,130	1,373,322	2,673,153
Additions	添置	8,477	2,120	3,403	3,828	176,100	193,928
Transfers	轉撥	174,624	180,654	-	-	(355,278)	-
Transfers from prepaid land lease payments	從預付土地租賃 款項轉撥	10,746	-	-	-	-	10,746
Disposals	處置	-	(7,772)	(300)	(128)	-	(8,200)
Exchange realignment	外幣折算差額	-	-	(15)	(26)	-	(41)
At 31 December 2012	於二零一二年 十二月三十一日	363,153	1,222,302	22,183	67,804	1,194,144	2,869,586



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

14. 物業、廠房及設備(續)

Group (continued)

本集團(續)

		Land and buildings	Plant and machinery	Office equipment	Motor vehicles and others	Construction in progress	Total
		土地及樓宇	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
Accumulated depreciation:	累計折舊：						
At 1 January 2011	於二零一一年一月一日	66,353	469,750	6,868	28,751	-	571,722
Depreciation provided for the year	本年度折舊撥備	14,242	90,233	1,854	4,581	-	110,910
Disposals	處置	-	(168)	(47)	(1,446)	-	(1,661)
Assets included in assets of a disposal group classified as held for sale	包括在分類為持作出售之處置組中資產之資產	(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 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	65,670	460,093	8,148	30,489	-	564,400
Depreciation provided for the year	本年度折舊撥備	14,713	77,255	2,597	4,372	-	98,937
Disposals	處置	-	(3,816)	(300)	(128)	-	(4,244)
Exchange realignment	外幣折算差額	-	-	(1)	(2)	-	(3)
At 31 December 2012	於二零一二年十二月三十一日	80,383	533,532	10,444	34,731	-	659,090
Accumulated impairment:	累計減值：						
At 1 January, 31 December 2011 and 1 January 2012	於二零一一年一月一日、十二月三十一日及二零一二年一月一日	-	-	-	-	-	-
Charged for the year	本年度支出	-	-	-	-	123,147	123,147
At 31 December 2012	於二零一二年十二月三十一日	-	-	-	-	123,147	123,147
Net carrying amount:	賬面淨值：						
At 31 December 2012	於二零一二年十二月三十一日	282,770	688,770	11,739	33,073	1,070,997	2,087,349
At 31 December 2011	於二零一一年十二月三十一日	103,636	587,207	10,947	33,641	1,373,322	2,108,753

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)

During the year, interest of RMB82,005,000 (2011: RMB254,067,000) was capitalised in construction in progress at the capitalisation rate ranging from 6.10% to 32.23% (2011: 5.84% to 32.23%) as set out in note 7 to the financial statements.

At 31 December 2012, certain of the Group's buildings and plant and machinery with a net carrying amount of approximately RMB47,152,000 (2011: RMB51,715,000) were pledged to secure a bank loan granted to the Group (note 29(a)).

Company

14. 物業、廠房及設備(續)

本集團(續)

年內，人民幣82,005,000元(二零一一年：人民幣254,067,000元)之利息已資本化為在建工程，資本化率介乎6.10%至32.23%(二零一一年：5.84%至32.23%)，詳情載於財務報表附註7。

於二零一二年十二月三十一日，本集團賬面淨值約為人民幣47,152,000元(二零一一年：人民幣51,715,000元)之樓宇與廠房及機器已抵押作本集團獲授銀行貸款(附註29(a))的質押物。

本公司

	Land and buildings 土地及樓宇 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
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Cost:

成本值：

At 1 January 2011	於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 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	9,271	1,347	21,164	31,782
Additions	添置	-	869	-	869
Transfers from prepaid land lease payments	從預付土地租賃款項轉撥	10,746	-	-	10,746
Disposals	處置	-	(300)	(21,164)	(21,464)
Exchange realignment	外幣折算差額	3	-	-	3
At 31 December 2012	於二零一二年十二月三十一日	20,020	1,916	-	21,936



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT
(CONTINUED)

14. 物業、廠房及設備(續)

Company (continued)

本公司(續)

		Land and buildings 土地及樓宇 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
Accumulated depreciation:	累計折舊：				
At 1 January 2011	於二零一一年一月一日	508	854	10,316	11,678
Depreciation provided for the year	本年度折舊撥備	380	176	524	1,080
Exchange realignment	外幣折算差額	(33)	(45)	(182)	(260)
At 31 December 2011 and 1 January 2012	於二零一一年 十二月三十一日 及二零一二年 一月一日	855	985	10,658	12,498
Depreciation provided for the year	本年度折舊撥備	371	283	-	654
Disposals	處置	-	(300)	(10,658)	(10,958)
Exchange realignment	外幣折算差額	-	-	-	-
At 31 December 2012	於二零一二年 十二月三十一日	1,226	968	-	2,194
Net carrying amount:	賬面淨值：				
At 31 December 2012	於二零一二年 十二月三十一日	18,794	948	-	19,742
At 31 December 2011	於二零一一年 十二月三十一日	8,416	362	10,506	19,284

During the year ended 31 December 2012, the iron and steel industry in the PRC was sluggish. The Directors considered that there was an impairment indication for certain of the Group's iron and steel production facilities ("Relevant Production Facilities") and conducted an impairment assessment on the Relevant Production Facilities.

The impairment loss was recognised as the recoverable amount, which was based on value in use (the "VIU"), was less than its carrying amount. The VIU was calculated based on discounted cash flow forecast derived from the most recent financial budget approved by management based on their best estimates.

The forecast period was 14 years which represents the remaining useful life of the Relevant Production Facilities. The cash flow forecast was discounted at 18% which reflected the return on assets and the risks specific to the Relevant Production Facilities. The discount rates used are before tax.

截至二零一二年十二月三十一日止年度內，中國鋼鐵行業疲弱。董事認為本集團若干鋼鐵生產設備(「有關生產設備」)出現減值跡象，因此就有關生產設備進行減值評估。

由於可收回金額(以使用價值(「使用價值」)為基準)低於其賬面淨值，故本公司確認減值虧損。使用價值按由管理層基於其最佳估算而批准之最近期財務預算產生的預期貼現現金流計算。

預測期為十四年，即有關生產設備之剩餘使用年期。現金流預測以18%貼現，以反映針對有關生產設備之資產回報及風險。使用貼現率為稅前貼現率。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		Notes 附註	Group 本集團		Company 本公司	
			2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面價值		198,434	391,690	10,744	11,276
Additions	添置		-	265	-	-
Transfers to property, plant and equipment	轉撥至物業、廠房及設備	14	(10,746)	-	(10,746)	-
Amortisation for the year	年內攤銷	6	(4,191)	(8,452)	-	-
Assets included in assets of a disposal group classified as held for sale	包括在分類為持作出售之處置組中資產之資產		-	(184,329)	-	-
Exchange realignment	外幣折算差額		(8)	(740)	2	(532)
Carrying amount at 31 December	於十二月三十一日之賬面價值		183,489	198,434	-	10,744
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	24	(4,290)	(4,290)	-	-
Non-current portion	非即期部分		179,199	194,144	-	10,744

At 31 December 2012, the carrying amounts of the Group's prepaid land lease payments, which are related to lands situated in Mainland China and Indonesia, amounted to RMB179,364,000 (2011: RMB183,555,000) (under a medium term lease) and RMB4,125,000 (2011: RMB4,135,000) (under a long term lease) respectively.

At 31 December 2012, certain parcels of the Group's leasehold land situated in Mainland China with a net carrying amount of RMB125,810,000 (2011: RMB127,365,000) were pledged for notes payable and bank loans granted to the Group (note 26 and 29(a)).

於二零一二年十二月三十一日，與本集團位於中國大陸和印度尼西亞土地有關的預付土地租賃款項賬面價值分別為人民幣179,364,000元(二零一一年：人民幣183,555,000元)(中期租約)及人民幣4,125,000元(二零一一年：人民幣4,135,000元)(長期租約)。

於二零一二年十二月三十一日，本集團位於中國大陸賬面淨值為人民幣125,810,000元(二零一一年：人民幣127,365,000元)的若干幅租賃土地已作為本集團應付票據及獲授銀行貸款(附註26及29(a))的質押物。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

16. GOODWILL

16. 商譽

Group

本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面價值	-	58,394
Assets included in assets of a disposal group classified as held for sale	包括在分類為持作出售之處置組中資產之資產	-	(58,394)
Carrying amount at 31 December	於十二月三十一日之賬面價值	-	-

17. INTANGIBLE ASSET

17. 無形資產

Group

本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Exclusive offtake right	獨家採購權		
Carrying amount at 1 January	於一月一日之賬面價值	2,090,159	2,531,910
Amortisation for the year	年內攤銷	(64,309)	(58,498)
Exchange realignment	外幣折算差額	383	(383,253)
Carrying amount at 31 December	於十二月三十一日之賬面價值	2,026,233	2,090,159

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.

During the year ended 31 December 2012, a number of Indonesian governmental authorities promulgated several new rules and regulations regarding ores export approval and export tax.

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公噸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。

截至二零一二年十二月三十一日止年度，多個印尼政府機關頒佈若干有關礦石出口許可及出口稅的新規則及法規。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

17. INTANGIBLE ASSET (CONTINUED)

Group (continued)

Yiwan Mining obtained the ore exporter status (the "Status Approval") and the ore export approval (the "Export Approval") on 13 June 2012 and 27 June 2012, respectively. The Status Approval is valid for two years while the Export Approval is valid for a period of three months from the date of their respective issuance, and Yiwan Mining can re-apply for the Status Approval and the Export Approval before their respective expiry dates.

Pursuant to the new export tax regulation promulgated by the Ministry of Finance of Indonesia (the "MOF") on 16 May 2012, a 20% export tax (the "Export Tax") would be imposed on the iron-nickel ores exported from Yiwan Mining to the Group. The Export Tax is calculated based on the base price published by the MOF periodically. The Export Tax will be borne by the Group.

According to the recommendation letter issued by the Minister of Mineral and Coal on 25 June 2012 to the Minister of Commerce which granted the Export Approval to Yiwan Mining, the export price of iron-nickel ores to be sold by Yiwan Mining to the Company shall be US\$23.5 per tonne (excluding the Export Tax) (the "New Export Price") instead of US\$16 per tonne.

On 10 January 2013, Yiwan Mining issued a letter of undertaking to the Group. Without any prejudice to the terms of the exclusive offtake right, Yiwan Mining irrevocably and unconditionally undertakes that, if at any time during the term of the offtake agreement, the Group requests the iron ores to be delivered to the Group's subsidiaries located in South Kalimantan, Indonesia for production, Yiwan Mining will adjust the purchase price of such iron ores under the exclusive offtake right to US\$10 per tonne.

All of the rights, interest, title and benefits of the exclusive offtake agreement is pledged in favour of DB Trustees (Hong Kong) Limited for the 10% Coupon Senior Bonds and the 6% Coupon Convertible Bonds.

