



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

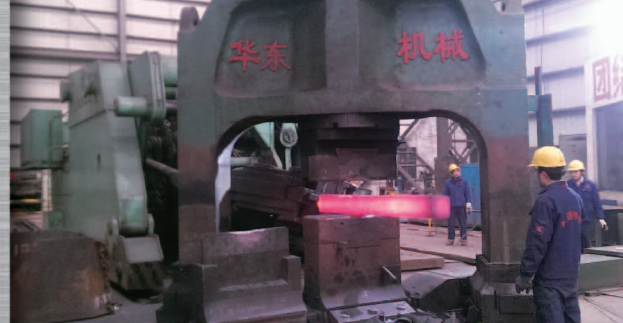
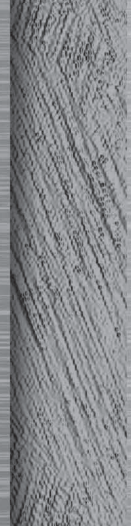
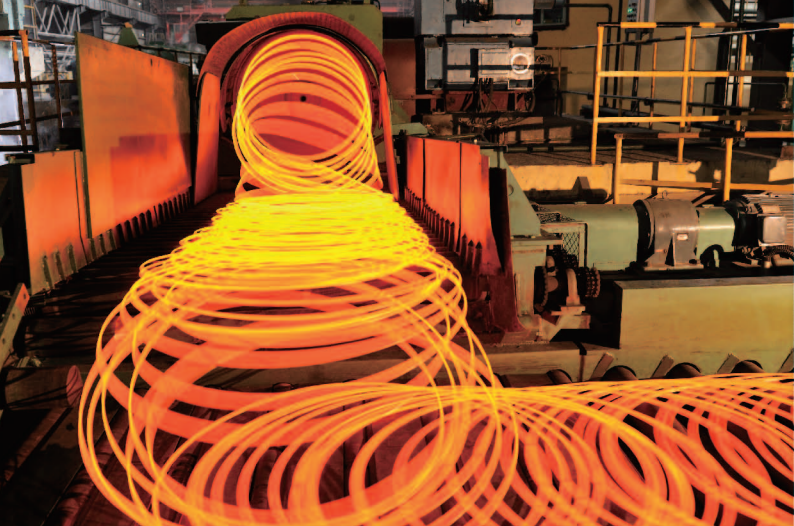


資源者有限  
責任無限

Annual  
Report  
年度報告

2013





## 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 (the "PRC"). 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 the PRC 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 the PRC. 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 exclusive offtake right on 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 the PRC and overseas and is seeking iron and nickel mine investment and partnership opportunities in Southeast Asia. Currently, the Group has subsidiaries and offices in the PRC, Hong Kong, Singapore, and Indonesia with a global workforce of over 1,200 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。公司於二零零五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生產商。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成功轉型為中國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鎢成份的高強度合金鋼產品。集團依托自身的礦產資源獨家採礦權和技術優勢進入礦產資源和礦石加工行業。透過與印尼一個礦場訂立的長期獨家採購協議,集團正在中國和海外積極擴展,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、新加坡及印尼均設有附屬公司及辦事處;全球員工超過1,200人。

龐大生產規模

市場地位顯赫

*Large Scale of Production Signifying  
our Illustrious Position in the Market*



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Dong Shutong (*Chairman and Chief Executive Officer*)

Ms. Ng See Wai Rowena (*Deputy Chief Executive Officer*)  
(Resigned on 1 January 2014)

Mr. Chiang Shyh-yi (*Deputy Chief Executive Officer*)  
(Resigned on 1 June 2014)

Mr. Dong Chengzhe (*Deputy Chief Executive Officer*)

Mr. Song Wenzhou

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 (Resigned on 26 April 2014)

Mr. Choi Kwok Keung Sanvic (Appointed on 3 June 2014)

### 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 (*主席兼總裁*)

吳思煒女士 (*副總裁*)

(於二零一四年一月一日辭任)

蔣士宜先生 (*副總裁*)

(於二零一四年六月一日辭任)

董鉞喆先生 (*副總裁*)

宋文州先生

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 (於二零一四年四月二十六日辭任)

蔡國強先生 (於二零一四年六月三日獲委任)

### 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

Room 3501, 35th Floor  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan  
Hong Kong

### 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

PricewaterhouseCoopers

### 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  
Shanghai Commercial Bank Ltd.  
Pudong Development Bank Co. Ltd.  
The Hongkong and Shanghai Banking Corporation Limited

#### The PRC:

China CITIC Bank Corporation Limited  
Pudong Development Bank Co. Ltd.  
China Guangfa Bank Co., Ltd.  
Bank of Jiangsu Co., Ltd.

#### Singapore:

Citibank Singapore Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Malayan Banking Berhad  
DBS Bank Limited  
China CITIC Bank International Limited

### WEBSITE

ir.cnrholdings.com

### STOCK CODE

02889

### 香港總辦事處

香港  
上環  
干諾道中 168-200 號  
信德中心  
招商局大廈  
35樓3501室

### 中國主要營業地點

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

### 核數師

羅兵咸永道會計師事務所

### 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  
上海商業銀行有限公司  
上海浦東發展銀行股份有限公司  
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  
廣發銀行股份有限公司  
江蘇銀行股份有限公司

#### 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  
星展銀行有限公司  
中信銀行(國際)有限公司

### 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 China Nickel Resources Holdings Company Limited (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

中國鎳資源控股有限公司(「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

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Revenue</b>	收益	<b>1,635,170</b>	1,810,036	3,114,804	1,774,127	1,007,415
Cost of sales	銷售成本	<b>(1,664,620)</b>	(1,656,057)	(2,718,530)	(1,578,579)	(1,230,037)
<b>Gross (loss)/profit</b>	(毛損)/毛利	<b>(29,450)</b>	153,979	396,274	195,548	(222,622)
Other gains/(loss), net	其他收益/(虧損) 淨額	<b>49,477</b>	(100,414)	180,356	84,187	107,933
Selling and distribution costs	銷售及分銷成本	<b>(5,196)</b>	(19,225)	(52,109)	(26,946)	(28,267)
Administrative expenses	行政開支	<b>(284,672)</b>	(243,040)	(155,727)	(169,146)	(152,064)
Finance income	融資收入	<b>17,735</b>	20,546	11,767	9,510	17,460
Finance costs	融資成本	<b>(280,927)</b>	(356,547)	(246,868)	(104,470)	(98,162)
Other expenses	其他開支	<b>(67,737)</b>	(10,981)	(18,639)	(31,982)	(119,872)
Gain on disposal of a subsidiary	出售一間附屬公司之盈利	-	675,291	-	-	-
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	<b>(726,185)</b>	(151,883)	-	(4,937)	(2,951)
Share of (loss)/profit of an associate	應佔一間聯營公司(虧損)/溢利	<b>(13,508)</b>	851	4,230	21,613	-
<b>(Loss)/profit before tax</b>	除稅前(虧損)/溢利	<b>(1,340,463)</b>	(31,423)	119,284	(26,623)	(498,545)
Income tax (expense)/credit	所得稅(開支)/貸項	<b>(25,043)</b>	(248,293)	(38,181)	29,584	123,421
<b>(Loss)/profit for the year</b>	年度(虧損)/溢利	<b>(1,365,506)</b>	(279,716)	81,103	2,961	(375,124)
Attributable to:	屬於：					
Owners of the parent	母公司擁有人	<b>(1,366,411)</b>	(278,301)	79,856	1,695	(376,925)
Non-controlling interests	非控股權益	<b>905</b>	(1,415)	1,247	1,266	1,801
		<b>(1,365,506)</b>	(279,716)	81,103	2,961	(375,124)
<b>Dividends</b>	股息	-	23,043	-	4,588	-

# 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

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Total assets	總資產	<b>6,316,918</b>	7,824,022	8,151,068	8,276,075	7,608,257
Total liabilities	總負債	<b>3,498,941</b>	3,819,426	3,721,760	3,761,591	3,210,296
Non-controlling interests	非控股權益	<b>9,450</b>	18,905	150,004	141,699	137,682
Net assets	淨資產	<b>2,817,977</b>	4,004,596	4,429,308	4,514,483	4,397,961

Note:

The consolidated results of the Group for the years ended 31 December 2009, 2010, 2011 and 2012 are extracted from the Annual Report 2009, 2010, 2011 and 2012 of the Company respectively (as restated from RMB to HK\$) while those for the year ended 31 December 2013 were prepared based on the consolidated income statement and consolidated statement of financial position as set out on page 67 and pages 69 to 71. This summary does not form part of the audited financial statements.

附註：

本集團於截至二零零九年、二零一零年、二零一一年及二零一二年十二月三十一日止年度之綜合業績乃分別摘錄自本公司二零零九年、二零一零年、二零一一年及二零一二年年度報告（並由人民幣重列為港幣），而截至二零一三年十二月三十一日止年度之綜合業績乃基於第67頁及第69頁至第71頁之綜合收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，專注於研發嶄新環保的技術和產品，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



- Best Managed Company in Asia (Metals & Mining) 2013 from Euromoney
- 《Euromoney》二零一三年「亞洲最佳管理公司(金屬及礦產行業)」
- Singapore 1000 Company 2012 from DP Information Group
- DP 資訊集團「新加坡 1000 強 · 2012」
- The Asset Triple A Awards — The China's Most Promising Companies in Mining 2011 from the Asset
- 《財資》二零一一年度「最具潛力中國礦產企業」

## 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 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.

Although the Lianyungang plant is ready for commercial production, it would not be profitable in the short term due to depression in nickel price. Therefore, management has decided to postpone the production plan to a later period when the nickel price rebound. Due to suspension of production together with the Export Ban (as defined in the announcement of the Company dated 10 January 2014), the expected recoverable amount of the plant decreased from last year. As a result, the directors of the Company (the “Directors” or the “Board”) made a provision for impairment of the property, plant and equipment of the plant amounted to HK\$530.4 million in 2013.

### 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。

儘管連雲港廠房已預備好投產，但由於鎳價偏軟，短期內將無利可圖。因此，管理層決定將生產計劃押後，直至鎳價反彈。由於生產暫停連同出口禁令（定義見於本公司日期為二零一四年一月十日之公告），廠房的預期可收回價值較去年減少，故本公司董事（「董事」）或（「董事會」）於二零一三年為廠房的物業、廠房及設備作出減值撥備530.4百萬港元。

# 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 in overseas. PT. Mandan Steel is also recognised 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. The PT. Batulicin Steel, our subsidiary incorporated in Indonesia 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. 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.

Due to the Export Ban together with the delay in disposal of 30% equity interest of S.E.A. Mineral Limited (“SEAM”), a wholly owned subsidiary of the Company, the Group is seeking other financing sources to facilitate the development of the project. The Directors expect that the Stage 1 of the project can be completed within 18 months after the funding from other financing sources is available.

### 海外

本公司在印尼註冊成立的全資附屬公司PT. Mandan Steel 為本集團未來的海外加工及生產線。PT. Mandan Steel 亦獲認定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。本公司在印尼註冊成立的附屬公司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。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」)設備的整體重新安置。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。

由於出口禁令及本公司全資附屬公司南洋礦業有限公司(「南洋礦業」)的30%權益出售延期，本集團現正尋求其他融資來源以協助項目發展。董事預期項目的第一階段可於取得來自其他融資來源的資金後18個月內完成。

# Chairman's Statement

## 主席報告書

精益求精 自強不息  
*Striving For Better Achievement*

董書通  
Dong Shutong

主席兼總裁  
Chairman & CEO

# Chairman's Statement

## 主席報告書

Dear Shareholders,

I hereby present the Annual Report of the Company for the year ended 31 December 2013 and extend my gratitude to all the shareholders on behalf of the Board of China Nickel Resources Holdings Company Limited.

### REVIEW

2013 is a year full of challenges for both the market and the Group. The overall global macro-economic environment improved, with slow recovery in the world major economies represented by the United States and the Europe. The PRC economy continued to slow down, with the gross domestic product ("GDP") growth rate falling to 7.7% which nevertheless showed a trend of stabilisation.

During the year, the commodity price of iron ore also experienced significant fluctuations. The ore trading business continued to make significant contribution to the Group's profitability and cash flows. Both revenue and sales volume reached record high in 2013. However, the Export Ban which was implemented in early 2014 by the relevant governmental authorities of Indonesia has casted significant doubt on the Group's financial performance and cash flows in 2014.

Besides, there was also a sign of slowdown of the PRC's economy that the demand for the iron and steel in the PRC in 2013 was sluggish. The steel-making business continued to be hindered by over-supply issue and the structural reform of the PRC's economy. Prices of steel products also dropped significantly as a result of the steel manufacturers cut their inventory level. Zhengzhou Yongtong Special Steel Company Limited ("Yongtong Special Steel"), a wholly owned subsidiary of the Group, took the opportunity of weak market demand to re-adjust its product mix and upgrade its production facilities in 2013. This led to low production and sales volume in 2013.

The above unfavourable factors brought substantial negative impacts to the Group's operational and financial performance in the coming year. During the year ended 31 December 2013, the Group's turnover dropped when compared with last year and the Group recorded a substantial loss mainly due to the significant provision for impairment losses of property, plant and equipment and prepaid land lease payments of HK\$746.9 million.

列位股東：

本人謹此提呈本公司截至二零一三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

二零一三年對於市場和本集團而言均是充滿挑戰的一年。全球宏觀經濟有所改善，以美、歐為代表的主要經濟體緩慢恢復。中國經濟增長回落，國內生產總值（「GDP」）增長率下降至7.7%，但有穩定的趨勢。

年內，鐵礦石的商品價格錄得巨大的波動。礦石貿易繼續為集團的利潤和現金流提供顯著貢獻，二零一三年的收入及銷量皆創出歷史最好成績。然而，印尼有關政府部門於二零一四年初實施的出口禁令為集團在二零一四年的財務表現和現金流帶來重大的不確定因素。

此外，二零一三年中國經濟放緩導致對鋼鐵產品的需求繼續疲弱。鋼鐵行業繼續受產能過剩和中國經濟結構調整的雙重影響。鋼鐵產品價格大幅下跌，生產廠商消減庫存。年內，集團的全資子公司鄭州永通特鋼有限公司（「鄭州永通」）借市場不振的時機調整產品結構、升級生產設施，二零一三年的產銷量也因此有所下調。

上述不利因素對集團未來一年時間內的運營和財務表現均造成重大不利影響。截至二零一三年十二月三十一日止年度，集團的銷售額比去年下降，並錄得了重大虧損，其中主因是物業、廠房及設備及預付土地租賃款項的746.9百萬港元撥備。

# Chairman's Statement

## 主席報告書

Although the financial results of the Group recorded unexpectedly substantial loss due to the above-mentioned reasons, the Group still completed a re-adjustment of product mix and upgrade of production facilities to focus on the production of high-end alloy, bearing steel and high strength stainless structural steel products catering for household, electricity, communications, photovoltaic and animal husbandry uses etc., which will generate higher margin with lesser impact affected by macro economy. The Group has achieved multiple patents relating with the new products, and also made certain progress in market expansion by obtaining new bulk orders placed by Taiwan market.

### PROSPECTS

We expect the economy of the PRC will continue its healthy growth trend under a novel general thinking of the new leadership and the demand and profitability of our steel products will rebound in future.

In a longer term, we expect the PRC 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 2013, Yongtong Special Steel, a wholly owned subsidiary of the Group, completed the production facilities upgrade and the product transformation to achieve an annual production capacity of 500,000 tonnes high quality special steel products. In the short and medium term, the Group has made certain progress in new project financing and will strive to complete the overseas steel mill projects as planned.

We believe that after the technology industrialisation and modernisation of steel products, the Group will have a stronger competitive advantage in the industry.

I have confident to achieve our restated performance targets through the cooperation with all staff to bring fruitful returns to our shareholders.

**Dong Shutong**  
Chairman & CEO

Hong Kong, 7 October 2014

儘管因上述原因導致未預期之重大虧損，集團仍完成了產品組合的調整以及生產裝備的升級，未來將重點生產高檔合金鋼、軸承鋼以及適合家居、電力、通訊、光伏以及畜牧業用途的高強度不銹結構鋼產品，並已經就新產品獲得多項專利。此類產品利潤更高，受宏觀經濟的影響也較少。集團在市場擴張方面也取得一定進展，已經開始從臺灣市場獲得批量新訂單。

### 未來展望

我們預計中國經濟將在新領導層的新常態思維管理下持續健康增長，對於集團鋼鐵產品的需求也將反彈。

長遠而言，我們亦預計中國將繼續現代化及城鎮化。公共設施和裝備製造業會穩定增長，進而帶動對高品質鋼鐵產品的需求。這將為集團帶來大量的商業機會。

二零一三年內，集團的全資子公司永通特鋼完成生產設施的升級，產品轉型為年產50萬噸高品質特鋼。中短期內，集團已經在新項目融資方面取得相當進展，並將努力按計劃完成海外的鋼鐵廠項目。

我們堅信在技術產業化和現代化完成後，集團將在行業內取得更有利的競爭優勢。

本人有信心與眾員工一起達成業績目標，為股東創造豐厚的回報。

**主席兼總裁**  
**董書通**

香港，二零一四年十月七日

# Management Discussion and Analysis

## 管理層討論與分析



降低生產成本

未來發展重點

*Maintain & Focus On  
Cost Controls In The Coming Years.*

# Management Discussion and Analysis

## 管理層討論與分析

### FINANCIAL HIGHLIGHTS

### 財務摘要

For the year ended  
31 December  
截至十二月三十一日止年度  
2013 2012  
二零一三年 二零一二年  
HK\$'000 HK\$'000  
千港元 千港元

Revenue	收益	1,635,170	1,810,036
Gross (Loss)/Profit	毛(損)/利	(29,450)	153,979
(Loss)/Earnings before Interest, Tax, Depreciation and Amortisation <sup>#</sup>	除利息、稅項、折舊及攤銷前之(虧損)/盈利 <sup>#</sup>	(80,049)	(12,323)
Loss before Tax	除稅前虧損	(1,340,463)	(31,423)
Loss Attributable to Equity Holders of the Company	本公司股權持有人應佔虧損	(1,366,411)	(278,301)
Gross (Loss)/Profit Margin	毛(損)/利率	-1.8%	8.5%
EBITDA Margin	EBITDA 率	-4.9%	-0.7%

<sup>#</sup> (Loss)/Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") also excluded impairment losses of property, plant and equipment and prepaid land lease payments of HK\$746.9 million (2012: HK\$151.9 million) and a gain on disposal of Luoyang Yongan Special Steel Co., Ltd, a former subsidiary of the Group in the PRC, of HK\$675.3 million for the year ended 31 December 2012.

<sup>#</sup> 除利息、稅項、折舊及攤銷前(虧損)/盈利(「EBITDA」)亦不包括物業、廠房及設備以及預付土地租賃付款的減值虧損 746.9 百萬港元(二零一二年: 151.9 百萬港元)以及截至二零一二年十二月三十一日止年度出售本集團於中國的前附屬公司洛陽永安特鋼有限公司獲得之盈利 675.3 百萬港元。





# Management Discussion and Analysis

## 管理層討論與分析

### OPERATING ENVIRONMENT ANALYSIS

In 2013, the PRC's steel market continued to be negatively affected by over-supply and the structural reform of the PRC's economy. As a result, price and demand of steel products remained low which narrowed the profit margins for most steel products.

The weak demand for steel products in the PRC created immense pressure on the commodity prices of iron ores. Overall, the iron ores market was more stable in 2013 and the Group sold approximately 3.5 million dry tonnes of iron ores, representing an increase of 1.1 million dry tonnes when compared with 2012.

We remain pessimistic about the steel market in the PRC in the short term due to the continuation of over-supply and the structural reform of the PRC's economy. We expect the prices of steel products and iron ores will not have significant rebound in the near future. However, in the long term, we expect the global economy will gradually recover and the economy of the PRC will maintain its healthy growth trend under the new leadership. Going forward, domestic market in the PRC will become quality-oriented, which will impose higher requirements on products in terms of environmental-friendliness, safety and durability, sustainability and recycling. We expect that quantitative demand for high quality steel products will increase significantly in the long run, and product development will incline to the high-end market.

To capture these business opportunities, the Group has shifted to the production of high quality iron and steel products through the application of more environmental-friendly production method. Moreover, the Group had completed a re-adjustment of product mix and upgrade of production facilities in 2013 to focus on the production of steel products catering for household, photovoltaic and animal husbandry uses etc. The Directors believe that the re-adjustment of product mix and upgrade of production facilities will help the Group to capture the increasing demand in high-end steel products. The Directors believe that the demand of our special steel, alloy steel and stainless steel products will increase in the future.

However, as the current operating environment as a whole remains weak, the Directors have reviewed the recoverable amounts of the property, plant and equipment and prepaid land lease payments in the Group's plants in Zhengzhou and made a provision for impairment of HK\$211.4 million.

### 經營環境分析

於二零一三年，中國鋼鐵市場繼續受供應過剩問題及中國經濟結構性改革不利影響。因此，鋼鐵產品價格及需求維持處於低水平，導致大部分鋼鐵產品溢利率偏低。

中國鋼鐵產品需求疲弱對鐵礦石的商品價格造成沉重壓力。整體而言，於二零一三年鐵礦石市場較為穩定，而本集團售出約3.5百萬乾公噸鐵礦石，比二零一二年增加了1.1百萬乾公噸。

我們仍對中國鋼鐵市場於短期內並不樂觀，原因為供應過剩問題持續以及中國經濟結構性改革。我們預期鋼鐵產品及鐵礦石的價格短期不會有重大反彈。然而，長期而言，我們預期全球經濟將逐漸復甦，中國經濟亦會在新領導下會維持其健康增長趨勢。未來，中國國內市場將更著重質量，而要求產品更環保、更安全及耐用、可持續及可回收。我們預期長遠內高質素鋼製品的需求量將會大幅增長，產品的發展將趨向高端市場。

為抓住此等商機，本集團已逐步轉向生產高質素鋼鐵製品，並採用更環保的生產方法。此外，本集團已於二零一三年完成產品組合重新調整及生產設施升級，以集中生產家居、光伏及畜牧業等用途的鋼鐵產品。董事相信產品組合重新調整及生產設施升級有助本集團抓住正在上升的高端鋼鐵產品需求。董事相信本集團的特鋼、合金鋼及不銹鋼製品的需求在未來均會有所增加。

然而，由於現時整體的經營環境依舊嚴峻，董事已審閱本集團鄭州廠房之物業、廠房及設備及預付土地租賃款項之可收回金額，並作出減值撥備211.4百萬港元。

# Management Discussion and Analysis

## 管理層討論與分析

### BUSINESS REVIEW

#### Project Progress In the PRC

East Harvest Mining, a wholly owned subsidiary of the Company, has constructed a production plant to produce nickel fine powder. The first production line of the production plant had started trial production in the second half year of 2012. The nickel fine powder 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 plant 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.

Although the Lianyungang plant is ready for commercial production, it would not be profitable in the short term due to depression in nickel price. Therefore, management has decided to suspend the production plan to a later period when the nickel price rebound. Due to suspension of production together with the Export Ban, the expected recoverable amount of the plant decreased from last year. As a result, the Directors made a provision for impairment of the property, plant and equipment of the plant amounted to HK\$530.4 million in 2013.

#### 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 recognised as a key iron and steel mill construction project of Indonesia with strong support from Indonesia central government, and offers manufacturing capability that is valuable considering the new mining regulations in Indonesia. The steel mill project 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. The Stage 1 development is facilitated and based on the overall relocation of the equipment from 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. Due to the Export Ban together with the delay in disposal of 30% equity interest of SEAM, a wholly owned subsidiary of the Company, the Group is seeking other financing sources to facilitate the development of the project. The Directors expect that the Stage 1 of the project can be completed within 18 months after the funding from other financing sources is available.

### 業務回顧

#### 項目進展 在中國

本公司全資附屬公司東茂礦業已興建生產廠房，以生產鎳精粉。該生產廠房的首條生產線已於二零一二年下半年投入試產。鎳精粉既可作完成品直接出售，亦可於高爐加工成鎳鐵合金液，成為生產不銹鋼的上乘原材料。連雲港廠房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過程。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。

儘管連雲港廠房已預備好投產，但由於鎳價偏軟，短期內將無利可圖。因此，管理層決定將生產計劃押後，直至鎳價反彈。由於生產暫停連同出口禁令，廠房的預期可收回價值較去年減少，故董事於二零一三年為廠房的物業、廠房及設備作出減值撥備530.4百萬港元。

#### 在印尼

本公司在印尼註冊成立的全資附屬公司PT. Mandan Steel為本集團未來的海外加工及生產線。PT. Mandan Steel亦獲認定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。鋼鐵廠項目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。第一階段發展會得助及建基於本公司前全資附屬公司永安特鋼設備的整體重新安置。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。由於出口禁令及本公司全資附屬公司南洋礦業有限公司的30%權益出售延期，本集團現正尋求其他融資來源以協助項目發展。董事預期項目的第一階段可於取得來自其他融資來源的資金後18個月內完成。

# Management Discussion and Analysis

## 管理層討論與分析

### Business Development

#### Ore trading business

The Group purchases ores from Indonesia through an exclusive offtake agreement at fixed price for self-use or for sale, and has started selling ores to third parties since the end of 2009. The ore trading business had a remarkable contribution to our profitability and cash flows in the past few years due to strong demand from the PRC customers. In 2013, the Group's ore trading business continued to make a significant contribution to our profitability and cash flows. In 2013, approximately 91% of the turnover of the Group was derived from the ore trading business.

However, pursuant to the relevant regulations promulgated in Indonesia, unprocessed ore export by mining business licence holders in Indonesia ("IUP Holders") was banned from 12 January 2014 onwards unless the IUP Holders have carried out processing and refining domestically according to Government Regulation No. 23 of 2010 regarding implementation of activities of business of minerals and coal mining and have conducted refining and smelting in accordance with Law No. 4 of 2009 regarding minerals and coal mining ("Export Ban"). Due to the Export Ban, the ore trading business of the Group has been interrupted and it is anticipated that this will have a continuous significant negative impact on the financial and operating results of the Group.

It is possible that the relevant mining regulations in Indonesia may be amended but there is no guarantee that the Export Ban will be uplifted in near future. While the Group will continue to identify and develop ore supplies from other sources for trading and self-manufacturing purposes, we expect that the revenue from our ore trading business in 2014 will be significantly lower than that in 2013 if the Export Ban is not uplifted in the near future.

#### Steel-making operations

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 continued to be low during the year as a result of weak demand and intense competition in the PRC. In addition, the production plant of our Yongtong Special Steel took the opportunity of weak market demand to re-adjust its product mix and upgrade its production facilities during March to November 2013. This also led to low production and sales volume in 2013. Since early of May 2014, the Group's steel-making operations has resumed its production gradually.

While we expect the keen competition in the PRC's steel market will continue in 2014, 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.

### 業務發展

#### 礦石貿易業務

本集團透過獨家採購權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。因為中國客戶的需求強勁，礦石貿易業務於過往數年對我們的盈利能力及現金流有可觀貢獻。於二零一三年，本集團的礦石貿易業務持續為本集團貢獻重大溢利及現金流量。於二零一三年，本集團約91%營業額源於礦石貿易業務。

然而，根據印尼頒佈的相關規例，印尼採礦業務許可證持有人（「許可證持有人」）的未經處理礦石出口於二零一四年一月十二日起被禁止。除非許可證持有人已按二零一零年政府規例第23號（有關開採礦物及煤業務活動實施）在當地進行處理及提煉，並且已按有關二零零九年法例第4號（有關開採礦物及煤）進行提煉及冶煉（「出口禁令」）。由於出口禁令，本集團的礦石貿易業務受阻。我們預期有關禁令將持續對本集團之財務及經營業績帶來重大負面影響。

印尼的相關採礦規例可能會有所修訂，但不保證出口禁令將於未來取消。在本集團繼續尋找及發展其他來源之礦石供應以作貿易及自行生產的同時，我們預期，如出口禁令在短期內不予取消，來自本集團礦石貿易業務於二零一四年的收益將較二零一三年大幅減少。

#### 造鋼業務

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續處低位，原因是中國需求疲弱且競爭激烈。此外，由於市場需求疲弱，本集團永通特鋼的生產廠房趁機於二零一三年三月至十一月期間重新調整其產品組合及將其生產設施升級，亦令二零一三年的產量及銷量偏低。自二零一四年五月初開始，本集團之造鋼業務已逐步恢復生產。

儘管我們預期中國鋼鐵市場競爭激烈的情況於二零一四年仍會持續，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。

# Management Discussion and Analysis

## 管理層討論與分析

### Financing Arrangement

As at 31 December 2013, the Group had net current liabilities of approximately HK\$1,243.2 million. The Group has been actively negotiating with PRC and overseas banks and institutional investors for new borrowings and renewal of existing borrowings when they fall due. During the year, the Group had successfully obtained bank and other borrowings of HK\$1,598.6 million to finance our operation and for repayment of our borrowings when they fall due. Based on management's past experience, the Group did not encounter significant difficulties in renewing the borrowings.

In addition, based on the framework agreement with a potential investor for the disposal of 30% equity interest of SEAM, a wholly-owned subsidiary of the Group, the aggregate consideration will be approximately RMB900 million. The transaction is still in progress due to the rapid change in operating and regulatory environment of our subsidiary, and the potential investor needs more time for conducting due diligence work. The Directors expect that the transaction will be completed by the end of 2014 and believe that the above financing arrangements can improve the liquidity and financial position of the Group.

### FINANCIAL REVIEW

#### 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:

#### Turnover

		For the year ended 31 December 截至十二月三十一日止年度			
		2013 二零一三年		2012 二零一二年	
		HK\$'000 千港元	%	HK\$'000 千港元	%
<b>Mineral Resources:</b>	<b>礦物資源：</b>				
Limonitic ores	褐鐵礦	1,493,930	91%	1,127,900	62%
<b>Iron and Steel Products:</b>	<b>鋼鐵製品：</b>				
Stainless steel base materials	不銹鋼基料	19,446	1%	379,096	21%
Ferro-nickel alloy steel ingot and others	鎳鐵合金鋼錠及其他	42,277	3%	162,716	9%
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	79,517	5%	140,324	8%
<b>Total</b>	<b>總計</b>	<b>1,635,170</b>	<b>100%</b>	<b>1,810,036</b>	<b>100%</b>

### 融資安排

截至二零一三年十二月三十一日，本集團之流動負債淨額為約1,243.2百萬港元。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1,598.6百萬港元之銀行貸款及其他借貸，以撥付本集團的經營資金及債務償還。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。

此外，按照本集團與準投資者訂立框架協議，據此將以代價總額約人民幣900百萬元出售本集團全資附屬公司南洋礦業30%權益。基於我們附屬公司的經營環境及監管環境急變，該交易仍在進行中，而準投資者需要更多時間進行盡職審查。董事預期交易將於二零一四年年底完成，並相信上述融資安排可改善本集團之流動資金及財務狀況。

### 財務回顧

#### 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：

#### 營業額

# Management Discussion and Analysis

## 管理層討論與分析

### Sales volume

### 銷量

For the year ended 31 December  
截至十二月三十一日止年度

2013

2012

二零一三年

二零一二年

(tonnes)  
(公噸)

%  
%

(tonnes)  
(公噸)

%  
%

<b>Mineral Resources:</b>	<b>礦物資源：</b>				
Limonitic ores	褐鐵礦	<b>3,532,417</b>	<b>100%</b>	2,443,447	96%
<b>Iron and Steel Products:</b>	<b>鋼鐵製品：</b>				
Stainless steel base materials	不銹鋼基料	<b>3,808</b>	<b>0%</b>	46,328	2%
Ferro-nickel alloy steel ingot and others	鎳鐵合金鋼錠及其他	<b>10,371</b>	<b>0%</b>	29,296	1%
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	<b>8,281</b>	<b>0%</b>	13,469	1%
<b>Total</b>	<b>總計</b>	<b>3,554,877</b>	<b>100%</b>	2,532,540	100%

The Group's turnover in 2013 decreased by HK\$174.8 million, or 9.7%, to approximately HK\$1,635.2 million (2012: HK\$1,810.0 million). The decrease was primarily due to the decrease in sales of stainless steel base materials, ferro-nickel alloy steel ingot and Ni-Cr alloy steel ingot.

本集團於二零一三年之營業額減少174.8百萬港元或9.7%至約1,635.2百萬港元(二零一二年：1,810.0百萬港元)，主要是由於不銹鋼基料、鎳鐵合金鋼錠與鎳鉻合金鋼錠的銷售減少。

During the year, the Group's ore trading business continued to be the key profit and cash flows contributor of the Group. In 2013, the Group sold 3,532,417 dry tonnes of ores (2012: 2,443,447 dry tonnes) and achieved a turnover of HK\$1,493.9 million (2012: HK\$1,127.9 million).

年內，本集團的礦石貿易業務繼續為本集團貢獻主要溢利及現金流量。於二零一三年，本集團售出3,532,417乾公噸鐵礦石(二零一二年：2,443,447乾公噸)，並錄得1,493.9百萬港元之營業額(二零一二年：1,127.9百萬港元)。

Pursuant to the Export Ban in Indonesia, unprocessed iron ore export from PT. Yiwon Mining ("Yiwon") to our Group has been suspended from 12 January 2014 onwards. The ore trading business of the Group has been interrupted and it is anticipated that this will have a significant negative impact on the financial and operating results of the Group in 2014 and after. It is possible that the relevant mining regulations in Indonesia may be amended but there is no guarantee that the Export Ban will be uplifted in future.

根據印尼的出口禁令，由PT. Yiwon Mining (「Yiwon」)對本集團的未經處理鐵礦石出口已由二零一四年一月十二日起暫停。本集團的礦石貿易業務受阻。我們預期有關禁令將對本集團於二零一四年及往後之財務及經營業績帶來重大負面影響。印尼的相關採礦規例可能會有所修訂，但不保證出口禁令將於未來取消。

In addition, as a result of the weak demand and intense market competition in the PRC, both the sales volume and profit margins of our steel products remained low during the year.

此外，由於需求疲弱及中國市場競爭激烈，本集團於年內鋼鐵產品的銷量及溢利率均處於低水平。

The Group's sales volume of stainless steel base materials and Ni-Cr alloy steel ingot in 2013 decreased by approximately 42,520 tonnes and 5,188 tonnes, or 91.8% and 38.5%, to approximately 3,808 tonnes and 8,281 tonnes respectively (2012: 46,328 tonnes and 13,469 tonnes). The Group's sales volume of limonitic ores in 2013 increased by approximately 1.1 million dry tonnes, or 44.6% to approximately 3.5 million dry tonnes (2012: 2.4 million dry tonnes). During the year ended 31 December 2013, the Group's average selling price per tonne for stainless steel base materials and Ni-Cr alloy steel ingot were HK\$5,107 (2012: HK\$8,183) and HK\$9,602 (2012: HK\$10,418) respectively while the average unit selling price per dry tonne for limonitic ores was HK\$423 (2012: HK\$462).

本集團的不銹鋼基料與鎳鉻合金鋼錠銷量於二零一三年分別約為3,808公噸及8,281公噸(二零一二年：46,328公噸及13,469公噸)，分別較二零一二年下跌約42,520公噸及5,188公噸或91.8%及38.5%。本集團的褐鐵礦銷量於二零一三年約為3.5百萬乾公噸(二零一二年：2.4百萬乾公噸)，增加約1.1百萬乾公噸或44.6%。截至二零一三年十二月三十一日止年度內，本集團的不銹鋼基料與鎳鉻合金鋼錠平均售價分別為每乾公噸5,107港元(二零一二年：8,183港元)及9,602港元(二零一二年：10,418港元)，而褐鐵礦的平均單位售價為每乾公噸423港元(二零一二年：462港元)。

# Management Discussion and Analysis

## 管理層討論與分析

### Cost of sales

The cost of sales in 2013 increased by HK\$8.5 million, or 0.5%, to approximately HK\$1,664.6 million (2012: HK\$1,656.1 million). The increase in cost of sales was mainly due to impairment losses of inventories of HK\$88.8 million (2012: HK\$19.1 million) recognised in 2013 and partially offsetted by decrease in sales volume.

The unit costs of sales for stainless steel base materials and Ni-Cr alloy steel ingot were HK\$6,684 and HK\$12,138 per tonne respectively (2012: HK\$9,059 and HK\$12,345 per tonne respectively). The unit cost of limonitic ores in 2013 increased by HK\$36 per dry tonne, or 10.0%, to HK\$397 per dry tonne (2012: HK\$361 per dry tonne).

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

### 銷售成本

於二零一三年，銷售成本增加8.5百萬港元或0.5%至約1,664.6百萬港元(二零一二年：1,656.1百萬港元)。銷售成本增加主要由於二零一三年確認了存貨減值虧損88.8百萬港元(二零一二年：19.1百萬港元)，部分為銷量減少所抵銷。

於二零一三年，不銹鋼基料及鎳鉻合金鋼錠的單位銷售成本分別為每噸6,684港元及12,138港元(二零一二年：分別為每噸9,059港元及12,345港元)。於二零一三年，褐鐵礦的單位成本每乾公噸增加36港元或10.0%至每乾公噸397港元(二零一二年：每乾公噸361港元)。

下表為本公司於年內之銷售成本明細：

		For the year ended 31 December 截至十二月三十一日止年度			
		2013 二零一三年		2012 二零一二年	
		HK\$'000 千港元	% %	HK\$'000 千港元	% %
Raw materials	原材料	1,333,415	80%	1,217,795	74%
Fuel and Freight	燃料及運費	163,230	10%	189,862	11%
Utilities	水電費	21,223	1%	69,250	4%
Depreciation	折舊	41,865	3%	99,853	6%
Staff costs	員工成本	10,060	1%	42,502	3%
Impairment losses of inventories	存貨減值虧損	88,765	5%	19,077	1%
Others	其他	6,062	0%	17,718	1%
Total	總計	1,664,620	100%	1,656,057	100%

### Gross (loss)/profit

The unit gross losses for stainless steel base materials and Ni-Cr alloy steel ingot in 2013 were HK\$1,578 and HK\$2,536 per tonne respectively (2012: unit gross loss of HK\$877 and HK\$1,927 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 the PRC. The unit gross profit for limonitic ores in 2013 was HK\$26 per dry tonne (2012: HK\$101 per dry tonne). Decrease in the unit gross profit for limonitic ores in 2013 was primarily due to decrease in selling price and increase in average unit cost. As a result of the above factors, the Group's gross profit (excluding impairment losses of inventories) decreased from HK\$173.1 million in 2012 to HK\$59.3 million in 2013. Furthermore, impairment losses of inventories of HK\$88.8 million (2012: HK\$19.1 million) was recognised for the year.

### (毛損)/毛利

二零一三年之不銹鋼基料及鎳鉻合金鋼錠單位毛損分別為每噸1,578港元及2,536港元(二零一二年：分別為單位毛損每噸877港元及1,927港元)。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。二零一三年之褐鐵礦單位毛利為每乾公噸26港元(二零一二年：每乾公噸101港元)。於二零一三年褐鐵礦之單位毛利減少乃主要由於售價下降及平均單位成本增加。基於以上因素，本集團之毛利(去除存貨減值虧損)由二零一二年之173.1百萬港元減至二零一三年之59.3百萬港元。而存貨減值虧損共88.8百萬港元(二零一二年：19.1百萬港元)於年內確認。

# Management Discussion and Analysis

## 管理層討論與分析

### Other gains/(losses), net

Other gains in 2013 was HK\$49.5 million (2012: losses of HK\$100.4 million). The difference was mainly due to gain of HK\$46.7 million (2012: loss of HK\$21.7 million) in fair value of derivative financial instruments. On the other hand, there was a loss of HK\$77.8 million on cancellation of warrants in 2012 but not in 2013.

### Selling and distribution expenses

Selling and distribution expenses in 2013 decreased by HK\$14.0 million to HK\$5.2 million (2012: HK\$19.2 million), representing 0.3% of turnover (2012: 1.1%). Decrease in selling and distribution expenses was mainly due to the reduction in sale of iron and steel products.

### Administrative expenses

Administrative expenses in 2013 increased by HK\$41.7 million, or 17.1%, to HK\$284.7 million (2012: HK\$243.0 million), representing 17.4% of turnover (2012: 13.4%). The increase in administrative expenses was mainly due to the increase in non-production depreciation charges upon re-adjustment the product mix and upgrade the production facilities during the year.

### Finance costs, net

Net finance costs in 2013 decreased by HK\$72.8 million, or 21.7% to HK\$263.2 million (2012: HK\$336.0 million). Decrease in net finance costs charged to the consolidated income statement in 2013 was mainly due to conversion of convertible bonds at nominal value of HK\$143.3 million into the Company's 247.0 million new shares and the repayment of the principal amount of senior bonds of HK\$488.7 million during the year.

### Other expenses

Other expenses in 2013 increased by HK\$56.7 million, or 516.9%, to HK\$67.7 million (2012: HK\$11.0 million). The increase in other expenses is mainly due to the provision of impairment for (i) prepaid land lease payments of HK\$20.7 million (2012: Nil); (ii) prepayments and other receivables of HK\$11.6 million (2012: Nil); and (iii) trade receivables of HK\$16.3 million (2012: reversal of provision of impairment of HK\$1.3 million) in 2013.

### Impairment losses on property, plant and equipment

During the year, the Group recorded an impairment loss on its property, plant and equipment totalling HK\$726.2 million (2012: HK\$151.9 million). Details of the background of the impairment was discussed above.

### Loss before income tax

As a result of the factors discussed above, the loss before tax for the year ended 31 December 2013 was HK\$1,340.5 million (2012: HK\$31.4 million). The Group's loss before tax margin was 82.0% (2012: 1.7%). The loss before interest, tax, depreciation and amortisation (EBITDA) margin was -4.9% (2012: -0.7%).

### 其他盈利/(損失)淨額

二零一三年之其他盈利為49.5百萬港元(二零一二年：損失100.4百萬港元)。此差額主要由於衍生金融工具的公允價值收益46.7百萬港元(二零一二年：虧損21.7百萬港元)所致。另一方面，二零一二年錄得註銷認股權證虧損77.8百萬港元，但二零一三年沒有錄得相關虧損。

### 銷售及分銷支出

二零一三年之銷售及分銷支出減少14.0百萬港元至5.2百萬港元(二零一二年：19.2百萬港元)，佔營業額的0.3%(二零一二年：1.1%)。銷售及分銷支出減少主要由於鋼鐵產品銷售下降所致。

### 行政開支

二零一三年之行政開支增加41.7百萬港元或17.1%至284.7百萬港元(二零一二年：243.0百萬港元)，相當於營業額之17.4%(二零一二年：13.4%)。行政開支增加乃主要由於年內再調整生產組合及提升生產設施級別時非生產性折舊費用增加所致。

### 融資成本淨額

於二零一三年，融資成本淨額減少72.8百萬港元或21.7%至263.2百萬港元(二零一二年：336.0百萬港元)。計入二零一三年綜合收益表的融資成本淨額減少主要由於年內面值143.3百萬港元的可換股債券轉換為本公司247.0百萬股新股份及償還488.7百萬港元之優先債券本金額所致。

### 其他開支

二零一三年的其他開支增加56.7百萬港元或516.9%至67.7百萬港元(二零一二年：11.0百萬港元)。其他開支增加主要由於二零一三年(i)預付土地租賃款項減值撥備20.7百萬港元(二零一二年：無)；(ii)預付款項和其他應收款項減值撥備11.6百萬港元(二零一二年：無)；及(iii)應收賬款減值撥備16.3百萬港元(二零一二年：減值撥備撥回1.3百萬港元)。

### 物業、廠房及設備的減值虧損

於年內，本集團錄得其物業、廠房及設備減值虧損共726.2百萬港元(二零一二年：151.9百萬港元)。減值背景詳情已於上文討論。

### 除所得稅前虧損

基於以上所討論之因素，截至二零一三年十二月三十一日止年度，除稅前虧損為1,340.5百萬港元(二零一二年：31.4百萬港元)。本集團除稅前虧損率為82.0%(二零一二年：1.7%)。除利息、稅項、折舊及攤銷前之虧損(EBITDA)率為-4.9%(二零一二年：-0.7%)。

# Management Discussion and Analysis

## 管理層討論與分析

### 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 the PRC, Singapore and Indonesia are subject to corporate income tax at rates of 10% to 25% for the year ended 31 December 2013. In 2012, there was a deferred tax of HK\$187.0 million charged to the income statement in connection with the disposal of Yongan Special Steel. Since there was no such significant deferred tax item in 2013, income tax expense for 2013 decreased significantly when compared with last year.

### Loss for the year and loss attributable to shareholders

As a result of the factors discussed above, the Group's 2013 loss for the year was HK\$1,365.5 million (2012: HK\$279.7 million) and the 2013 loss attributable to shareholders was HK\$1,366.4 million (2012: HK\$278.3 million).

### Key financial ratios

### 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%。截至二零一三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10%至25%之稅率繳納企業所得稅。於二零一二年，187.0百萬港元之遞延稅項計入有關出售永安特鋼的收益表。由於二零一三年並無該重大延遲稅項項目，二零一三年的所得稅開支較去年大幅減少。

### 年度虧損及股東應佔虧損

基於以上所討論之因素，本集團於二零一三年之年度虧損為1,365.5百萬港元(二零一二年：279.7百萬港元)。於二零一三年，股東應佔虧損為1,366.4百萬港元(二零一二年：278.3百萬港元)。

### 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	2013 二零一三年	2012 二零一二年
Current ratio	流動比率	1	49%	80%
Inventory turnover days	存貨週轉日數	2	104 days 日	155 days 日
Debtor turnover days	應收賬款週轉日數	3	24 days 日	22 days 日
Creditor turnover days	應付賬款週轉日數	4	169 days 日	181 days 日
Interest cover	盈利對利息倍數	5	-4.1 times 倍	0.9 times 倍
Interest-bearing gearing ratio	計息資本負債比率	6	79%	55%
Debt to EBITDA ratio	負債與EBITDA比率	7	-27.6 times 倍	-179.2 times 倍
Net debt/Capital and net debt ratio	淨負債／資本與淨負債比率	8	47%	43%

#### Notes:

1.	Current assets/Current liabilities x 100%
2.	$\frac{\text{Inventories}}{\text{Cost of sales}} \times 365 \text{ days}$
3.	$\frac{\text{Trade and notes receivables}}{\text{Turnover}} \times 365 \text{ days}$
4.	$\frac{\text{Trade and notes payables}}{\text{Cost of sales}} \times 365 \text{ days}$
5.	$\frac{\text{Loss before interest and tax}}{\text{Net interest expense}}$
6.	$\frac{\text{Interest-bearing loans and other borrowings (including convertible bonds)}}{\text{Equity attributable to the owners of the parent}} \times 100\%$
7.	$\frac{\text{Interest-bearing loans and other borrowings (including convertible bonds)}}{\text{EBITDA}}$
8.	$\frac{\text{Net debt}^*}{\text{Capital and net debt}} \times 100\%$

\* Net debt included bank and other borrowings, convertible bonds (the liability component), trade and notes payables and other payables and accruals less cash and cash equivalents and pledged time deposits.

#### 附註：

1.	流動資產／流動負債 x 100%
2.	$\frac{\text{存貨}}{\text{銷售成本}} \times 365 \text{ 日}$
3.	$\frac{\text{應收賬款及應收票據}}{\text{營業額}} \times 365 \text{ 日}$
4.	$\frac{\text{應付賬款及應付票據}}{\text{銷售成本}} \times 365 \text{ 日}$
5.	$\frac{\text{除利息及稅項前虧損}}{\text{利息開支淨額}}$
6.	$\frac{\text{計息貸款及其他借貸 (包括可換股債券)}}{\text{母公司擁有人應佔權益}} \times 100\%$
7.	$\frac{\text{計息貸款及其他借貸 (包括可換股債券)}}{\text{EBITDA}}$
8.	$\frac{\text{負債淨額}^*}{\text{股本及負債淨額}} \times 100\%$

\* 負債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扣減現金及現金等值物與已抵押定期存款。



# Management Discussion and Analysis

## 管理層討論與分析

### Property, plant and equipment

Property, plant and equipment as at 31 December 2013 mainly comprised plant and machinery, buildings and construction in progress. The decrease in balance to HK\$1,928.1 million (2012: HK\$2,574.3 million) was mainly due to the depreciation charges for the year of HK\$133.8 million and impairment of property, plant and equipment of HK\$726.2 million due to change in product mix and production plan as a result of weak steel demand and prolonged depression in Nickel price together with the Export Ban.

### Intangible asset

The intangible asset solely represents the unamortised amount of the exclusive offtake right from Yiwan secured by the Group in May 2007. The decrease in balance to HK\$2,387.8 million (2012: HK\$2,498.9 million) during the year was due to amortisation for the year based on the unit of purchase method and the exchange realignment.

### Inventories

The inventory turnover days decreased from 155 days in 2012 to 104 days in 2013. As at 31 December 2013, inventories balance decreased by HK\$227.4 million, or 32.4%, to HK\$474.6 million (2012: HK\$702.0 million). Decrease in inventory balance was mainly due to write down of inventories to their net realisable value in 2013 amounted to HK\$88.8 million and management's effort to reduce inventory level to improve the Group's working capital efficiency.

### Trade and notes receivables

The debtor turnover days increased from 22 days in 2012 to 24 days in 2013. As at 31 December 2013, trade and notes receivables balance decreased by HK\$2.8 million, or 2.5%, to HK\$108.4 million (2012: HK\$111.2 million).

### Prepayments and other receivables

As at 31 December 2013, prepayments and other receivables balance decreased by HK\$805.9 million, or 79.1%, to HK\$213.5 million (2012: HK\$1,019.4 million). The decrease in prepayments and other receivables balance was mainly due to that the receivables arising from disposal of Yongan Special Steel of HK\$752.1 million as at 31 December 2012 was fully settled in 2013.

### Cash and cash equivalents and pledged time deposits

The aggregate amount of cash and cash equivalents and pledged time deposits increased by approximately HK\$307.0 million, or 50.7%, to approximately HK\$913.0 million as at 31 December 2013 when compared to that as at 31 December 2012. It was mainly due to the proceeds from disposal of Yongan Special Steel received.

### 物業、廠房及設備

於二零一三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1,928.1百萬港元(二零一二年: 2,574.3百萬港元)乃主要歸因於年內折舊費用133.8百萬港元加上物業、廠房及設備減值726.2百萬港元所致, 該減值是由於鋼鐵需求疲弱及鎳價持續偏軟以及出口禁令導致產品組合及生產計劃改變所致。

### 無形資產

無形資產僅指本集團於二零零七年五月獲得之Yiwan獨家採購權之未攤銷款項。年內結餘減少至2,387.8百萬港元(二零一二年: 2,498.9百萬港元)乃由於年內根據單位購買法攤銷及滙兌調整所致。

### 存貨

存貨週轉日數由二零一二年之155日縮短至二零一三年之104日。於二零一三年十二月三十一日, 存貨結餘減少227.4百萬港元或32.4%至474.6百萬港元(二零一二年: 702.0百萬港元)。存貨結餘減少之主要原因乃存貨於二零一三年撇減至其可變現淨值88.8百萬港元, 以及管理層努力減少存貨量以提升本集團之營運資金效益。

### 應收賬款及應收票據

應收賬款週轉日數由二零一二年之22日延長至二零一三年之24日。於二零一三年十二月三十一日, 應收賬款及應收票據結餘減少2.8百萬港元或2.5%至108.4百萬港元(二零一二年: 111.2百萬港元)。

### 預付款項及其他應收款項

截至二零一三年十二月三十一日, 預付款項及其他應收款項結餘減少805.9百萬港元或79.1%至213.5百萬港元(二零一二年: 1,019.4百萬港元)。預付款項及其他應收款項結餘減少的主要原因乃截至二零一二年十二月三十一日出售永安特鋼產生的應收款項752.1百萬港元已於二零一三年清算。

### 現金及現金等值物與已抵押定期存款

於二零一三年十二月三十一日之現金及現金等值物以及已抵押定期存款約為913.0百萬港元, 較二零一二年十二月三十一日增加約307.0百萬港元, 增幅為50.7%, 主要是由於出售永安特鋼已收所得款項。

# Management Discussion and Analysis

## 管理層討論與分析

### Trade and notes payables

The creditor turnover days decreased from 181 days in 2012 to 169 days in 2013. As at 31 December 2013, trade and notes payables balance decreased by HK\$48.8 million, or 6.0%, to HK\$772.2 million (2012: HK\$821.0 million). The decrease in trade and notes payables balance was mainly due to fewer purchases were made by the Group in 2013. The trade payables are unsecured, interest-free and are normally settled on terms of 60 to 180 days while the bank bills are generally on terms of 90 to 180 days.

### Convertible bonds

Decrease in the convertible bonds balance from HK\$177.7 million as at 31 December 2012 to HK\$129.2 million as at 31 December 2013 was mainly attributable to convertible bonds in the nominal amount of HK\$143.3 million were converted into 247.0 million new shares of the Company in year 2013.

### Bank and other borrowings

As at 31 December 2013, total bank and other borrowings balance increased by HK\$50.6 million, or 2.5%, to HK\$2,081.6 million (2012: HK\$2,031.0 million). During the year, the Group used certain long-term bank and other borrowings to refinance the short-term borrowings when they fall due.

### Liquidity, going concern and capital resources

During the year ended 31 December 2013, the Group incurred a loss of approximately HK\$1,365.5 million and had a net operating cash outflow of approximately HK\$100.0 million. As at 31 December 2013, the Group's current liabilities exceeded its current assets by HK\$1,243.2 million. Its total bank and other borrowings amounted to HK\$2,081.6 million, out of which HK\$1,201.4 million will be due within 12 months. The cash and cash equivalents of the Group amounted to HK\$54.1 million as at 31 December 2013.

Following the 2014 Export Ban which may substantially affect the Group's cash generating ability from operations and from long-term and short-term borrowings, the Group's working capital may further affect and may have foreseeable financial difficulties in coming 12 months period.

However, following the Export Ban, a series of remedial measures to mitigate the liquidity pressure were taken in 2014 to improve its financial and liquidity position of the Group, details of which are set out in the Corporate Governance Report section headed "Going concern and mitigation measures". Please also refer to the details regarding uncertainties on the going concern of the Group as stipulated in the section headed "Going Concern" in note 2.1(a).

### 應付賬款及應付票據

應付賬款週轉日數由二零一二年之181日縮短至二零一三年之169日。於二零一三年十二月三十一日，應付賬款及應付票據結餘減少48.8百萬港元或6.0%至772.2百萬港元(二零一二年：821.0百萬港元)，主要是由於本集團於二零一三年的採購較少。應付賬款為無抵押、免息及一般附有60至180天還款期；銀行票據的一般還款期為90至180天。

### 可換股債券

可換股債券結餘由二零一二年十二月三十一日之177.7百萬港元減少至二零一三年十二月三十一日之129.2百萬港元，主要由於二零一三年名義金額143.3百萬港元之可換股債券兌換為247.0百萬股本公司新股。

### 銀行貸款及其他借貸

於二零一三年十二月三十一日，總銀行貸款及其他借貸結餘增加50.6百萬港元或2.5%至2,081.6百萬港元(二零一二年：2,031.0百萬港元)。年內，本集團利用若干長期銀行及其他借貸於到期時重新撥付短期借貸。

### 流動資金、持續經營及資本資源

截至二零一三年十二月三十一日止年度，本集團產生約1,365.5百萬港元虧損，並有經營現金流出淨額約100.0百萬港元。於二零一三年十二月三十一日，本集團流動負債超出其流動資產1,243.2百萬港元。其總銀行貸款及其他借貸為2,081.6百萬港元，其中1,201.4百萬港元將於12個月內到期。本集團於二零一三年十二月三十一日的現金及現金等值物為54.1百萬港元。

發生二零一四年出口禁令之後，本集團經營所得現金能力以及獲取長短期借貸或大受影響，因而或對本集團未來12個月期間的營運資金進一步構成影響，亦預視有可能陷入財困。

然而，出口禁令之後，本集團於二零一四年採取一系列減輕流動資金壓力之補救措施，以改善本集團的財務及流動資金狀況，詳情載於企業管治報告「持續經營及改善措施」一節。有關本集團持續經營涉及的不明朗因素，另請參閱附註2.1(a)「持續經營」一節。

# Management Discussion and Analysis

## 管理層討論與分析

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 2013, the advances from customers amounted to HK\$147.8 million.

As at 31 December 2013, we had current liabilities of HK\$2,457.8 million, of which HK\$1,201.4 million were bank and other borrowings repayable within one year and HK\$772.2 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 United States dollar ("USD") and purchase and sales of iron and steel products are mainly denominated in Renminbi ("RMB"). As at 31 December 2013, the convertible bonds and senior bonds were denominated in Hong Kong dollar ("HK\$") while bank and other borrowings were mainly denominated in RMB, HK\$ and USD, and other assets and liabilities of the Group are mainly denominated in RMB.

As at 31 December 2013, 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. However, the Group will closely monitor the foreign currency risk and consider using necessary financial instruments for hedging purposes if they foresee the foreign currency risk is significant.

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。於二零一三年十二月三十一日，來自客戶之墊款為147.8百萬港元。

於二零一三年十二月三十一日，本集團之流動負債為2,457.8百萬港元，其中1,201.4百萬港元為須於一年內償還之銀行貸款及其他借貸，而772.2百萬港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（「美元」）計值，而有關鋼鐵產品之買賣主要以人民幣（「人民幣」）計值。於二零一三年十二月三十一日，可換股債券及優先債券以港元（「港元」）計值，而銀行貸款及其他借貸則以人民幣、港元及美元計值，本集團其他資產及負債主要以人民幣計值。

於二零一三年十二月三十一日，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。然而，本集團將密切監控外匯風險，並在預見重大外匯風險時考慮利用必要的金融工具進行對沖。

# 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 63, 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 organization was primarily involved in the activities relating to exhibitions of metallurgical products. In 1992, he was appointed as the general manager of Henan Sanen Industry Sci-Tech Industrial Company (河南三恩工業科技實業公司). The said company was primarily involved in research and development of industrial technologies. Between October 1984 and April 2004, the business of refractory materials factory, a factory principally involved in production and management of refractory materials, was contracted out to and managed by Mr. Dong. He was both the plant manager and the sole legal representative of the refractory materials factory from 1984 to 2004. He has also served as a part-time associate professor in the field of economics at Wuhan University of Science and Technology since 2002. He graduated from the Metallurgy Department of Wuhan Iron and Steel College in 1989. He received his Trade and Economics Degree from Graduate School of the Chinese Academy of Social Sciences in 2000 too. During the years from 1985 to 1994, he has been honoured many times by various PRC government authorities for his outstanding achievement in 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.

## 董事

### 執行董事

**董書通先生**，63歲，於二零零四年三月十六日獲委任為本公司董事，現為本公司執行董事、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範疇之兼任副教授。彼於一九八九年於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成就非凡，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。董先生亦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。

# Directors, Senior Management and Audit Committee

## 董事、高級管理層及審核委員會

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.

**Mr. Dong Chengzhe**, aged 35, was appointed as an Executive Director of the Company on 12 March 2007 and was also appointed as Deputy Chief Executive Officer of the Group. 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 responsible the finance and international trading activities of Yongtong Special Steel, an indirectly wholly-owned subsidiary of the Company. He was the general manager of Yongtong Special Steel, and also the director and general manager of CNR Group Holdings Pte. Ltd., an indirectly wholly-owned subsidiary of the Company. 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, Chairman, Chief Executive Officer and the substantial and controlling shareholder of the Company.

**Mr. Song Wenzhou**, aged 46, 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. Yang Fei**, aged 37, was appointed as an Executive Director of the Company on 30 August 2010 and was also appointed as Authorised Representative of the Company on 1 August 2011. He has joined the Company as the assistant to the Chairman of the Company since 2006 and was also appointed as the Company Secretary and Authorised Representative of the wholly owned subsidiary, Zhengzhou Yongtong Special Steel Co., Ltd. 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.

董先生為本公司執行董事董鉞喆先生之父。彼亦為Easyman Assets Management Limited (「Easyman」)的唯一股東及唯一董事以及本公司的主要及控股股東。

**董鉞喆先生**，35歲，於二零零七年三月十二日獲委任為本公司執行董事，並獲委任為本集團副總裁。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。董先生於二零零七年加入本集團，主要負責本公司間接全資附屬公司永通特鋼之財務及國際貿易活動，彼現為永通特鋼之總經理。彼亦為本公司間接全資附屬公司CNR Group Holdings Pte. Ltd.之董事及總經理。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、主席、總裁兼主要及控股股東董書通先生之子。

**宋文州先生**，46歲，於二零零五年五月二日獲委任為本公司執行董事，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。

**楊飛先生**，37歲，於二零一零年八月三十日獲委任為本公司執行董事，並於二零一一年八月一日獲委任為本公司之授權代表。彼自二零零六年起加入本公司，擔任本公司主席助理，並獲委任為本公司全資附屬公司鄭州永通特鋼有限公司之公司秘書及授權代表。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 71, 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 73, 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 46 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**，71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合共達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，楊先生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銜項目之主席，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**，73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46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)之總經理、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 79, 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 59, 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 37 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, Golden Eagle Retail Group Limited, Ngai Lik Industrial 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 First Natural Foods Holdings Limited (up to 21 November 2011), FU JI Food and Catering Services Holdings Limited (up to 24 June 2011) and PacMOS Technologies Holdings Limited (up to 30 June 2014).

**黃昌淮先生**，79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先後擔任生產主任、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*，59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37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、金鷹商貿集團有限公司、毅力工業集團有限公司、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。彼曾任第一天然食品有限公司(任期至二零一一年十一月二十一日)、福記食品服務控股有限公司(任期至二零一一年六月二十四日)及弘茂科技控股有限公司(任期至二零一四年六月三十日)之獨立非執行董事。

# Directors, Senior Management and Audit Committee

## 董事、高級管理層及審核委員會

**Mr. Fahmi Idris**, aged 71, 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.

### COMPANY SECRETARY

**Mr. Choi Kwok Keung Sanvic**, has been appointed as the financial controller and the company secretary of the Company with effect from 3 June 2014. Mr. Choi, aged 47, is a qualified accountant and a fellow member of Hong Kong Institute of Certified Public Accountants. He has extensive experience in financial and auditing field, and has experience in the position of the financial controller and the company secretary in Hong Kong listed company.

法米先生，71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（一間柴油引擎及注塑機製造公司）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二零零四年至二零零五年擔任印度尼西亞共和國人力部部長，亦於二零零五年至二零零九年擔任印度尼西亞共和國工業部部長。

### 公司秘書

**蔡國強先生**已於二零一四年六月三日獲委任為本公司之財務總監及公司秘書。蔡先生，47歲，為合資格會計師及香港會計師公會資深會員。蔡先生於財務及審計方面具有豐富經驗，亦曾任職香港上市公司之財務總監及公司秘書。



# Directors, Senior Management and Audit Committee

## 董事、高級管理層及審核委員會

### 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 Changhui. Mr. Wong Chi Keung was elected chairman of the audit committee.

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

### 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

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2013.