17. 無形資產(續)

本集團(續)

Yiwan Mining 分別於二零一二年六月十三日及二零一二年六月二十七日取得礦石出口商資格(「資格認可」)及礦石出口許可(「出口許可」)。資格認可及出口許可的有效期限分別為其各自發行日期起計兩年及三個月，Yiwan Mining 可於資格認可及出口許可各自之屆滿日期前重新申請資格認可及出口許可。

根據印尼財政部(「財政部」)於二零一二年五月十六日頒佈之新出口稅規例，Yiwan Mining 向本集團出口的鐵鎳礦石將被徵收20%的出口稅(「出口稅」)。出口稅按財政部定期公佈的基本價格計算。出口稅將由本集團承擔。

根據煤礦部長於二零一二年六月二十五日向授予Yiwan Mining 出口許可的商務部長發出之建議函件，Yiwan Mining 售予本公司的鐵鎳礦石出口價將為每公噸23.5美元(未計出口稅)(「新出口價」)，而非每公噸16美元。

二零一三年一月十日，Yiwan Mining 向本集團發出承諾函件。在不損害獨家採購權條款之情況下，Yiwan Mining 不可撤回及無條件承諾，倘本集團於採購協議期限任何時間內要求將鐵礦石運送至本集團位於印尼南加里曼丹的附屬公司作生產用途，Yiwan Mining 將根據獨家採購權調整該等鐵礦石的採購價至每公噸10美元。

獨家採購權協議的所有權利、權益、所有權及利益已為10厘息優先債券及6厘息可換股債券作抵押，受益人為德意志信託(香港)有限公司。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

18. DEFERRED TAX

The movements in the deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

Group

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	152,546	256,763
Deferred tax charged to the income statement during the year (note 10)	於年內損益表扣除之遞延稅項(附註10)	(151,825)	(26,144)
Deferred tax assets included in assets of a disposal group classified as held for sale	包括在分類為持作出售之處置組中資產之資產	-	(78,073)
At 31 December	於十二月三十一日	721	152,546
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	-	118,783
Inventory provision	存貨撥備	-	630
Unrealised profit eliminated on consolidation	於合併時撇銷之未變現溢利	721	7,715
Liabilities for accrued expenses that are deductible for tax purpose only when paid	於支付時方可扣稅的預提費用負債	-	25,418
		721	152,546

At 31 December 2012, the Group has no tax losses arising in Hong Kong (2011: Nil) that are available for offsetting against future taxable profits of the companies in which the loss arose.

At 31 December 2012, the Group did not recognise deferred tax assets for tax losses arising in Mainland China.

At 31 December 2011, the Group had tax losses arising in Mainland China of RMB475,132,000 that would expire in one to five years for offsetting against future taxable profits. Based on the five-year forecasts of these companies, the Directors believed that sufficient taxable profit would be available to allow these deferred tax assets to be utilised.

18. 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

於二零一二年十二月三十一日，本集團並無自香港產生任何稅項虧損(二零一一年：無)可用以抵銷出現虧損的公司日後應課稅溢利。

於二零一二年十二月三十一日，本集團並未就自中國大陸產生的稅項虧損確認遞延稅項資產。

於二零一一年十二月三十一日本集團自中國大陸產生的稅項虧損人民幣475,132,000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動用該等遞延稅項資產。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

18. DEFERRED TAX (CONTINUED)

Deferred tax assets (continued)

Group (continued)

The Group also has tax losses arising in Mainland China of RMB273,490,000 (2011: RMB44,176,000) 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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	-	7,176
Deferred tax charged to the income statement during the year	年內於損益表扣除之遞延稅項	-	(7,176)
At 31 December	於十二月三十一日	-	-

Deferred tax liabilities

Group

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	2,401	23,890
Deferred tax credited to the income statement during the year (note 10)	年內計入損益表之遞延稅項(附註10)	(188)	(22)
Deferred tax liabilities included in 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遞延稅項負債	-	(21,467)
At 31 December	於十二月三十一日	2,213	2,401
Provisions in respect of: Others	有關下列各項的撥備： 其他	2,213	2,401

18. 遞延稅項(續)

遞延稅項資產(續)

本集團(續)

本集團亦自中國大陸產生人民幣273,490,000元之稅項虧損(二零一一年：人民幣44,176,000元)將於一至五年內到期，用作抵銷未來應課稅溢利。因該等虧損來自曾經出現虧損之附屬公司且該等公司不可能產生應課稅溢利抵銷稅項虧損，故並未就該等虧損確認遞延稅項資產。

本公司

遞延稅項負債

本集團



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

18. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (continued)

Group (continued)

Pursuant to the New CIT 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 2012, no deferred tax was recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB11,065,000 at 31 December 2012 (2011: Nil).

Company

18. 遞延稅項(續)

遞延稅項負債(續)

本集團(續)

據新企業所得稅法，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%繳納預扣稅。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定，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。

於二零一二年十二月三十一日，本集團於中國大陸成立的附屬公司並無就須繳納預扣稅之未匯出盈利之應付預扣稅確認遞延稅項。董事認為，該等附屬公司不大可能於可見將來分派該等盈利。於二零一二年十二月三十一日，與中國大陸附屬公司之投資相關且並無確認遞延稅項負債的暫時差異總額約為人民幣11,065,000元(二零一一年：無)。

本公司

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	1,137	-
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	1,137
Provisions in respect of: Depreciation allowance in excess of related depreciation	有關下列各項的撥備： 超出相關折舊之折舊免稅額	1,137	1,137

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

19. INVESTMENTS IN SUBSIDIARIES

19. 於附屬公司之投資

Company

本公司

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	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	3,239,292	4,102,924
		3,561,496	4,425,128

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 are due on demand.

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，為無抵押及須按要償還。

Particulars of the Company's subsidiaries are as follows:

本公司附屬公司之詳情如下：

Name of companies	Place of incorporation and place of operations	Nominal value of issued shares/paid-up capital	Percentage of equity interest attributable to the Company		Principal activities	
			Direct	Indirect		
公司名稱	註冊成立及營業地點	已發行股份/繳足股本之面值	本公司應佔股本權益百分比	直接	間接	主要業務
Infonics International Limited ("Infonics") 永豐國際有限公司(「永豐」)	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 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 無營業



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 19. 於附屬公司之投資(續)

Company (continued)

本公司(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	
S.E.A.M 南洋礦業	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 無營業
CNR Group Holdings 中鎳控股	Singapore 新加坡	US\$400,000 400,000美元	-	100	Trading of mineral ores and steel products and investment holding 礦石、鋼產品貿易 及投資控股
Bilchart Maritime Pte. Ltd.	Singapore 新加坡	US\$2,000,000 2,000,000美元	-	51	Provision of shipping services 提供航運服務
PT. Mandan Steel	Indonesia 印度尼西亞	IDR131,264,000,000 131,264,000,000 印尼盾	-	100	Investment holding 投資控股
PT. Batulicin Steel	Indonesia 印度尼西亞	US\$50,000,000/Nil 50,000,000美元/零	-	61	Investment holding 投資控股
Zhengzhou Yongtong Special Steel Co., Ltd. ("Yongtong Special Steel") 鄭州永通特鋼有限公司 (「永通特鋼」)	PRC 中國	RMB674,686,000 人民幣674,686,000元	-	100	Manufacture and sale of special steel products 製造及銷售特鋼產品

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 19. 於附屬公司之投資(續)

Company (continued)

本公司(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	
Zhengzhou Yongtong Alloy Metals Co., Ltd. ("Yongtong Alloy Metals") 鄭州永通合金材料有限公司 (「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
Zhengzhou Xiangtong Electricity Co., Ltd. ("Xiangtong Electricity") 鄭州祥通發電有限公司 (「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
Henan Yongtong Nickel Co., Ltd. ("Yongtong Nickel") 河南永通鎳業有限公司 (「永通鎳業」)	PRC 中國	RMB266,000,000 人民幣266,000,000元	–	100	Under construction 在建
Lianyungang East Harvest Minerals Company Limited ("East Harvest Minerals") 連雲港東茂礦產品有限公司 (「東茂礦產品」)	PRC 中國	US\$127,000,000 127,000,000美元	–	100	Trading of mineral ores and steel products and investment holding 礦石及鋼產品貿易及 投資控股
Lianyungang City East Harvest Mining Company Limited ("East Harvest Mining") 連雲港市東茂礦業有限公司 (「東茂礦業」)	PRC 中國	RMB390,000,000 人民幣390,000,000元	–	100	Under construction 在建
Lianyungang Hongnie International Trading Company Limited ("Hongnie Trading") 連雲港宏鎳國際貿易有限公司 (「宏鎳貿易」)	PRC 中國	US\$12,860,000/ US\$4,019,422.5 12,860,000美元/ 4,019,422.5美元	–	100	Trading of iron and steel products 鋼鐵產品貿易



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

20. INVESTMENT IN AN ASSOCIATE

20. 於一間聯營公司之投資

Group

本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Share of net assets	應佔資產淨值	22,964	22,274
Shareholder's loan provided	已提供股東借款	50,535	-
		73,499	22,274

Particulars of the associate are as below:

該聯營公司之詳情如下：

Name	Particulars of issued shares held	Place of incorporation	Percentage of ownership interest attributable to the Group	Principal activity
公司名稱	所持有已發行股份詳情	註冊成立地點	本集團所佔股權比例	主要業務
Full Harvest Development Limited 豐盛發展有限公司	15,500 Ordinary shares of US\$1 each 15,500 股每股 1 美元之普通股	Republic of Seychelles 塞舌爾共和國	47.42%	Investment holding 投資控股

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：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Assets	資產	124,348	130,875
Liabilities	負債	95,003	101,138
Revenue	收益	-	-
Profit	溢利	1,455	7,410

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

21. OTHER NON-CURRENT ASSETS

21. 其他非流動資產

Group

本集團

		Note 附註	Prepayment for purchases of raw materials 採購原材料 預付款項 RMB'000 人民幣千元	Prepayment for acquisition of non- controlling interests 收購非控股 權益預付款項 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
2012	二零一二年					
Carrying amount at 1 January 2012	於二零一二年一月一日 之賬面價值		32,325	-	-	32,325
Provided	已撥備		-	1,000	-	1,000
Utilisation	消耗		(32,625)	-	-	(32,625)
Exchange realignment	外幣折算差額		300	-	-	300
Carrying amount at 31 December 2012	於二零一二年 十二月三十一日 之賬面價值		-	1,000	-	1,000
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	24	-	-	-	-
Non-current portion	非即期部分		-	1,000	-	1,000
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	消耗		(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		-	-	(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	24	32,325	-	-	32,325
Non-current portion	非即期部分		-	-	-	-



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

22. INVENTORIES

22. 存貨

Group

本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Raw materials	原材料	217,742	247,348
Work in progress	在製品	5,659	73,886
Finished goods	製成品	331,002	229,964
Spare parts and consumables	備件及易耗品	30,512	37,631
		584,915	588,829
Less: provision for inventories	減：存貨撥備	(15,679)	(15,816)
		569,236	573,013

The movement of inventory provision is as follows:

存貨撥備的變動如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	15,816	2,521
Utilisation	消耗	(15,605)	(2,521)
Addition	增加	15,468	15,816
At 31 December	於十二月三十一日	15,679	15,816

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

23. TRADE AND NOTES RECEIVABLES

23. 應收賬款及應收票據

Group

本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade receivables	應收賬款	83,174	110,722
Notes receivable	應收票據	12,310	43,946
Less: Provision for impairment of trade receivables	減：應收賬款減值撥備	(5,327)	(6,376)
		90,157	148,292

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 ageing 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其他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：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 90 days	90日內	53,951	113,793
91 to 180 days	91至180日	25,131	18,251
181 to 365 days	181至365日	6,265	15,288
Over 1 year	超過1年	10,137	7,336
		95,484	154,668
Less: Provision for impairment of trade receivables	減：應收賬款減值撥備	(5,327)	(6,376)
		90,157	148,292



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

23. TRADE AND NOTES RECEIVABLES (CONTINUED)

Group (continued)

The movements in the provision for impairment of trade receivables are as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	6,376	3,544
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	1,318	2,832
Impairment losses reversed (note 6)	已撥回減值虧損(附註6)	(2,367)	-
At 31 December	於十二月三十一日	5,327	6,376

At 31 December 2012, included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB5,327,000 (2011: RMB6,376,000) with a carrying amount before provision of RMB5,327,000 (2011: RMB6,376,000). The individually impaired trade receivables relate to customers that were in financial difficulties.