### 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 17 to the consolidated financial statements.

### SEGMENT INFORMATION

The Group's revenue and loss for the year ended 31 December 2013 were primarily derived from the sale of ore and manufacture and sale of special steel products to customers. Accordingly, no segmental analysis by business is presented for the year ended 31 December 2013. Geographical information analysis is set out in Note 5 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2013 are set out in the consolidated income statement on page 67.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2013 (2012: 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.

### SHARE CAPITAL, SHARE OPTIONS 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 31, 35 and 29 to the consolidated financial statements respectively.

董事謹此提呈截至二零一三年十二月三十一日止年度董事會報告書連同本集團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17。

### 分部資料

本集團截至二零一三年十二月三十一日止年度之收益及虧損主要來自向客戶出售礦石及製造與銷售特鋼產品。因此，並無呈列截至二零一三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5。

### 業績及股息

本集團截至二零一三年十二月三十一日止年度之業績載於第67頁之綜合收益表。

董事並不建議派付截至二零一三年十二月三十一日止年度的末期股息(二零一二年：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。

### 股本、購股權及可換股債券

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31、35及29。

# Report of the Directors

## 董事會報告書

### 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 2013.

### 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 32 to the consolidated financial statements and consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

As at 31 December 2013, 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 HK\$2,516,572,000.

Under the laws of the Cayman Islands, the share premium account and contributed surplus are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

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

### 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

本公司於截至二零一三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32及綜合權益變動表。

### 可供分派儲備

於二零一三年十二月三十一日，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2,516,572,000港元。

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。

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。

# Report of the Directors

## 董事會報告書

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers and to the largest customer accounted for 68% and 53% of the total sales for the year respectively. Purchases from the Group's five largest suppliers and from the largest supplier accounted for 80% and 75% 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 and Chief Executive Officer*)

Ms. Ng See Wai Rowena (*Deputy Chief Executive Officer*)

(resigned on 1 January 2014)

Mr. Chiang Shyh-yi (*Deputy Chief Executive Officer*)

(resigned on 1 June 2014)

Mr. Dong Chengzhe (*Deputy Chief Executive Officer*)

Mr. Song Wenzhou

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

Pursuant to article 87 of the Company's article of association, Mr. Dong Chengzhe, Mr. Song Wenzhou and Mr. Wong Chi Keung 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 26 to 30 of this annual report.

### 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68%及53%。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80%及75%。

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 (*主席兼總裁*)

吳思煒女士 (*副總裁*)

(於二零一四年一月一日辭任)

蔣士宜先生 (*副總裁*)

(於二零一四年六月一日辭任)

董鉞喆先生 (*副總裁*)

宋文州先生

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

根據本公司章程細則第87條，董鉞喆先生、宋文州先生及黃之強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26頁至第30頁。

# Report of the Directors

## 董事會報告書

### DIRECTORS' SERVICE CONTRACTS

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

### DIRECTORS' REMUNERATION

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

### DIRECTORS' INTERESTS IN CONTRACTS

On 5 March 2007, SEAM, an indirect wholly owned subsidiary of the Company, entered into an exclusive offtake agreement with Yiwang (the "Exclusive Offtake Agreement"), a limited company incorporated in Indonesia, which is substantially owned by Mr. Soen Bin Kuan, who at 31 December 2013 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 agreed to exclusively sell and SEAM agreed to buy the iron ores produced by Yiwang 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, 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 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 16 to the consolidated financial statements.

Save as disclosed above and in the paragraph headed "CONNECTED TRANSACTIONS" as set out on pages 40 to 41 of this annual report, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

### 董事之服務合約

擬於應屆股東週年大會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。

### 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與Yiwang(於印尼註冊成立之有限公司，主要由李民權先生擁有，其於二零一三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同意獨家出售而南洋礦業同意購買Yiwang生產之鐵礦石，協定之固定價格為每乾公噸16美元，於二零一二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二零一六年一月二十四日。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16。

除上文及載於本年度報告第40頁至第41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

### 董事於股份、相關股份及債權證之權益及淡倉

As at 31 December 2013, 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 as set out in Appendix 10 of the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

於二零一三年十二月三十一日，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)根據上市規則附錄10所載之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) Long positions in the shares of the Company as at 31 December 2013:

#### (i) 於二零一三年十二月三十一日於本公司股份之好倉：

Name of Directors	Capacity in which interest are held	Number of shares	Approximate percentage to the issued share capital of the Company 佔本公司已發行股本之概約百分比
董事姓名	持有權益之身份	股份數目	
Dong Shutong 董書通	Held by controlled corporations (note) 由受控法團持有（附註）	1,505,930,705	58.99%
Dong Chengzhe 董鉞喆	Beneficial owner 實益擁有人	1,500,000	0.06%

Note: As at the Latest Practicable Date, 1,481,074,705 Shares and 24,856,000 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.

附註：於最後可行日期，Easyman及Sino Regent Worldwide Limited（「Sino Regent」）分別持有1,481,074,705股及24,856,000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，董先生被視為於該等股份中擁有實益權益。

# Report of the Directors

## 董事會報告書

### (ii) Long positions in the underlying shares of the Company as at 31 December 2013:

Name of Directors	Capacity in which interest are held	Number of share options (note)	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	購股權數目(附註)	
Dong Shutong 董書通	Beneficial owner 實益擁有人	5,000,000	0.20%
	Held by spouse 由配偶持有	1,700,000	0.07%
Dong Chengzhe 董鉞喆	Beneficial owner 實益擁有人	2,775,000	0.11%
Song Wenzhou 宋文州	Beneficial owner 實益擁有人	2,520,000	0.10%
Yang Fei 楊飛	Beneficial owner 實益擁有人	2,775,000	0.11%

Note: 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：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。

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

As at 31 December 2013, 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:

### 主要股東於本公司股份及相關股份中之權益及淡倉

於二零一三年十二月三十一日，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：

# Report of the Directors

## 董事會報告書

Long positions in the shares and underlying shares of the Company as at 31 December 2013:

於二零一三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	Capacity in which interest are held	Number of Shares/ underlying shares	Approximate percentage to the issued share capital of the Company
股東姓名	持有權益之身份	股份/ 相關股份數目	佔本公司已發行股本之概約百分比
Easyman	Beneficial owner 實益擁有人	1,481,074,705	58.01%
Soen Bin Kuan 李民權	Beneficial owner 實益擁有人	182,734,104	7.16%
Sun Qiaodian (note 1) 孫巧點(附註1)	Beneficial owner 實益擁有人	1,700,000 (note 2) (附註2)	0.07%
	Held by spouse 由配偶持有	1,510,930,705	59.18%

Notes:

- Ms. Sun Qiaodian is the spouse of Mr. Dong Shutong, whose interest was disclosed in previous section.
- The share option 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.

Save as disclosed above, so far as was known to the Directors, there was no other person who, as at 31 December 2013, 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.

附註：

- 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。
- 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。

除上文所披露者外，就董事迄今所知，於二零一三年十二月三十一日，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。



# Report of the Directors

## 董事會報告書

### SHARE OPTION SCHEME

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

The options granted under the Share Option Scheme have an exercise period of 10 years from the date of acceptance of the options, which is in compliance with the terms of the Share Option Scheme, subject to 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:

### 購股權計劃

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

根據購股權計劃之條款，根據購股權計劃授出之購股權之行使期由接納購股權當日起計為期十年，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				Price of Company's shares at exercise date of options (note 2)	
		Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 31 December 2013	Exercise price of share options (note 1)
		於二零一三年 一月一日 尚未行使	於期內授出	於期內行使	於期內失效	於二零一三年 十二月三十一日 尚未行使	購股權之 行使價 (附註1) HK\$ 港元
							本公司股份 於購股權 行使日的股價 (附註2) HK\$ 港元
<b>Directors</b>	<b>董事</b>						
Mr. Dong Shutong	董書通先生	5,000,000	-	-	-	5,000,000	1.07
Ms. Ng See Wai Rowena*	吳思煒女士*	8,000,000	-	-	-	8,000,000	0.63
Mr. Dong Chengzhe	董鉞喆先生	1,275,000	-	-	-	1,275,000	1.91
		1,500,000	-	-	-	1,500,000	0.63
Mr. Song Wenzhou	宋文州先生	1,020,000	-	-	-	1,020,000	1.07
		1,500,000	-	-	-	1,500,000	0.63
Mr. Yang Fei	楊飛先生	1,275,000	-	-	-	1,275,000	1.91
		1,500,000	-	-	-	1,500,000	0.63
Sub-total for number of share options to Directors	授予董事之購股權 數目小計	<b>21,070,000</b>	-	-	-	<b>21,070,000</b>	-
<b>Other employees</b>	<b>其他僱員</b>	11,900,000	-	-	-	11,900,000	1.07
		10,635,000	-	-	(2,430,000)	8,205,000	2.45
		34,900,000	-	-	(2,800,000)	32,100,000	0.63
Sub-total for number of share options to other employees	授予其他僱員之 購股權數目小計	<b>57,435,000</b>	-	-	<b>(5,230,000)</b>	<b>52,205,000</b>	-
<b>Total</b>	<b>總計</b>	<b>78,505,000</b>	-	-	<b>(5,230,000)</b>	<b>73,275,000</b>	-

\* Resigned on 1 January 2014

\* 於二零一四年一月一日辭任

# Report of the Directors

## 董事會報告書

### Notes:

1. 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.
2. 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.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the Share Option Scheme as set out in Note 35 to the consolidated financial statements, at no time during the year ended 31 December 2013 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.

### 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. According to the Exclusive Offtake Agreement and supplemental agreements entered into between Yiwang and SEAM in connection with the purchasing of ore, Yiwang 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 ("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 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 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\$76.1 million (approximately HK\$590.1 million) (2012: US\$46.4 million (approximately HK\$359.5 million)) ore from Yiwang. 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.56 of the Listing Rules. The Company has complied with the requirements set out in Chapter 14A of the Listing Rules.

### 附註：

1. 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。
2. 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。

### 董事收購股份或債權證之權利

除綜合財務報表附註35所載的購股權計劃一段中所披露者外，於截至二零一三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。

### 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獨家採購礦石之持續關連交易。根據Yiwang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（「新出口價」）。根據獨家採購協議之條款，南洋礦業與Yiwang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購買合共76.1百萬美元（約590.1百萬港元）（二零一二年：46.4百萬美元（約359.5百萬港元））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.56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。

# Report of the Directors

## 董事會報告書

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.

The Independent Non-executive Directors have reviewed the continuing connected transactions in 2013 and confirm that the transactions have been entered into:

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

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

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

### EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in Note 41 to the consolidated financial statements.

### AUDIT COMMITTEE

The Company established an audit committee pursuant to a resolution of the Directors passed on 2 May 2005 in compliance with Rule 3.21 of the Listing Rules. The primary duties of the audit committee are to review the financial reporting process and internal control procedures of the Group.

The audit committee consists of Mr. Wong Chi Keung, Mr. Bai Baohua and Mr. Huang Changhuai — Independent Non-executive Directors of the Company and Mr. Wong Chi Keung is the Chairman of the audit committee.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the financial statements for the year ended 31 December 2013.

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。

獨立非執行董事已審閱於二零一三年之持續關連交易，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。

### 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。

### 報告期後事項

本集團報告期後重大事項之詳情載於綜合財務報表附註41。

### 審核委員會

本公司遵照上市規則第3.21條，根據於二零零五年五月二日通過之董事決議案成立審核委員會。審核委員會主要負責審議本集團之財務匯報過程及內部監控程序。

審核委員會由本公司獨立非執行董事黃之強先生、白葆華先生及黃昌淮先生組成，其中黃之強先生為審核委員會主席。

審核委員會已與管理層審閱本集團所採納之會計準則及慣例，並討論核數、內部監控及財務匯報事項，包括審閱截至二零一三年十二月三十一日止年度之財務報表。

# Report of the Directors

## 董事會報告書

### REMUNERATION COMMITTEE

The Company established a remuneration committee pursuant to a resolution of the Directors passed on 10 April 2006 in compliance with the Corporate Governance Code as set out in Appendix 14 of the Listing rules (“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 comparable 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 and 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 35 to the consolidated financial statements.

### AUDITOR

Ernst & Young (“E&Y”) had been the auditor of the Company for over 8 years. For the purpose of maintaining good corporate governance, the Board considered that it was an appropriate time to change the auditor of the Company in 2013. The Board therefore proposed to appoint PricewaterhouseCoopers (“PwC”) as new auditor of the Company after E&Y retired at the Company’s annual general meeting on 19 June 2013 (“2013 AGM”). A resolution was passed in the 2013 AGM to appoint PwC as the Company’s auditor for the year ended 31 December 2013.

### 薪酬委員會

本公司遵照上市規則附錄14所載企業管治守則（「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。執行董事及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35。

### 核數師

安永會計師事務所已擔任本公司核數師超過八年。董事會認為二零一三年為適合時間更換本公司核數師，以維持良好企業管治。董事會因此建議委任羅兵咸永道會計師事務所（「羅兵咸永道」）於安永於二零一三年六月十九日股東週年大會（「二零一三年股東週年大會」）上退任後為本公司新任核數師。於二零一三股東週年大會通過決議案委任羅兵咸永道擔任本公司截至二零一三年十二月三十一日止年度核數師。

# Report of the Directors

## 董事會報告書

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

ON BEHALF OF THE BOARD

本財務報表經由羅兵咸永道審核。羅兵咸永道將退任，並合資格且願意受聘連任。

代表董事會

**Dong Shutong**  
*Chairman and Chief Executive Officer*

7 October 2014

主席及總裁  
**董書通**

二零一四年十月七日

# 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.

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions of the CG Code throughout the year ended 31 December 2013 except for code provisions A.1.1, A.2.1 and A.4.1, details of which are disclosed below. Save for deviation from code provisions A.1.1, A.2.1 and A.4.1, in the opinion of the Board, the Company has been in compliance with the CG Code in all material respects.

#### (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 9 Directors, including 4 Executive Directors, 1 Non-executive Director and 4 Independent Non-executive Directors:

##### Executive Directors

Mr. Dong Shutong (*Chairman and Chief Executive Officer*)  
Ms. Ng See Wai Rowena (*Deputy Chief Executive Officer*)  
(Resigned on 1 January 2014)  
Mr. Chiang Shyh-yi (*Deputy Chief Executive Officer*)  
(Resigned on 1 June 2014)  
Mr. Dong Chengzhe (*Deputy Chief Executive Officer*)  
Mr. Song Wenzhou  
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

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.

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。

### 遵守企業管治守則

截至二零一三年十二月三十一日止整個年度，本公司一直應用企業管治守則之原則並遵守企業管治守則之守則條文，惟守則條文第A.1.1、A.2.1及A.4.1條除外，詳情如下。除偏離守則條文第A.1.1、A.2.1及A.4.1條之外，董事會認為，本公司在各重大方面一直遵守企業管治守則。

#### (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。董事會現時共有九名董事，四名為執行董事、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 (*主席兼總裁*)  
吳思煒女士 (*副總裁*)  
(於二零一四年一月一日辭任)  
蔣士宜先生 (*副總裁*)  
(於二零一四年六月一日辭任)  
董鍼喆先生 (*副總裁*)  
宋文州先生  
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

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。

# Corporate Governance Report

## 企業管治報告

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 2013, 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 three Independent Non-executive Directors and one of the Independent Non-executive Directors 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 ten meetings, performing its duties in considering, inter alia, discloseable 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

於二零一三年十二月三十一日，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，擁有一名獨立非執行董事，而一名獨立非執行董事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，董事會共召開十次會議，以履行其考慮(其中包括)本公司之須予披露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, ten Board meetings, two of which were regular meetings, were held and the attendance of each Director is set out as follows:

年內，董事會召開十次會議，其中兩次為例會，各董事出席會議之情況載列如下：

Name of Directors 董事姓名	Times of attendance/ No. of meetings held during the tenure of directorship 出席次數／任職董事期間 會議次數	Title 職銜
Dong Shutong 董書通	10/10	Chairman, Executive Director, Chief Executive Officer 主席、執行董事、總裁
Ng See Wai Rowena* 吳思煒*	8/10	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁
Chiang Shyh-yi# 蔣士宜#	6/10	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁
Dong Chengzhe 董鉞喆	6/10	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁
Song Wenzhou 宋文州	3/10	Executive Director 執行董事
Yang Fei 楊飛	10/10	Executive Director 執行董事
Yang Tianjun 楊天鈞	3/10	Non-executive Director 非執行董事
Bai Baohua 白葆華	4/10	Independent Non-executive Director 獨立非執行董事
Huang Changhuai 黃昌淮	3/10	Independent Non-executive Director 獨立非執行董事
Wong Chi Keung 黃之強	6/10	Independent Non-executive Director 獨立非執行董事
Fahmi Idris 法米	1/10	Independent Non-executive Director 獨立非執行董事

\* Resigned on 1 January 2014  
# Resigned on 1 June 2014

\* 於二零一四年一月一日辭任  
# 於二零一四年六月一日辭任

Only two regular Board meetings were held as the Company does not announce its quarterly results and hence not consider the holding of quarterly meetings as necessary. This constitutes a deviation from Code Provision A.1.1.

本公司僅舉行兩次董事會例會，原因是本公司並無公佈其季度業績，故此不考慮按需要舉行季度會議。此舉偏離了守則條文第A.1.1條。



# Corporate Governance Report

## 企業管治報告

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 were 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 Changhui 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 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 for the year ended 31 December 2013 and up to the date of this report. This constitutes a deviation from code provision A.2.1. The Board believes that it is in the best interests of the Company and the shareholders as a whole since Mr. Dong Shutong is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board.

Important decision-making and the day-to-day management of the Company are carried out by all of the Executive Directors. Although the roles of the chairman and the chief executive 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.

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。此舉偏離守則條文第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首席執行官。主席負責監督本公司營運遵守內部規則以及法定要求，以及加強本公司企業管治。本公司於截至二零一三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。

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。

# Corporate Governance Report

## 企業管治報告

### 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.

### 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 January 2013 to 31 December 2013, 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

The Company has adopted the Model Code 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.

### 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。

### 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。

於二零一三年一月一日至二零一三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。

### 標準守則

本公司已採納標準守則，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 the 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 three meetings on 27 March 2013, 23 April 2013 and 28 August 2013 respectively and all committee members attended the meetings.

During the meetings held in 2013, the audit committee had performed the following work:

- (1) reviewed the financial reports for the year ended 31 December 2012 and for the six months ended 30 June 2013;
- (2) reviewed the effectiveness of internal control system;
- (3) reviewed the external auditor’s statutory audit plan and engagement letter;
- (4) reviewed the management letter from the external auditor in relation to the audit of the Group for the year ended 31 December 2012;
- (5) reviewed and recommended for approval by the Board the 2013 audit scope and fees; and
- (6) discussed the retirement of existing external auditor and appointment of new external auditor.

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;

### 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，審核委員會分別於二零一三年三月二十七日、二零一三年四月二十三日及二零一三年八月二十八日舉行三次會議，全體委員會成員均有出席。

於二零一三年舉行之會議上，審核委員會已完成下列工作：

- (1) 審閱截至二零一二年十二月三十一日止年度及截至二零一三年六月三十日止六個月之財務報告；
- (2) 檢討內部監控系統之有效性；
- (3) 審閱外聘核數師之法定審核計劃及委聘書；
- (4) 審閱外聘核數師有關本集團截至二零一二年十二月三十一日止年度審核情況之管理層函件；
- (5) 審閱並建議董事會批准二零一三年審核範圍及費用；及
- (6) 討論現任外聘核數師退任及委任新任外聘核數師。

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；

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## 企業管治報告

- (5) to review the interim and annual financial statements. The audit committee has reviewed the auditing performance, the internal controls and the audited financial statements of the Company for the year ended 31 December 2013; and
- (6) to discuss the retirement of existing external auditor and appointment/reappointment of external auditor.

### Remuneration Committee

The remuneration committee of the Company was established on 10 April 2006 and comprises one Executive Director and three Independent Non-executive Directors. The members of the remuneration committee are: Mr. Dong Shutong, Mr. Bai Baohua, Mr. Huang Changhuai and Mr. Wong Chi Keung. Mr. Huang Changhuai serves as the chairman of the remuneration committee. During the year, the remuneration committee held two meetings on 27 March 2013 and 28 August 2013 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 2013.

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) 審閱中期及年度財務報表。審核委員會已審閱本公司截至二零一三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。
- (6) 討論現任外聘核數師退任及委任／續聘外聘核數師。

### 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，薪酬委員會分別於二零一三年三月二十七日及二零一三年八月二十八日舉行兩次會議，全體委員會成員均有出席，以審閱二零一三年執行董事的表現與獎勵，以及本集團管理人員的僱傭條款。

薪酬委員會之職責包括：

- (1) 就本公司全體董事及高級管理層薪酬之政策及架構，以及設立制定該等薪酬政策之正式及透明程序，向董事會提出推薦建議；
- (2) 獲授權負責釐定全體執行董事及高級管理層具體薪酬組合，包括實物利益、退休金權利及補償付款（包括任何損失或終止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；

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- (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.

### Nomination Committee

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

The nomination committee is responsible for formulating policy and making recommendations to the Board on nominations, appointment of Directors and Board succession. The committee develops selection procedures for candidates, and will consider different criteria including appropriate professional knowledge and industry experience, as well as consult external recruitment professionals when required. The committee also reviews the size, structure and composition of the Board and assesses the independence of Independent Non-executive Directors.

During the year, the remuneration committee held two meetings on 27 March 2013 and 28 August 2013 respectively and all committee members attended the meeting to review the structure and 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 financial year, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. Mr. Chan resigned as Company Secretary on 26 April 2014.

Mr. Choi Kwok Keung Sanvic was appointed as Company Secretary on 3 June 2014. The biographical details of Mr. Choi is set out on in the section entitled "Directors, Senior Management and Audit Committee" in the annual report.

- (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。

### 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，並在有需要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，提名委員會分別於二零一三年三月二十七日及二零一三年八月二十八日舉行兩次會議，全體委員會成員均有出席，以檢討董事會的架構和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。陳先生於二零一四年四月二十六日辭任公司秘書。

蔡國強先生已於二零一四年六月三日獲委任為公司秘書。蔡先生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.

#### 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 Auditor's Report on pages 63 to 66 of this annual report.

### (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。

#### 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63頁至第66頁之獨立核數師報告書。

# Corporate Governance Report

## 企業管治報告

### (i) Going Concern and Mitigation Measures

During the year ended 31 December 2013, the Group incurred a loss of approximately HK\$1,365.5 million and had a net operating cash outflow of approximately HK\$100.0 million due to the market downturn and significant change in operating and regulatory environment of the Group's subsidiaries. As at 31 December 2013, the Company and the Group had net current liabilities of HK\$420.3 million and HK\$1,243.2 million, respectively. The Group's total borrowings amounted to HK\$2,210.8 million, out of which HK\$1,201.4 million will be due within 12 months as at 31 December 2013. The current borrowings mainly included the current portion of the 39,099 10% coupon senior bonds (the "10% Coupon Senior Bonds") of HK\$422.7 million and certain bank and other borrowings of HK\$778.6 million. The cash and cash equivalents of the Group amounted to HK\$54.0 million as at 31 December 2013. In addition, the Company and certain of its subsidiaries are parties to various litigations as detailed in Note 36 to the consolidated financial statements.

These conditions together with others described in Note 2.1(a) to the consolidated financial statements, have indicated the existence of material uncertainties which might cast significant doubt on the Group's ability to continue as a going concern and therefore it might not be able to realise its assets and discharge its liabilities in the normal course of business.

The Board had given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group would have sufficient financial resources to continue as a going concern. Certain measures had been taken to mitigate the liquidity pressure and to improve its financial position which include, but not limited to, the following:

- (1) to finalise the proposed disposal of up to 30% equity interest SEAM. On 21 January 2013, the Group entered into a non-binding framework agreement with Beijing Wincapital Management Co., Ltd. ("Beijing Wincapital") in relation to the disposal of a 30% equity interest in SEAM, a wholly-owned subsidiary of the Group. The aggregate disposal consideration is expected to be approximately RMB900 million (approximately HK\$1.1 billion). The proposed transaction is at the finalisation stage and no formal sales and purchase agreement has been entered into up to the date of this report. Longer than expected time has been spent on negotiation of the detailed terms and conditions because of the rapid change in operating and regulatory environment of SEAM since the framework agreement was signed. The proposed transaction can significantly strengthen the cash flow position of the Group as a whole in the near future;

### (i) 持續經營及改善措施

截至二零一三年十二月三十一日止年度，基於市場低迷以及本集團附屬公司的經營和監管環境有重大變動，本集團錄得虧損約1,365.5百萬港元，並有經營現金淨流出約100.0百萬港元。於二零一三年十二月三十一日，本公司及本集團的流動負債淨額分別為420.3百萬港元及1,243.2百萬港元。本集團於二零一三年十二月三十一日之總借貸為2,210.8百萬港元，其中1,201.4百萬港元將於十二個月內到期。即期借貸主要包括39,099份之10厘息優先債券（「10厘息優先債券」）之即期部分422.7百萬港元及若干銀行貸款及其他借貸778.6百萬港元。本集團於二零一三年十二月三十一日之現金及現金等值物為54.0百萬港元。此外，本公司及其若干附屬公司涉及多項法律索償事件（詳情載於綜合財務報表附註36）。

此等狀況連同綜合財務報表附註2.1(a)所述的其他事宜顯示存有重大不明朗因素，或會令本集團持續經營的能力產生重大疑慮，導致本集團或無法在日常業務過程中將其資產變現及償還其負債。

董事會在評核本集團有否充足的財務資源持續經營，已審慎考慮本集團未來流動資金及表現以及其可行之融資來源。本集團已採取若干措施以減輕流動資金的壓力並改善其財務狀況，包括但不限於以下各項：

- (1) 為最後落實擬出售南洋礦業最多為30%的權益，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（「北京匯贏」）訂立有關出售本集團全資附屬公司南洋礦業30%權益的無約束力框架協議。總出售代價預計為大約人民幣900百萬元（約11億港元）。截至本報告日期，建議交易仍處於定稿階段，尚未訂立任何正式買賣協議。自框架協議簽署後，由於南洋礦業的經營及規管環境急變，故此商討條款及條件細節所耗時間較預期長。建議交易能大幅增強本集團整體於不久將來的現金流狀況；

# Corporate Governance Report

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- (2) on 13 June 2014, the Group completed the restructuring of the senior bonds and the convertible bonds of the Group, mainly including (i) the extension of the principal repayment schedule under the terms of the convertible bonds and the maturity date from March 2015 to March 2018 in relation to the convertible bonds; and (ii) the extension of the principal repayment schedule under the terms of the senior bonds and the final maturity date from March 2015 to December 2018 in relation to the senior bonds;
- (3) the Group has been actively negotiating with the lenders for the renewal of its borrowings as necessary when those borrowings fall due in 2014. Based on the past experience, the Group did not encounter any significant difficulties in renewing the borrowings and the directors are confident that all necessary borrowings can be renewed when necessary. Subsequent to year end and up to the date of this report, bank borrowings with aggregate principal amounts of HK\$152.6 million were successfully renewed for another twelve months from their respective original due dates;
- (4) the Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future;
- (5) on 8 July 2014, the Group obtained support from its controlling shareholder, Easyman to charge over 1,307,786,705 ordinary shares in the par value of HK\$0.10 each in the share capital of the Company held by Easyman to a third party, representing approximately 51.22% of the issued share capital of the Company for an additional financing of RMB49.2 million;
- (6) the Group is maximising its sales effort, including speeding up of sales of its existing inventories and seeking new orders from overseas markets (including Taiwan) on developed new products, and implementing more stringent cost control measures with a view to improving operating cash flows; and
- (7) the Group is also actively identifying to dispose of its non-core assets, which is estimated to be about HK\$40 million. Agents have been appointed to assist in the disposal of some of these assets.
- (2) 於二零一四年六月十三日，本集團完成重組其優先債券以及可換股債券，主要包括(i)根據可換股債券條款延後本金還款期限，將可換股債券的到期日由二零一五年三月延至二零一八年三月；及(ii)根據優先債券條款延後本金還款期限，將優先債券的最終到期日由二零一五年三月延至二零一八年十二月；
- (3) 本集團一直積極與放貸人磋商重續二零一四年到期的有關借貸(如需要)。按本集團過往的經驗，本集團在重續借貸方面並無遇上任何重大困難，董事相信所有必需的借貸可在需要時獲得重續。年末後及直至本報告日期，本金總額152.6百萬港元的銀行借貸成功延後其還款日期，從其各自原到期日延後十二個月；
- (4) 本集團亦與多間財務機構進行磋商，並物色本集團於可見將來應付營運資金及承擔的不同方案；
- (5) 於二零一四年七月八日，本集團獲得其控股股東Easyman的支持，將Easyman持有本公司股本1,307,786,705股每股面值0.10港元的普通股(佔本公司已發行股本約51.22%)質押予一名第三方，以便本集團獲取新融資人民幣49.2百萬元；
- (6) 本集團同時致力提升銷售力度，包括加快銷售其現有存貨，對已開發新產品尋求海外市場(包括臺灣)的新訂單，並實施更嚴謹的成本監控措施，以改善經營現金流量；及
- (7) 本集團亦積極識別及出售其非核心資產，估計價值約40百萬港元。本集團已委聘代理協助出售部分該等資產。



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## 企業管治報告

### (ii) Delay in Publication of the 2013 Annual Results and 2014 Interim Results and Further Delay in 2013 Annual Report and 2014 Interim Report

#### (a) Reason for Delay

Under Rules 13.46(2)(a) and 13.49(1) of the Listing Rules, the Company is required to publish the announcement in relation to its preliminary annual results for the year ended 31 December 2013 (the “2013 Annual Results”) on a date not later than three months after the end of the financial year of the Company, i.e. on or before 31 March 2014; and despatch its annual report for the year ended 31 December 2013 (the “2013 Annual Report”) on a date not more than four months after the end of the financial year of the Company, i.e. on or before 30 April 2014; and under Rules 13.48(1) and 13.49(6) of the Listing Rules, publish the announcement in relation to its preliminary interim results for the six months ended 30 June 2014 (the “2014 Interim Results”) on a date not later than two months after the end of the period of the Company, i.e. on or before 31 August 2014; and despatch its interim report for the six months ended 30 June 2014 (the “2014 Interim Report”) on a date not more than three months after the end of the financial period of the Company, i.e. on or before 30 September 2014. The delay in publication of the results and reports had constituted a non-compliance with Rules 13.46(2)(a), 13.48(1) and 13.49(1) and 13.49(6) of the Listing Rules.

As set out in the announcements of the Company dated 27 March 2014, 14 May 2014, 15 August 2014 and 23 September 2014, additional time is required by the Company to gather further information to enable its auditors, PwC, to perform and complete their audit procedures. Such information included, among others, the following:

- (1) legal opinions (the “Legal Opinions”) in connection with certain disputes and litigation involving the Group (the “Disputes”); and
- (2) additional financial information of the Group (the “Financial Information”), including the cashflow projection of the Group and the cashflow projections of various overseas and PRC subsidiaries of the Company.

### (ii) 延遲刊發二零一三年全年業績及二零一四年中期業績以及進一步延遲刊發二零一三年年度報告及二零一四年中期報告

#### (a) 延遲刊發

根據上市規則第13.46(2)(a)及13.49(1)條，本公司須不遲於本公司財政年度完結後三個月（即於二零一四年三月三十一日或以前）刊發有關截至二零一三年十二月三十一日止年度之年度初步業績（「二零一三年全年業績」）公告；及須不遲於本公司財政年度完結後四個月（即於二零一四年四月三十日或以前）發送本公司截至二零一三年十二月三十一日止年度之年度報告（「二零一三年年度報告」）；及根據上市規則第13.48(1)及13.49(6)條須不遲於本公司財政期間完結後兩個月（即於二零一四年八月三十一日或以前）刊發有關截至二零一四年六月三十日止六個月之中期初步業績（「二零一四年中期業績」）公告；及須不遲於本公司財政期間完結後三個月（即於二零一四年九月三十日或以前）發送本公司截至二零一四年六月三十日止期間之中期報告（「二零一四年中期年報」）。延遲刊發有關業績及報告已構成不符合上市規則第13.46(2)(a)、13.48(1)、13.49(1)及13.49(6)條。

如本公司日期為二零一四年三月二十七日、二零一四年五月十四日、二零一四年八月十五日及二零一四年九月二十三日之公告所述，本公司需要更多時間收集進一步資料，使本公司核數師羅兵咸永道得以進行及完成其審計程序。該等資料包括但不限於以下各項：

- (1) 若干牽涉本集團之爭議與訴訟（「爭議」）相關法律意見（「法律意見」）；及
- (2) 額外的本集團財務資料（「財務資料」），包括本集團之現金流量預測及本公司多家海外及中國附屬公司之現金流量預測。

# Corporate Governance Report

## 企業管治報告

### (1) Legal Opinions

For the purposes of ascertaining the provisions to be made in the financial statements of the Group in connection with the Disputes, the Company obtained the Legal Opinions in connection with (i) the statutory demands issued by Rock Resource Limited (“RR”) and United Mineral Limited (“UM”) (collectively referred to as the “Buyers”) and (ii) the winding-up petition instigated by TORM A/S (“TORM”).

#### (i) Statutory Demands

On 20 March 2014, the Company, in its capacity as the guarantor of the seller (CNR Group Holdings Pte Ltd, a wholly owned subsidiary of the Group) to the relevant agreements, received the statutory demands (the “Statutory Demands”) from RR and UM in demand for (i) an amount of US\$10.3 million (equivalent to approximately HK\$80.2 million); and (ii) an amount of RMB70.3 million (equivalent to approximately HK\$89.4 million).

Upon receipt of the Statutory Demands, the Company engaged its legal advisers on 2 April 2014 to, among others, defend against the Statutory Demands and had been actively defending against the Statutory Demands. The Company will make further announcement(s) as appropriate on the developments of the litigation involving the Statutory Demands.

As the Company was involved in lengthy negotiations to settle the disputes with RR and UM, the finalisation of the Legal Opinions was delayed.

No provision had been made in connection with the Statutory Demands as the directors, after obtaining legal advice, considered that it is not probable that this litigation would result in any material outflow of economic benefits from the Group.

### (1) 法律意見

就確定本集團就爭議於其財務報表作出的撥備，本公司已就以下事宜獲取法律意見：(i) Rock Resource Limited (「RR」) 及 United Mineral Limited (「UM」) (統稱「買家」) 發出的法定要求索償書；及 (ii) TORM A/S (「TORM」) 提出的清盤呈請。

#### (i) 法定要求索償書

於二零一四年三月二十日，本公司以有關協議賣家(賣家為本集團之全資擁有子 公 司 CNR Group Holdings Pte. Ltd.) 擔保人身份接獲RR及UM的法定要求索償書(「法定要求索償書」)，要求(i)金額10.3百萬美元(相等於約80.2百萬港元)；及(ii)金額人民幣70.3百萬元(相等於約89.4百萬港元)。

本公司接獲法定要求索償書後，於二零一四年四月二日委聘其法律顧問，以(其中包括)為法定要求索償書提出抗辯，而法律顧問一直積極就此提出抗辯。如涉及法定要求索償書之訴訟有任何事態發展，本公司將適時另發公告。

由於本公司就解決與RR及UM之爭議進行了冗長的討論，故此落實法律意見有所延誤。

鑒於董事經索取法律意見後認為訴訟不太可能使本集團有重大的經濟利益流出，故此並無就法定要求索償書作出撥備。

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## 企業管治報告

- (ii) Winding up petition  
The Company, as charterers, entered into Contracts of Affreightment and Addendum (“COA”) with a marine vessel owner, TORM. Pursuant to the COA, the Company had committed to hire a nominated vessel for the carriage of a certain minimum number of cargoes per calendar month for shipment in connection with the export of iron ores from Indonesia. As a result of the Export Ban, the Company was unable to fulfil the committed shipment of cargoes as stipulated in the COA.

From 28 January 2014 onwards, the Group received various legal letters from TORM in demand for (i) an outstanding freight charges payable by the Group to TORM of approximately US\$1.8 million (equivalent to approximately HK\$14.3 million) (“Outstanding Freight Charges”); and (ii) losses suffered by TORM as a result of the Company’s failure to comply with its obligation under the COA, namely, the shipment of approximately 51 cargoes (“Other Losses”), which was estimated by TORM to be in the amount of approximately US\$11.8 million (equivalent to approximately HK\$91.7 million) up to 27 March 2014.

Upon receipt of the above legal letters, the Board commenced liaison with TORM and involved several discussions with its management and representatives in order to compromise an acceptable solution. However, the result of lengthy discussion was not satisfactory. The Board appointed an overseas legal advisor to handle the disputes, performing fact-finding process, meeting with TORM management, understanding the background information and obtained the preliminary legal advice. Then the Group commenced to re-negotiate again with TORM management representative. The negotiation might have certain positive feedback at the beginning. However following the Export Ban not uplifted, on 15 May 2014, TORM filed a winding up petition against the Company to the High Court.

- (ii) 清盤呈請  
本公司(以承租人身  
份)與船主TORM訂  
立租船貨運合約連  
同附錄(「租船貨運  
合約」)。根據租船  
貨運合約,本公司  
承諾每個曆月租用  
指定船隻運輸若干  
最低船貨,以便從  
印尼出口鐵礦石。  
鑒於出口禁令,本  
公司無法達到租船  
貨運合約規定的已  
承諾貨船。

由二零一四年一月  
二十八日起,本集  
團接獲TORM的多  
份法律函件,要求(i)  
本集團應付TORM  
的未償還運費約1.8  
百萬美元(相等於約  
14.3百萬港元)(「未  
償還運費」);及(ii)  
TORM就本公司未  
能履行租船貨運合  
約的責任而截至二  
零一四年三月  
二十七日所蒙受的  
損失,即約51艘貨  
船的船運(「其他損  
失」),TORM估計金  
額約為11.8百萬美  
元(相等於約91.7  
百萬港元)。

接獲上述法律函件  
後,董事會開始與  
TORM聯繫,並與其  
管理層及代表進行  
多次討論,以協議  
可接受的解決方  
案。然而,經過長  
時間的討論後仍未  
有達成滿意的結  
果。董事會已委聘  
海外法律顧問處  
理爭議、履行搜尋  
事實程序、與TORM  
管理層會面、了解  
背景資料以及獲取  
初步法律意見。隨  
後,本集團與TORM  
的管理層代表重新  
展開磋商,初步商  
討或有正面回應。  
然而,伴隨出口禁  
令未有撤銷,於二  
零一四年五月十五  
日TORM向高等法  
院針對本公司提出  
清盤呈請。

# Corporate Governance Report

## 企業管治報告

The Outstanding Freight Charges payable by the Group to TORM up to 31 December 2013 had been fully accounted for in the consolidated financial statements of the Group for the year ended 31 December 2013 and the Outstanding Freight Charges were fully settled by the Group in June 2014 and the winding up petition was withdrawn by TORM on 24 June 2014.

In connection with the claims on Other Losses, the Group has engaged legal advisors to commence arbitration procedures with TORM in February 2014. The said arbitration procedures are still in progress as at the date of this report. The Company will make further announcement(s) as appropriate on the development of the arbitration procedures in due course.

As the Company was involved in lengthy negotiations to settle the disputes with TORM, the finalisation of the Legal Opinions was delayed.

### (2) *Financial Information*

Subsequent to the withdrawal of the winding-up petition and the approval of the Holders to amend certain terms of the Bonds on 13 June 2014, PwC re-started audit works in July 2014 in connection with the 2013 Annual Results. However, the Disputes and the Export Ban casted significant doubts on the Group's financial performance and cash flows position and in light of the current market situation of steel industry in the PRC, additional audit work was required from PwC, including, among others, the following:

- Obtaining the Legal Opinions in connection with the Disputes for the purposes of assessing whether provisions in respect of the Disputes are required to be made in the 2013 Annual Results;

本公司截至二零一三年十二月三十一日應付TORM未償還運費已全數計入本集團截至二零一三年十二月三十一日止年度綜合財務報表，而本集團已於二零一四年六月全面繳清未償還運費，TORM亦於二零一四年六月二十四日撤銷清盤呈請。

至於其他損失的申索，本集團於二零一四年二月委聘法律顧問與TORM展開仲裁程序。上述仲裁程序於本年度報告日期仍在進行。本公司會在適當時就仲裁程序的發展作出公佈。

由於本公司就解決與TORM之爭議進行了冗長的討論，故此落實法律意見有所延誤。

### (2) *財務資料*

撤銷清盤呈請及持有人於二零一四年六月十三日批准修訂債券若干條款後，羅兵咸永道已就二零一三年年度業績於二零一四年七月重新展開其核數工作。然而，爭議和出口禁令對本集團財務表現及現金流量狀況造成重大隱憂，並基於中國內地現時鋼鐵業的市況，羅兵咸永道需作出額外的核數工作，包括以下各項：

- 就爭議取得法律意見，以評估是否需就該等爭議於二零一三年年度業績中作出撥備；

# Corporate Governance Report

## 企業管治報告

- Obtaining the updated working capital projections of the Group from the management together with the underlying assumptions for the purposes of assessing the Group's ability to operate as a going concern; and
- conducting review on impairment assessment on the recoverable amounts on certain assets and the amounts of impairment provisions in relation to, among others, the Exclusive Offtake Agreement and certain operating property, plant and equipment of the Group.

The Company had provided, among others, all the available information to enable PwC to conduct the above procedures before this report.

In addition, the preparation of the Financial information and management accounts of the Group was delayed due to the time lapse between the resignation and the appointment of the Company's financial controller and company secretary on 25 April 2014 and 3 June 2014, respectively.

Consequently, the preparation of the Financial Information was delayed.

(b) *Mitigation measures*

(1) *Legal Opinions*

In order to avoid delay in obtaining the legal opinions, the Board plans to actively involve its external legal advisers in the discussions and negotiations to expedite the process and to hold regular meetings with its external legal advisers to facilitate the communication flow.

(2) *Financial Information*

In order to avoid delay in the compilation and provision of information in connection with the Group's Financial Information, the Board plans to implement the following measures:

- enhance the documentation system to strengthen the information retrieval process;

- 向管理層取得本集團更新的營運資金預測及有關假設，以評估本集團持續經營之能力；及

- 進行減值評核覆核，對象為若干資產的可收回金額以及有關(其中包括)本集團獨家採購協議及若干經營物業、廠房及設備之減值撥備金額。

本公司已提供(其中包括)所有資料，以便羅兵咸永道於本報告日期前進行上述程序。

此外，本集團延遲編制財務資料及管理賬目乃由於本公司財務總監及公司秘書於二零一四年四月二十五日辭任與及於二零一四年六月三日獲委任之時差所致。

因而，編制財務資料有所延誤。

(b) *緩和措施*

(1) *法律意見*

為免延遲獲取法律意見，董事會計劃主動與其外聘法律顧問討論及商議以加快程序，同時會定期與外聘法律顧問舉行會議以便妥善溝通。

(2) *財務資料*

為免延誤本集團財務資料之編制及刊發，董事會計劃實施以下措施：

- 改良文件系統，以加強資訊檢索程序；

# Corporate Governance Report

## 企業管治報告

- involve additional personnel in the preparation of the Group's management accounts and financial projections to avoid delay; and
  - hold more regular meetings with its auditors to facilitate the communication flow and to update the auditors of the Group's financial position regularly.
- 委派額外人員編制本集團管理賬目及財務預測，以免有所延誤；及
  - 與其核數師舉行更多定期會議以便妥善溝通，且定期向核數師提供本集團最新的財務狀況。

### Auditor's Remuneration

For the year ended 31 December 2013, the total fees paid/payable to PwC, auditor of the Company, in respect of audit and non-audit services are set out below:

### 核數師酬金

截至二零一三年十二月三十一日止年度，就本公司核數師羅兵咸永道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 2013**  
截至二零一三年  
十二月三十一日  
止年度  
**HK\$'000**  
港幣千元

<b>Audit services</b>	<b>審核服務</b>	
Annual audit and audit related services	年度審核及審核相關服務	3,800
<b>Non-audit services</b>	<b>非審核服務</b>	
Tax advisory services	稅務諮詢服務	500
Other services	其他服務	2,280

## 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, PRC 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.

## 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。

# Corporate Governance Report

## 企業管治報告

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 or fax. 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.

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.

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、電話或傳真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。

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完整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

The 2013 AGM was held on 19 June 2013. Except for Mr. Song Wenzhou, Mr. Yang Tianjun, Mr. Huang Changhuai and Mr. Fahmi Idris, all other members of the Board has attended the 2013 AGM.

Under the code provision A.6.7 of CG Code, 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 and Mr. Fahmi Idris, the Independent Non-executive Directors of the Company were unable to attend the 2013 AGM due to other business commitment.

Under code provision E.1.2 of CG Code, 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 2013 AGM.

### 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 head office of the Company, which is presently situated at Room 3501, China Merchants Tower, Shun Tak Center, 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.

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

二零一三年股東週年大會於二零一三年六月十九日舉行。除宋文州先生、楊天鈞先生、黃昌淮先生及法米先生外，所有其他董事會成員均有出席二零一三年股東週年大會。

根據企業管治守則守則條文第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及法米先生因其他事務未能出席二零一三年股東週年大會。

根據企業管治守則守則條文第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二零一三年股東週年大會。

### 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室的本公司總辦事處。

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。

本公司的憲制性文件於財政年度內並無任何變更。



# Independent Auditor's 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 were engaged to audit the consolidated financial statements of China Nickel Resources Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 67 to 184, which comprise the consolidated and company statements of financial position as at 31 December 2013, 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 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on conducting the audit in accordance with International Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, it is not possible to form an opinion on the consolidated financial statements as we were not able to obtain sufficient appropriate audit evidence, and the potential interaction of the uncertainties and their possible cumulative effect on the consolidated financial statements.

羅兵咸永道

致中國鎳資源控股有限公司股東  
(於開曼群島註冊成立之有限公司)

我們獲委聘審計列載於第67頁至第184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，此財務報表包括於二零一三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收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港《公司條例》之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，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按照國際審計準則進行的審計對該等綜合財務報表作出意見。然而，基於「無法表示意見的基準」各段所述事項，我們未能取得充分適當的審計憑證，且不明朗因素之間可能相互影響及對綜合財務報表產生累計影響，故此我們無法就綜合財務報表發表意見。

# Independent Auditor's Report

## 獨立核數師報告書

### BASIS FOR DISCLAIMER OF OPINION

#### Impairment losses of intangible asset and the Company's interests in subsidiaries

As at 31 December 2013, the carrying amount of the Group's intangible asset amounted to HK\$2,387,786,000. As detailed in Note 16 to the consolidated financial statements, such intangible asset represents an exclusive offtake right secured from PT. Yiwon Mining ("Yiwon"), a limited company incorporated in Indonesia, whereby Yiwon agreed to exclusively sell the limonitic ores produced by Yiwon to the Group at pre-determined prices within a specific period of time.

During the year 2012, certain Indonesian governmental authorities promulgated several new rules and regulations regarding ores export approval and export tax. During the year ended 31 December 2013, the relevant Indonesian governmental authorities further promulgated that unprocessed ore export by mining business licence holders in Indonesia ("IUP Holders") will be banned from 12 January 2014 onwards unless the IUP Holders have carried out processing and refining domestically according to the relevant regulations regarding implementation of activities of business of minerals and coal mining and have conducted refining and smelting in accordance with those relevant laws. Consequently, the export of unprocessed iron ores from Yiwon to the Group ceased with effect from 12 January 2014.

As further explained in Note 16 to the consolidated financial statements, in determining the recoverable amount of the intangible asset as at 31 December 2013, the directors of the Company, amongst other considerations, made reference to the disposal consideration as stipulated in a non-binding framework agreement entered into between the Group and Beijing Wincapital Management Co., Ltd. ("Beijing Wincapital"), an independent third party, on 21 January 2013, pursuant to which the Group proposed to dispose of a 30% equity interest in S.E.A. Mineral Limited, a wholly-owned subsidiary of the Group, together with its subsidiaries (collectively, "SEAM Group"), which are engaged in the trading of ores and holding of the intangible asset of the Group, to Beijing Wincapital. As the proposed disposal consideration substantially exceeds the attributable carrying amount of the aforesaid intangible asset, the directors are of the opinion that there was no impairment of the intangible asset as at 31 December 2013.

However, as there is no formal sales and purchase agreement entered into for the proposed disposal up to the date of this audit report and the proposed disposal is yet to complete, we were unable to obtain sufficient appropriate audit evidence we consider necessary to assess the valuation of the intangible asset. There were no alternative audit procedures that we could perform to satisfy ourselves as to the recoverable amount of the intangible asset and whether any impairment charge should be made. Any adjustment to the amount of the intangible asset found to be necessary would affect the Group's net assets as at 31 December 2013, the Group's loss for the year then ended and the related note disclosures to the consolidated financial statements.

### 無法表示意見的基準

#### 無形資產減值虧損及貴公司於附屬公司的權益

於二零一三年十二月三十一日，貴集團無形資產的賬面值為2,387,786,000港元。誠如綜合財務報表附註16所詳述，該無形資產指向一間於印尼註冊成立的有限公司PT. Yiwon Mining (「Yiwon」)取得的獨家採購權，據此，Yiwon同意於指定期間按預先釐定價格向貴集團獨家出售其所產褐鐵礦石。

於二零一二年間，印尼若干政府機關頒佈多項有關礦石出口批准及出口稅的新規則及法規。截至二零一三年十二月三十一日止年度，相關印尼政府機關進一步宣佈，於印尼的採礦業務許可證持有人(「許可證持有人」)將自二零一四年一月十二日起被禁止出口未加工礦石，除非許可證持有人已根據關於進行礦產及煤礦開採業務的相關法規在當地進行加工及提煉，並根據該等相關法律進行提煉及冶煉則除外。因此，Yiwon自二零一四年一月十二日起停止向貴集團出口未加工褐鐵礦石。

誠如綜合財務報表附註16所進一步闡釋，在釐定於二零一三年十二月三十一日的無形資產可收回金額時，除了考慮其他因素外，貴公司董事參照貴集團與獨立第三方北京匯贏創業投資有限公司(「北京匯贏」)於二零一三年一月二十一日訂立的不具約束力框架協議所訂的出售代價，根據該框架協議，貴集團擬向北京匯贏出售其於貴集團全資附屬公司南洋礦業有限公司的30%權益連同其附屬公司(統稱「南洋礦業集團」)。南洋礦業集團從事礦石貿易業務及持有貴集團的無形資產。由於建議出售代價大幅超逾上述無形資產的應佔賬面值，董事認為，於二零一三年十二月三十一日，無形資產並無減值。

然而，由於截至本審計報告日期止仍未就建議出售事項訂立正式買賣協議，且建議出售事項尚未完成，我們無法取得我們認為必要的充分和適當的審計憑證，以評估無形資產的估值。我們亦沒有其他可執行的審計程序使我們信納無形資產的可收回金額及應否作出任何減值支出。如需對無形資產金額作出調整，將影響貴集團於二零一三年十二月三十一日的淨資產、貴集團於截至該日止年度的虧損，以及綜合財務報表的相關附註披露。

# Independent Auditor's Report

## 獨立核數師報告書

In addition, as the intangible asset is held by SEAM Group, any adjustment on the amount of the intangible asset found to be necessary would also affect the carrying amount of the Company's interests in subsidiaries which amounted to HK\$3,899,048,000 as at 31 December 2013, the Company's profit for the year then ended and the related note disclosures to the consolidated financial statements.

### Multiple uncertainties relating to going concern

As described in Note 2.1(a) to the consolidated financial statements, the Group incurred a loss of HK\$1,365,506,000 during the year ended 31 December 2013 and, as of that date, it had net current liabilities of HK\$1,243,238,000. In addition, the Company and certain of its subsidiaries are parties to various legal claims as detailed in Note 36 to the consolidated financial statements. These conditions, along with other matters as described in Note 2.1(a) to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking certain measures to improve the Group's liquidity and financial position, which are set out in Note 2.1(a) to the consolidated financial statements, and to resolve the major litigations as detailed in Note 36 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures and litigation matters, which are subject to multiple uncertainties, including (i) whether the Group is able to complete the proposed disposal of the 30% interest in SEAM Group at the prescribed consideration before the end of year 2014 and be able to collect the disposal consideration in full immediately upon completion of the transaction after properly offsetting the relevant borrowings; (ii) the availability of financing from lenders through successful renewal of the existing current and other borrowings and availability of additional new financing as and when required; (iii) whether the Group is able to implement its operation plans to control costs and to generate adequate cash flows from operations; and (iv) whether the Group is able to resolve the litigation matters without significant cash outflows in the next twelve months.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

此外，由於無形資產由南洋礦業集團持有，如需對無形資產金額作出任何調整，亦將影響於二零一三年十二月三十一日貴公司於附屬公司權益的賬面值3,899,048,000港元、貴公司截至該日止年度的溢利，以及綜合財務報表的相關附註披露。

### 有關持續經營的多項不明朗因素

誠如綜合財務報表附註2.1(a)所述，貴集團於截至二零一三年十二月三十一日止年度錄得虧損1,365,506,000港元，而截至該日，貴集團的流動負債淨值為1,243,238,000港元。此外，誠如綜合財務報表附註36所詳述，貴公司及其若干附屬公司面臨多項法律申索。該等狀況連同綜合財務報表附註2.1(a)所述其他事宜，顯示存在重大不明朗因素，或會對貴集團持續經營能力產生重大疑慮。

貴公司董事已採取若干措施以改善貴集團的流動資金及財務狀況（詳情載於綜合財務報表附註2.1(a)），以及解決重大訴訟（詳情載於綜合財務報表附註36）。綜合財務報表按持續經營基準編製，其有效性取決於該等措施及訴訟事宜的結果，有關結果受多項不明朗因素影響，包括(i)貴集團能否於二零一四年底前按所訂代價完成建議出售於南洋礦業集團的30%權益，且能否於緊隨交易完成及適當抵銷相關貸款後悉數收取出售代價；(ii)能否向放款人成功續貸現有即期及其他貸款以取得融資，並於有需要時取得新增額外融資；(iii)貴集團能否實行其營運計劃以控制成本及自營運產生足夠現金流量；及(iv)貴集團能否在未來十二個月解決訴訟事宜而無須重大的現金流出。

倘貴集團未能持續經營，則必須作出調整，以將貴集團資產的賬面值撇減至其可收回金額、為可能產生的任何額外負債作出撥備，以及將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響並未反映於綜合財務報表內。

# Independent Auditor's Report

## 獨立核數師報告書

### DISCLAIMER OF OPINION

Because we have not been able to obtain sufficient appropriate audit evidence and the potential interaction of the uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion paragraphs, we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### OTHER MATTERS

This report has been prepared for and only for 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.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 7 October 2014

### 無法表示意見

基於「無法表示意見的基準」各段所述，我們未能取得充分和適當的審計憑證，且不明朗因素之間可能相互影響及對綜合財務報表產生累計影響，我們不對綜合財務報表發表意見。至於所有其他方面，我們認為綜合財務報表已根據香港《公司條例》的披露規定妥為編製。

### 其他事宜

我們的報告僅為向股東整體報告而編製，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。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，二零一四年十月七日

# Consolidated Income Statement

## 綜合收益表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		Notes 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元 (Restated – Note 2.1(b)) (經重列 – 附註 2.1(b))
Revenue	收益	6	<b>1,635,170</b>	1,810,036
Cost of sales	銷售成本		<b>(1,664,620)</b>	(1,656,057)
Gross (loss)/profit	(毛損)/毛利		<b>(29,450)</b>	153,979
Other gains/(losses), net	其他盈利/(虧損)淨額	6	<b>49,477</b>	(100,414)
Selling and distribution expenses	銷售及分銷開支		<b>(5,196)</b>	(19,225)
Administrative expenses	行政開支		<b>(284,672)</b>	(243,040)
Finance income	融資收入	8	<b>17,735</b>	20,546
Finance costs	融資成本	8	<b>(280,927)</b>	(356,547)
Other expenses	其他開支		<b>(67,737)</b>	(10,981)
Gain on disposal of a subsidiary	出售一間附屬公司之盈利	33	<b>–</b>	675,291
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	14	<b>(726,185)</b>	(151,883)
Share of (loss)/profit of an associate	應佔一間聯營公司(虧損)/溢利	18	<b>(13,508)</b>	851
Loss before income tax	除所得稅前虧損	7	<b>(1,340,463)</b>	(31,423)
Income tax expense	所得稅開支	10	<b>(25,043)</b>	(248,293)
Loss for the year	年內虧損		<b>(1,365,506)</b>	(279,716)
Attributable to:	屬於：			
Equity holders of the Company	本公司股權持有人	11	<b>(1,366,411)</b>	(278,301)
Non-controlling interests	非控股權益		<b>905</b>	(1,415)
			<b>(1,365,506)</b>	(279,716)
Loss per share attributable to equity holders of the Company	本公司股權持有人應佔 每股虧損			
– Basic (HK dollar)	– 基本(港元)	13	<b>(0.54)</b>	(0.12)
– Diluted (HK dollar)	– 攤薄(港元)	13	<b>(0.54)</b>	(0.12)

The notes on pages 79 to 184 are an integral part of these consolidated financial statements.

第79至184頁之附註為本綜合財務報表的一部分。

Details of the dividends payable and proposed for the year are disclosed in note 12 to the consolidated financial statements.

應付股息及本年擬派股息之詳情載於綜合財務報表附註12。

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元 (Restated – Note 2.1(b)) (經重列 – 附註2.1(b))
Loss for the year	年度虧損	<b>(1,365,506)</b>	(279,716)
<b>Other comprehensive income/(loss)</b>	<b>其他全面收益/(虧損)</b>		
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss</i>	<i>已重新分類或可能於其後重新分類至損益之項目</i>		
Exchange differences reclassified to consolidated income statement on disposal of a subsidiary	出售一間附屬公司時重新分類至綜合收益表之滙兌差額	–	(5,495)
Exchange differences on translation of foreign operations	境外經營報表折算滙兌差額	<b>69,457</b>	7,998
<b>Other comprehensive income for the year, net of tax</b>	<b>年度除稅後其他全面收益</b>	<b>69,457</b>	2,503
<b>Total comprehensive loss for the year</b>	<b>年度全面虧損合計</b>	<b>(1,296,049)</b>	(277,213)
<b>Attributable to:</b>	<b>屬於：</b>		
Equity holders of the Company	本公司股權持有人	<b>(1,296,964)</b>	(275,861)
Non-controlling interests	非控股權益	<b>915</b>	(1,352)
		<b>(1,296,049)</b>	(277,213)

The notes on pages 79 to 184 are an integral part of these consolidated financial statements.

第79至184頁之附註為本綜合財務報表的一部分。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2013 二零一三年十二月三十一日

		As at 31 December		As at	
		2013	2012	1 January	
		於十二月三十一日	二零一二年	於一月一日	
		二零一三年	二零一二年	二零一二年	
		HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	
			(Restated –	(Restated –	
			Note 2.1 (b))	Note 2.1 (b))	
			(經重列 –	(經重列 –	
			附註2.1 (b))	附註2.1 (b))	
<b>ASSETS</b>	<b>資產</b>				
<b>Non-current assets</b>	<b>非流動資產</b>				
Property, plant and equipment	物業、廠房及設備	14	1,928,122	2,574,272	2,601,150
Prepaid land lease payments	預付土地租賃款項	15	202,093	221,002	239,478
Intangible asset	無形資產	16	2,387,786	2,498,900	2,578,215
Interest in an associate	於一間聯營公司之權益	18	83,449	89,069	25,899
Pledged time deposits	已抵押定期存款	24	495,021	–	–
Deferred tax assets	遞延稅項資產	19	1,932	889	188,166
Other non-current assets	其他非流動資產	20	3,987	1,233	–
			<b>5,102,390</b>	5,385,365	5,632,908
<b>Current assets</b>	<b>流動資產</b>				
Inventories	存貨	21	474,600	702,024	706,813
Trade and notes receivables	應收賬款及應收票據	22	108,388	111,188	182,918
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	23	213,546	1,019,438	324,425
Pledged time deposits	已抵押定期存款	24	363,929	464,397	270,878
Cash and cash equivalents	現金及現金等值物	24	54,065	141,610	141,636
			<b>1,214,528</b>	2,438,657	1,626,670
Asset of a disposal group classified as held for sale	分類為持作出售之處置組別資產		–	–	891,490
			<b>1,214,528</b>	2,438,657	2,518,160
<b>Total assets</b>	<b>總資產</b>		<b>6,316,918</b>	7,824,022	8,151,068

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2013 二零一三年十二月三十一日

		As at 31 December		As at
		2013	2012	1 January
		於十二月三十一日	二零一二年	於一月一日
		二零一三年	二零一二年	二零一二年
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
			(Restated – Note 2.1 (b))	(Restated – Note 2.1 (b))
			(經重列 – 附註2.1 (b))	(經重列 – 附註2.1 (b))
Notes				
附註				
<b>EQUITY</b>				
<b>權益</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>		<b>本公司股權持有人應佔資本及儲備</b>		
	Share capital	31	255,304	230,606
	Reserves	32	2,553,223	3,755,085
			<b>2,808,527</b>	3,985,691
			<b>9,450</b>	18,905
	<b>Non-controlling interests</b>			4,279,304
	<b>非控股權益</b>			150,004
	<b>Total equity</b>		<b>2,817,977</b>	4,004,596
	<b>權益總額</b>			4,429,308
<b>LIABILITIES</b>				
<b>負債</b>				
<b>Non-current liabilities</b>		<b>非流動負債</b>		
	Bank and other borrowings	28	880,221	473,609
	Convertible bonds	29	129,182	177,660
	Derivative financial instruments	27	21,652	101,592
	Other long term payables	30	8,751	8,115
	Deferred tax liabilities	19	1,369	3,043
			<b>1,041,175</b>	764,019
				93,077



# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2013 二零一三年十二月三十一日

		As at 31 December		As at
		2013	2012	1 January
		於十二月三十一日	二零一二年	於一月一日
		二零一三年	二零一二年	二零一二年
Notes		HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元
			(Restated – Note 2.1 (b))	(Restated – Note 2.1 (b))
			(經重列 – 附註2.1 (b))	(經重列 – 附註2.1 (b))
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付賬款	25	184,566	175,949
Notes payables	應付票據	25	587,614	645,087
Other payables and accruals	其他應付款項及應計負債	26	445,081	612,407
Derivative financial instruments	衍生金融工具		–	–
Bank and other borrowings	銀行貸款及其他借貸	28	1,201,404	1,557,409
Current portion of convertible bonds	可換股債券之即期部分	29	–	–
Tax payable	應付稅項		39,101	64,555
			<b>2,457,766</b>	3,055,407
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		–	–
			<b>2,457,766</b>	3,055,407
				388,020
			<b>2,457,766</b>	3,628,683
<b>Total liabilities</b>	<b>總負債</b>		<b>3,498,941</b>	3,819,426
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>6,316,918</b>	7,824,022
<b>Net current liabilities</b>	<b>流動負債淨值</b>		<b>(1,243,238)</b>	(616,750)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>3,859,152</b>	4,768,615
				4,522,385

Director  
董事

Director  
董事

The notes on pages 79 to 184 are an integral part of these consolidated financial statements.