The ageing analysis of trade and notes receivables that are neither individually nor collectively considered to be impaired is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	79,083	147,332
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	-	-
Past due over 1 year	逾期超過1年	11,074	960
		90,157	148,292

23. 應收賬款及應收票據(續)

本集團(續)

應收賬款減值撥備變動如下：

於二零一二年十二月三十一日，上述應收賬款減值撥備包括應收賬款個別減值撥備人民幣5,327,000元(二零一一年：人民幣6,376,000元)；該等應收賬款減值前賬面值為人民幣5,327,000元(二零一一年：人民幣6,376,000元)。應收賬款個別減值乃涉及出現財務困難之客戶。

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：

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

23. TRADE AND NOTES RECEIVABLES (CONTINUED)

Group (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 an independent customer that has 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 the balance as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 應收賬款及應收票據(續)

本集團(續)

尚未逾期亦無減值之應收款項涉及近期無拖欠記錄之大量分散客戶。

已逾期但無減值之應收款項涉及一名獨立客戶，該客戶於本集團過往記錄良好。基於過往經驗，董事認為由於信貸質素並無重大改變，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。

24. 預付款項、按金及其他應收款項

		Group 本集團		Company 本公司	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		RMB'000	RMB'000	RMB'000	RMB'000
Notes		人民幣千元	人民幣千元	人民幣千元	人民幣千元
附註					
Prepayment to Yiwu Mining	預付 Yiwu Mining 之款項	101,283	43,891	-	-
Prepayments to other suppliers	預付其他供應商之款項	16,089	49,624	-	-
Other prepayments	其他預付款項	7,001	7,853	2,498	4,472
Other receivables	其他應收款項	34,140	26,138	7,225	1,597
Receivables arising from disposal of a subsidiary	出售一家附屬公司之應收款項	609,871	-	-	-
Value-added tax recoverable	可收回增值稅	59,065	53,495	-	-
Shareholder's loan to an associate	對聯營公司作出之股東借款	-	50,522	-	4,395
Current portion of other non-current assets	其他非流動資產之即期部分	21	32,325	-	-
Current portion of prepaid land lease payments	預付土地租賃款項之即期部分	15	4,290	-	-
		831,739	268,138	9,723	10,464
Less: Provision for impairment of other receivables	減：其他應收款項之減值撥備	(5,127)	(5,127)	-	-
		826,612	263,011	9,723	10,464



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

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.

The receivable from disposal of a subsidiary with face value of RMB620,000,000 (note 34) is discounted to its present value based on estimates of future cash inflow. The carrying amounts of the receivable from disposal of a subsidiary approximate to its fair value.

24. 預付款項、按金及其他應收款項(續)

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。

出售一家附屬公司之應收款項面值為人民幣620,000,000元(附註34)已根據估計未來現金流量折現至其現值。出售一家附屬公司之應收款項賬面值與其公允價值相若。

25. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

25. 現金及現金等值物和已抵押定期存款

		Group 本集團		Company 本公司	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	114,824	114,824	2,673	5,554
Time deposits	定期存款	376,556	219,601	93,354	–
		491,380	334,425	96,027	5,554
Less: Guarantee as salvage security	減：作為打撈擔保之保證	–	(3,466)	–	–
Pledged time deposits for issuing bank acceptance notes	為取得銀行承兌票據之已抵押定期存款	(283,202)	(216,135)	–	–
Pledged time deposits for senior bonds and convertible bonds	為優先債券及可換股債券之已抵押定期存款	(93,354)	–	(93,354)	–
Cash and cash equivalents	現金及現金等值物	114,824	114,824	2,673	5,554

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

25. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS (CONTINUED)

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 RMB80,673,000 (2011: RMB52,366,000). 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.

26. TRADE AND NOTES PAYABLES

		Note 附註	Group 本集團		Company 本公司	
			2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade payables	應付賬款		142,668	192,347	3,120	1,049
Notes payable	應付票據	(a)	523,069	401,108	-	-
			665,737	593,455	3,120	1,049

Note:

(a) At 31 December 2012, notes payable of RMB523,069,000 (2011: RMB401,108,000) were secured by a parcel of leasehold land in Mainland China with net carrying amounts of RMB3,548,000 (2011: RMB3,854,000) (note 15) and time deposits amounting to RMB283,202,000 (2011: RMB216,135,000) (note 25).

25. 現金及現金等值物 and 已抵押定期存款 (續)

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。銀行結餘及已抵押定期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 已抵押定期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80,673,000元(二零一一年：人民幣52,366,000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。

26. 應付賬款及應付票據

附註：

(a) 於二零一二年十二月三十一日，應付票據人民幣523,069,000元(二零一一年：人民幣401,108,000元)以中國大陸一幅賬面淨值為人民幣3,548,000元(二零一一年：人民幣3,854,000元)(附註15)的租賃土地及定期存款人民幣283,202,000元(二零一一年：人民幣216,135,000元)(附註25)作為保證金。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

26. TRADE AND NOTES PAYABLES (CONTINUED)

An ageing analysis of the trade and notes payables at the end of the reporting period, based on the invoice date, is as follows:

		Group		Company	
		本集團		本公司	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		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
Within 90 days	90日內	261,312	310,563	-	-
91 to 180 days	91至180日	352,171	259,953	-	-
181 to 365 days	181至365日	22,837	12,462	2,074	-
1 to 2 years	1至2年	24,458	9,406	-	-
2 to 3 years	2至3年	4,538	18	-	-
Over 3 years	超過3年	421	1,053	1,046	1,049
		665,737	593,455	3,120	1,049

The trade payables are unsecured, interest-free and are normally settled on terms of 60 to 180 days.

The carrying amounts of trade payables and notes payable approximate to their fair values at the end of the reporting period.

26. 應付賬款及應付票據(續)

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：

應付賬款屬無抵押、免息，一般支付期為60至180日。

於報告期末，應付賬款及應付票據之賬面值與其公允價值相若。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

27. OTHER PAYABLES AND ACCRUALS

27. 其他應付款項及應計負債

		Group 本集團		Company 本公司	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		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
Advances from customers	預收貨款	265,237	216,032	-	-
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	107,036	142,029	-	-
Accrued interest expenses	應計利息開支	6,959	5,177	-	-
Payroll payable	應付工資	6,603	5,784	135	135
Liabilities assumed in the acquisition of a subsidiary	因收購附屬公司需承擔的負債	8,784	23,186	-	-
Others	其他	101,946	34,933	3,146	5,353
		496,565	427,141	3,281	5,488

Other payables are non-interest-bearing and are normally settled on terms of 60 to 180 days.

The carrying amounts of other payables and accruals approximate to their fair values at the end of the reporting period.

其他應付款項屬免息，一般須於60至180天內償付。

其他應付款項及應計負債於報告期末之賬面值與其公允價值相若。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

28. DERIVATIVE FINANCIAL INSTRUMENTS

28. 衍生金融工具

Group and Company

本集團與本公司

			2012	2011
		Notes	二零一二年	二零一一年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Liabilities	負債			
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	29(c)	-	9,432
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(b)	-	(658)
Conversion option and redemption option bifurcated from the host contract of the 6% Coupon Convertible Bonds	分離自6厘息可換股債券主合同之轉換權及贖回權	30(c)	82,376	-
			82,376	8,774
Less: Portion classified as current	減：分類為即期之部分		-	(8,774)
Non-current portion	非即期部分		82,376	-

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

29. BANK AND OTHER BORROWINGS

29. 銀行貸款及其他借貸

Group

本集團

		Notes 附註	2012 二零一二年			2011 二零一一年		
			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
Current	即期							
Bank loans — unsecured	銀行貸款 — 無抵押		6.1 – 8.6	2013	154,800	6.1 – 8.2	2012	85,000
Bank loans — secured	銀行貸款 — 有抵押	(a)	6.6 – 8.6	2013	650,000	7.2 – 7.9	2012	130,000
Other borrowings — unsecured	其他借貸 — 無抵押	(b)	0 – 8.0	2013	61,732	0 – 8.0	2012	22,942
Other borrowings — secured	其他借貸 — 有抵押	(c)	–	–	–	9.5	2012	164,748
The 10% Coupon Senior Bonds	10 厘息優先債券	(d)	10.0	2013	396,293	–	–	–
					1,262,825			402,690
Non-current	非即期							
Bank loans — unsecured	銀行貸款 — 無抵押		–	–	–	7.9	2013	49,900
Other borrowings — unsecured	其他借貸 — 無抵押	(b)	–	–	–	8.0	2013	17,876
The 10% Coupon Senior Bonds	10 厘息優先債券	(d)	10.0	2015	370,178	–	–	–
The Modified 10% Coupon Bonds	經修訂 10 厘息債券	(e)	10.0	2015	13,848	–	–	–
					384,026			67,776
					1,646,851			470,466

Company

本公司

		Notes 附註	2012 二零一二年			2011 二零一一年		
			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
Current	即期							
Other borrowings — secured	其他借貸 — 有抵押	(c)	–	–	–	9.5	2012	164,748
The 10% Coupon Senior Bonds	10 厘息優先債券	(d)	10.0	2013	396,293	–	–	–
					396,293			164,748
Non-current	非即期							
The 10% Coupon Senior Bonds	10 厘息優先債券	(d)	10.0	2015	370,178	–	–	–
The Modified 10% Coupon Bonds	經修訂 10 厘息債券	(e)	10.0	2015	13,848	–	–	–
					384,026			–
					780,319			164,748



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

29. BANK AND OTHER BORROWINGS (CONTINUED) 29. 銀行貸款及其他借貸(續)

		Group 本集團		Company 本公司	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		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
Analysed into:	分析如下：				
Bank loans repayable:	銀行貸款還款期：				
Within one year	一年內	804,800	215,000	-	-
In the second year	第二年	-	49,900	-	-
		804,800	264,900	-	-
Other borrowings repayable:	其他借貸還款期：				
Within one year	一年內	61,732	187,690	-	164,748
In the second year	第二年	-	17,876	-	-
		61,732	205,566	-	164,748
The 10% Coupon Senior Bonds:	10厘息優先債券：				
Within one year	一年內	396,293	-	396,293	-
In the second year	第二年	296,142	-	296,142	-
In the third year	第三年	74,036	-	74,036	-
		766,471	-	766,471	-
The Modified 10% Coupon Bonds:	經修訂10厘息債券：				
In the third year	第三年	13,848	-	13,848	-
		1,646,851	470,466	780,319	164,748

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

29. BANK AND OTHER BORROWINGS (CONTINUED) 29. 銀行貸款及其他借貸(續)

Notes:

- (a) At 31 December 2012, the secured bank loans comprised of: (i) a bank loan of RMB20,000,000 (2011: RMB50,000,000) secured by a parcel of leasehold land in Mainland China with a net carrying amount of RMB68,278,000 (2011: RMB68,304,000); (ii) a bank loan of RMB50,000,000 (2011: RMB50,000,000) secured by a parcel of leasehold land in Mainland China and buildings and plant and machinery with net carrying amounts of RMB17,237,000 (2011: RMB17,625,000) and RMB47,152,000 (2011: RMB51,715,000), respectively; (iii) a bank loan of RMB30,000,000 (2011: RMB30,000,000) secured by a parcel of leasehold land in Mainland China with a net carrying amount of RMB36,747,000 (2011: RMB37,582,000); and (iv) a loan of RMB550,000,000 (2011: Nil) guaranteed by Mr. Dong Shutong, an Executive Director and a substantial shareholder of the Company.
- (b) At 31 December 2012, the unsecured other borrowings included: (i) a loan from an independent third party of US\$2,500,000 (equivalent to RMB15,710,000) (2011: RMB15,708,000), which bore interest at a rate of 8% per annum; (ii) a loan of RMB89,000 (2011: RMB89,000) from an independent third party, which is interest-free; (iii) a loan from the ultimate holding company of the Group consisting of amounts of SG\$2,069,000, and HK\$4,896,000 (equivalent to RMB14,505,000) (2011: RMB22,853,000), which bore interest at a rate of 8% per annum; and (iv) a loan of US\$5,000,000 (equivalent to RMB31,428,000) (2011: Nil) from an independent third party, which bore interest at a rate of 10% 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 Company, 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 RMB800,214,000. As at 31 December 2012, the equity pledge has been released after the full settlement of the Term Loan.