第79至184頁之附註為本綜合財務報表的一部分。

# Statement of Financial Position

## 財務狀況表

As at 31 December 2013 二零一三年十二月三十一日

			As at 31 December		As at
			2013	2012	1 January
			於十二月三十一日	二零一二年	於一月一日
			二零一三年	二零一二年	二零一二年
		Notes	HK\$'000	HK\$'000	HK\$'000
		附註	千港元	千港元	千港元
				(Restated – Note 2.1 (b))	(Restated – Note 2.1 (b))
				(經重列 – 附註2.1 (b))	(經重列 – 附註2.1 (b))
<b>ASSETS</b>	<b>資產</b>				
<b>Non-current assets</b>	<b>非流動資產</b>				
Property, plant and equipment	物業、廠房及設備	14	23,494	24,347	23,787
Prepaid land lease payments	預付土地租賃款項		–	–	13,253
Interests in subsidiaries	於附屬公司之權益	17	3,899,048	3,711,266	4,776,218
			<b>3,922,542</b>	3,735,613	4,813,258
<b>Current assets</b>	<b>流動資產</b>				
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	23	9,985	11,991	12,907
Pledged time deposits	已抵押定期存款	24	13,285	115,131	–
Cash and cash equivalents	現金及現金等值物	24	559	3,297	6,851
			<b>23,829</b>	130,419	19,758
<b>Total assets</b>	<b>總資產</b>		<b>3,946,371</b>	3,866,032	4,833,016
<b>Equity</b>	<b>權益</b>				
Share capital	股本	31	255,304	230,606	230,433
Reserves	儲備	32	2,553,223	2,384,211	2,940,428
<b>Total equity</b>	<b>權益總額</b>		<b>2,808,527</b>	2,614,817	3,170,861

# Statement of Financial Position

## 財務狀況表

As at 31 December 2013 二零一三年十二月三十一日

		As at 31 December		As at	
		2013	2012	1 January	
		於十二月三十一日	二零一二年	於一月一日	
		二零一三年	二零一二年	二零一二年	
		HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	
			(Restated –	(Restated –	
			Note 2.1 (b))	Note 2.1 (b))	
			(經重列 –	(經重列 –	
			附註2.1 (b))	附註2.1 (b))	
<b>LIABILITIES</b>	<b>負債</b>				
<b>Non-current liabilities</b>	<b>非流動負債</b>				
Bank and other borrowings	銀行貸款及其他借貸	28	542,872	473,609	–
Convertible bonds	可換股債券	29	129,182	177,660	–
Derivative financial instruments	衍生金融工具	27	21,652	101,592	–
Deferred tax liabilities	遞延稅項負債	19	–	1,715	1,715
			<b>693,706</b>	754,576	1,715
<b>Current liabilities</b>	<b>流動負債</b>				
Trade payables	應付賬款	25	3,850	3,847	1,294
Other payables and accruals	其他應付款項及應計負債	26	17,530	4,054	6,776
Derivative financial instruments	衍生金融工具		–	–	10,823
Bank and other borrowings	銀行貸款及其他借貸	28	422,758	488,738	203,217
Current portion of convertible bonds	可換股債券之即期部分	29	–	–	1,436,314
Tax payable	應付稅項		–	–	2,016
			<b>444,138</b>	496,639	1,660,440
<b>Total liabilities</b>	<b>總負債</b>		<b>1,137,844</b>	1,251,215	1,662,155
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>3,946,371</b>	3,866,032	4,833,016
<b>Net current liabilities</b>	<b>流動負債淨值</b>		<b>(420,309)</b>	(366,220)	(1,640,682)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>3,502,233</b>	3,369,393	3,172,576

Director  
董事

Director  
董事

The notes on pages 79 to 184 are an integral part of these financial statements. 第79至184頁之附註為本財務報表的一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

Attributable to equity holders of the Company  
本公司股權持有人應佔

	Notes	Share capital	Share premium	Contributed surplus	Capital reserve	Statutory reserves	Share option reserve	Exchange reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	股份溢價	實繳盈餘	資本儲備	法定儲備	購股權儲備	滙兌儲備	保留溢利	小計	非控股權益	總計
	附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(note 31) (附註31)	(note 32) (附註32)	(note 32) (附註32)	(note 32) (附註32)	(note 32) (附註32)						
<b>For the year ended 31 December 2012</b>												
<b>At 1 January 2012, as restated (Note 2.1 (b))</b>		230,433	3,059,639	47,514	115,807	76,128	28,792	380,890	340,101	4,279,304	150,004	4,429,308
Loss for the year		-	-	-	-	-	-	-	(278,301)	(278,301)	(1,415)	(279,716)
Other comprehensive income for the year:												
Exchange differences reclassified to consolidated income statement on disposal of a subsidiary		-	-	-	-	-	-	(5,495)	-	(5,495)	-	(5,495)
Exchange differences on translation of foreign operations		-	-	-	-	-	-	7,935	-	7,935	63	7,998
<b>Total comprehensive income/(loss) for the year</b>		-	-	-	-	-	-	2,440	(278,301)	(275,861)	(1,352)	(277,213)
Establishment of a subsidiary		-	-	-	-	-	-	-	-	-	7,582	7,582
Disposal of a subsidiary	33	-	-	-	-	-	-	-	-	-	(137,329)	(137,329)
Equity-settled share option arrangements	35	-	-	-	-	-	5,620	-	-	5,620	-	5,620
Forfeited share option reserve	35	-	-	-	-	-	(845)	-	-	(845)	-	(845)
Conversion of convertible bonds	29	173	343	-	-	-	-	-	-	516	-	516
2012 interim dividend		-	(23,043)	-	-	-	-	-	-	(23,043)	-	(23,043)
Transfers		-	-	-	-	13,646	-	-	(13,646)	-	-	-
<b>Total transaction with owners</b>		173	(22,700)	-	-	13,646	4,775	-	(13,646)	(17,752)	(129,747)	(147,499)
<b>At 31 December 2012</b>		230,606	3,036,939	47,514	115,807	89,774	33,567	383,330	48,154	3,985,691	18,905	4,004,596

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

Attributable to equity holders of the Company  
本公司股權持有人應佔

	Notes	Share capital	Share premium	Contributed surplus	Capital reserve	Statutory reserves	Share option reserve	Exchange reserve	Retained profits/ (Accumulated loss)	Sub-total	Non-controlling interests	Total
		股本	股份溢價	實繳盈餘	資本儲備	法定儲備	購股權儲備	匯兌儲備	保留溢利/ (累計虧損)	小計	非控股權益	總計
	附註	HK\$'000 (note 31) (附註31)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)	HK\$'000 (note 32) (附註32)
<b>For the year ended 31 December 2013</b>	<b>截至二零一三年十二月三十一日止年度</b>											
<b>At 1 January 2013, as restated (Note 2.1 (b))</b>	<b>於二零一三年一月一日 (經重列(附註2.1 (b)))</b>	<b>230,606</b>	<b>3,036,939</b>	<b>47,514</b>	<b>115,807</b>	<b>89,774</b>	<b>33,567</b>	<b>383,330</b>	<b>48,154</b>	<b>3,985,691</b>	<b>18,905</b>	<b>4,004,596</b>
Loss for the year	年內虧損	-	-	-	-	-	-	-	(1,366,411)	(1,366,411)	905	(1,365,506)
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	-	-	-	-	-	-	69,447	-	69,447	10	69,457
<b>Total comprehensive income/(loss) for the year</b>	<b>年內全面收益/(虧損)總額</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,447</b>	<b>(1,366,411)</b>	<b>(1,296,964)</b>	<b>915</b>	<b>(1,296,049)</b>
Equity-settled share-based compensation expense	結算及以股份支付之酬金開支	35	-	-	-	-	3,084	-	-	3,084	-	3,084
Conversion of convertible bonds	轉換可換股債券	29	24,698	88,006	-	-	-	-	-	112,704	-	112,704
Acquisition of additional interest in a subsidiary	收購一家附屬公司之額外權益	-	-	-	-	-	-	-	4,012	4,012	(10,370)	(6,358)
<b>Total transaction with owners</b>	<b>與持有人之交易總額</b>	<b>24,698</b>	<b>88,006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,084</b>	<b>-</b>	<b>4,012</b>	<b>119,800</b>	<b>(10,370)</b>	<b>109,430</b>
<b>At 31 December 2013</b>	<b>於二零一三年十二月三十一日</b>	<b>255,304</b>	<b>3,124,945</b>	<b>47,514</b>	<b>115,807</b>	<b>89,774</b>	<b>36,651</b>	<b>452,777</b>	<b>(1,314,245)</b>	<b>2,808,527</b>	<b>9,450</b>	<b>2,817,977</b>

The notes on pages 79 to 184 are an integral part of these consolidated financial statements.

第79至184頁之附註為本綜合財務報表的一部分。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

	Notes 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元 (Restated – Note 2.1 (b)) (經重列 – 附註2.1 (b))
<b>Cash flows from operating activities</b>			
Loss before income tax		<b>(1,340,463)</b>	(31,423)
Adjustments for:			
Finance costs	8	<b>280,927</b>	356,547
Finance income	8	<b>(17,735)</b>	(20,546)
Loss/(gain) on disposal of property, plant and equipment, net	6	<b>5,723</b>	(70)
Changes in fair value of derivative financial instruments	6	<b>(46,688)</b>	21,703
Loss on restructure of convertible bonds, net	6	–	354
Depreciation	7, 14	<b>133,836</b>	122,023
Amortisation of prepaid land lease payments	7, 15	<b>5,374</b>	5,169
Amortisation of intangible asset	16	<b>111,114</b>	79,315
Provision for/(reversal of) impairment of trade receivables, net	7	<b>16,298</b>	(1,293)
Provision for impairment of prepayments and other receivables, net	7	<b>11,592</b>	–
Provision for impairment of property, plant and equipment	7, 14	<b>726,185</b>	151,883
Provision for impairment of prepaid land lease payments	7, 15	<b>20,713</b>	–
Impairment losses of inventories	7, 21	<b>88,765</b>	19,077
Share of loss/(profit) of an associate	18	<b>13,508</b>	(851)
Equity-settled share-based compensation expense	35	<b>3,084</b>	4,775
Gain on disposal of a subsidiary	33	–	(675,291)
Loss on cancellation of warrants	6	–	77,832
		<b>12,233</b>	109,204

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		Notes 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元 (Restated – Note 2.1 (b)) (經重列 – 附註2.1 (b))
Operating profit before working capital changes:	營運資金變動前之經營溢利：			
Decrease in inventories	存貨減少		137,058	15,969
(Increase)/decrease in trade and notes receivables	應收賬款及應收票據 (增加)/減少		(13,944)	72,995
Decrease/(Increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)		28,887	(5,206)
(Decrease)/increase in trade and notes payables	應付賬款及應付票據 (減少)/增加		(48,856)	89,149
(Decrease)/increase in other payables and accruals	其他應付款項及應計負債 (減少)/增加		(162,833)	25,966
Increase in other long term payables	其他長期應付款項增加		636	1,603
Cash (used in)/generated from operations	經營活動(所用)/產生之現金		(46,819)	309,680
Income tax paid	已付所得稅		(53,214)	(34,599)
Net cash flows (used in)/generated from operating activities	經營活動(所用)/產生之現金流量淨額		(100,033)	275,081
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>			
Interest received	利息所得款項		3,263	9,208
Purchase of property, plant and equipment	購買物業、廠房及設備		(157,932)	(122,198)
Increase in pledged time deposits	已抵押定期存款增加		(394,553)	(193,519)
Payment for non-current assets	支付非流動資產		(2,754)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		1,508	4,949
Proceeds from disposal of a subsidiary	出售一家附屬公司所得款項	33	775,970	303,334
Net cash flows generated from investing activities	投資活動產生之現金淨額		225,502	1,774

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		Notes 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元 (Restated – Note 2.1 (b)) (經重列 – 附註2.1 (b))
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>			
Transaction costs paid for restructure of convertible bonds	可換股債券重組已支付之交易費用		–	(21,681)
Addition of bank loans and other borrowings	取得銀行貸款及其他借貸		<b>1,598,601</b>	1,015,936
Repayment of bank loans and other borrowings	償還銀行貸款及其他借貸		<b>(1,552,562)</b>	(832,032)
Repayment of convertible bonds	償還可換股債券		–	(110,324)
Dividends paid	已付股息		–	(23,167)
Interest paid	已付利息		<b>(254,446)</b>	(232,207)
Acquisition of non-controlling interests	收購非控股權益		<b>(6,358)</b>	(1,233)
Cancellation of warrants	註銷認股權證		–	(85,006)
Contribution from non-controlling shareholder of a subsidiary	一家附屬公司非控股股東注資		–	7,596
Net cash flows used in financing activities	融資活動所用之現金淨額		<b>(214,765)</b>	(282,118)
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等值物之減少淨額</b>		<b>(89,296)</b>	(5,263)
Cash and cash equivalents at beginning of year	年初之現金及現金等值物		<b>141,610</b>	141,636
Effect of foreign exchange rate changes, net	滙兌變動影響淨額		<b>1,751</b>	5,237
<b>Cash and cash equivalents at end of year</b>	<b>年末之現金及現金等值物</b>		<b>54,065</b>	141,610
<b>Analysis of balances of cash and cash equivalents</b>	<b>現金及現金等值物結餘分析</b>			
Cash and bank balances	現金及銀行結餘	24	<b>54,065</b>	141,610

The notes on pages 79 to 184 are an integral part of these consolidated financial statements.

第79至184頁之附註為本綜合財務報表的一部分。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 1 GENERAL 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 holdings 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. The Company’s Shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In the opinion of the directors of the Company (the “Directors”), Easyman Assets Management Limited (“Easyman”), a company incorporated in the British Virgin Islands (“BVI”) and wholly owned by Mr. Dong Shutong (“Mr. Dong”), is the ultimate holding company of the Group. Mr. Dong is regarded as ultimate controlling party.

These consolidated financial statements are presented in Hong Kong dollar (“HK\$”), unless otherwise stated, and have been approved for issue by the board of Directors on 7 October 2014.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The consolidated financial statements have been prepared under the historical cost convention except that certain financial assets and liabilities (including derivative financial instruments) are measured at fair value, as appropriate.

### 1 一般資料

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製品生產和銷售及礦石貿易業務。本公司的股份於香港聯合交易所有限公司(「聯交所」)主板上市。

根據本公司董事(「董事」)之意見，於英屬處女群島(「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」)被視為本集團之最終控股公司。

該等綜合財務報表以港元(「港元」)列報(除非另有說明)，並已經由董事會在二零一四年十月七日批准刊發。

### 2 主要會計政策概要

除另有指明外，編製綜合財務報表所採用的主要會計政策已於所有呈報年度貫徹採用，政策如下。

#### 2.1 編製基準

本公司綜合財務報表乃根據國際財務報告準則(「國際財務報告準則」)編製。除若干金融資產及負債(包括衍生金融工具)按公允價值計量(如適用)外，有關綜合財務報表均採用歷史成本計價原則計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

#### (a) Going concern

During the year ended 31 December 2013, the Group incurred a loss of approximately HK\$1,365,506,000 and had a net operating cash outflow of approximately HK\$100,033,000 due to the market downturn and significant change in operating and regulatory environment of the Group's subsidiaries. As at 31 December 2013, the Company and the Group had net current liabilities of HK\$420,309,000 and HK\$1,243,238,000, respectively. The Group's total borrowings amounted to HK\$2,210,807,000, out of which HK\$1,201,404,000 will be due within twelve months as at 31 December 2013. The current borrowings mainly included the current portion of the 39,099 10% coupon senior bonds (the "10% Coupon Senior Bonds") of HK\$422,758,000 and certain bank and other borrowings of HK\$778,646,000. The cash and cash equivalents of the Group amounted to HK\$54,065,000 as at 31 December 2013. In addition, the Company and certain of its subsidiaries are parties to various legal claims as detailed in Note 36 to the financial statements.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern such that it may not be able to realise its assets and discharge its liabilities in the normal course of business.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

遵循國際財務報告準則編製的財務報表，需要使用若干重大的會計估計。同時，在本集團運用會計政策的過程中，需管理層運用自身判斷。涉及應用大量或複雜的判斷之範疇，或涉及假設和估計之範疇對綜合財務報表具有重大影響，於附註4披露。

#### (a) 持續經營

截至二零一三年十二月三十一日止年度，基於市場低迷以及本集團附屬公司的經營和監管環境有重大變動，本集團錄得虧損約1,365,506,000港元，並有經營現金淨流出約100,033,000港元。於二零一三年十二月三十一日，本公司及本集團的流動負債淨額分別為420,309,000港元及1,243,238,000港元。本集團於二零一三年十二月三十一日之總借貸為2,210,807,000港元，其中1,201,404,000港元將於十二個月內到期。即期借貸主要包括39,099份之10厘息優先債券(「10厘息優先債券」)之即期部分422,758,000港元及若干銀行貸款及其他借貸778,646,000港元。本集團於二零一三年十二月三十一日之現金及現金等值物為54,065,000港元。此外，本公司及其若干附屬公司涉及多項法律索償事件(詳情載於財務報表附註36)。

此等狀況顯示存有重大不明朗因素，或會令本集團持續經營的能力產生重大疑慮，導致本集團或無法在日常業務過程中將其資產變現及償還其負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### 2.1 Basis of preparation (continued)

##### (a) Going concern (continued)

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but not limited to, the following:

- (1) On 21 January 2013, the Group entered into a non-binding framework agreement with Beijing Wincapital Management Co., Ltd. ("Beijing Wincapital") in relation to the disposal of a 30% equity interest in S.E.A. Mineral Limited ("SEAM"), a wholly-owned subsidiary of the Group. The aggregate disposal consideration is expected to be approximately RMB900 million (approximately HK\$1.1 billion). The proposed transaction is at the finalisation stage and no formal sales and purchase agreement has been entered into up to the date of approval of the consolidated financial statements. Longer than expected time was spent on negotiation of the detailed terms and conditions because of the rapid change in operating and regulatory environment of SEAM since the framework agreement was signed. In connection with the proposed disposal, Beijing Wincapital arranged a loan finance to the Group in the amount of RMB200 million (equivalent to approximately HK\$254 million) as at 31 December 2013, details of which have been disclosed in Note 28(d). Such borrowing has a term of two years to January 2015 and can be settled by offsetting against the disposal consideration should the proposed disposal be completed. Subsequent to the year end, Beijing Wincapital arranged further loan finance to the Group totaling RMB500 million (equivalent to approximately HK\$636 million) which can also be settled by offsetting against the disposal consideration should the proposed disposal be completed. These RMB 500 million borrowings are unsecured, bearing interest at commercial terms and will be due for repayment within three to six months from the respective drawdown dates. Currently, management expects that all the details and terms of the proposed disposal can be finalised before the end of year 2014; and the Group will be able to offset all these borrowings and collect the remaining disposal consideration in full immediately upon completion of the disposal. The directors believe that the disposal can significantly strengthen the cash flow position of the Group as a whole in the near future.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### (a) 持續經營(續)

鑒於該等狀況，本公司董事在審核本集團是否擁有充足財務資源持續經營時，已審慎考慮本集團未來流動資金及表現以及其可行融資來源。本集團已採取若干措施以減輕流動資金的壓力並改善其財務狀況，包括但不限於以下各項：

- (1) 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(「北京匯贏」)訂立有關出售本集團全資附屬公司南洋礦業有限公司(「南洋礦業」)30%權益的無約束力框架協議。總出售代價預計約為人民幣900百萬元(約11億港元)。截至綜合財務報表批准日期，建議交易仍處於定稿階段，尚未訂立任何正式買賣協議。自框架協議簽署後，由於環境及條件細節所耗時間較預期長。就建議出售事項而言，截至二零一三年十二月三十一日，北京匯贏為本集團安排貸款融資人民幣200百萬元(相等於約254百萬元)(詳情於附註28(d)披露)。有關借貸為期兩年，如建議出售事項得以完成，借貸可以抵銷出售代價方式償還。年末後，北京匯贏進一步為本集團安排貸款融資合共人民幣500百萬元(相等於約636百萬元)，同樣，假若建議出售事項得以完成，借貸可以抵銷出售代價方式償還。人民幣500百萬元借貸為無抵押、按商業條款計息及須自各提款日期起至六個月內償還。目前，管理層預期該建議交易的一切詳情及條款；而本集團於緊隨出售事項完成後將可抵銷所有該等借貸並全數獲取出售代價之餘額。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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### 2.1 Basis of preparation (continued)

##### (a) Going concern (continued)

- (2) In June 2014, the Group completed the restructuring of its 10% Coupon Senior Bonds and the 6% Coupon Convertible Bonds with carrying amounts of HK\$477,769,000 and HK\$150,834,000 respectively at 31 December 2013 as detailed in Note 41. Pursuant to the said restructuring, the maturity of these bonds will be extended for three years with the repayment of principal being deferred to 2017 and thereafter. The Group is obliged to repay the related interest obligations on a quarterly basis before the relevant maturity date. The current portion of these liabilities included in the Group's consolidated financial statements as at 31 December 2013 amounted to HK\$422,758,000 in the aggregate, which have been reclassified as non-current liabilities upon completion of the restructuring.
- (3) Apart from the liabilities mentioned in points (1) and (2) above, the Group had total bank and other borrowings of HK\$1,349,478,000 as at 31 December 2013, out of which approximately HK\$524,268,000 will be due for repayment in the coming twelve months from the end of the reporting period. The Group has been actively negotiating with the lenders for the renewal of these borrowings as necessary when those borrowings fall due in 2014. Based on the past experience, the Group did not encounter any significant difficulties in renewing the borrowings and the directors are confident that all necessary borrowings can be renewed when necessary. Subsequent to year end, bank borrowings with aggregate principal amounts of HK\$152,627,000 were successfully renewed for another twelve months from their respective original due dates.
- (4) The Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future.
- (5) The Group is also maximizing its sales effort, including speeding up of sales of its existing inventories and seeking new orders from overseas markets (including Taiwan) on developed new products, and implementing more stringent cost control measures with a view to improving operating cash flows.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### (a) 持續經營(續)

- (2) 於二零一四年六月，本集團完成重組其10厘息優先債券以及6厘息可換股債券，於二零一三年十二月三十一日，兩者的賬面值分別為477,769,000港元及150,834,000港元(詳見附註41)。根據上述重組，該等債券的到期日將延後三年，本金償還日期將遞延至二零一七年及以後。於有關到期日之前，本集團須每季度履行付息責任。該等計入本集團二零一三年十二月三十一日綜合財務報表之負債即期部分合共為422,758,000港元，此金額於重組完成時已重新分類為非流動負債。
- (3) 除上文(1)及(2)項所述的負債外，本集團於二零一三年十二月三十一日的銀行貸款及其他借貸總額為1,349,478,000港元，其中524,268,000港元須於報告期末起未來十二個月內到期償還。本集團一直積極與放貸人就二零一四年到期的有關借貸進行續期磋商(如需要)。按本集團過往的經驗，本集團在續期借貸方面並無遇上任何重大困難，董事相信所有必需的借貸可在需要時獲得續期。年末後，本金總額152,627,000港元的銀行借貸從各自原到期日成功獲得續期十二個月。
- (4) 本集團亦正在與多間財務機構進行磋商，物色本集團於可見將來為營運資金及承擔進行融資的不同方案。
- (5) 本集團同時致力提升銷售力度，包括加快銷售其現有存貨，對已開發新產品尋求海外市場(包括台灣)的新訂單，並實施更嚴謹的成本監控措施，以改善經營現金流量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### 2.1 Basis of preparation (continued)

##### (a) Going concern (continued)

- (6) The Group has engaged legal advisors to handle all major litigation matters as detailed in Note 36 to the consolidated financial statements. In preparing these financial statements, the directors have also obtained advice from legal advisors on these matters and, based upon which, are of the view that the Group will be able to resolve these matters with no significant cash outflows in the next twelve months.

The directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through:

- (1) successful completion of the proposed disposal of the 30% interest in SEAM before the end of year 2014 at a disposal consideration of RMB900 million and be able to collect the remaining disposal consideration of approximately RMB200 million in full immediately upon completion of the transaction after properly offsetting the remaining consideration of RMB700 million in aggregate against the abovementioned borrowings;
- (2) successful negotiation with the lenders for the renewal of all the existing current and other borrowings upon their maturity or obtaining additional new financing as and when required;

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### (a) 持續經營(續)

- (6) 本集團亦已聘請法律顧問處理所有主要訴訟事宜(詳見綜合財務報表附註36)。董事在編制財務報表時,亦就有關事宜獲得法律顧問的意見,據此,董事認為本集團將能解決有關事宜,在未來十二個月不會產生重大的現金流出。

董事已審閱由管理層編制的本集團現金流量預測。現金流量預測涵蓋自報告期末起不少於十二個月。他們認為,考慮到上述計劃及措施,本集團將有充足的營運資金應付報告期末起未來十二個月營運所需的資金以及履行到期的財務責任。因此,董事相信按持續經營基準編制綜合財務報表屬恰當。

儘管如此,本公司管理層能否達成上述計劃及措施仍存有重大不明朗因素。本集團能否持續經營將視乎本集團能否成功產生充足的融資及經營現金流量,方法為:

- (1) 於二零一四年年底前成功以出售代價人民幣900百萬元完成建議出售南洋礦業之30%權益,並在適當地從上述借貸中抵銷合共人民幣700百萬元代價款額後,於緊隨交易完成時全數收取出售代價餘額約人民幣200百萬元;
- (2) 成功與放貸人商討續期到期的所有現有即期及其他借貸或獲取額外之新融資(如需要);

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (continued)

#### (a) Going concern (continued)

- (3) successful implementation of its operation plans described above to control costs and generate adequate operating cash flows; and
- (4) successful resolution of the litigation matters without significant cash outflows in the next twelve months.

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

#### (b) Change in presentation currency

In prior years, the Group's consolidated financial statements have been presented in Renminbi ("RMB"). As a result of the Group's expanded operations outside the PRC and the increased level to financing and other activities determined based upon currencies other than RMB, the directors considered that HK\$ is a more appropriate presentation currency of the Group's financial statements, which also aligned with the Company's functional currency.

The change in presentation currency of the Group has been applied retrospectively and the comparative figures in the consolidated financial statements have been translated from RMB to HK\$ using the closing rates at the end of the relevant reporting periods for the items in the consolidated statement of financial position, average rate for the relevant period for consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows items and historical rates for the items in the consolidated statement of changes in equity. The change in presentation currency has no significant impact on the financial position of the Group as at 31 December 2013, 31 December 2012 and 1 January 2012, or the results and cash flows for the years ended 31 December 2013 and 2012.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (a) 持續經營(續)

- (3) 成功實行上述經營計劃，以監控成本及產生充足的經營現金流量；及
- (4) 成功解決訴訟事宜，而未來十二個月無需導致巨額現金流出。

倘本集團無法繼續按持續經營基準營運，則須作出調整以將本集團資產的賬面值撇減至其可收回金額、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非流動負債分別重新分類為流動資產及流動負債。該等調整之影響並未反映於該等綜合財務報表內。

#### (b) 更改呈列貨幣

於過往年度，本集團之綜合財務報表一直以人民幣(「人民幣」)呈列。由於本集團擴大於中國以外之業務，而以人民幣以外貨幣計值之財務及其他活動亦有所增加，故董事認為，港元對本集團之財務報表而言為較合適之呈列貨幣，亦與本公司之功能貨幣一致。

本集團呈列貨幣之變動已追溯應用，而於綜合財務報表之比較數字亦已由人民幣換算為港元，綜合財務狀況表項目採用於相關報告期末之收市匯率，綜合收益表、綜合全面收益表及綜合現金流量表項目採用於相關期間之平均匯率，及綜合權益變動表項目採用歷史匯率計算。呈列貨幣之變動對本集團於二零一三年十二月三十一日、二零一二年十二月三十一日及二零一二年一月一日之財務狀況或截至二零一三年及二零一二年十二月三十一日止年度之業績及現金流量並無重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### 2.1 Basis of preparation (continued)

##### (c) Effect of adopting new standards, amendments and interpretation to existing standards

The following new standards, amendments and interpretation to standards are mandatory for accounting periods beginning on or after 1 January 2013. The adoption of these new standards, amendments and interpretation to standards does not have any significant impact to the result and financial position of the Group.