附註:

- (a) 於二零一二年十二月三十一日，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68,278,000元(二零一一年：人民幣68,304,000元)的租賃土地作為抵押的銀行貸款人民幣20,000,000元(二零一一年：人民幣50,000,000元)；(ii) 分別以位於中國大陸，賬面淨值為人民幣17,237,000元(二零一一年：人民幣17,625,000元)的租賃土地以及賬面淨值為人民幣47,152,000元(二零一一年：人民幣51,715,000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(二零一一年：人民幣50,000,000元)；(iii) 以位於中國大陸，賬面淨值為人民幣36,747,000元(二零一一年：人民幣37,582,000元)的租賃土地作為抵押的銀行貸款人民幣30,000,000元(二零一一年：人民幣30,000,000元)；及(iv) 由本公司執行董事兼主要股東董書通先生擔保的貸款人民幣550,000,000元(二零一一年：無)。
- (b) 於二零一二年十二月三十一日，無抵押的其他借貸包括：(i) 向一名獨立第三方借入借款2,500,000美元(相當於人民幣15,710,000元)(二零一一年：人民幣15,708,000元)，借款年利率為8%；(ii) 向一名獨立第三方借入借款人民幣89,000元(二零一一年：人民幣89,000元)，該借款免息；(iii) 向本集團最終控股公司借入借款2,069,000新加坡元及4,896,000港元(相當於人民幣14,505,000元)(二零一一年：人民幣22,853,000元)，借款年利率為8%；及(iv) 向一名獨立第三方借入借款5,000,000美元(相當於人民幣31,428,000元)(二零一一年：無)，借款年利率為10%。
- (c) 於二零一一年十二月三十一日，有抵押其他借貸指本公司與第三方 Asia Equity Value Ltd. (「貸方」) 於二零一零年十二月透過訂立定期貸款協議取得之融資人民幣330,000,000元(「定期貸款」)，據此，本公司同意向貸方發行認股權證工具(「認股權證」)，以作為取得定期貸款的條件。

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期等額償還定期貸款。
- (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800,214,000元。於二零一二年十二月三十一日，股權質押已於悉數償還定期貸款後解除。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

29. BANK AND OTHER BORROWINGS (CONTINUED) 29. 銀行貸款及其他借貸(續)

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 a derivative financial instrument is recognised at its fair value, which is valued by Greater China Appraisal Limited ("Greater China Appraisal"). The trinomial lattice model was used in the valuation of the derivative.

On 31 July 2012, the Group repurchased all the Warrants for an aggregate purchase price of HK\$85,000,000 (equivalent to RMB68,927,000) by entering into a warrants repurchase letter agreement with the Lender.

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本公司最多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：**自開始日期(二零一零年十二月八日)起計三年。
- (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的方式支付認購價，該債務中包含本公司定期貸款未償本金，以及協議項下任何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過初步認購價的180%，本公司可要求認股權證持有人於上述30個交易日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值有限公司(「漢華評值」)評估之公允價值確認，其估價模式採用三項式定價模式。

於二零一二年七月三十一日，本集團與貸方訂立購回認股權證函件協議，購回所有認股權證，總購買價為85,000,000港元(相當於人民幣68,927,000元)。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

29. BANK AND OTHER BORROWINGS (CONTINUED) 29. 銀行貸款及其他借貸(續)

Notes: (continued)

附註：(續)

(c) (continued)

(c) (續)

The movements of the liability and derivative components of the Term Loan for the year ended 31 December 2012 are as follows:

截至二零一二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：

		Liability component	Derivatives	Total
		負債部分	衍生工具部分	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2011	於二零一一年一月一日	250,653	73,062	323,715
Interest expenses	利息開支	83,515	-	83,515
Repayments	還款	(169,420)	-	(169,420)
Changes in fair value	公允價值變動	-	(61,670)	(61,670)
Foreign exchange realignment	外幣折算差額	-	(1,960)	(1,960)
At 1 January 2012	於二零一二年一月一日	164,748	9,432	174,180
Interest expenses	利息費用	35,020	-	35,020
Repayments	還款	(199,768)	-	(199,768)
Changes in fair value	公允價值變動	-	(3,641)	(3,641)
Repurchase	購回	-	(5,821)	(5,821)
Foreign exchange realignment	外幣折算差額	-	30	30
At 31 December 2012	於二零一二年十二月三十一日	-	-	-

(d) 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 (the "Zero Coupon Convertible Bonds") which were subsequently traded on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

(d) 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（「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合交易所有限公司（「聯交所」）買賣。

On 10 November 2010, the Company exchanged 97.85% of the Zero Coupon Convertible Bonds with: (1) a cash payment of HK\$20,000 for each HK\$100,000 in principal amount of the Zero Coupon Convertible Bonds; and (2) 13,748 10% coupon convertible bonds due 2012 at HK\$100,000 each with an aggregate nominal value of HK\$1,374,800,000 (the "10% Coupon Convertible Bonds").

於二零一零年十一月十日，本公司以下列各項交換零息可換股債券之97.85%：(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)本公司以每份100,000港元發行的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」）。

On 12 June 2012, the Company further exchanged 97.87% of the 10% Coupon Convertible Bonds with: (1) 39,099 10% coupon senior bonds due 2015 at a principal amount of HK\$25,000 for the 10% Coupon Convertible Bonds of principal amount of HK\$100,000 with an aggregate nominal amount of HK\$977,475,000 (the "10% Coupon Senior Bonds"); and (2) 13,033 6% coupon convertible bonds due 2015 at a principal amount of HK\$25,000 for the 10% Coupon Convertible Bonds of principal amount of HK\$100,000 with an aggregate nominal amount of HK\$325,825,000 (the "6% Coupon Convertible Bonds").

於二零一二年六月十二日，本公司進一步以下列各項交換10厘息可換股債券之97.87%：(1)以100,000港元本金額10厘息可換股債券，交換本金額25,000港元於二零一五年到期之10厘息優先債券，共39,099份，總面值為977,475,000港元（「10厘息優先債券」）；及(2)以100,000港元本金額10厘息可換股債券，交換本金額25,000港元於二零一五年到期之6厘息可換股債券，共13,033份，總面值為325,825,000港元（「6厘息可換股債券」）。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

29. BANK AND OTHER BORROWINGS (CONTINUED) 29. 銀行貸款及其他借貸(續)

Notes: (continued)

(d) (continued)

Some of the key terms of the 10% Coupon Senior Bonds are as follows:

- (i) Interest rate: 10% per annum, which is payable quarterly in arrears;
- (ii) Maturity date: 12 March 2015;
- (iii) Repayment: The Company shall redeem the bonds at 100% of the principal amounts in nine specific instalments on the dates falling 9, 12, 15, 18, 21, 24, 27, 30 and 33 months after the issue date;
- (iv) Premium: on 12 December 2012, the Company paid a premium of HK\$7,792.50 per HK\$25,000 in principal amount of the 10% Coupon Senior Bonds to each bondholder;
- (v) Redeemable in cash at the option of the Company at their early redemption amount calculated by using the bond principal with an interest rate of 10% on a quarterly basis, at any time on or after 12 December 2012 and prior to the final maturity date, providing that early redemption may not be exercised by the Company within 30 days of the end of a specific close period.

The 10% Coupon Senior Bonds with the embedded redemption options as a whole, were initially recognised as a debt host contract at its fair value, which was measured using an equivalent market interest rate for a similar bond without a redemption option, and are subsequently carried at amortised cost.

The fair value of the 10% Coupon Senior Bonds was valued by Greater China Appraisal.

The movements of the liability component of the 10% Coupon Senior Bonds for the year ended 31 December 2012 are as follows:

附註：(續)

(d) (續)

10厘息優先債券部分主要條款如下：

- (i) 年利率：10厘，每季度支付前期的利息；
- (ii) 到期日：二零一五年三月十二日；
- (iii) 償還：本公司須於發行日期後第9、12、15、18、21、24、27、30及33個月，分9期指定分期付款贖回債券100%本金額；
- (iv) 溢價：於二零一二年十二月十二日，本公司向10厘息優先債券的各名持有人每本金額25,000港元支付7,792.50港元的溢價；
- (v) 於二零一二年十二月十二日或之後及在最終到期日前任何時間，本公司可選擇以現金支付提早贖回額贖回債券，提早贖回額按債券本金額及利率10厘作季度計算，惟本公司於指定關閉期間結束後起計30日內不得提早贖回債券。

10厘息優先債券連同內含之贖回權整體按公允價值初步確認為債務主合同，按類似但不含贖回權的債券的相同市場利率計量，其後以攤餘成本列值。

10厘息優先債券之公允價值由漢華評值進行估值。

截至二零一二年十二月三十一日止年度，10厘息優先債券之負債部分之變動如下：

		Liability component 負債部分 RMB'000 人民幣千元
At 12 June 2012 (Initially recognised)	於二零一二年六月十二日(初步確認)	986,502
Interest expenses	利息開支	72,840
Repayments	還款	(287,075)
Foreign exchange realignment	外幣折算差額	(5,796)
At 31 December 2012	於二零一二年十二月三十一日	766,471
Portion classified as current	即期部分	(396,293)
Non-current portion	非即期部分	370,178



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

29. BANK AND OTHER BORROWINGS (CONTINUED) 29. 銀行貸款及其他借貸(續)

Notes: (continued)

(d) (continued)

The 10% Coupon Senior Bonds and the 6% Coupon Convertible Bonds are secured by: (i) the pledge of the Company's time deposits amounting to RMB93,354,000 (2011: Nil); (ii) all of the rights, interest, title and benefits of the exclusive offtake agreement as set out in note 17; and (iii) all of the shares held by First Elite Development Limited in S.E.A. Mining Limited, a private company incorporated in Hong Kong with limited liability which is the sole legal and beneficial holder of HK\$46,500,000 and US\$3,000,000 in aggregate principal amount of a convertible bonds issued by Yiwan Mining which are convertible into ordinary shares in Yiwan Mining.

(e) According to an extraordinary resolution dated 31 May 2012, amendments to the terms and conditions governing the 10% Coupon Convertible Bonds for the remaining 284 10% Coupon Convertible Bonds with an aggregate nominal amount of HK\$28,400,000 (the "Modified 10% Coupon Bonds") are as follows:

- (i) delete the conversion right attached to the 10% Coupon Convertible Bonds and delete the terms in relation to the adjustment to the conversion price;
- (ii) extend the maturity date of the 10% Coupon Convertible Bonds from 12 December 2012 to 12 March 2015;
- (iii) amend the maturity repayment in respect of each 10% Coupon Convertible Bonds from 131.1699% of the principal amount to 100% of the principal amount;
- (iv) delete the pre-agreed share price ceiling as an event triggering the redemption option of the Company, and remove the capital event and the delisting of the Company as a relevant event triggering the redemption option of the bondholders;
- (v) amend the early redemption amount to 100% of the principal amount together with any unpaid interest accrued thereto on the redemption date.

The Group determined the fair value of the Modified 10% Coupon Bonds based on the valuation performed by Great China Appraisal using an equivalent market interest rate for a similar bond without a conversion option.

附註：(續)

(d) (續)

10厘息優先債券及6厘息可換股債券以下列各項作抵押：(i)抵押本公司定期存款人民幣93,354,000元(二零一一年：無)；(ii)附註17所載獨家採購協議的所有權利、權益、所有權及利益；及(iii) First Elite Development Limited持有的所有香港註冊成立有限責任私人公司南洋礦產有限公司股份，南洋礦產有限公司為Yiwan Mining發行本金總額為46,500,000港元及3,000,000美元的可換股債券的單一法定及實益持有人，該等可換股債券可轉換為Yiwan Mining的普通股。

(e) 根據日期為二零一二年五月三十一日的特別決議案，餘下284份總面值28,400,000港元的10厘息可換股債券(「經修訂10厘息債券」)之條款及條件修訂如下：

- (i) 刪除10厘息可換股債券附帶的兌換權，並刪除有關調整兌換價之條文；
- (ii) 將10厘息可換股債券到期日由二零一二年十二月十二日延至二零一五年三月十二日；
- (iii) 將每份10厘息可換股債券之到期還款額由本金額之131.1699%改為本金額之100%；
- (iv) 將預先協定股份價格上限從觸發本公司贖回選擇權事件清單中剔除，並將資本事件及本公司除牌從觸發債券持有人贖回選擇權有關事件清單中剔除；
- (v) 修訂提早贖回額至本金額之100%連同於贖回日期任何累計未付利息。

本集團乃根據漢華評值利用同類債券(並無兌換權)之相等市場利率作出之估值釐定經修訂10厘息債券之公允價值。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

30. CONVERTIBLE BONDS

30. 可換股債券

Group and Company

本集團及本公司

			2012	2011
		Notes	二零一二年	二零一一年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Liability component:	負債部分：			
The Zero Coupon Convertible Bonds	零息可換股債券	(a)	-	8,225
The 10% Coupon Convertible Bonds	10厘息可換股債券	(b)	-	1,156,195
The 6% Coupon Convertible Bonds	6厘息可換股債券	(c)	144,056	-
			144,056	1,164,420
Portion classified as current	即期部分		-	(1,164,420)
Non-current portion of liability component of convertible bonds	可換股債券負債部分之非即期部分		144,056	-

Notes:

附註：

(a) The movement of the liability component of the Zero Coupon Convertible Bonds for the year ended 31 December 2012 is as follows:

(a) 截至二零一二年十二月三十一日止年度，零息可換股債券之負債部分之變動如下：

		Liability component
		負債部分
		RMB'000
		人民幣千元
1 January 2011	於二零一一年一月一日	7,521
Interest expenses	利息開支	1,085
Foreign exchange realignment	外幣折算差額	(381)
At 1 January 2012	於二零一二年一月一日	8,225
Interest expenses	利息開支	1,133
Repayments	償還	(9,359)
Foreign exchange realignment	外幣折算差額	1
At 31 December 2012	於二零一二年十二月三十一日	-

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

30. CONVERTIBLE BONDS (CONTINUED)

Group and Company (continued)

Notes: (continued)

- (b) The movements of the liability and derivative components of the 10% Coupon Convertible Bonds for the year ended 31 December 2012 are as follows:

		Liability component	Derivatives	Total
		負債部分	衍生工具部分	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2011	於二零一一年一月一日	1,028,658	63,715	1,092,373
Interest expenses	利息開支	324,606	-	324,606
Repayments	償還	(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)
Foreign exchange realignment	外幣折算差額	(55,221)	(1,419)	(56,640)
At 1 January 2012	於二零一二年一月一日	1,156,195	(658)	1,155,537
Interest expenses	利息開支	164,328	-	164,328
Repayments	償還	(53,987)	-	(53,987)
Changes in fair value	公允價值變動	-	711	711
Foreign exchange realignment	外幣折算差額	7,350	(2)	7,348
Extinguishment	終止	(1,273,886)	(51)	(1,273,937)
At 31 December 2012	於二零一二年十二月三十一日	-	-	-

- (c) As set out in note 29(d), some of the key terms of the 6% Coupon Convertible Bonds are as follows:

- (i) Convertible at the option of the bondholders into fully paid ordinary shares at any time from 12 June 2012 to 2 March 2015 at a conversion price of HK\$0.7834 per share (the "Initial Conversion Price"). If on 12 December 2012 (the "Reset Date"), the volume weighted average price of the shares for the period of 15 consecutive trading days on the Stock Exchange immediately prior to the Reset Date (the "Prevailing Market Price") is less than the then prevailing conversion price, the conversion price shall be adjusted to a price that is equal to this Prevailing Market Price, provided always that the conversion price as so adjusted shall not be less than 75% of the Initial Conversion Price (the "Floor Price"). In the event that the Prevailing Market Price is less than the Floor Price, the conversion price shall be adjusted to a price equal to the Floor Price. Accordingly, the initial conversion price of HK\$0.7834 was adjusted to HK\$0.5800 with effect from 12 December 2012 (the "Adjustment"). Apart from the Adjustment, there is no change in terms of the 6% Coupon Convertible Bonds;

30. 可換股債券(續)

本集團及本公司(續)

附註：(續)

- (b) 截至二零一二年十二月三十一日止年度，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：

- (c) 誠如附註29(d)所載，6厘息可換股債券部分主要條款如下：

- (i) 債券持有人可選擇於二零一二年六月十二日至二零一五年三月二日期間隨時以兌換價每股0.7834港元(「初步兌換價」)兌換為已繳足普通股。倘股份緊接二零一二年十二月十二日(「重設日期」)前連續15個交易日期間在聯交所的交易量加權平均價(「當時市價」)低於當時兌換價，兌換價須調整至相等於當時市價的價格，前提是兌換價不得調整至低於初步兌換價的75%(「最低價格」)。倘若當時市價低於最低價格，兌換價須調整至相等於最低價格債券的價格。因此，初步兌換價0.7834港元於二零一二年十二月十二日起調整至0.5800港元(「有關調整」)。除有關調整外，6厘息可換股債券條款不變；



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

30. CONVERTIBLE BONDS (CONTINUED)

Group and Company (continued)

Notes: (continued)

(c) (continued)

- (ii) Redeemable in cash at the option of the Company at their early redemption amount calculated by using the bond principal with an interest rate of 6% on a quarterly basis, at any time on or after 12 December 2012 and prior to the final maturity date, providing that early redemption may not be exercised by the Company within 30 days of the end of a specific close period;
- (iii) Redeemable in cash at the option of the Company at their early redemption amount calculated by using the bond principal with an interest rate of 6% on a quarterly basis, if at any time after the first anniversary of the issue date the volume weighted average price of the shares over period of 30 consecutive trading days on the stock exchange, the last of which occurs not more than five days prior to the date upon which notice of the redemption is published, is greater than or equal to 125% of the then prevailing conversion price;
- (iv) Premium: on 12 December 2012, the Company will pay a premium of HK\$7,792.50 per HK\$25,000 in principal amount of the 6% Coupon Convertible Bonds to each bondholder;
- (v) To be redeemed at 100% of its principal amount on 12 March 2015. The 6% Coupon Convertible Bonds carry interest at a rate of 6% per annum, which is payable quarterly in arrears.

The Company determined the fair value of the liability component of the 6% 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:

- (i) The fair value of the option of the bondholders to convert the 6% Coupon Convertible Bonds into ordinary shares of the Company at the conversion price; and
- (ii) The fair value of the option of the Company to redeem the 6% 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)

本集團及本公司(續)

附註：(續)

(c) (續)

- (ii) 於二零一二年十二月十二日或之後及在最終到期日前任何時間，本公司可選擇以現金支付提早贖回額贖回債券，提早贖回額按債券本金額及利率6厘作季度計算，惟本公司於指定關閉期間結束後起計30日內不得提早贖回債券；
- (iii) 倘若股份於發行日期滿一週年後任何時間在聯交所連續30個交易日(最後一日在刊發贖回通知日期前5日內)期間的成交量加權平均價高於或相等於當時兌換價的125%，本公司可選擇以現金支付提早贖回額贖回債券，提早贖回額按債券本金額及利率6厘作季度計算；
- (iv) 溢價：於二零一二年十二月十二日，本公司將向各6厘息可換股債券持有人本金額每25,000港元支付溢價7,792.50港元；
- (v) 於二零一五年三月十二日按本金額之100%予以贖回。6厘息可換股債券的年利率為6厘，每季度支付前期的利息。

本公司乃根據漢華評值利用同類債券(並無兌換權)之相等市場利率作出之估值釐定6厘息可換股債券負債部分之公允價值。

本公司亦確認數項衍生工具，其價值包括以下各項：

- (i) 債券持有人按兌換價將6厘息可換股債券兌換為本公司普通股的選擇權的公允價值；及
- (ii) 本公司贖回6厘息可換股債券的選擇權的公允價值。

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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

30. CONVERTIBLE BONDS (CONTINUED)

Group and Company (continued)

Notes: (continued)

(c) (continued)

The movements of the liability and derivative components of the 6% Coupon Convertible Bonds for the year ended 31 December 2012 are as follows:

		Liability component	Derivatives	Total
		負債部分	衍生工具部分	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 12 June 2012	於二零一二年六月十二日			
(Initially recognised)	(初步確認)	195,510	62,236	257,746
Interest expenses	利息開支	40,571	-	40,571
Conversion	轉換	(440)	-	(440)
Repayments	償還	(90,378)	-	(90,378)
Changes in fair value	公允價值變動	-	20,527	20,527
Foreign exchange realignment	外幣折算差額	(1,207)	(387)	(1,594)
At 31 December 2012	於二零一二年十二月三十一日	144,056	82,376	226,432

The 10% Coupon Senior Bonds and the 6% Coupon Convertible Bonds are secured by: (i) the pledge of the Company's time deposits amounting to RMB93,354,000 (2011: Nil); (ii) all of the rights, interest, title and benefits of the exclusive offtake agreement as set out in note 17; and (iii) all of the shares held by First Elite Development Limited in S.E.A. Mining Limited, a private company incorporated in Hong Kong with limited liability which is the sole legal and beneficial holder of HK\$46,500,000 and US\$3,000,000 in aggregate principal amount of a convertible bonds issued by Yiwun Mining which are convertible into ordinary shares in Yiwun Mining.

(c) (續)

30. 可換股債券(續)

本集團及本公司(續)

附註:(續)

截至二零一二年十二月三十一日止年度, 6厘息可換股債券之負債及衍生部分之變動如下:

10厘息優先債券及6厘息可換股債券以下列各項作抵押:(i)抵押本公司定期存款人民幣93,354,000元(二零一一年:無);(ii)附註17所載獨家採購權協議的所有權利、權益、所有權及利益;及(iii)First Elite Development Limited持有的所有香港註冊成立有限責任私人公司南洋礦產有限公司股份,南洋礦產有限公司為Yiwun Mining發行本金總額為46,500,000港元及3,000,000美元的可換股債券的單一法定及實益持有人,該等可換股債券可轉換為Yiwun Mining的普通股。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

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	Government grant related to an asset	Total
		應佔協議溢利產生之其他長期應付款項	有關資產之政府補助	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
2012	二零一二年			
Carrying amount at 1 January	於一月一日之賬面值	-	5,280	5,280
Addition of government grant related to an asset	有關資產之政府補助增加	-	1,300	1,300
Carrying amount at 31 December	於十二月三十一日之賬面值	-	6,580	6,580
2011	二零一一年			
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	包括在負債內直接與分類為持作出售資產有關之負債	(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

As at 31 December 2012, the balance of other long term payables represents the science and technology subsidies received from local Science and Technology Bureaus in the PRC.