IFRSs (amendment)	Improvements to IFRSs 2011
IFRS 1 (amendment)	Government loans
IFRS 7 (amendment)	Disclosures — offsetting financial assets and financial liabilities
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurements
IFRS 10, IFRS 11, IFRS 12 (amendment)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance
IAS 1 (amendment)	Presentation of financial statements
IAS 19 (2011)	Employee benefits
IAS 27 (2011)	Separate financial statements
IAS 28 (2011)	Investments in associates and joint ventures
IFRIC Int 20	Stripping costs in the production phase of a surface mine

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### (c) 採納新訂準則、現有準則的修訂及詮釋的影響

以下新訂準則、現有準則的修訂及詮釋須自二零一三年一月一日或之後開始的會計期間強制生效。採納該等新訂準則、現有準則的修訂及詮釋對本集團的業績及財務狀況並無任何重大影響。

國際財務報告準則 (修訂本)	二零一一年國際財務報告準則之改進
國際財務報告準則第1號 (修訂本)	政府貸款
國際財務報告準則第7號 (修訂本)	披露 — 抵銷金融資產及金融負債
國際財務報告準則第10號	綜合財務報表
國際財務報告準則第11號	共同安排
國際財務報告準則第12號	披露於其他實體的權益
國際財務報告準則第13號	公允價值計量
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)	綜合財務報表、共同安排及 披露於其他實體的權益： 過渡指引
國際會計準則第1號 (修訂本)	呈列財務報表
國際會計準則第19號 (二零一一年)	僱員福利
國際會計準則第27號 (二零一一年)	獨立財務報表
國際會計準則第28號 (二零一一年)	於聯營公司及合營公司之投資
國際財務報告詮釋委員會 詮釋第20號	露天礦場生產階段之剝採成本

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### 2.1 Basis of preparation (continued)

##### (d) New standards, amendments and interpretation to standards that have been issued but are not effective

The following new standards, amendments and interpretation to standards have been issued but are not effective for the financial year beginning on 1 January 2013 and have not been early adopted by the Group:

IFRS 9 (2014)	Financial instruments <sup>(5)</sup>
IFRS 11 (amendment)	Accounting for acquisitions of interests in Joint Operations <sup>(3)</sup>
IFRS 10, IFRS 12 and IAS 27 (2011) (amendment)	Investment entities <sup>(1)</sup>
IFRS 14	Regulatory deferred accounts <sup>(4)</sup>
IFRS 15	Revenue from Contracts with Customers <sup>(4)</sup>
IAS 16 and IAS 38 (amendment)	Clarification of acceptable methods of depreciation and amortisation <sup>(3)</sup>
IAS 19 (amendment)	Defined benefit plans: employee contribution <sup>(3)</sup>
IAS 27 (amendment)	Equity method in separate financial statements <sup>(3)</sup>
IAS 32 (amendment)	Offsetting financial assets and financial liabilities <sup>(1)</sup>
IAS 36 (amendment)	Recoverable amount disclosures for non-financial assets <sup>(1)</sup>
IAS 39 (amendment)	Financial instruments: recognition and measurement <sup>(1)</sup>
IFRIC Int 21	Levies <sup>(1)</sup>
IFRSs (amendment)	Improvements to IFRS 2010–2012 cycle and 2011–2013 cycle <sup>(2)</sup>
IFRSs (amendment)	Improvements to IFRS 2012–2014 cycle <sup>(4)</sup>

<sup>(1)</sup> Effective for the Group for annual period beginning on 1 January 2014

<sup>(2)</sup> Effective for the Group for annual period beginning on 1 January 2015

<sup>(3)</sup> Effective for the Group for annual period beginning on 1 January 2016

<sup>(4)</sup> Effective for the Group for annual period beginning on 1 January 2017

<sup>(5)</sup> Effective for the Group for annual period beginning on 1 January 2018

The directors are in the process of assessing the impact of the adoption of these new standards, amendments and interpretation to standards on the results and financial position of the Group.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### (d) 已頒佈但尚未生效之新準則，準則之修訂及詮釋

本集團尚未提早採納以下已頒佈但於二零一三年一月一日開始之財政年度尚未生效之新準則，準則之修訂及詮釋：

國際財務報告準則第9號 (二零一四年)	金融工具 <sup>(5)</sup>
國際財務報告準則第11號 (修訂本)	取得共同經營中權益的會計處理 <sup>(3)</sup>
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 (二零一一年)(修訂本)	投資實體 <sup>(1)</sup>
國際財務報告準則第14號	監管遞延賬戶 <sup>(4)</sup>
國際財務報告準則第15號	源於客戶合約的收入 <sup>(4)</sup>
國際會計準則第16號及 第38號(修訂本)	對可接受的折舊和攤銷方法的澄清 <sup>(3)</sup>
國際會計準則第19號 (修訂本)	定額福利計劃：僱員供款 <sup>(3)</sup>
國際會計準則第27號 (修訂本)	單獨財務報表之權益法 <sup>(3)</sup>
國際會計準則第32號 (修訂本)	抵銷金融資產及金融負債 <sup>(1)</sup>
國際會計準則第36號 (修訂本)	非金融資產披露之可收回款項 <sup>(1)</sup>
國際會計準則第39號 (修訂本)	金融工具：確認及計量 <sup>(1)</sup>
國際財務報告詮釋委員會 詮釋第21號	徵稅 <sup>(1)</sup>
國際財務報告準則 (修訂本)	二零一零年至二零一二年週期及 二零一一年至二零一三年週期 國際財務報告準則的改進 <sup>(2)</sup>
國際財務報告準則 (修訂本)	二零一二年至二零一四年週期 國際財務報告準則的改進 <sup>(4)</sup>

<sup>(1)</sup> 本集團於二零一四年一月一日開始之年度期間生效

<sup>(2)</sup> 本集團於二零一五年一月一日開始之年度期間生效

<sup>(3)</sup> 本集團於二零一六年一月一日開始之年度期間生效

<sup>(4)</sup> 本集團於二零一七年一月一日開始之年度期間生效

<sup>(5)</sup> 本集團於二零一八年一月一日開始之年度期間生效

董事現正評估就採納此等新準則及準則之修訂及詮釋對本集團的業績及財務狀況的影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

## 2 主要會計政策概要(續)

### 2.2 附屬公司

#### 2.2.1 綜合入賬

附屬公司為本集團對其擁有控制權的實體(包括結構性實體)。當本集團參與一實體而承受或有權得到可變的回報,及有能力透過其對實體的權力影響該等回報時,則本集團對該實體擁有控制權。附屬公司乃自控制權轉移至本集團當日起綜合入賬,並自該控制權終止當日起不再綜合入賬。

(a) *業務合併*

本集團採用收購法將業務合併入賬。收購附屬公司的轉讓代價為已轉讓資產、被收購方原擁有人所承擔負債及本集團發行的股本權益的公允價值。所轉讓代價包括因或然代價安排而產生的任何資產或負債的公允價值。於業務合併中收購的可識別資產及承擔的負債及或然負債初步按於收購日期的公允價值計量。本集團按個別收購基準根據公允價值或非控股權益應佔被收購方可識別資產淨值已確認金額的比例確認被收購方的任何非控股權益。

收購相關成本於產生時支銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

##### (a) Business combinations (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

## 2 主要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 綜合入賬(續)

##### (a) 業務合併(續)

倘業務合併分階段進行，收購方先前持有的被收購方股權於收購日期公允價值重新計量為於收購日期的公允價值，而該重新計量產生的任何收益或虧損於損益內確認。

本集團所轉讓的任何或然代價將在收購當日按公允價值確認。被視為一項資產或負債的或然代價公允價值後續變動，將按照國際會計準則第39號的規定，於損益確認或確認為其他全面收益變動。分類為權益的或然代價毋須重新計量，而其後結算於權益入賬。

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公允價值超過所收購可識別淨資產公允價值之差額，乃入賬列作商譽。倘轉讓的代價、已確認非控股權益及先前持有的權益計量之總額低於所收購附屬公司淨資產之公允價值(於議價收購之情況下)，則該差額會直接於收益表內確認。

所有集團內部各公司間的交易、結餘及未變現收益均會對銷，未變現虧損亦會對銷。當有需要時，附屬公司所報金額已作出調整，以確保符合本集團採納的會計政策。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2 主要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 綜合入賬(續)

(b) 不會導致失去控制權之附屬公司所有權權益變動不會導致失去控制權之非控股權益交易入賬列作權益交易，即以彼等為擁有人之身分與附屬公司擁有人進行交易。任何已付代價公允價值與所收購相關應佔附屬公司資產淨值賬面值之差額列作權益。向非控股權益出售所得收益或虧損亦列作權益。

(c) *出售附屬公司*

若本集團不再擁有控制權，其於該實體之任何保留權益按其於失去控制權當日之公允價值重新計算，而賬面值變動則於損益中確認。其後此保留權益將入賬列作聯營公司、合營企業或金融資產，並以公允價值為初始之賬面值。此外，過往於其他全面收益內確認與該實體有關之任何金額按猶如本集團直接出售有關資產或負債之方式入賬。即先前在其他全面收益內確認之金額重新分類至損益。

#### 2.2.2 獨立財務報表

於附屬公司之投資乃按成本減減值入賬。成本包括投資直接應佔成本。附屬公司之業績乃由本公司按已收及應收股息之基準處理。

倘股息超出宣派股息期間該附屬公司之全面收益總額，或倘獨立財務報表之投資賬面值超出綜合財務報表所示被投資公司資產淨值(包括商譽)之賬面值，則須於收取來自該等投資之股息時對該等附屬公司之投資進行減值測試。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in an associate includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of loss of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in an associate are recognised in the income statement.

## 2 主要會計政策概要(續)

### 2.3 聯營公司

聯營公司指本集團對其有重大影響力而無控制權之實體，通常附帶20%至50%表決權之股權。於聯營公司之投資使用權益會計法入賬。根據權益會計法，投資初步按成本確認，並增加或減少賬面值以確認於收購日期後投資者應佔投資對象的溢利或虧損。本集團於聯營公司之投資包括收購時識別之商譽。

倘對聯營公司的擁有權減少但仍保留重大影響，則先前於其他全面收益確認的金額當中，僅按比例計算的份額重新分類至損益(視適用情況而定)。

本集團應佔收購後溢利或虧損於收益表確認，而應佔收購後其他全面收益之變動，則於其他全面收益內確認，並對投資賬面值作出相應調整。當本集團分佔聯營公司虧損等於或超過其佔該聯營公司之權益(包括任何其他無抵押應收款項)時，本集團不再進一步確認虧損，除非本集團代聯營公司承擔法律或推定責任或支付款項。

本集團在每個報告日期釐定於聯營公司之投資是否存在客觀減值證據。倘存在減值證據，本集團會按聯營公司可收回金額與其賬面值間之差額計算減值金額，並於收益表「應佔一間聯營公司虧損」確認有關金額。

本集團及其聯營公司之間之上游及下游交易所產生溢利及虧損，於本集團財務報表確認，惟僅以非關連投資者於聯營公司之權益為限。除非交易提供證據顯示已轉讓資產有所減值，未變現虧損均予以對銷。已於必要時改變聯營公司之會計政策，以確保與本集團所採納的政策保持貫徹一致。

於聯營公司之股權攤薄所產生之收益或虧損於收益表確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operations decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions.

### 2.5 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income' or 'finance cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains/(losses), net'.

## 2 主要會計政策概要(續)

### 2.4 分部報告

經營分部之呈報方式與向主要經營決策者呈報內部報告之方式一致。負責分配資源及評估經營分部之表現之主要經營決策者已被確定為作出戰略性決策之本公司執行董事。

### 2.5 外幣換算

#### (a) 功能及呈報貨幣

本集團旗下每個實體之財務報表所包括之項目，均以該實體之主要營運經濟環境之貨幣（「功能貨幣」）計算。綜合財務報表乃以港元呈報，港元為本公司之功能貨幣及本集團之呈報貨幣。

#### (b) 交易及結餘

外幣交易均按交易當日或項目重新計量之估值日期之匯率換算為功能貨幣。此等交易結算以及按年結日之匯率換算以外幣計值之貨幣資產及負債而產生之外匯收益及虧損，均於收益表內確認，惟於權益內遞延作合資格投資淨額的對沖除外。

有關借貸及現金及現金等值物的外匯損益呈列於收益表內「融資收入」或「融資成本」項下。所有其他外匯損益呈列於收益表內「其他盈利／（虧損）淨額」項下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### 2.5 Foreign currency translation (continued)

##### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

##### (d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

### 2 主要會計政策概要(續)

#### 2.5 外幣換算(續)

##### (c) 集團公司

本集團旗下所有實體如持有與呈報貨幣不一致之功能貨幣(其中並無任何實體持有通脹嚴重之經濟體系之貨幣),其業績及財務狀況均按以下方法換算為呈報貨幣:

- (i) 每項財務狀況表所呈列之資產及負債均按照報告期末之匯率換算;
- (ii) 每項收益表之收入及支出均按照平均匯率換算,除非此平均匯率並非各交易日匯率之累積影響之合理近似值,收入及支出則按交易日匯率換算;及
- (iii) 所有產生之匯兌差額均於其他全面收益中確認。

因收購海外實體而產生的商譽及公允價值調整;均作為有關海外實體的資產與負債,並按結算日匯率換算。所產生之匯兌差額於其他全面收益中確認。

##### (d) 出售海外業務及部份出售

於出售海外業務(即出售本集團於海外業務之全部權益或導致喪失對某一包含海外業務附屬公司控制權之出售,或導致喪失對某一包含海外業務聯營公司重大影響力之出售)時,與該業務相關並歸屬於本公司擁有人之所有於權益中累計匯兌差額均重新分類至損益。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Foreign currency translation (continued)

#### (d) Disposal of foreign operation and partial disposal (continued)

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in an associate that do not result in the Group losing significant influence) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

### 2.6 Property, plant and equipment

Leasehold land classified as finance lease and all other property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

## 2 主要會計政策概要(續)

### 2.5 外幣換算(續)

#### (d) 出售海外業務及部份出售(續)

倘此乃部份出售並不導致本集團喪失包含海外業務附屬公司的控制權，該累計匯兌差額之應佔比例重新歸屬予非控股權益及不會於損益確認。就所有其他之部份出售(即不會導致本集團喪失重大影響之聯營公司之部份出售)，該累計匯兌差額之應佔比例則須重新分類至損益。

### 2.6 物業、廠房及設備

除在建工程外，分類為融資租賃之租賃土地及所有其他物業、廠房及設備按成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

其後成本只有在與該項目有關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，才計入資產之賬面值或確認為一項獨立資產(按適用情況而定)。取代部分之賬面值將終止確認。所有其他維修及保養成本於產生之財政期間在收益表支銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimate useful lives, as follows:

— Freehold land	Not depreciated
— Buildings	15–25 years
— Plant and machinery	8–15 years
— Office equipment	3–5 years
— Motor vehicles and other	5–25 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/(losses), net' in the income statement.

Construction-in-progress represents buildings, plant and machinery under construction and pending installation and is stated at cost less accumulated impairment losses. Cost includes the costs of construction of buildings, the costs of plant and machinery and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought to use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

### 2 主要會計政策概要(續)

#### 2.6 物業、廠房及設備(續)

分類為融資租賃之租賃土地由有關土地權益可供用作擬定用途時開始計提攤銷。分類為融資租賃之租賃土地之攤銷及其他資產之折舊於其估計可用年期內將其成本值按直線法攤分其剩餘價值計算：

— 永久業權土地	無折舊
— 樓宇	15至25年
— 廠房及機器	8至15年
— 辦公室設備	3至5年
— 車輛及其他	5至25年

資產的剩餘價值及可使用年期在每個報告期末進行檢討，並在適當時調整。

若資產之賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額。

出售收益及虧損按所得款項與賬面值的差額釐定，並在收益表內的「其他盈利／(虧損)淨額」項下確認。

在建工程為建設中及需要安裝的樓宇、廠房及機器，按照成本扣除累計減值虧損列賬。成本包括興建樓宇的成本、廠房及機器成本，以及(如為合資格資產)按本集團會計政策資本化的借款成本。在建工程不計提折舊，直至有關資產完工並可供擬定用途。當有關資產可供使用時，其成本按上述政策轉撥至物業、廠房及設備，並計提折舊。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Prepaid land lease payments

Prepaid land lease payments are stated at cost less accumulated amortisation and accumulated impairment losses. Cost represents consideration paid for the rights to use the land on which various plants and buildings are situated for a period of 20 to 50 years. Amortisation of prepaid land lease payments is calculated on a straight-line basis over the period of leases.

### 2.8 Intangible assets

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 reporting date.

#### (a) 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 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.

#### (b) 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 主要會計政策概要(續)

### 2.7 預付土地租賃款項

預付土地租賃款項按成本減累計攤銷及累計減值虧損入賬。成本代表就不同廠房及樓宇所在土地的20至50年使用權支付的代價。預付土地租賃款項以直線法按租賃期攤銷。

### 2.8 無形資產

單獨收購的無形資產在初始確認時以成本計量。業務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。

#### (a) 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。

#### (b) 研發成本

所有研究成本均於產生時在收益表扣除。

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。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Impairment of non-financial assets

Assets that have an indefinite useful life — for example, goodwill or intangible assets not ready to use — are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

### 2.10 Non-current assets (or 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 主要會計政策概要(續)

### 2.9 非金融資產減值

無明確顯示使用期限之資產(如商譽或未能使用的無形資產)不予攤銷,惟須每年進行減值測試。在某些事件發生或環境變化導致資產之賬面值可能無法回收時,予以攤銷/折舊之資產會進行減值審閱。當資產賬面值超出其可收回金額時,差額確認為減值虧損。可收回金額為資產公允價值減出售成本與使用價值兩者之較高者。就評估減值而言,資產按最低可獨立識別的現金流量水平(現金產生單位)歸類。

除商譽外,倘非金融資產出現減值,則須於各報告日期檢討可能出現的減值撥回。倘某項減值虧損期後撥回,則該項資產(現金產生單位)之賬面值須增加至重新估計之可收回金額,惟增加後之賬面值不得超過資產(現金產生單位)在以往年度並無減值虧損的情況下可釐定之賬面值。減值虧損撥回時即時於收益表確認。

### 2.10 持作出售之非流動資產(或出售組別)

非流動資產及出售組別之賬面值如可透過出售交易而非透過持續使用而收回,則會分類為持作出售。就此而言,資產或出售組別必須可即時以現況出售,而出售該等資產或出售組別僅受限於一般慣常條款,且必須極有可能出售。附屬公司所有分類為出售組別的資產及負債重新分類為持作出售,而不論本集團於銷售後是否保留前附屬公司的非控股權益。

分類為持作出售的非流動資產及出售組別(投資物業及金融資產除外)乃按賬面值與公允價值減銷售成本中之較低者計量。分類為持作出售的物業、廠房及設備以及無形資產不會計提折舊或攤銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial assets

#### 2.11.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade and notes receivables, deposits and other receivables, pledged time deposits and cash and cash equivalents.

(c) *Available-for sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

## 2 主要會計政策概要(續)

### 2.11 金融資產

#### 2.11.1 分類

本集團將其金融資產分類為以下類別：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，以及可供出售金融資產。上述分類乃按所收購金融資產之目的而定。管理層於金融資產首次確認時作出分類。

(a) *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乃因交易而持有的金融資產。如果金融資產以短期出售為目的而購入，則分類至此類別。除非指定為對沖工具，否則金融衍生工具亦分類為因交易而持有的金融資產。如預期於12個月內結算，則此類別的資產分類為流動資產，否則將分類為非流動資產。

(b) *貸款及應收款*

貸款及應收款指有固定或可釐定付款金額及並無在活躍市場報價之非衍生金融工具。該等項目均列入流動資產，惟會於或預期將於報告期末起計超過12個月方始償付之款項除外，有關項目將分類為非流動資產。本集團之貸款及應收款包括應收賬款及應收票據、按金及其他應收款項、已抵押定期存款，以及現金及現金等值物。

(c) *可供出售金融資產*

可供出售金融資產為指定列入此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層擬於報告期末後12個月內出售有關投資，否則列入非流動資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial assets (continued)

#### 2.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within 'Other gains/(losses), net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

## 2 主要會計政策概要(續)

### 2.11 金融資產(續)

#### 2.11.2 確認及計量

金融資產以正常方式進行之買賣均在交易日(即本集團承諾買賣資產之日)確認。對於並非按公允價值計量且其變動計入損益的所有金融資產，投資初步按公允價值加交易成本確認。按公允價值計量且其變動計入損益的金融資產初步按公允價值確認，而交易成本於收益表支銷。當從投資收取現金流量之權利已經到期或轉讓，而本集團已將擁有權之絕大部分風險和回報轉讓時，該投資即終止確認。可供出售金融資產及按公允價值計量且其變動計入損益的金融資產其後按公允價值列賬。貸款及應收款其後使用實際利息法按攤餘成本列賬。

因按公允價值計量且其變動計入損益的金融資產類別的公允價值變動而產生的收益或虧損，於其產生期間在收益表的「其他盈利/(虧損)淨額」一項呈列。按公允價值計量且其變動計入損益的金融資產的股息收入於本集團收取股息的權利確立時在收益表確認為其他收入的一部分。

分類為可供出售之貨幣及非貨幣證券之公允價值變動於其他全面收益確認。

當分類為可供出售之證券售出或減值時，已於權益確認之累計公允價值調整均在收益表列作「投資證券之收益及虧損」。

按實際利息法計算之可供出售證券利息於收益表確認為「其他收入」之一部分。可供出售股本工具的股息於本集團收取股息的權利確立時在收益表確認為其他收入的一部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial assets (continued)

#### 2.11.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.12 Impairment of financial assets

#### (a) Assets carried at amortised cost

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 impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors 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 where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held- to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

## 2 主要會計政策概要(續)

### 2.11 金融資產(續)

#### 2.11.3 抵銷金融工具

當具有抵銷已確認金額之可執行法定權利，且計劃以淨額結算或同時變現該資產和清償該負債時，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。

### 2.12 金融資產減值

#### (a) 以攤餘成本列賬的資產

本集團於每個報告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。僅於有客觀減值跡象顯示初步確認一項或一組金融資產後發生一項或多項事件(「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造成能夠可靠地估計的影響，則該項或該組金融資產即視為出現減值及產生減值虧損。

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。

就貸款及應收款類別而言，虧損金額按資產賬面值與按金融資產原實際利率貼現之估計未來現金流量現值(不包括尚未產生之未來信貸虧損)間之差額計算。資產賬面值會予以削減，而虧損金額會於收益表確認。倘貸款或持至到期投資按浮動利率計息，則計算任何減值虧損之貼現率為根據合約釐定之當前實際利率。在實際運作上，本集團或會以可觀察市價釐定之工具公允價值來計算減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Impairment of financial assets (continued)

#### (a) Assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

#### (b) Assets classified as available-for-sale

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. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

### 2.13 Financial liabilities

#### 2.13.1 Recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, financial liabilities carried at amortised cost, 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 financial liabilities carried at amortised cost, net of directly attributable transaction costs.

## 2 主要會計政策概要(續)

### 2.12 金融資產減值(續)

#### (a) 以攤餘成本列賬的資產(續)

倘於往後期間，減值虧損金額減少，減幅亦可與確認減值後發生之事件客觀關連(例如：債務人信貸評級改善)，則於收益表確認撥回過往確認之減值虧損。

#### (b) 分類為可供出售之資產

本集團於各個報告期末評估是否存在客觀證據，證明某項金融資產或某組金融資產已經減值。就債務證券而言，本集團使用上文(a)部分所載之準則。就分類為可供出售之股本投資而言，如證券之公允價值嚴重或長期下跌至低於其成本，亦為資產出現減值之證據。倘可供出售金融資產出現任何此等跡象，其累計虧損(按收購成本與目前公允價值之差額減去該金融資產先前已在損益確認之任何減值虧損計量)將從權益中扣除，並於損益確認。於收益表確認減值虧損之股本工具不會透過收益表撥回。倘於往後期間，分類為可供出售之債務工具之公允價值有所增加，增幅亦可與在損益確認減值虧損後發生之事件客觀關連，則減值虧損會透過收益表撥回。

### 2.13 金融負債

#### 2.13.1 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、按攤餘成本列賬的金融負債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，而如屬按攤餘成本列賬的金融負債，則扣除直接歸屬的交易成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Financial liabilities (continued)

#### 2.13.1 Recognition and measurement (continued)

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

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

(a) *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.

## 2 主要會計政策概要(續)

### 2.13 金融負債(續)

#### 2.13.1 確認及計量(續)

本集團的金融負債包括應付賬款、應付票據及其他應付款項、衍生金融工具、計息銀行貸款和其他借貸，以及可換股債券。

金融負債根據其分類進行如下後續計量：

(a) *以公允價值計量且其變動計入損益的金融負債*

以公允價值計量且其變動計入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。持作買賣負債之損益於收益表確認。確認計入收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，金融負債於初始確認日指定為按公允價值計量且其變動計入損益的金融負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Financial liabilities (continued)

#### 2.13.1 Recognition and measurement (continued)

##### (b) Financial liabilities carried at amortised cost

After initial recognition, interest-bearing financial liabilities 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

##### (c) Financial guarantee contracts

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

## 2 主要會計政策概要(續)

### 2.13 金融負債(續)

#### 2.13.1 確認及計量(續)

##### (b) 按攤餘成本列賬的金融負債

於初步確認後，付息金融負債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。當負債終止確認及按實際利息法進行攤銷時，其損益在收益表內確認。

在貸款將很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無證據顯示該貸款將很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

##### (c) 財務擔保合約

本集團發行之財務擔保合約，是指當特定債務人未能按債務工具條款支付到期款項時，須向持有人償付該項虧損之合約。財務擔保合約初步按公允價值確認為一項負債，並根據發出擔保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)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Financial liabilities (continued)

#### 2.13.2 Derecognition of financial liabilities

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

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

#### 2.13.3 Convertible bonds

If the conversion option of convertible bonds is an equity instrument, the host of convertible bonds is recognised as a financial liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the host liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a financial 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 initially recognised.

## 2 主要會計政策概要(續)

### 2.13 金融負債(續)

#### 2.13.2 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收益表內確認。

#### 2.13.3 可換股債券

倘可換股債券之轉換期權屬股本工具，則可換股債券之主要部分經扣除交易成本後於財務狀況表確認為金融負債。發行可換股債券時，主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金融負債，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 the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Financial liabilities (continued)

#### 2.13.3 Convertible bonds (continued)

If the conversion option of convertible bonds is not an equity component, it is bifurcated from the host liability component and separately accounted for as a derivative. Redemption rights are also embedded derivatives and accounted for together with conversion option as a single derivative. 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 host liability component. Transaction costs are apportioned between the host liability and derivative components of the convertible bonds based on the allocation of proceeds to the host liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the host 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 with an equity component are extinguished before maturity through an early redemption or repurchase by the issuer 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.

## 2 主要會計政策概要(續)

### 2.13 金融負債(續)

#### 2.13.3 可換股債券(續)

倘可換股債券之轉換期權並非權益部分，則與主負債部分分離，分別入賬為衍生工具。贖回權亦為嵌入式衍生工具，與轉換期權一併入賬為單一衍生工具。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主負債部分。交易成本根據該等工具初始確認時主負債部分與衍生品部分金額之比例，在可換股債券之主負債部分與衍生品部分間分配。與可換股債券主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收益表確認。

當包含權益部分之可換股債券於到期前透過發行人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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

#### (a) Initial recognition and subsequent measurement

The derivative financial instruments of the Group represent 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.

#### (b) 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.

### 2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises direct materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## 2 主要會計政策概要(續)

### 2.14 衍生金融工具

衍生工具於訂立衍生工具合約日期按公允價值初步確認，其後按其公允價值重新計量。

#### (a) 初始確認及後續計量

本集團之衍生金融工具指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收益表。

#### (b) 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。

### 2.15 存貨

存貨按成本與可變現淨值兩者中之較低者入賬。成本按加權平均法釐定。製成品及在建工程之成本包括直接物料、直接勞工及其他直接成本，以及相關生產開支（以正常營運產能為基準）。其不包括借款成本。可變現淨值為在日常業務過程中之估計銷售價，減適用的變動銷售開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.16 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

### 2.17 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.

### 2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.19 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2 主要會計政策概要(續)

### 2.16 應收賬款及其他應收款項

應收賬款為在日常業務過程中就商品銷售或服務提供而應收客戶之款項。如預期將於一年或以內(或仍在正常經營週期中,則可延長)收回應收賬款及其他應收款項,則該等款項將會分類為流動資產;否則,該等款項呈列為非流動資產。

應收賬款及其他應收款項初步以公允價值確認,其後利用實際利息法按攤餘成本扣除減值撥備計量。

### 2.17 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。

### 2.18 股本

普通股被列為權益。

與發行新股或購股權直接有關之新增成本,列入權益作為所得款項(已扣除稅項)扣減。

### 2.19 應付賬款

應付賬款為在日常業務過程中向供應商購買商品或服務而應支付之負債。如應付款項的支付日期在一年或以內(如仍在正常經營週期中,則可延長),其將會分類為流動負債;否則,該等款項呈列為非流動負債。

應付賬款初步以公允價值確認,其後利用實際利息法按攤餘成本計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the places where the Company's subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2 主要會計政策概要(續)

### 2.20 即期及遞延所得稅

期內稅項支出包括即期及遞延稅項。稅項於收益表確認，但與在其他全面收益中或直接於權益確認之項目有關者則除外。在有關情況下，稅項亦分別在其他全面收益或直接於權益中確認。

#### (a) 即期所得稅

即期所得稅按本公司附屬公司及聯營公司營運及產生應課稅收入的地方於報告期末已頒布或實質頒布的稅法計算。管理層就適用稅務規例有待詮釋的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款作出撥備。

#### (b) 遞延所得稅

遞延所得稅採用負債法就資產及負債之稅基與其在綜合財務報表之賬面值產生之暫時性差異確認。然而，倘遞延稅項負債來自商譽之初步確認，則不予確認，而倘遞延所得稅來自交易(不包括業務合併)資產或負債之初步確認，而在交易發生時不影響會計損益或應課稅損益，則不予入賬。遞延所得稅採用在結算日前已頒布或實質頒布，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅資產乃就有可能將未來應課稅盈利與可使用之暫時差異抵銷而確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### 2.20 Current and deferred income tax (continued)

##### (b) Deferred income tax (continued)

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and an associate except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and an associate only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

##### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2 主要會計政策概要(續)

#### 2.20 即期及遞延所得稅(續)

##### (b) 遞延所得稅(續)

遞延所得稅負債就於附屬公司及聯營公司之投資所產生之應課稅暫時差異作出撥備，但遞延所得稅負債除外，如本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來不大可能撥回。一般而言，本集團不能控制聯營公司暫時差異的撥回。只有當有協議賦予本集團有能力控制暫時差異的撥回時才不予確認。

就附屬公司和聯營公司投資產生的可扣減暫時差異確認遞延所得稅資產，但只限於暫時差異很可能在將來轉回，並有充足的應課稅溢利抵銷可用的暫時差異。

##### (c) 抵銷

倘有合法執行權利以即期稅項資產抵銷即期稅項負債，以及當遞延所得稅資產和負債涉及由同一稅務機關就應課稅實體或有意以淨額基準結算結餘之不同應課稅實體徵收所得稅，遞延所得稅資產與負債則互相抵銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Employee benefits

#### 2.21.1 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. 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 主要會計政策概要(續)

### 2.21 僱員福利

#### 2.21.1 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，於產生時自收益表扣除。

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收益表內扣除。

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收益表扣除。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之規則於應付有關款項時在收益表扣除。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Employee benefits (continued)

#### 2.21.1 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.

#### 2.21.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

#### 2.21.3 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

## 2 主要會計政策概要(續)

### 2.21 僱員福利(續)

#### 2.21.1 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收益表扣除。

#### 2.21.2 離職福利

離職福利於僱員在正常退休日前被本集團終止聘用或僱員接受自願離職以換取這些福利時支付。本集團於以下日期之較早者確認離職福利：(a)本集團不得再撤銷提供該等福利時；及(b)本集團確認屬於國際會計準則第37號內及涉及支付終止福利之重組之成本時。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。在報告期末後超過12個月到期支付的福利應貼現為現值。

#### 2.21.3 僱員休假權利

僱員享有的年假均在僱員有權享有有關假期時確認。截至報告期末，本集團就僱員因提供服務而產生的年假的估計負債提撥準備。

僱員享有的病假及產假於休假時方確認入賬。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Employee benefits (continued)

#### 2.21.4 Share-based payments

##### (a) *Equity-settled share-based payment transactions*

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

## 2 主要會計政策概要(續)

### 2.21 僱員福利(續)

#### 2.21.4 以股份付款(續)

##### (a) *以股權結算及以股份支付之交易*

本公司設有一項以股權結算及以股份為基礎之薪酬計劃，據此，實體收取來自僱員之服務作為本公司股本工具(購股權)之代價。就僱員提供服務而授出購股權之公允價值確認為支出。將支銷之總額乃參考所授購股權之公允價值釐定：

- 包括任何市場表現條件(如實體之股價)；
- 不包括任何服務及非市場表現歸屬條件(如盈利能力、銷售增長目標及僱員在某特定時間於公司留任)產生之影響；及
- 包括任何非歸屬條件的影響(如僱員儲蓄規定)。

在估計預期歸屬之購股權數目時，非市場表現及服務條件亦加入一併考慮。總開支須於達致所有指定歸屬條件之歸屬期間確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Employee benefits (continued)

#### 2.21.4 Share-based payments (continued)

(a) *Equity-settled share-based payment transactions (continued)*

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(b) *Share-based payment transactions among group entities*

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding credit to equity in the Company's financial statements.

## 2 主要會計政策概要(續)

### 2.21 僱員福利(續)

#### 2.21.4 以股份付款(續)

(a) *以股權結算及以股份支付之交易(續)*

此外，在部分情況下，僱員可在授出日期之前提供服務，故授出日期的公允價值就確認服務開始期與授出日期的期間內的開支作出估計。

於各報告期末，本集團根據非市場表現及服務條件修訂對預期歸屬之購股權數目所作估計，並在收益表確認修訂原來估計產生之影響(如有)，並對權益作出相應調整。

本公司於購股權獲行使時發行新股份。所收款項(扣除任何直接應計交易成本)會撥入股本(面值)及股份溢價。

(b) *集團實體間以股份支付之交易*

本公司向為本集團工作之附屬公司僱員所授出其股本工具之購股權乃視為資本出資。所獲得僱員服務之公允價值乃參考授出日期之公允價值計量，於歸屬期內確認為增加對附屬公司之投資，並相應計入本公司財務報表內之權益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.22 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as 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 eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.23 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), are charged to the income statement on a straight-line basis over the period of the lease.