於二零一二年十二月三十一日，其他長期應付款項之結餘指自中國地方科學技術局收取之科技補貼。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

32. ISSUED CAPITAL

32. 已發行股本

Company

本公司

		2012 二零一二年		2011 二零一一年	
		Number of ordinary shares 普通股數	RMB'000 人民幣千元	Number of ordinary shares 普通股數	RMB'000 人民幣千元
Authorised (HK\$0.1 each): At 1 January and 31 December	法定(每股0.1港元): 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): At 1 January	已發行及繳足(每股0.1港元): 於一月一日	2,304,333,337	230,373	2,282,983,565	228,553
Conversion of convertible bonds	轉換可換股債券	1,724,137	140	21,349,772	1,820
At 31 December	於十二月三十一日	2,306,057,474	230,513	2,304,333,337	230,373

33. RESERVES

33. 儲備

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 79 to 80 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 acquired pursuant to the group reorganisation on 29 April 2006 and the nominal value of the Company's shares issued in exchange therefor.

Share premium account

Under the Companies Law (2009 Revision) of the Cayman Islands, the share premium 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.

本集團

本集團本年度及過往年度儲備的金額及其變動在財務報表第79頁至第80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之繳足股本總面值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, 條件為本公司於緊隨建議分派股息當日有能力償還在日常業務過程中到期的債項。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

33. RESERVES (CONTINUED)

Group (continued)

Capital reserve

At 31 December 2012, 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 employees as set out in note 36 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, Xiangtong Electricity, Yongtong Nickel, East Harvest Minerals, East Harvest Mining and Hongnie Trading, 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 these reserves reach 50% of the registered capital.

33. 儲備(續)

本集團(續)

資本儲備

於二零一二年十二月三十一日，資本儲備結餘乃不可分派之儲備，包含一名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永通特鋼向其結欠之債務之權利及利益，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36。

購股權儲備包括已授出但尚未行使之購股權之部分公允價值，詳情於財務報表附註2.4有關以股份支付之交易之會計政策內闡釋。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、祥通發電、永通鎳業、東茂礦產品、東茂礦業及宏鎳貿易之章程細則，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%計提法定公積金(「法定公積金」)，直至該等儲備分別達到各自註冊資本之50%為止。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

33. RESERVES (CONTINUED)

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 this 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)

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重新註冊為外商獨資企業後毋須再計提法定公積金。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資本化為繳足股本。

可供分派儲備

就股息而言，中國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。有關溢利與按照國際財務報告準則編製之本報告所反映之溢利並不相同。

根據中國公司法，中國附屬公司除稅後溢利在按上文所述提撥至法定公積金及法定準備金後，可分派作股息。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

33. RESERVES (CONTINUED)

33. 儲備(續)

Company

本公司

		Share premium account	Contributed surplus	Share option reserves	Exchange fluctuation reserve	Accumulated losses	Total
		股份溢價賬	實繳盈餘	購股權儲備	滙兌波動 儲備	累計虧損	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
Year ended 31 December 2011	截至二零一一年十二月三十一日止年度						
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 36)	以股權支付之購股權安排(附註36)	-	-	3,878	-	-	3,878
Forfeited share option reserve	已沒收之購股權儲備	-	-	(2,995)	-	-	(2,995)
At 31 December 2011	於二零一一年十二月三十一日	3,029,155	314,784	26,809	(96,645)	(380,597)	2,893,506
Year ended 31 December 2012	截至二零一二年十二月三十一日止年度						
At 1 January 2012	於二零一二年一月一日	3,029,155	314,784	26,809	(96,645)	(380,597)	2,893,506
Total comprehensive expenses for the year	年度全面虧損合計	-	-	-	(29)	(436,469)	(436,498)
Conversion of convertible bonds	轉換可換股債券	300	-	-	-	-	300
Equity-settled share option arrangements (note 36)	以股權支付之購股權安排(附註36)	-	-	4,342	-	-	4,342
Forfeited share option reserve	已沒收之購股權儲備	-	-	(685)	-	-	(685)
Interim 2012 dividend	二零一二年中期股息	(18,785)	-	-	-	-	(18,785)
At 31 December 2012	於二零一二年十二月三十一日	3,010,670	314,784	30,466	(96,674)	(817,066)	2,442,180

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

34. DISPOSAL OF A SUBSIDIARY

On 19 December 2011, the Group entered into a relocation 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 of the Group's entire shareholding of a 51% equity interest in Yongan Special Steel for a total consideration of RMB1 billion. In accordance with IFRS 5, as at 31 December 2011, the Group reclassified the assets and liabilities of Yongan Special Steel to a disposal group classified as held for sale in the Group's consolidated statement of financial position.

On 26 April 2012, the disposal of the 51% equity interest in Yongan Special Steel was completed. Therefore, as at 31 December 2012, the Group has no assets or liabilities of a disposal group classified as held for sale in the consolidated statement of financial position.

34. 出售一間附屬公司

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搬遷協議(「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之全數51%股權，總代價為人民幣1,000,000,000元。根據國際財務報告準則第5號，於二零一一年十二月三十一日，本集團於綜合財務狀況表內將永安特鋼的資產及負債重新分類為持作出售之處置組中資產及負債。

於二零一二年四月二十六日，出售永安特鋼51%股權的交易完成。因此，於二零一二年十二月三十一日，本集團之綜合財務狀況表內並無分類為持作出售之處置組中資產及負債。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

34. DISPOSAL OF A SUBSIDIARY (CONTINUED)

An analysis of the Group's gain on disposal of a subsidiary for the year ended 31 December 2012 is as follows:

34. 出售一間附屬公司(續)

截至二零一二年十二月三十一日止年度，本集團出售一間附屬公司盈利分析如下：

		2012 二零一二年 RMB'000 人民幣千元
Net asset disposed of:	已出售淨資產：	
Property, plant and equipment	物業、廠房及設備	245,624
Prepaid land lease payments	預付土地租賃款項	184,329
Deferred tax assets	遞延稅項資產	78,073
Inventories	存貨	48,596
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
Trade and notes payables	應付賬款及應付票據	(68,373)
Other payables and accruals	其他應付款項及應計負債	(56,358)
Interest-bearing bank and other borrowings	計息銀行貸款及其他借貸	(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	(6,480)
Non-controlling interest	非控股權益	(111,333)
		238,859
Liabilities assumed by the Group in relation to relocation of Yongan Special Steel	本集團就永安特鋼之搬遷所承擔之負債	213,615
Gain on disposal of a subsidiary	出售一間附屬公司盈利	547,526
		1,000,000
Satisfied by:	以下列各項償付：	
Cash	現金	380,000
Other receivables (note 24)	其他應收款項(附註24)	620,000

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

34. DISPOSAL OF A SUBSIDIARY (CONTINUED)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	380,000
Cash paid for settlement of liabilities in relation to relocation of Yongan Special Steel	就償還永安特鋼搬遷相關負債而支付之現金	(133,999)
Cash and bank balances disposed of	出售之現金及銀行存款	(43)
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量之現金及現金等值物流入淨額	245,958

34. 出售一間附屬公司(續)

出售一間附屬公司的現金及現金等值物流入淨額分析如下：

35. MAJOR NON-CASH TRANSACTIONS

As set out in note 29(d), during the year, the Company exchanged 97.87% of the 10% Coupon Convertible Bonds with (1) 39,099 10% Coupon Senior Bonds with an aggregate nominal amount of HK\$977,475,000 (2011: Nil); and (2) 13,033 6% Coupon Convertible Bonds with an aggregate nominal amount of HK\$325,825,000 (2011: Nil).

35. 主要非現金交易

誠如附註29(d)所載，年內，本公司以下列各項交換97.87%的10厘息可換股債券：(1) 39,099份總面值為977,475,000港元(二零一一年：無)之10厘息優先債券；及(2) 13,033份總面值為325,825,000港元(二零一一年：無)之6厘息可換股債券。

36. 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 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 Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option.

36. 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)聯交所每日報價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聯交所每日報價表所列之股份平均收市價。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

36. SHARE OPTION SCHEME (CONTINUED)

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. In addition, any share options granted to a substantial shareholder or an Independent Non-executive Director, 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.

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.

36. 購股權計劃(續)

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過本公司已發行股本之10%，亦不得超過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計十年有效。倘於截至授出日期止任何12個月期間全面行使過往根據購股權計劃授予一名人士之購股權將導致已經或將可向其發行之股份總數超過當時根據該購股權計劃已經及將可發行之股份總數上限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，或任何彼等之聯繫人之購股權須事先經獨立非執行董事准許。此外，倘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之任何購股權於任何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預先批准。

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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

36. SHARE OPTION SCHEME (CONTINUED)

The movements of outstanding share options under the Share Option Scheme during the year are as follows:

		2012 二零一二年		2011 二零一一年	
		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	1.72	39,105	1.76	43,675
Granted during the year	於年內授出	0.63	50,000	–	–
Forfeited during the year	於年內沒收	1.76	(10,600)	2.10	(4,570)
At 31 December	於十二月三十一日	1.02	78,505	1.72	39,105

36. 購股權計劃(續)

下列為年內根據購股權計劃尚未行使之購股權之變動：

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

於報告期末尚未行使之購股權之行使價及行使期如下：

2012

二零一二年

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
2,550	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
10,635	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
47,400	0.63	20 January 2013 to 19 January 2022 二零一三年一月二十日至二零二二年一月十九日
78,505		



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

36. SHARE OPTION SCHEME (CONTINUED)

36. 購股權計劃(續)

2011

二零一一年

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
39,105		

* 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.

* 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，購股權行使價可予調整。

The fair value of options granted during the year was RMB14,123,000 (2011: Nil), which was estimated on the date of grant using the following assumptions:

年內授出的購股權的公允價值為人民幣14,123,000元(二零一一年：無)，於授出日期使用以下假設估計：

Dividend yield (%)	股息收益率 (%)	0.00
Expected volatility (%)	預期波幅 (%)	60.19
Historical volatility (%)	歷史波幅 (%)	60.19
Risk-free interest rate (%)	無風險利率 (%)	1.39
Expected life (years)	預期年期 (年)	10
Weighted average share price (HK\$)	加權平均股價 (港元)	0.63

The expected life of the options is based on the historical data over the past two hundred and sixty days and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

購股權的預期年期乃基於過往二百六十天的歷史數據，並不一定是可能發生的行使模式的指標。預期波幅乃假設歷史波幅為未來趨勢之指標，而此假設亦不一定是實際結果。

The Group recognised a net share option expense of approximately RMB3,657,000 during the year ended 31 December 2012 (2011: RMB883,000).

本集團於截至二零一二年十二月三十一日止年度確認的購股權開支淨額約為人民幣3,657,000元(二零一一年：人民幣883,000元)。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

36. SHARE OPTION SCHEME (CONTINUED)

At the end of the reporting period, the Company had 78,505,000 share options outstanding under the Share Option Scheme, which represented approximately 3.4% of the Company's shares in issue as at 31 December 2012. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 78,505,000 additional ordinary shares of the Company and an additional share capital of HK\$7,850,500 (equivalent to RMB6,365,578) and share premium of HK\$72,112,150 (equivalent to RMB58,472,137) (before issue expenses).

37. CONTINGENT LIABILITIES

At the end of the reporting period, certain subsidiaries are parties to various legal claims in their ordinary course of business. In the opinion of the Directors, the ultimate resolution of these claims would not have a significant impact on the Group's results and financial position.

38. 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 2012, 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	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Within one year	一年內	7,010	2,468	4,335	1,206
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	6,222	1,704	5,091	306
		13,232	4,172	9,426	1,512

36. 購股權計劃(續)

於報告期末，本公司根據購股權計劃，有 78,505,000 份尚未行使之購股權，佔本公司於二零一二年十二月三十一日之已發行股份約 3.4%。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 78,505,000 股本公司之普通股，增添股本 7,850,500 港元(相當於人民幣 6,365,578 元)，以及扣除股份發行開支前之股份溢價 72,112,150 港元(相當於人民幣 58,472,137 元)。

37. 或然負債

於報告期末，若干附屬公司在其日常業務過程中捲入各種法律索償事件。董事認為，該等索償的最終裁決並不會對本集團的業績及財務狀況構成重大影響。

38. 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。

於二零一二年十二月三十一日，本集團及本公司於下列各段期間到期根據不可撤銷經營租賃之未來最低租金付款總額如下：



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

39. COMMITMENTS

Group

In addition to the operating lease commitments detailed in note 38 above, the Group had the following capital commitments at the end of the reporting period:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	237,874	334,473

39. 承擔

本集團

除上文附註38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：

40. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

40. 關聯方交易

(a) 除於本財務報表其他地方詳述之交易外，本集團於年內與關聯方進行下列重大交易：

Names of related parties 關聯方名稱	Nature of transactions 交易性質	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Yiwan Mining (Note i) (附註 i)	Purchases of ore (Note ii) 購入礦石(附註 ii)	291,446	345,101
Easyman (Note i) (附註 i)	Repayment of loan (Note iii) 償還貸款(附註 iii)	9,774	37,804
Easyman (Note i) (附註 i)	Interest expense (Note iii) 利息費用(附註 iii)	1,426	3,971
Full Harvest Development Limited (Note iv) 豐盛發展有限公司(附註 iv)	Shareholder's loan (Note v) 股東借款(附註 v)	4,409	46,126
Yiwan Mining	Sales of machinery (Note vi) 銷售機械(附註 vi)	1,081	-

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (continued)

Notes:

- (i) 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 Yiwon Mining, has an indirect economic interest in Yiwon Mining.
- (ii) The transactions were carried out based on the terms agreed by the parties under an exclusive offtake agreement signed between Yiwon Mining and the Group.
- (iii) The loan in the amount of RMB14,505,000 is provided by Easyman and is unsecured, repayable on demand and bears an interest rate of 8% per annum as set out in note 29(b) to the financial statements.
- (iv) This company is an associate of the Group.
- (v) The shareholder's loan to Full Harvest Development Limited is unsecured, interest-free and no fixed term of repayment.
- (vi) The sales of machinery to Yiwon Mining were made according to the contracted prices.

(b) Other transactions with related parties:

- (i) Mr. Dong Shutong has guaranteed bank loans made to the Group of RMB550,000,000 (2011: Nil) for free as at the end of the reporting period, as further detailed in note 29(a) to the financial statements.
- (ii) All of the shares held by First Elite Development Limited in S.E.A. Mining Limited, a private company incorporated in Hong Kong with limited liability which is the sole legal and beneficial holder of HK\$46,500,000 and US\$3,000,000 in aggregate principal amount of convertible bonds issued by Yiwon Mining which are convertible into ordinary shares in Yiwon Mining were pledged to secure the 10% Coupon Senior Bonds and 6% Coupon Convertible Bonds. First Elite Development Limited and S.E.A. Mining Limited are companies under common control by Mr. Dong Shutong.

40. 關聯方交易(續)

(a) (續)

附註：

- (i) 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 Easyman 作為 Yiwon Mining 之放款人而於 Yiwon Mining 擁有間接經濟利益。
- (ii) 該等交易按照訂約方於 Yiwon Mining 與本集團簽訂之獨家採購協議協定之條款進行。
- (iii) 由 Easyman 提供之貸款總額為人民幣 14,505,000 元，該貸款為無抵押，須按要求償還，並按年利率 8% 計息，詳情載於財務報表附註 29(b)。
- (iv) 該公司為本集團之聯營公司。
- (v) 對豐盛發展有限公司提供的股東借款為無抵押、免息，且無固定還款期。
- (vi) 向 Yiwon Mining 銷售機械乃根據已訂約價格進行。

(b) 與關聯方的其他交易：

- (i) 於報告期末，董書通先生無償擔保授予本集團的銀行貸款人民幣 550,000,000 元(二零一一年：無)，詳情載於本財務報表附註 29(a)。
- (ii) First Elite Development Limited 持有香港註冊成立有限責任私人公司南洋礦產有限公司的所有股份已作 10 厘息優先債券及 6 厘息可換股債券之抵押品。南洋礦產有限公司為 Yiwon Mining 發行本金總額為 46,500,000 港元與 3,000,000 美元的可換股債券的單一法定及實益持有人，該等可換股債券可轉換為 Yiwon Mining 的普通股。First Elite Development Limited 及南洋礦產有限公司均共同由董書通先生控制。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties:

Amounts owed by related parties

Names of related parties 關聯方名稱		2012	2011
		二零一二年 RMB'000 人民幣千元	二零一一年 RMB'000 人民幣千元
Yiwan Mining	Yiwan Mining	101,283	76,216
Full Harvest Development Limited	豐盛發展有限公司	50,535	50,522

Amounts owed to related parties

Names of related parties 關聯方名稱		2012	2011
		二零一二年 RMB'000 人民幣千元	二零一一年 RMB'000 人民幣千元
Easyman	Easyman	14,505	22,853
Anyang Iron & Steel Group Co., Ltd.*	安陽鋼鐵集團有限責任公司*	-	102,673

* Anyang Iron & Steel Group Co., Ltd. was no longer a non-controlling shareholder of the Group after the disposal of the subsidiary as set out in note 34.

40. 關聯方交易(續)

(c) 與關聯方的未了結結餘：

關聯方結欠款項**結欠關聯方款項**

* 誠如附註34所載，出售附屬公司後，安陽鋼鐵集團有限責任公司不再為本集團非控股股東。

(d) Compensation of key management personnel of the Group:

Details of compensation of key management personnel of the Group are included in note 8 and 9 to the financial statements.

(d) 本集團主要管理人員之報酬：

本集團主要管理人員之報酬詳情載於財務報表附註8及9。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

41. 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

41. 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

		2012 二零一二年	2011 二零一一年
		Loans and receivables	Loans and receivables
		貸款及 應收款項	貸款及 應收款項
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade and notes receivables	應收賬款及應收票據	90,157	148,292
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	633,757	115,423
Cash and cash equivalents	現金及現金等值物	114,824	114,824
Pledged time deposits	已抵押定期存款	376,556	219,601
		1,215,294	598,140



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

41. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

41. 金融工具分類(續)

Group (continued)

本集團(續)

Financial liabilities

金融負債

		2012 二零一二年		2011 二零一一年	
		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
		按公允價值計量且其變動計入損益之金融負債	按攤餘成本計算之金融負債	按公允價值計量且其變動計入損益之金融負債	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	-	665,737	-	593,455
Financial liabilities included in other payables and accruals	包括於其他應付款項及應計負債中之金融負債	-	231,328	-	211,405
Derivative financial instruments	衍生金融工具	82,376	-	8,774	-
Liability component of convertible bonds	可換股債券之負債部分	-	144,056	-	1,164,420
Bank and other borrowings	銀行貸款及其他借貸	-	1,646,851	-	470,466
Dividend payable	應付股息	-	6	-	6
		82,376	2,687,978	8,774	2,439,752

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

41. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

41. 金融工具分類(續)

Company

本公司

Financial assets

金融資產

		2012 二零一二年	2011 二零一一年
		Loans and receivables	Loans and receivables
		貸款及 應收款項	貸款及 應收款項
		RMB'000	RMB'000
		人民幣千元	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	2,825	5,992
Cash and cash equivalents	現金及現金等值物	2,673	5,554
Pledged time deposits	已抵押定期存款	93,354	-
		98,852	11,546



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

41. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

41. 金融工具分類(續)

Company (continued)

本公司(續)

Financial liabilities

金融負債

	2012		2011		
	二零一二年		二零一一年		
	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	
	按公允價值計量且其變動計入損益之金融負債	按攤餘成本計算之金融負債	按公允價值計量且其變動計入損益之金融負債	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	-	3,120	-	1,049
Financial liabilities included in other payables and accruals	包括於其他應付款項及應計負債之金融負債	-	3,281	-	5,488
Derivative financial instruments	衍生金融工具	82,376	-	8,774	-
Liability component of convertible bonds	可換股債券之負債部分	-	144,056	-	1,164,420
Bank and other borrowings	銀行貸款及其他借貸	-	780,319	-	164,748
Dividend payable	應付股息	-	6	-	6
		82,376	930,782	8,774	1,335,711

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

42. TRANSFERS OF FINANCIAL ASSETS

At 31 December 2012, the Group endorsed certain bills receivable accepted by banks in the PRC (the "Endorsed Bills"), to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB184,347,000 (2011: RMB330,225,000). In addition, the Group discounted certain bills receivable accepted by banks in the PRC (the "Discounted Bills"), to certain banks to finance its operating cash flow with a carrying amount in aggregate of RMB491,171,000 (2011: RMB217,135,000). The Endorsed Bills and the Discounted Bills have a maturity from one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC and relevant discounting arrangement with certain banks, the holders of the Endorsed Bills and the Discounted Bills have a right of recourse against the Group if the accepting banks default (the "Continuing Involvement").

In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Endorsed Bills and the Discounted Bills. Accordingly, it has derecognised the full carrying amounts of the Endorsed Bills and the Discounted Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Endorsed Bills and the Discounted Bills and the undiscounted cash flows to repurchase these Endorsed Bills and Discounted Bills equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Endorsed Bills and the Discounted Bills are not significant.

During the year, the Group has not recognised any gain or loss on the date of transfer of the Endorsed Bills and the Discounted Bills. No gains or losses were recognised from the continuing involvement, both during the year or cumulatively. The endorsement and the discount has been made evenly throughout the year.

42. 轉讓金融資產

於二零一二年十二月三十一日，本集團為若干中國銀行接納之應收票據向其若干供應商背書（「已背書票據」），以清償結欠該等供應商的應付賬款，賬面總值為人民幣184,347,000元（二零一一年：人民幣330,225,000元）。此外，本集團向若干銀行折現若干中國銀行接納之應收票據（「已折現票據」），以撥付其營運現金流量，賬面總值為人民幣491,171,000元（二零一一年：人民幣217,135,000元）。已背書票據及已折現票據於報告期末起一至六個月內到期。根據中國票據法及與若干銀行的相關折讓安排，倘接納銀行拖欠付款，已背書票據及已折現票據的持有人對本集團有追溯權（「持續參與」）。

董事認為，本集團已轉讓大部分有關已背書票據及已折現票據的風險及回報。因此，本集團已全數終止確認已背書票據及已折現票據的賬面值。本集團於已背書票據及已折現票據的持續參與可能產生的最大虧損以及購回該等已背書票據及已折現票據的未折現現金流量相等於其賬面值。董事認為，本集團於已背書票據及已折現票據的持續參與的公允價值並不重大。

年內，本集團並未於轉讓已背書票據及已折現票據日期確認任何盈利或虧損，亦無就持續參與確認任何年度或累計盈利或虧損。背書及折現於整個年度內平均地進行。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

43. 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 41 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 bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of bank and other borrowings 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 a trinomial. 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.