### 2.24 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" 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 主要會計政策概要(續)

### 2.22 借款成本

可直接歸屬且需經較長時間的購建或生產活動方能達至預定可使用或出售狀態的合資格資產的一般及特定借貸成本，計入該等資產的成本，直至達至其預定可使用或出售狀況為止。

尚未使用於合資格資產的特定借貸作短期投資賺取的投資收入，於合資格資本化的借貸成本中扣除。

所有其他借貸成本於其產生期間於損益內確認。

### 2.23 租賃

凡資產擁有權之絕大部分風險及回報仍歸出租公司所有之租約，均列作經營租約。根據經營租約作出之付款(扣除出租公司給予之任何優惠)在租期內以直線法自收益表中扣除。

### 2.24 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收益表，或在資產之賬面值扣除，並以扣減折舊費用方式計入收益表。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.25 Provisions

Provision for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provision are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 2.26 Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability.

## 2 主要會計政策概要(續)

### 2.25 撥備

倘本集團因已發生之事件而產生現有法律或推定責任，而有可能需要資源流出以償付責任，及金額已經可靠估計，則須確認環境復修、重組成本、法律索償撥備。重組成本包括租賃終止罰款及僱員離職付款。本集團不會就未來經營虧損確認撥備。

倘出現多項類似責任，則需要從整體考慮責任之類別以決定在償付時流出資源的可能性。即使在同一責任類別所包含之任何一個項目相關的資源流出可能性極低，仍須確認撥備。

撥備按預期履行責任所需開支之現值，以可反映貨幣時間價值及責任特定風險之現時市場評估之稅前比率計量。因時間流逝產生之撥備增加確認為利息開支。

### 2.26 或然負債

或然負債指因已發生之事件而可能引起之責任，此責任需就某一宗或多宗未來事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。倘不大可能消耗經濟資源，或責任金額未能可靠衡量，則該責任披露為或然負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.27 Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### (a) Sales of goods

Revenue from sale of goods is recognised when the risk and reward of the goods has been transferred to the customer, which is usually at the date when a group entity has delivered products to the customer, the customer has accepted the products, and there is no unfulfilled obligations that could affect the customer's acceptance of the products.

#### (b) Interest income

Interest income is recognised on a time proportion basis, using the effective interest method.

### 2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or board of directors, as appropriate.

### 2.29 Exceptional items

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

## 2 主要會計政策概要(續)

### 2.27 收益及收入確認

收益按已收或應收代價的公允價值計量，即供應貨品的應收款項，經扣除折扣、退貨及增值稅。當收益金額能夠可靠計量；未來經濟利益將可能流入實體；及本集團每項活動均符合具體條件時(如下文所述)，本集團便會確認收益。本集團會根據往績，並考慮客戶類型、交易類別及每項安排之特點作出回報估計。

#### (a) 銷售貨品

當貨物的風險及回報已轉移至客戶(通常為集團實體向客戶交付貨品當日)、客戶接納貨品，以及並無影響客戶接納貨品的未完成責任時，即確認銷售貨物的收益。

#### (b) 利息收入

利息收入使用實際利率法按時間比例基準確認。

### 2.28 股息分派

向本公司股東分派之股息在股息獲本公司股東或董事會(視何者適用而定)批准股息之期間內於本集團及本公司之財務報表內確認為負債。

### 2.29 特殊項目

為便於進一步了解本集團之財務表現，本財務資料已對特殊項目作出單獨披露及描述。該等項目為重大收入或開支項目，因其重要性質或重大數額而單獨列示。

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including foreign exchange risk, price risk, cash flow and fair value interest-rate risk, credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance, the directors review and agree policies for managing each of these risks and they are summarised below.

##### (a) Foreign exchange risk

The Group mainly engaged in the international trade of ores, sale of iron and special steel products with its operating entities mainly located in Hong Kong, PRC and Singapore with most of the transactions settled in HK\$, RMB, and US dollars ("US\$").

Foreign exchange risk arises when future commercial transactions or recognised financial assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed foreign exchange risk from various currencies, primarily with respect to RMB.

At 31 December 2013, if Hong Kong dollar/US\$ had weakened/strengthened by 2% against RMB, with all other variables held constant, there would be no significant impact on the results of the Group.

Given the exchange rate peg between HK\$ and US\$, it is not foreseen that the Group will be exposed to significant exchange rate risk for the transactions conducted in US\$.

### 3 金融風險管理

#### 3.1 金融風險因素

本集團之業務活動承受多種金融風險，包括外匯風險、價格風險、現金流量及公允價值利率風險、信貸風險及流動資金風險。本集團整體風險管理政策專注於金融市場之難預測性，並尋求盡量減低對本集團財務表現之潛在不利影響。董事審閱及協定管理該等風險的政策，該等政策概述如下。

##### (a) 外匯風險

本集團主要以其位於香港、中國及新加坡的營運實體從事礦石的國際貿易，以及鋼鐵產品的銷售業務，大部分交易以港元、人民幣及美元（「美元」）結算。

當未來商業交易或已確認金融資產或負債以實體功能貨幣以外的貨幣列值，即產生外匯風險。本集團面臨多種貨幣的外匯風險，尤其是人民幣。

於二零一三年十二月三十一日，倘港元／美元兌人民幣貶值／升值2%，而所有其他變數保持不變，將不會對本集團的業績產生重大影響。

由於港元與美元的匯率掛鉤，本集團預期以美元進行的交易將不會面臨重大外匯風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 3.1 Financial risk factors (continued)

##### (b) Price risk

The Group is exposed to commodity price risk in relation to its products which is largely dependent on market price of the relevant commodity. The Group closely monitors the price of its products in order to determine its pricing strategies.

The Group is also exposed to price risk in fair value of conversion rights of its 6% Coupon Convertible Bonds. A rise of the stock price will be accompanied by an increase in the fair value of the conversion rights which will increase the liabilities of the Group.

##### (c) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from borrowings. Borrowings obtained at floating rates expose the Group to cash flow interest rate risk while borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

At 31 December 2013, if interest rates had been 100 basis points higher/lower with all other variables held constant, post-tax loss for the year would have been approximately HK\$2,810,000 (2012: HK\$3,565,000) higher/lower, mainly as a result of higher/lower interest expense on floating rate borrowings. The Group has not used any interest rate swaps for speculative purpose.

### 3 金融風險管理(續)

#### 3.1 金融風險因素(續)

##### (b) 價格風險

本集團的產品在很大程度上依賴有關商品的市場價格，因此本集團面臨商品價格風險。本集團密切監察其產品的價格，以釐定定價策略。

本集團亦就6厘息可換股債券之轉換權公允價值面臨價格風險。股份價格上升將導致轉換權的公允價值增加，從而使本集團的負債增加。

##### (c) 現金流量及公允價值利率風險

本集團絕大部分收入及經營現金流量不受市場利率變動之影響。本集團的利率風險來自借款。按浮動利率計息的借款使本集團面臨現金流量利率風險，而按固定利率計息的借款使本集團面臨公允價值利率風險。

於二零一三年十二月三十一日，倘利率上升／下降100個基點，而所有其他變數保持不變，年內除稅後虧損將增加／減少約2,810,000港元(二零一二年：3,565,000港元)，主要由於浮息借款的利息開支增加／減少。本集團並無使用任何利率掉期作投機用途。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 3.1 Financial risk factors (continued)

##### (d) Credit risk

The carrying amounts of trade and other receivables, deposits, pledged time deposits, and bank balances represent the Group's maximum exposure to credit risk in relation to its financial assets.

For trade and other receivables, the Group has put in place policies to ensure that sales of products are made to customers with an appropriate credit history. The Group performs periodic credit evaluations of its customers and takes appropriate follow-up actions to recover overdue debts. As at 31 December 2013 receivable from a customer represented around 43% of the Group's trade receivable balance. Trade deposits have been received from the customer to mitigate credit risk exposure.

The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible trade receivables has been made in the consolidated financial statements.

As at 31 December 2013 and 2012, substantially all bank deposits and balances are placed with major financial institutions located in Hong Kong, PRC and Singapore which management believes are of high credit quality. Management does not expect any losses arising from non-performance by these counterparties.

##### (e) Liquidity risk

The Group's primary cash requirements have been for the payments for purchases and operating expenses. The Group finances its working capital requirements mainly through funds generated from operations, and external bank and other borrowings. As at 31 December 2013, the Company and the Group had net current liabilities of HK\$420,309,000 and HK\$1,243,238,000, respectively. The Group's policy is to maintain sufficient cash and cash equivalents to meet its working capital requirements. It has also taken certain measures to mitigate the liquidity pressure as detailed in Note 2.1(a).

### 3 金融風險管理(續)

#### 3.1 金融風險因素(續)

##### (d) 信貸風險

應收賬款及其他應收款項、按金、已抵押定期存款及銀行結餘之賬面值為本集團就其金融資產面臨的最大風險。

就應收賬款及其他應收款項而言，本集團已制訂政策確保向具備適當信貸歷史的客戶銷售產品。本集團對其客戶進行定期信貸評估，並作出適當跟進行動以收回逾期債項。於二零一三年十二月三十一日，向一名客戶應收的款項佔本集團應收賬款結餘約43%。本集團已向該名客戶收取貿易按金，以減低信貸風險。

本集團過往收回的應收賬款及其他應收款項處於已計提撥備之範圍內，董事認為，已於綜合財務報表內就未收回貿易賬款計提足夠撥備。

於二零一三年及二零一二年十二月三十一日，絕大部分銀行存款及結餘均存放於香港、中國及新加坡的主要金融機構，管理層認為該等金融機構的信貸質素良好。管理層預期，不會因該等對手方不履約而產生任何虧損。

##### (e) 流動資金風險

本集團的主要現金需求乃為支付採購及營運開支。本集團主要透過經營產生的資金及外部銀行及其他借貸支持其營運資金需求。於二零一三年十二月三十一日，本公司及本集團的流動負債淨額分別為420,309,000港元及1,243,238,000港元。本集團的政策為保持充足的現金及現金等值物，以應付其營運資金之需求。本集團亦已採取若干措施減緩流動資金壓力，詳見附註2.1(a)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 3.1 Financial risk factors (continued)

##### (e) Liquidity risk (continued)

All of the Group's financial liabilities are contractually due for settlement within 12 months except for its borrowings which is analysed below into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date. The amounts disclosed below are the contractual undiscounted cash flows.

### 3 金融風險管理(續)

#### 3.1 金融風險因素(續)

##### (e) 流動資金風險(續)

除按財務報告期末至合約到期日的剩餘年期分為相關到期組別的借款外，本集團所有金融負債的合約於12個月內結算。未貼現合約現金流量的金額披露如下。

		Group 本集團				
		On demand 應要求 償還 HK\$'000 千港元	Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>As at 31 December 2013</b>	<b>於二零一三年 十二月三十一日</b>					
Convertible bonds	可換股債券	-	10,895	184,299	-	195,194
Bank and other borrowings	銀行及其他借貸	-	1,261,284	882,090	64,514	2,207,888
Trade payables	應付賬款	184,566	-	-	-	184,566
Notes payables	應付票據	-	587,614	-	-	587,614
Financial liabilities included in other payables and accruals	計入其他應付款項及 應付負債的金融負債	153,493	139,330	-	-	292,823
		<b>338,059</b>	<b>1,999,123</b>	<b>1,066,389</b>	<b>64,514</b>	<b>3,468,085</b>
<b>As at 31 December 2012</b>	<b>於二零一二年 十二月三十一日</b>					
Convertible bonds	可換股債券	-	24,362	14,617	329,721	368,700
Bank and other borrowings	銀行及其他借貸	-	1,697,050	427,734	129,301	2,254,085
Trade payables	應付賬款	175,949	-	-	-	175,949
Notes payables	應付票據	-	645,087	-	-	645,087
Financial liabilities included in other payables and accruals	計入其他應付款項及 應付負債的金融負債	153,284	132,005	-	-	285,289
		<b>329,233</b>	<b>2,498,504</b>	<b>442,351</b>	<b>459,022</b>	<b>3,729,110</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED) 3 金融風險管理(續)

#### 3.1 Financial risk factors (continued) (e) Liquidity risk (continued)

#### 3.1 金融風險因素(續) (e) 流動資金風險(續)

		Company 本公司				
		On demand 應要求償還 HK\$'000 千港元	Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>As at 31 December 2013</b>	於二零一三年十二月三十一日					
Convertible bonds	可換股債券	-	10,895	184,299	-	195,194
Bank and other borrowings	銀行及其他借貸	-	440,314	602,302	-	1,042,616
Trade payables	應付賬款	3,850	-	-	-	3,850
Financial liabilities included in other payables and accruals	計入其他應付款項及應付負債的金融負債	17,522	-	-	-	17,522
		<b>21,372</b>	<b>451,209</b>	<b>786,601</b>	<b>-</b>	<b>1,259,182</b>
<b>As at 31 December 2012</b>	於二零一二年十二月三十一日					
Convertible bonds	可換股債券	-	24,362	14,617	329,721	368,700
Bank and other borrowings	銀行及其他借貸	-	570,997	425,598	129,301	1,125,896
Trade payables	應付賬款	3,847	-	-	-	3,847
Financial liabilities included in other payables and accruals	計入其他應付款項及應付負債的金融負債	4,046	-	-	-	4,046
		<b>7,893</b>	<b>595,359</b>	<b>440,215</b>	<b>459,022</b>	<b>1,502,489</b>

#### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### 3.2 資本管理

本集團管理資本之主要目標為保障本集團能持續營運，以繼續為股東提供回報，並為其他權益持有人帶來利益，同時維持最佳資本結構以減低資金成本。

為維持或調整資本結構，本集團或會調整支付予股東的股息金額、向股東退回資本、發行新股份，或出售資產以減少債務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED) 3 金融風險管理(續)

#### 3.2 Capital management (continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current 'bank and other borrowings' and 'Convertible bonds' as shown in the consolidated statement of financial position) less cash and cash equivalents and pledged time deposits. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

#### 3.2 資本管理(續)

和其他同業一樣，本集團以資本負債比率作為監控資本的基準。資本負債比率按債項淨額除以資本總額計算。債項淨額按總借貸(包括綜合財務狀況表所載之流動及非流動「銀行貸款及其他借貸」及「可換股債券」)減去現金及現金等值物及已抵押定期存款計算。資本總額按綜合財務狀況表所載之「權益」加上債項淨額計算。

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Bank and other borrowings	銀行貸款及其他借貸	2,081,625	2,031,018
Convertible bonds, the liability component	可換股債券的負債部分	129,182	177,660
Less: Cash and cash equivalents and pledged time deposits	減：現金及現金等值物 以及已抵押定期存款	(913,015)	(606,007)
Net debt	債項淨額	1,297,792	1,602,671
Total equity	權益總額	2,817,977	4,004,596
Total capital	資本總額	4,115,769	5,607,267
Gearing ratio	資本負債比率	32%	29%

The increase in gearing ratio for the year 2013 is mainly a result of the decrease in total equity for the year.

於二零一三年年度，由於本年度權益總額減少導致資本負債比率上升。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 3.3 Fair value estimation

The table below analyses the group's financial instruments carried at fair value as at 31 December 2013 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2013 and 2012, the Group and the Company did not have any financial instruments that are carried at fair value except for the derivative financial instruments.

At 31 December 2013 and 2012, the conversion rights of the Company's and the Group's 6% Coupon Convertible Bonds, together with redemption rights (considered as a single derivative), classified as derivative financial instruments of HK\$21,652,000 (2012: HK\$101,592,000) was measured under level 3 fair value hierarchy. The fair value was valued by estimating the value of the whole bond with and without the embedded derivatives. Changes in level 3 financial instruments for the year ended 31 December 2013 are detailed in Notes 27 and 29.

The most significant inputs in determination of the fair value of conversion rights of the 6% Coupon Convertible Bonds are market price of the Company, discount rate, and volatility rate of market price of the Company.

### 3 金融風險管理(續)

#### 3.3 公允價值估計

下表按計量公允價值所用的估值方法輸入數據級別，分析集團於二零一三年十二月三十一日按公允價值列賬的金融工具。該等輸入數據分類為下列公允價值層級的三個級別：

- 就相同資產或負債於活躍市場之報價(未經調整)(第一級)。
- 就資產或負債可直接(即按價格)或間接(即從價格所得)觀察所得並納入第一級內之輸入數據(惟報價除外)(第二級)。
- 資產或負債並非依據可觀察市場數據之輸入數據(即非可觀察輸入數據)(第三級)。

於二零一三年及二零一二年十二月三十一日，除衍生金融工具外，本集團及本公司並任何金融工具按公允價值列賬。

於二零一三年及二零一二年十二月三十一日，分類為衍生金融工具的本集團及本公司6厘息可換股債券之換股權連同贖回權(被視為單一衍生工具)21,652,000港元(二零一二年：101,592,000港元)乃以公允價值層級的第3級別計量。該公允價值乃透過估計全部債券包含及不包含嵌入式衍生工具的價值進行估值。有關截至二零一三年十二月三十一日止年度第3級別金融工具的變動已載於附註27及29。

釐定6厘息可換股債券換股權之公允價值的最重要輸入數據乃本公司的市價、貼現率，以及本公司的市價波動率。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Going concern consideration

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the financial statements. 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(a) to the consolidated financial statements.

#### (b) 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 recoverable amount could change significantly as a result of changes in the key assumptions adopted in assessing the recoverable amount including discount rate, estimation of market prices of nickel and iron, expected export volume from the supplier and domestic sales volume, and other risk factors related to the exclusive offtake right.

### 4 關鍵會計估算及判斷

編製財務報表所用的估計和判斷會被持續評估，並會考慮過往經驗以及其他因素，包括對在有關情況下視為對未來事件之合理預期。

本集團對未來作出估算及假設。所得的會計估算顧名思義極少與其實際結果相同。導致下個財政年度的資產與負債賬面值須作出重大調整之重大風險估算及假設討論如下。

#### (a) 持續經營基準

於應用本集團之會計政策過程中，除涉及估計之項目外，管理層編製綜合財務報表時乃假設本集團於來年將可按持續經營基準繼續營運，此乃對財務報表內已確認金額構成最重大影響之主要判斷。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綜合財務報表附註2.1(a)。

#### (b) 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。可收回金額可因評估可收回金額所採用的主要假設變動而出現重大變動，包括折現率、鎳及鐵之市價估計、供應商的預期出口量及本地銷量，以及有關獨家採購權之其他風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

#### (b) Impairment of an exclusive offtake right (continued)

In determining the recoverable amount of the exclusive offtake right, the directors also made reference to proposed transaction price of the relevant asset. Outcome of any proposed transaction and the final consideration may differ from the amount originally estimated. Completion or non-completion of proposed transaction may also result in significant change in recoverable amount of the exclusive offtake right and therefore impairment charge for the period when such judgment and estimate have been changed.

#### (c) Contingent liabilities

A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group's control, or when it is not possible to calculate the amount. Realisation of any contingent liabilities not currently recognised or disclosed could have a material impact on the Group's financial position.

The Group reviews significant outstanding litigations in order to assess the need for provisions. Among the factors considered are the nature of the litigation, legal processes and potential level of damages, the opinions and views of the legal counsels and advisors, and the management's intentions to respond to the litigations. To the extent the estimates and judgements do not reflect the actual outcome, this could materially affect the results for the period and the financial position.

#### (d) Amortisation of an exclusive offtake right

Amortisation of the 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 demand and other relevant factors. Management reviews the total planned purchase volume at least annually, and adjusts the amortisation calculation accordingly.

### 4 關鍵會計估算及判斷(續)

#### (b) 獨家採購權之減值(續)

釐定獨家採購權的可收回金額時，董事亦參考相關資產的建議交易價格。任何建議交易的結果及最終代價可能有別於原先估計的金額。建議交易完成與否亦可能導致獨家採購權的可收回金額出現重大變動，而倘有關判斷及估計發生變動，則期內減值開支亦會有變。

#### (c) 或然負債

當有可能產生責任，惟其存在與否須透過非本集團所能控制的未來事件確定，或當不可能計算責任所涉金額，則會披露為或然負債。任何目前未確認或披露的或然負債一旦實現，均可對本集團的財務狀況造成重大影響。

本集團會審閱重大的待決訴訟，以評估有否撥備的需要。所考慮的因素包括訴訟的性質、法律程序及損害賠償的潛在程度、法律顧問及諮詢人的意見及見解以及管理層對回應訴訟的意向。倘估計及判斷與實際結果不相符，則有可能嚴重影響期內業績及財務狀況。

#### (d) 攤銷獨家採購權

獨家採購權按期內實際已採購褐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、採礦公司滿足有關需求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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

#### (e) 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. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

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

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take further impairment charge to the income statement.

### 4 關鍵會計估算及判斷(續)

#### (e) 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。實際的經濟可使用年期可能有別於估計可使用年期，而實際剩餘價值可能有別於估計剩餘價值。定期審閱可能使折舊年期及剩餘價值發生變動，從而使未來期間的折舊開支發生變動。

#### (f) 非金融資產之減值(商譽及獨家採購權除外)

資產於有事件出現或情況改變顯示賬面值可能無法收回時進行減值檢討。可收回金額已根據使用價值計算釐定或以公允價值扣除銷售成本釐定。上述計算方法須運用判斷及估計。

在資產減值方面，尤其是評估以下各項時，管理層須作出判斷：(i) 是否已發生事件顯示有關資產值可能無法收回；(ii) 可收回金額(即公允價值扣除銷售成本後之金額與根據繼續在業務中使用資產而估計之未來現金流量淨現值兩者之較高者)可否支持資產賬面值；及(iii) 編製現金流量預測時須應用之適當主要假設，包括有關現金流量預測是否以適當貼現率貼現。管理層評估減值時選用之假設(包括現金流量預測所用之貼現率或增長率假設)如有變化，可能會對減值測試所用之淨現值構成重大影響，因而影響本集團之財務狀況及經營業績。倘預計表現及有關未來現金流量預測出現重大不利變動，則可能須於收益表中扣除額外減值開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

#### (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 industry cycles. Management reassesses these estimates at the end of each reporting period.

#### (h) 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 these assets and impairment is recognised in the period in which such estimate has been changed.

#### (i) Fair value of derivative financial instruments

As described in Note 29, 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 input of numerous assumptions taking into consideration of many uncertainties, including risk free interest rate, discount rate, dividend yield and volatility of the Company's share price, some of which cannot be easily quantified or ascertained. Changes in subjective input assumptions can materially affect the fair value estimate.

### 4 關鍵會計估算及判斷(續)

#### (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。

#### (h) 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債項，則將計提撥備。倘實際結果或未來預算與原定估計不同，則有關差異將影響該等資產之賬面值，而減值於估計變更期間確認。

#### (i) 衍生金融工具之公允價值

如附註29所述，可換股債券包含了部分透過損益以公允價值計量之衍生金融工具。本公司聘請獨立評估師參與評估該等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，依賴大量假設及經考慮多項不明朗因素，包括無風險利率、貼現率、股息收益率及本公司股價波動，部分因素無法定量或定性。主觀輸入假設的變動可對公允價值估計造成重大影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

#### (j) Current and deferred income tax

The Group is subject to income taxes in various jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

#### (k) 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.

### 4 關鍵會計估算及判斷(續)

#### (j) 即期及遞延所得稅

本集團須繳納多個司法權區之所得稅。釐定以上各司法權區之所得稅撥備時需要作出判斷。於日常業務過程中有若干難以確定最終稅項之交易及計算方法。倘該等事宜之最終稅務結果與初步記錄之金額不同，有關差額將會影響作出有關決定之期間內之所得稅及遞延所得稅撥備。

倘管理層認為未來應課稅溢利可用作對抵銷暫時性差異或稅項虧損可予動用時，則會確認與若干暫時性差異有關之遞延所得稅項資產及稅項虧損。倘預期與原先之估算不同，有關差異會對有關估算出現變動之期間內遞延所得稅項資產及稅項支出之確認構成影響。

#### (k) 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5 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

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Mainland China	中國大陸	1,437,490	1,207,775
Singapore	新加坡	94,735	341,875
Hong Kong	香港	102,556	188,098
Others	其他	389	72,288
		<b>1,635,170</b>	<b>1,810,036</b>

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

##### (b) Non-current assets

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Mainland China	中國大陸	2,513,768	2,743,410
Indonesia	印尼	2,542,290	2,594,984
Others	其他	44,400	46,082
		<b>5,100,458</b>	<b>5,384,476</b>

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

#### Information about major customers

Revenue of approximately HK\$1,033,787,000 (2012: HK\$905,585,000) was derived from sales to three (2012: three) major customers.

### 5 分部資料

就管理目的，本集團僅有一個可呈報經營分部：礦石貿易以及生產和銷售鐵和特鋼製品。管理層出於資源配置及績效考評之決策目的，將其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

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
	1,437,490	1,207,775
	94,735	341,875
	102,556	188,098
	389	72,288
	<b>1,635,170</b>	<b>1,810,036</b>

以上之收益資料乃基於客戶之地理位置。

##### (b) 非流動資產

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
	2,513,768	2,743,410
	2,542,290	2,594,984
	44,400	46,082
	<b>5,100,458</b>	<b>5,384,476</b>

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1,033,787,000港元(二零一二年：905,585,000港元)之收益來自三名(二零一二年：三名)主要客戶的銷售。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 6 REVENUE AND OTHER GAINS/(LOSSES), NET 6 收益及其他盈利/(虧損)淨額

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
<b>Revenue</b>	<b>收益</b>		
Sale of goods:	銷貨：		
Limonic ores	褐鐵礦	<b>1,493,930</b>	1,127,900
Stainless steel base materials	不銹鋼基料	<b>19,446</b>	379,096
Ni-Cr alloy steel ingot	鎳鉻合金鋼錠	<b>79,517</b>	140,324
Ferro-nickel alloys and others	鎳鐵合金及其他	<b>42,277</b>	162,716
		<b>1,635,170</b>	1,810,036
<b>Other gains/(losses), net</b>	<b>其他盈利/(虧損)淨額</b>		
Loss on restructure of convertible bonds, net	可換股債券虧損重組淨額	-	(354)
Loss on cancellation of warrants	註銷認股權證虧損	-	(77,832)
Changes in fair value of derivative financial instruments	衍生金融工具公允價值變動	<b>46,688</b>	(21,703)
(Loss)/gain on disposal of property, plant and equipment, net	出售物業、廠房及設備之(虧損)/盈利淨額	<b>(5,723)</b>	70
Foreign exchange gains/(losses), net	滙兌盈利/(虧損)淨額	<b>3,725</b>	(1,639)
Others	其他	<b>4,787</b>	1,044
		<b>49,477</b>	(100,414)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 7 LOSS BEFORE INCOME TAX

The Group's loss before income tax is stated at after charging/(crediting) the following:

### 7 除所得稅前虧損

本集團除所得稅前虧損已扣除/(計入)下列各項：

			<b>2013</b> 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
	Notes 附註			
Costs of inventories sold		已售存貨成本	<b>1,523,930</b>	1,557,664
Employee benefits expense	9	僱員福利開支	<b>88,140</b>	122,392
Research expenses		研發開支	<b>28,262</b>	33,372
Auditors' remuneration		核數師酬金	<b>3,800</b>	4,851
Provision for impairment of property, plant and equipment	14	物業、廠房及設備 減值撥備	<b>726,185</b>	151,883
Depreciation	14	折舊	<b>133,836</b>	122,023
Provision for impairment of prepaid land lease payments*	15	預付土地租賃款項減值 撥備*	<b>20,713</b>	-
Amortisation of intangible asset	16	無形資產攤銷	<b>111,114</b>	79,315
Amortisation of prepaid land lease payments	15	預付土地租賃款項攤銷	<b>5,374</b>	5,169
Provision for/(reversal of) impairment of trade receivables, net*	22	應收賬款減值撥備/ (撥回)淨額*	<b>16,298</b>	(1,293)
Provision for impairment of prepayments and other receivables, net*	23	預付款項和其他應收 款項減值撥備，淨額*	<b>11,592</b>	-
Impairment losses of inventories	21	存貨減值虧損	<b>88,765</b>	19,077
Minimum lease payments under operating leases in respect of buildings and equipment		有關樓宇及設備之 經營租賃之最低 租賃付款	<b>7,818</b>	6,384

\* Included in other expenses

\* 計入其他開支

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 8 FINANCE COSTS, NET

### 8 融資成本淨額

			2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
		Notes 附註		
<b>Finance income</b>	<b>融資收入</b>			
Interest income on time deposits	定期存款利息收入		5,242	20,546
Unwinding of discount on receivables arising from disposal of a subsidiary	出售一家附屬公司產生應收款項之折現值撥回		12,493	-
			<b>17,735</b>	20,546
<b>Finance cost</b>	<b>融資成本</b>			
Interest on bank 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		(238,594)	(203,578)
Interest on convertible bonds	可換股債券利息		(42,333)	(254,110)
			<b>(280,927)</b>	(457,688)
Less: Interest capitalised	減：資本化利息	14	-	101,141
			<b>(280,927)</b>	356,547
Finance costs, net	融資成本淨額		<b>(263,192)</b>	(336,001)

### 9 EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

### 9 僱員福利開支(包括董事薪酬)

			2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
		Notes 附註		
Salaries	薪金		76,400	108,927
Retirement benefit scheme contributions and other costs	退休福利計劃供款及其他成本		8,656	8,690
Equity-settled share-based compensation expense	以股權結算及以股份支付之酬金開支	35	3,084	4,775
			<b>88,140</b>	122,392

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 9 EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

#### (a) Directors' remuneration

The remuneration of each of the directors of the Company for the year ended 31 December 2013 is set out below:

	Fees	Salaries, allowances and benefits in kind	Equity-settled share option expense	Retirement benefit scheme contributions	Total remuneration
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive Directors: 執行董事:					
Mr. Dong Shutong (Chief executive) 董書通先生 (首席執行官)	-	3,493	-	15	3,508
Ms. Ng See Wai Rowena (Note 1) 吳思煒女士(附註1)	-	1,625	637	13	2,275
Mr. Chiang Shyh-yi (Note 2) 蔣士宜先生(附註2)	-	2,925	-	-	2,925
Mr. Dong Chengzhe 董誠喆先生	-	1,215	119	-	1,334
Mr. Song Wenzhou 宋文州先生	-	404	119	-	523
Mr. Yang Fei 楊飛先生	-	846	119	15	980
Non-executive Director: 非執行董事:					
Mr. Yang Tianjun 楊天鈞先生	200	-	-	-	200
Independent Non-executive Directors: 獨立非執行董事:					
Mr. Bai Baohua 白葆華先生	200	-	-	-	200
Mr. Huang Changhuai 黃昌淮先生	200	-	-	-	200
Mr. Wong Chi Keung 黃之強先生	200	-	-	-	200
Mr. Fahmi Idris 法米先生	200	-	-	-	200
	1,000	10,508	994	43	12,545

Notes:

- Ms. Ng See Wai Rowena resigned from 1 January 2014.
- Mr. Chiang Shyh-yi resigned from 1 June 2014.

附註:

- 吳思煒女士自二零一四年一月一日起辭任。
- 蔣士宜先生自二零一四年六月一日起辭任。

### 9 僱員福利開支(包括董事薪酬)(續)

#### (a) 董事酬金

截至二零一三年十二月三十一日止年度，本公司各董事的薪酬載列如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 9 EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

#### (a) Directors' remuneration (continued)

The remuneration of each of the directors of the Company for the year ended 31 December 2012 is set out below:

	Fees	Salaries, allowances and benefits in kind	Equity-settled share option expense	Retirement benefit scheme contributions	Total 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
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive Directors: 執行董事:					
Mr. Dong Shutong (Chief executive) 董書通先生 (首席執行官)	-	3,462	-	43	3,505
Ms. Ng See Wai Rowena (Note 1) 吳思煒女士(附註1)	-	1,950	870	14	2,834
Mr. Chiang Shyh-yi (Note 2) 蔣士宜先生(附註2)	-	2,267	-	-	2,267
Mr. Dong Chengzhe 董誠喆先生	-	1,016	211	-	1,227
Mr. Song Wenzhou 宋文州先生	-	402	163	-	565
Mr. Yang Fei 楊飛先生	-	840	211	14	1,065
Mr. Mao Yehong 毛葉紅先生	-	566	-	-	566
Non-executive Director: 非執行董事:					
Mr. Yang Tianjun 楊天鈞先生	200	-	-	-	200
Independent Non-executive Directors: 獨立非執行董事:					
Mr. Bai Baohua 白葆華先生	200	-	-	-	200
Mr. Huang Changhuai 黃昌淮先生	200	-	-	-	200
Mr. Wong Chi Keung 黃之強先生	200	-	-	-	200
Mr. Fahmi Idris 法米先生	200	-	-	-	200
	1,000	10,503	1,455	71	13,029

Notes:

- Ms. Ng See Wai Rowena resigned from 1 January 2014.
- Mr. Chiang Shyh-yi resigned from 1 June 2014.