43. 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負債之公允價值與其在財務報表附註41呈列之賬面價值相若，衍生金融工具的公允價值相等於其賬面值。

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金融工具之金額進行計量，該等交易不能是強迫進行的銷售或清算銷售。

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、按金及其他應收款項中之金融資產，應付賬款及應付票據，包含於其他應付款項及應計負債之金融負債，以及銀行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。

銀行貸款及其他借貸之非即期部分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相似可換股債券之同等市場利率進行估計。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計量。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、波幅及股息收益率。衍生金融工具的賬面價值與其公允價值一致。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

43. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

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)

Liabilities measured at fair value:

Group and Company

2012

	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	-	82,376	-	82,376

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

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 (2011: Nil).

43. 公允價值及公允價值層級(續)

公允價值層級

本集團根據下述層級參數釐定及披露金融工具之公允價值：

第一層級：	基於相同資產或負債在活躍市場中的標價(未經調整)計量公允價值
第二層級：	基於對所記錄公允價值有重大影響的所有輸入數據均可直接或間接觀察的估值技術計量公允價值
第三層級：	基於對所記錄公允價值有重大影響的任何輸入數據並非來自可觀察市場數據(不可觀察輸入數據)的估值技術計量公允價值

以公允價值計量之負債：

本集團及本公司

二零一二年

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(二零一一年：無)。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank and other borrowings, 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 borrowings.

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.

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 2012, approximately 97% (2011: 72%) of the Group's borrowings bore interest at fixed rates.

44. 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)包括銀行貸款及其他借貸、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。董事會就管理該等各種風險審核及批准相關政策，概述如下。本集團關於衍生工具的相關會計政策載於財務報表附註2.4。

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。於二零一二年十二月三十一日，本集團之借貸中以固定利率計息者約佔97%(二零一一年：72%)。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

As at 31 December 2012, 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 before tax (through the impact on floating rate borrowings).

Group

		Increase/ (decrease) in basis points 基點之 增加/(減少)	(Increase)/ decrease in loss before tax 除稅前虧損 (增加)/減少 RMB'000 人民幣千元
2012	二零一二年	75 (25)	(375) 125
2011	二零一一年	75 (25)	(976) 325

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 and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

As at 31 December 2012, 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.

44. 金融風險管理目標及政策(續)

利率風險(續)

於二零一二年十二月三十一日，市場利率的變化對保留溢利以外的本集團權益總額並無重大影響。下表列示在所有其他變數保持不變下，利率發生合理可能變動時，本集團除稅前溢利(透過對浮動利率借款的影響)的敏感性分析。

本集團

信貸風險

本集團僅與聲譽良好及信譽可靠的第三方進行交易。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。

於二零一二年十二月三十一日，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。



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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.

The Group's notes receivable are bank acceptances 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 23 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, bank and other borrowings, convertible bonds, and the intercompany trade and loan balances which are denominated in US\$, HK\$ and SG\$. 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.

44. 金融風險管理目標及政策(續)

信貸風險(續)

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。

本集團應收票據由銀行承兌，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23。

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、港元及新加坡元計值之現金及現金等值物、銀行貸款及其他借貸及可換股債券，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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

44. 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).

44. 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、港元及新加坡元匯率之合理可能變動，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 匯率波動 %	(Increase)/ decrease in loss before tax 除稅前虧損 (增加)／減少 RMB'000 人民幣千元	(Increase)/ decrease in equity* 股權* (增加)／減少 RMB'000 人民幣千元
2012	二零一二年			
If RMB weakens against US\$	倘若人民幣兌美元減弱	5	84	40,134
If RMB strengthens against US\$	倘若人民幣兌美元加強	5	(84)	(40,134)
If RMB weakens against HK\$	倘若人民幣兌港元減弱	5	-	(34,272)
If RMB strengthens against HK\$	倘若人民幣兌港元加強	5	-	34,272
If RMB weakens against SG\$	倘若人民幣兌新加坡元 減弱	5	416	-
If RMB strengthens against SG\$	倘若人民幣兌新加坡元 加強	5	(416)	-
2011	二零一一年			
If RMB weakens against US\$	倘若人民幣兌美元減弱	5	117	24,530
If RMB strengthens against US\$	倘若人民幣兌美元加強	5	(117)	(24,530)
If RMB weakens against HK\$	倘若人民幣兌港元減弱	5	-	(53,613)
If RMB strengthens against HK\$	倘若人民幣兌港元加強	5	-	53,613
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)	-

* Excluding retained profits

* 不包括保留溢利



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of convertible bonds, bank loans and other borrowings. As at 31 December 2012, 76% (2011: 97%) 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:

Group

2012

44. 金融風險管理目標及政策(續)

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。

本集團之目的在於透過利用可換股債券、銀行貸款及其他借貸，維持資金不斷與靈活性之平衡。於二零一二年十二月三十一日，根據財務報表所反映之債項賬面價值，本集團76%債項(二零一一年：97%)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：

本集團

二零一二年

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Total
		即期	少於三個月	三至少於十二個月	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	可換股債券	-	3,951	11,853	283,156	298,960
Bank loans and other borrowings	銀行貸款及其他借貸	-	293,503	1,082,550	451,672	1,827,725
Trade and notes payables	應付賬款及應付票據	142,688	212,929	310,120	-	665,737
Financial liabilities included in other payables and accruals	包括於其他應付款項及應計負債中之金融負債	124,292	107,036	-	-	231,328
		266,980	617,419	1,404,523	734,828	3,023,750

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

44. 金融風險管理目標及政策(續)

Liquidity risk (continued)

流動資金風險(續)

Group (continued)

本集團(續)

2011

二零一一年

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Total
		即期	少於三個月	三至少於 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	可換股債券	-	-	1,461,955	-	1,461,955
Bank loans and other borrowings	銀行貸款及其他借貸	-	107,942	318,748	67,776	494,466
Trade and notes payables	應付賬款及應付票據	-	310,563	272,415	10,477	593,455
Financial liabilities included in other payables and accruals	包括於其他應付 款項及應計負債中 之金融負債	69,376	142,029	-	-	211,405
		69,376	560,534	2,053,118	78,253	2,761,281

Company

本公司

2012

二零一二年

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Total
		即期	少於三個月	三至少於 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	可換股債券	-	3,951	11,853	283,156	298,960
Interest-bearing bank and other borrowings	計息銀行貸款及 其他借貸	-	118,888	344,105	449,940	912,933
Trade and notes payables	應付賬款及應付票據	3,120	-	-	-	3,120
Financial liabilities included in other payables and accruals	包括於其他應付款項 及應計負債中 之金融負債	3,281	-	-	-	3,281
		6,401	122,839	355,958	733,096	1,218,294



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

44. 金融風險管理目標及政策(續)

Liquidity risk (continued)

流動資金風險(續)

Company (continued)

本公司(續)

2011

二零一一年

	On demand	Less than 3 months	3 to less than 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	–	–	1,461,955	–	1,461,955
Interest-bearing bank and other borrowings	–	47,142	141,429	–	188,571
Trade and notes payables	–	1,049	–	–	1,049
Financial liabilities included in other payables and accruals	5,488	–	–	–	5,488
	5,488	48,191	1,603,384	–	1,657,063

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.

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 2012 and 2011.

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。

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。截至二零一二年及二零一一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。

Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by capital and net debt. Net debt includes bank loans 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 2012 and 2011 were as follows:

44. 金融風險管理目標及政策(續)

資本管理(續)

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其他應付款項及應計負債減現金及現金等值物及已抵押定期存款。資本即母公司股權持有人應佔權益。於二零一二年及二零一一年十二月三十一日，資本負債比率如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Bank loans and other borrowings	銀行貸款及其他借貸	1,646,851	470,466
Trade and notes payables	應付賬款及應付票據	665,737	593,455
Other payables and accruals	其他應付款項及應計負債	496,565	427,141
Convertible bonds, the liability component	可換股債券之負債部分	144,056	1,164,420
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	(491,380)	(334,425)
Net debt	債項淨額	2,461,829	2,321,057
Equity attributable to owners of the parent	母公司股權持有人應佔權益	3,233,370	3,470,509
Capital and net debt	資本及債項淨額	5,695,199	5,791,566
Gearing ratio	資本負債比率	43%	40%



Notes to Financial Statements

財務報表附註

31 December 2012 二零一二年十二月三十一日

45. EVENTS AFTER THE REPORTING PERIOD

- (a) On 21 January 2013, the Group signed a framework agreement on the disposal of its 30% equity interest in S.E.A.M to Beijing Wincapital Management Co., Ltd. (the "Investor") at a total consideration approximating to US\$150 million (the "Framework Agreement").

Pursuant to the Framework Agreement, the Investor agreed to invest in S.E.A.M through a limited partnership to be established with the Investor being the general partner and China Fortune International Trust Co., Ltd. ("China Fortune Trust") being the limited partner. The consideration will be paid by the Investor to the Group in three tranches. The Group has undertaken to the Investor that the Investor's annualised return in S.E.A.M will not be lower than 10%. In the event that the total annualised return falls below 10%, the Investor will be compensated in cash.

On the same date, China Fortune Trust provided a secured financing in an amount of RMB200 million for a term of two years to the Group. According to the agreement, China Fortune Trust is entitled to a guaranteed return of 10% per annum.

Under the Framework Agreement, the first tranche investment will be paid by way of setting off the financing provided by China Fortune Trust or such other means as agreed between the parties to the Framework Agreement.

- (b) In January, February and March 2013, the 6% Coupon Convertible Bonds with an aggregate principal of HK\$136,750,000 (approximate to RMB110,728,000 aggregately) were converted to 235,755,830 ordinary shares of the Company at the conversion price of HK\$0.58.
- (c) Pursuant to a resolution passed in a board meeting on 28 March 2013, the presentation currency of the financial statements of the Company for the year ending 31 December 2013 will be changed into Hong Kong dollar.

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Directors on 28 March 2013.

45. 報告期後事項

- (a) 於二零一三年一月二十一日，本集團就向北京匯贏創業投資有限公司（「投資者」）出售其於南洋礦業30%權益簽訂框架協議，總代價約為150百萬美元（「框架協議」）。

根據框架協議，投資者同意透過投資者（作為普通合夥人）及華鑫國際信託有限公司（「華鑫信託」，作為有限合夥人）將予成立之有限合夥投資於南洋礦業。本集團將分三個批次向投資者支付代價。本集團承諾投資者，投資者於南洋礦業的年化收益率將不少於10%。倘年化收益率合計低於10%，投資者將獲現金補償。

同日，華鑫信託就一筆兩年期款項人民幣200百萬元向本集團提供一項有抵押融資。根據協議，華鑫信託可獲年息10%的保證回報。

根據框架協議，第一批投資將以抵銷華鑫信託提供的融資的方式或框架協議訂約方協定的其他方法支付。

- (b) 於二零一三年一月、二月及三月，本金總額為136,750,000港元（合共約人民幣110,728,000元）之6厘息可換股債券已按換股價0.58港元轉換為235,755,830股本公司普通股。
- (c) 根據二零一三年三月二十八日董事會會議上通過的一項議案，本公司截至二零一三年十二月三十一日止年度的財務報表的呈列貨幣將改為港元。

46. 批准財務報表

財務報表已於二零一三年三月二十八日獲董事會批准及授權刊發。



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