During the year ended 31 December 2013, 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 (2012: Nil).

### 9 僱員福利開支(包括董事薪酬)(續)

#### (a) 董事酬金(續)

截至二零一二年十二月三十一日止年度，本公司各董事的薪酬載列如下：

	Fees	Salaries, allowances and benefits in kind	Equity-settled share option expense	Retirement benefit scheme contributions	Total 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
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive Directors: 執行董事:					
Mr. Dong Shutong (Chief executive) 董書通先生 (首席執行官)	-	3,462	-	43	3,505
Ms. Ng See Wai Rowena (Note 1) 吳思煒女士(附註1)	-	1,950	870	14	2,834
Mr. Chiang Shyh-yi (Note 2) 蔣士宜先生(附註2)	-	2,267	-	-	2,267
Mr. Dong Chengzhe 董誠喆先生	-	1,016	211	-	1,227
Mr. Song Wenzhou 宋文州先生	-	402	163	-	565
Mr. Yang Fei 楊飛先生	-	840	211	14	1,065
Mr. Mao Yehong 毛葉紅先生	-	566	-	-	566
Non-executive Director: 非執行董事:					
Mr. Yang Tianjun 楊天鈞先生	200	-	-	-	200
Independent Non-executive Directors: 獨立非執行董事:					
Mr. Bai Baohua 白葆華先生	200	-	-	-	200
Mr. Huang Changhuai 黃昌淮先生	200	-	-	-	200
Mr. Wong Chi Keung 黃之強先生	200	-	-	-	200
Mr. Fahmi Idris 法米先生	200	-	-	-	200
	1,000	10,503	1,455	71	13,029

附註：

- 吳思煒女士自二零一四年一月一日起辭任。
- 蔣士宜先生自二零一四年六月一日起辭任。

截至二零一三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(二零一二年：無)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 9 EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

#### (b) Five highest paid employees

The five highest paid employees during the year included three directors (2012: three directors), details of whose remuneration are set out in note (a) above. Details of the remuneration paid and payable to the remaining two (2012: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,795	2,555
Equity-settled share option expense	以股權支付之購股權開支	398	706
Retirement benefit scheme contributions	退休福利計劃供款	15	28
		<b>3,208</b>	<b>3,289</b>

The emoluments of the aforementioned individuals fell within the following bands:

上述人士的薪酬屬下列範圍：

		2013 二零一三年	2012 二零一二年
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	1

No emoluments have been paid to the five highest paid individuals (including Directors and other employees) as an inducement to join or upon joining the Group or as compensation for loss of office (2012: Nil).

概無作為招攬加入或於加入本集團或作為離職補償而支付給五名最高薪人士(包括董事及其他僱員)之酬金(二零一二年：無)。

### 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 the Group' entities are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The applicable Hong Kong profits tax rate of the Company, and its subsidiaries, which operate in Hong Kong, is 16.5% (2012: 16.5%).

### 9 僱員福利開支(包括董事薪酬)(續)

#### (b) 五名最高薪僱員

本年度五名最高薪僱員包括三名董事(二零一二年：三名董事)，該等董事之薪酬之詳情已載列於上文附註(a)。已付及應付餘下兩名(二零一二年：兩名)既非本公司董事亦非本公司首席執行官的最高薪僱員薪酬的詳情如下：

### 10 所得稅

本集團須按實體基準就產生或源於本集團實體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(「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。

本公司及其於香港營運之附屬公司適用香港利得稅稅率為16.5%(二零一二年：16.5%)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 10 INCOME TAX (CONTINUED)

The applicable income tax rate of the Group's Singaporean subsidiary, CNR Group Holding Pte Ltd ("CNR Singapore"), is 17% (2012:17%). Effective 1 July 2013, CNR Singapore has been granted to a tax concessionary rate of 10% as it was awarded Global Trader Programme Status by International Enterprise Singapore for a period of five and a half years from 1 July 2013 to 31 December 2018.

The subsidiaries of the Company incorporated in Indonesia are subject to a single income tax rate of 25% (2012: 25%).

According to the PRC Corporate Income Tax Law, the applicable income tax rate of the Group's PRC subsidiaries is 25% for the year (2012: 25%).

### 10 所得稅(續)

本集團新加坡附屬公司CNR Group Holding Pte Ltd(「CNR新加坡」)的適用所得稅稅率為17%(二零一二年:17%)。自二零一三年七月一日起, CNR新加坡獲新加坡國際企業發展局授予的環球貿易商資格而可按優惠稅率10%納稅, 期限自二零一三年七月一日起至二零一八年十二月三十一日止五年半。

本公司於印度尼西亞註冊成立之附屬公司須按25%(二零一二年:25%)之單一所得稅稅率繳納所得稅。

根據中國企業所得稅法, 本集團的中國附屬公司本年度之適用所得稅稅率為25%(二零一二年:25%)。

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Current income tax:	即期所得稅:		
Current — Mainland China	即期 — 中國大陸	(145)	11,735
Current — Singapore	即期 — 新加坡	27,875	49,537
Current — Others	即期 — 其他	44	—
Deferred income tax	遞延所得稅	19	187,021
Income tax expense	所得稅開支	<b>25,043</b>	248,293

The tax charge on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to results of the group companies as follows:

本集團除所得稅前虧損的稅務開支有別於按適用於集團公司業績的加權平均稅率計算得出的理論金額, 載列如下:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	<b>(1,340,463)</b>	(31,423)
Tax calculated at the applicable statutory tax rates of respective companies	按各公司適用法定稅率計算之稅項	<b>(328,867)</b>	31,941
Tax effect of:	下列各項之稅務影響:		
Effect attributable to an associate	歸屬於一間聯營公司之影響	2,229	(139)
Income not subject to tax	毋須課稅收入	(12,505)	(7,539)
Expenses not deductible for tax	不可扣稅開支	233,349	150,931
Tax losses not recognised	未確認稅項虧損	130,837	73,099
Income tax expense	所得稅開支	<b>25,043</b>	248,293

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 10 INCOME TAX (CONTINUED)

The applicable income tax rate of the Group was 24.5% for the year ended 31 December 2013 (2012: -101.6%). The change is caused by a change in the relative results of the Group's subsidiaries in the respective countries.

### 11 LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company for the year ended 31 December 2013 is dealt with in the financial statements of the Company to the extent of a profit of HK\$77,922,000 (2012: Loss of HK\$538,292,000) (Note 32).

### 12 DIVIDENDS

Interim, paid, of HK1 cent per ordinary share

已付中期 — 每股普通股  
1港仙

2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
----------------------------------	----------------------------------

- 23,043

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2013 (2012: Nil).

董事不建議宣派截至二零一三年十二月三十一日止年度之末期股息(二零一二年：無)。

### 13 LOSS PER SHARE

#### Basic

The calculation of the basic loss per share is based on the loss for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares of 2,527,602,083 (2012: 2,304,394,577) in issue during the year.

#### Diluted

The calculation of the diluted loss per share for the year ended 31 December 2013 is based on the loss for the year attributable to equity holders of the Company, adjusted to reflect the interest on and change in fair value of the derivative component of the 6% Coupon Convertible Bonds and share options. 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 loss 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.

Diluted loss per share is the same as basic loss per share for the years ended 31 December 2013 and 2012 because the impact of dilution of the 6% Coupon Convertible Bonds and share options is anti-dilutive.

### 10 所得稅(續)

截至二零一三年十二月三十一日止年度，本集團的適用所得稅率為24.5%(二零一二年：-101.6%)。該變動乃由於本集團於各個國家的附屬公司的相關業績有所變動。

### 11 本公司股權持有人應佔虧損

截至二零一三年十二月三十一日止年度，本公司股權持有人應佔虧損中之溢利77,922,000港元(二零一二年：虧損538,292,000港元)已於本公司財務報表內處理(附註32)。

### 12 股息

### 13 每股虧損

#### 基本

每股基本虧損乃根據本公司股權持有人應佔年度虧損及年內已發行普通股之加權平均股數即2,527,602,083股(二零一二年：2,304,394,577股)計算。

#### 攤薄

截至二零一三年十二月三十一日止年度之每股攤薄虧損乃根據本公司股權持有人應佔年度虧損計算，並作出調整以反映6厘息可換股債券衍生工具部分及購股權公允價值變動之利息。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(按計算每股基本虧損所使用者)，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。

截至二零一三年及二零一二年十二月三十一日止年度，由於6厘息可換股債券之攤薄影響及購股權屬反攤薄，故每股攤薄虧損相等於每股基本虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 14 PROPERTY, PLANT AND EQUIPMENT

### 14 物業、廠房及設備

#### Group

#### 本集團

		Freehold land and buildings 永久業權 土地及樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles and others 汽車及其他 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Cost:</b>	<b>成本值：</b>						
At 1 January 2012	於二零一二年一月一日	208,839	1,291,847	23,554	79,104	1,693,995	3,297,339
Additions	添置	10,455	2,615	4,197	4,721	217,193	239,181
Transfers	轉撥	215,372	222,810	-	-	(438,182)	-
Transfer from prepaid land lease payments	從預付土地租賃款項 轉撥	13,254	-	-	-	-	13,254
Disposals	處置	-	(9,586)	(370)	(158)	-	(10,114)
Exchange realignment	匯兌差額	(53)	(253)	(23)	(47)	(300)	(676)
At 1 January 2013	於二零一三年一月一日	<b>447,867</b>	<b>1,507,433</b>	<b>27,358</b>	<b>83,620</b>	<b>1,472,706</b>	<b>3,538,984</b>
Additions	添置	1,034	1,645	1,191	973	150,335	155,178
Transfers	轉撥	27,946	98,476	126	-	(126,548)	-
Disposals	處置	(11,531)	(7,766)	(253)	(1,556)	-	(21,106)
Exchange realignment	匯兌差額	28,967	25,792	1,012	2,077	40,218	98,066
At 31 December 2013	於二零一三年十二月 三十一日	<b>494,283</b>	<b>1,625,580</b>	<b>29,434</b>	<b>85,114</b>	<b>1,536,711</b>	<b>3,771,122</b>
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2012	於二零一二年一月一日	81,004	567,526	10,051	37,608	-	696,189
Depreciation	折舊	18,146	95,282	3,203	5,392	-	122,023
Disposals	處置	-	(4,706)	(370)	(158)	-	(5,234)
Exchange realignment	匯兌差額	(16)	(111)	(4)	(9)	-	(140)
At 1 January 2013	於二零一三年一月一日	<b>99,134</b>	<b>657,991</b>	<b>12,880</b>	<b>42,833</b>	<b>-</b>	<b>812,838</b>
Depreciation	折舊	19,134	105,837	4,104	4,761	-	133,836
Disposals	處置	(8,791)	(4,829)	(253)	(2)	-	(13,875)
Exchange realignment	匯兌差額	11,715	11,321	886	980	-	24,902
At 31 December 2013	於二零一三年十二月 三十一日	<b>121,192</b>	<b>770,320</b>	<b>17,617</b>	<b>48,572</b>	<b>-</b>	<b>957,701</b>
<b>Accumulated impairment losses:</b>	<b>累計減值虧損：</b>						
At 1 January 2012	於二零一二年一月一日	-	-	-	-	-	-
Charge for the year	本年度支出	-	-	-	-	151,883	151,883
Exchange realignment	匯兌差額	-	-	-	-	(9)	(9)
At 1 January 2013	於二零一三年一月一日	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151,874</b>	<b>151,874</b>
Charge for the year	本年度支出	103,278	15,418	202	338	606,949	726,185
Exchange realignment	匯兌差額	1,727	228	3	5	5,277	7,240
At 31 December 2013	於二零一三年十二月 三十一日	<b>105,005</b>	<b>15,646</b>	<b>205</b>	<b>343</b>	<b>764,100</b>	<b>885,299</b>
<b>Net carrying amount:</b>	<b>賬面淨值：</b>						
At 31 December 2013	於二零一三年十二月 三十一日	<b>268,086</b>	<b>839,614</b>	<b>11,612</b>	<b>36,199</b>	<b>772,611</b>	<b>1,928,122</b>
At 31 December 2012	於二零一二年十二月 三十一日	348,733	849,442	14,478	40,787	1,320,832	2,574,272

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Group (continued)

During the year ended 31 December 2012, interest of HK\$101,141,000 was capitalised in construction in progress at the capitalisation rate ranging from 6.10% to 32.23% (Note 8).

At 31 December 2013, certain of the Group's buildings and plant and machinery with a net carrying amount of approximately HK\$43,987,000 (2012: HK\$58,151,000) were pledged to secure a bank loan granted to the Group (Note 28(a)).

As at 31 December 2013, the carrying amount of the freehold land located outside Hong Kong is HK\$13,252,000 (2012:13,252,000).

#### Impairment assessment

##### Zhengzhou plants

During the year, as a result of the continuous unfavourable operating environment experienced in the industry, the Group significantly reduced its manufacturing output and temporarily suspended some of its manufacturing operations in certain plants since March 2013. As at 31 December 2013, management carried out a review of the recoverable amount of its assets in the manufacturing plants in Zhengzhou. The review has resulted in the recognition of impairment losses on property, plant and equipment and prepaid land lease payments of a plant in Zhengzhou of HK\$195,783,000 and HK\$15,623,000 (Note 15), respectively, which has been recognised in the consolidated income statement. Other than these specific assets, the recoverable amount of the relevant assets of Zhengzhou plants is determined based on the value-in-use calculation. The discount rate used in measuring value-in-use was 17.2%, which is pre-tax and reflects the specific risks relating to the business. Sensitivity analysis was performed by management and there will be no further impairment should the discount rate used is 1% higher or gross profit is 1% lower.

### 14 物業、廠房及設備(續)

#### 本集團(續)

截至二零一二年十二月三十一日止年度，101,141,000港元之利息已資本化為在建工程，資本化率介乎6.10%至32.23%(附註8)。

於二零一三年十二月三十一日，本集團賬面淨值約為43,987,000港元(二零一二年：58,151,000港元)之若干樓宇與廠房及機器已抵押作本集團獲授銀行貸款(附註28(a))的質押物。

於二零一三年十二月三十一日，位於香港境外的永久業權土地賬面值為13,252,000港元(二零一二年：13,252,000港元)。

#### 減值評估

##### 鄭州廠房

年內，由於業內的經營環境持續欠佳，本集團從二零一三年三月起大幅減少其產出，並暫停若干廠房的部分生產營運。於二零一三年十二月三十一日，管理層審閱鄭州廠房資產的可收回金額。根據審閱的結果，本集團分別就一家鄭州廠房的物業、廠房及設備以及預付土地租賃付款確認減值虧損195,783,000港元及15,623,000港元(附註15)，已於綜合收益表內確認。除該等特定資產外，鄭州廠房有關資產之可收回金額按使用價值基準計算。計算使用價值所用之貼現率為17.2%，此為稅前且反映與業務相關之特定風險。管理層已進行敏感度分析，如所用貼現率上升1%或毛利下降1%，將不會出現進一步減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Group (continued)

#### Impairment assessment (continued)

##### Lianyungang plant

During the year ended 31 December 2013, due to the significant adverse changes in the nickel related product market which is the main business engaged by the Group's Lianyungang plant, management decided to postpone the commencement of Lianyungang's operation by the end of 2013. The Directors of the Company considered it as an impairment indicator and conducted an impairment assessment on the property, plant and equipment of Lianyungang. The review has resulted in the recognition of an impairment loss of HK\$530,402,000, which has been recognised in the consolidated income statement.

The recoverable amount is determined based on the value-in-use calculation. The discount rate used in measuring value-in-use was 17.5%, which is pre-tax and reflects the specific risks relating to the business. Management also performed sensitivity analysis. As at 31 December 2013, if the projected sales volume applied to the cash flow projection had been 5% higher/lower, or the discount rate used had been 1% lower/higher, impairment charge for the year would have been approximately HK\$69 million lower/higher and HK\$117 million lower/HK\$104 million higher, respectively.

Impairment losses on property, plant and equipment totalling HK\$726,185,000 are recognised for the year ended 31 December 2013 (2012: HK\$151,883,000).

### 14 物業、廠房及設備(續)

#### 本集團(續)

#### 減值評估(續)

##### 連雲港廠房

截至二零一三年十二月三十一日止年度，由於鎳相關產品的市場出現重大不利變動，而鎳相關產品正是本集團連雲港廠房從事的主要業務，故此管理層於二零一三年底決定延遲開始連雲港的營運。本公司董事認為此乃減值跡象，因此對連雲港的物業、廠房及設備進行減值評估。根據審閱的結果，本集團確認減值虧損530,402,000港元，已於綜合收益表確認。

可收回金額乃按使用價值基準計算。計算使用價值所用之貼現率為17.5%，此為稅前且反映與業務相關之特定風險。管理層亦已進行敏感度分析。於二零一三年十二月三十一日，倘現金流量預測所用的預測銷量上升/下降5%，或所用的貼現率下降/上升1%，則年內減值支出分別減少/增加約69百萬港元及減少117百萬港元/增加104百萬港元。

於截至二零一三年十二月三十一日止年度確認的物業、廠房及設備減值虧損合共為726,185,000港元(二零一二年: 151,883,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 14 物業、廠房及設備(續)

#### Company

#### 本公司

		Freehold land and buildings 永久業權 土地及樓宇 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles and others 汽車及其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Cost:</b>	<b>成本值：</b>				
At 1 January 2012	於二零一二年一月一日	11,437	1,661	26,106	39,204
Additions	添置	-	1,072	-	1,072
Transfer from prepaid land lease payments	從預付土地租賃款項轉撥	13,254	-	-	13,254
Disposals	處置	-	(371)	(26,106)	(26,477)
At 1 January 2013	於二零一三年一月一日	<b>24,691</b>	<b>2,362</b>	-	<b>27,053</b>
Additions	添置	-	<b>151</b>	-	<b>151</b>
At 31 December 2013	於二零一三年十二月三十一日	<b>24,691</b>	<b>2,513</b>	-	<b>27,204</b>
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>				
At 1 January 2012	於二零一二年一月一日	1,055	1,215	13,147	15,417
Depreciation	折舊	459	347	-	806
Disposals	處置	-	(370)	(13,147)	(13,517)
At 1 January 2013	於二零一三年一月一日	<b>1,514</b>	<b>1,192</b>	-	<b>2,706</b>
Depreciation	折舊	<b>457</b>	<b>547</b>	-	<b>1,004</b>
At 31 December 2013	於二零一三年十二月三十一日	<b>1,971</b>	<b>1,739</b>	-	<b>3,710</b>
<b>Net carrying amount:</b>	<b>賬面淨值：</b>				
At 31 December 2013	於二零一三年十二月三十一日	<b>22,720</b>	<b>774</b>	-	<b>23,494</b>
At 31 December 2012	於二零一二年十二月三十一日	23,177	1,170	-	24,347

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 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	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Carrying amount at 1 January		226,293	244,769	-	13,253
Transfer to property, plant and equipment	14	-	(13,254)	-	(13,254)
Amortisation	7	(5,374)	(5,169)	-	-
Impairment losses recognised for the year	7	(20,713)	-	-	-
Exchange realignment		6,352	(53)	-	1
Carrying amount at 31 December		206,558	226,293	-	-
Less: Current portion included in prepayments, deposits and other receivables	23	(4,465)	(5,291)	-	-
Non-current portion		202,093	221,002	-	-

At 31 December 2013, the carrying amounts of the Group's prepaid land lease payments, which are related to land situated in Mainland China and Indonesia, amounted to HK\$206,558,000 (2012: HK\$221,206,000) and Nil (2012: HK\$5,087,000) respectively.

At 31 December 2013, the Group's leasehold land situated in Mainland China with a net carrying amount of HK\$206,558,000 (2012: HK\$155,158,000) were pledged for bank loans granted to the Group (Notes 28 and 29(a)).

#### Impairment assessment

As at 31 December 2013, management carried out a review of the recoverable amount of its property, plant and equipment, and prepaid land lease payments. The review has resulted in the recognition of impairment loss on a piece of leasehold land in Zhengzhou of HK\$15,623,000 (see Note 14).

The Group holds a leasehold land in Indonesia with carrying amount of HK\$5,090,000 as at 31 December 2013 (2012: HK\$5,087,000). During the year ended 31 December 2013, the Group reconsidered the location and the surrounding infrastructure of a future plant which is planned to situate on the leasehold land and decided to relocate such future plant to another area in Indonesia. As the existing leasehold land is unlikely to be used by the Group in the foreseeable future and the saleability of the land is uncertain, an impairment loss of HK\$5,090,000 has been made as at 31 December 2013.

於二零一三年十二月三十一日，與本集團位於中國大陸和印尼土地有關的預付土地租賃款項賬面價值分別為206,558,000港元(二零一二年：221,206,000港元)及零港元(二零一二年：5,087,000港元)。

於二零一三年十二月三十一日，本集團位於中國大陸賬面淨值為206,558,000港元(二零一二年：155,158,000港元)的租賃土地已作為本集團獲授銀行貸款(附註28及29(a))的質押物。

#### 減值評估

於二零一三年十二月三十一日，管理層審閱其物業、廠房及設備以及預付土地租賃付款的可收回金額。根據審閱結果，本集團就鄭州一幅租賃土地確認減值虧損15,623,000港元(見附註14)。

於二零一三年十二月三十一日，本集團於印尼持有一幅賬面價值為5,090,000港元(二零一二年：5,087,000港元)的租賃土地。截至二零一三年十二月三十一日止年度，本集團重新考慮原定於該租賃土地上興建的未來廠房的位置及鄰近基建，並決定將有關未來廠房遷移至印尼的另一個地區。由於本集團於可見將來不大可能使用該現有租賃土地，且未能確定該土地能否出售，故此於二零一三年十二月三十一日作出減值虧損5,090,000港元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 16 INTANGIBLE ASSET

### 16 無形資產

		Group 本集團	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
<b>Exclusive offtake right</b>	<b>獨家採購權</b>		
Carrying amount at 1 January	於一月一日之賬面價值	<b>2,498,900</b>	2,578,215
Amortisation	攤銷	<b>(111,114)</b>	(79,315)
Carrying amount at 31 December	於十二月三十一日之賬面價值	<b>2,387,786</b>	2,498,900

Amortisation of intangible asset has been included in cost of sales.

In May 2007, the Group secured an exclusive offtake right from Yiwang, a limited company incorporated in Indonesia, whereby Yiwang agreed to exclusively sell the limonitic ores produced by Yiwang to the Group at a fixed price of US\$16 per dry tonne for a period of approximately 14 years. In 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. Yiwang 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 Yiwang 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 limonitic ores exported from Yiwang to the Company. 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 Yiwang, the export price of limonitic ores to be sold by Yiwang to the Company shall be US\$23.5 per dry tonne (excluding the Export Tax) (the “New Export Price”) instead of US\$16 per dry tonne.

無形資產攤銷已計入銷售成本。

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Yiwang之獨家採購權，Yiwang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褐鐵礦石，年期約為十四年。於二零零八年九月，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。Yiwang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，Yiwang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，Yiwang向本公司出口的褐鐵礦石將被徵收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Yiwang出口許可的商務部長發出之建議函件，Yiwang售予本公司的褐鐵礦石出口價將為每乾公噸23.5美元（未計出口稅）（「新出口價」），而非每乾公噸16美元。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 16 INTANGIBLE ASSET (CONTINUED)

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

During the year ended 31 December 2013, the relevant Indonesian governmental authorities further promulgated that unprocessed ore export by mining business licence holders in Indonesia ("IUP Holders") would be banned from 12 January 2014 onwards unless the IUP Holders have carried out processing and refining domestically according to the relevant regulations regarding implementation of activities of business of minerals and coal mining and have conducted refining and smelting in accordance with those relevant laws. Consequently, the export of unprocessed iron ores from Yiwang to the Group ceased with effect from 12 January 2014.

All of the rights, interest, title and benefits of the exclusive offtake agreement is pledged in favour of DB Trustees (Hong Kong) Limited as security trustee for and on behalf of the bondholders of the 10% Coupon Senior Bonds and the 6% Coupon Convertible Bonds. (Notes 28 and 29)

In determining the recoverable amount of the intangible asset as at 31 December 2013, the Directors, amongst other considerations, made reference to the disposal consideration as stipulated in a framework agreement entered into between the Group and Beijing Wincapital, an independent third party, on 21 January 2013, pursuant to which the Group proposed to dispose of 30% equity interest in SEAM to Beijing Wincapital at a consideration of approximately RMB900 million as detailed in Note 2.1(a). SEAM, together with its subsidiaries, are mainly engaged in the trading of ores and held the aforementioned intangible asset of the Group. Although no formal sales and purchases agreement has been entered into up to date, as the disposal consideration in discussion substantially exceeds the attributable carrying amount of the intangible asset, the Directors are of the opinion that there is no impairment of the intangible asset as at 31 December 2013.

### 16 無形資產(續)

二零一三年一月十日，Yiwang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，Yiwang不可撤回及無條件承諾，倘本集團於獨家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，Yiwang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。

截至二零一三年十二月三十一日止年度，相關印尼政府機關進一步宣佈，於印尼的採礦業務許可證持有人（「許可證持有人」）將自二零一四年一月十二日起被禁止出口未加工礦石，除非許可證持有人已根據關於進行礦產及煤礦開採業務的相關法規在當地進行加工及提煉，並根據該等相關法律進行提煉及冶煉則除外。因此，Yiwang自二零一四年一月十二日起停止向本集團出口未加工鐵礦石。

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（附註28及29）作抵押，受益人為代表債券持有人之德意志信託（香港）有限公司（以擔保受託人身份代表債券持有人）。

在釐定於二零一三年十二月三十一日的無形資產可收回金額時，除了考慮其他因素外，董事參照本集團與獨立第三方北京匯贏於二零一三年一月二十一日訂立的框架協議所訂的出售代價，根據該框架協議，本集團擬向北京匯贏出售其於南洋礦業的30%股本權益，代價約人民幣900百萬元，詳情見附註2.1(a)。南洋礦業連同其附屬公司主要從事礦石貿易業務及持有本集團上述的無形資產。縱使直至現時並無訂立正式買賣協議，由於出售代價大幅超越無形資產的應佔賬面值，董事認為，於二零一三年十二月三十一日，無形資產並無減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17 INTERESTS IN SUBSIDIARIES

#### Company

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，以成本計算	303,966	303,966
Advances to subsidiaries	對附屬公司之墊款	4,186,371	3,407,300
Less: provision for impairment	減：減值撥備	(591,289)	-
		<b>3,899,048</b>	3,711,266

The amounts advanced to the subsidiaries included in the investments in subsidiaries above are denominated in HK\$, US\$ and the Singapore dollar ("SG\$"). These amounts are unsecured, interest free and are regarded as capital contributions.

All of the subsidiaries of the Company were incorporated/established as limited liability companies.

Particulars of the Company's subsidiaries are as follows:

### 17 於附屬公司之權益

#### 本公司

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，以成本計算	303,966	303,966
Advances to subsidiaries	對附屬公司之墊款	4,186,371	3,407,300
Less: provision for impairment	減：減值撥備	(591,289)	-
		<b>3,899,048</b>	3,711,266

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。此等金額為無抵押、免息及視為注資。

本公司所有附屬公司註冊成立/成立為有限公司。

本公司附屬公司之詳情如下：

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17 INTERESTS IN SUBSIDIARIES (CONTINUED)

### 17 於附屬公司之權益(續)

#### Company

#### 本公司

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	
Fully Lead Global Investments Limited 豐泰環球投資有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1 美元	-	100	Investment holding 投資控股
CNR Group Holdings Pte. Ltd	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 印尼	IDR131,264,000,000 印尼盾 131,264,000,000	-	100	Investment holding 投資控股
PT. Batulicin Steel	Indonesia 印尼	US\$36,600,000/Nil 36,600,000 美元/零	-	84	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	RMB636,760,000 人民幣 636,760,000 元	-	100	Manufacture and sale of special steel products 製造及銷售特鋼產品
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	-	100	Generation and sale of electricity 發電及銷售電力
Zhengzhou Yongtong Fully Lead Trading Co., Ltd. 鄭州永通豐泰貿易有限公司	PRC 中國	RMB66,000,000 人民幣 66,000,000 元	-	100	Trading of mineral, steel and electronic products 礦、鋼及電子產品貿易
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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17 INTERESTS IN SUBSIDIARIES (CONTINUED)

### 17 於附屬公司之權益(續)

#### Company

#### 本公司

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	
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	Trading of iron and steel products 鋼鐵產品貿易
Lianyungang Hongnie International Trading Company Limited ("Hongnie Trading") 連雲港宏鎳國際貿易有限公司 (「宏鎳國際」)	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 ore and steel products 礦石及鋼產品貿易

### 18 INTEREST IN AN ASSOCIATE

### 18 於一間聯營公司之權益

		Group 本集團	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Share of net assets 應佔資產淨值		26,474	26,750
Loan to an associate 貸款予一間聯營公司		56,975	62,319
		83,449	89,069

Loan to an associate is unsecured, interest free and is not expected to be settled within one year.

貸款予一間聯營公司為無抵押、免息及預期不會在一年內償還。

Particulars of the associate are as below:

該聯營公司之詳情如下：

Name 公司名稱	Particulars of issued shares held 所持有已發行股份詳情	Place of incorporation 註冊成立地點	Percentage of ownership interest attributable to the Group 本集團應佔所有權益百分比	Principal activity 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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 18 INTEREST IN AN ASSOCIATE (CONTINUED)

The following table illustrates the summarised financial information of the Group's associate extracted from its financial statements:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Assets	資產	120,398	153,355
Liabilities	負債	92,480	117,165
Revenue	收益	-	-
(Loss)/profit	(虧損)/溢利	(8,340)	1,795

### 19 DEFERRED TAX

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

#### Deferred tax assets

		Group 本集團 2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
<b>Unrealised profit on inventories</b>	<b>存貨之未變現溢利</b>		
At 1 January	於一月一日	889	188,166
Deferred tax credited/(charged) to the consolidated income statement during the year (Note 10)	於年內綜合收益表計入/ (扣除)之遞延稅項 (附註10)	1,016	(187,253)
Exchange realignment	匯兌差額	27	(24)
At 31 December	於十二月三十一日	1,932	889

Deferred tax assets are recognised for tax losses carry forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2013, the Group had unrecognised tax losses to be carried forward against future taxable income amounted to approximately HK\$865,982,000 (2012: HK\$336,393,000). These tax losses have no expiry date except that approximately HK\$825,954,000 (2012: HK\$314,721,000) will expire in the next one to five years.

### 18 於一間聯營公司之權益(續)

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：

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Assets	120,398	153,355
Liabilities	92,480	117,165
Revenue	-	-
(Loss)/profit	(8,340)	1,795

### 19 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

	Group 本集團 2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
<b>Unrealised profit on inventories</b>		
At 1 January	889	188,166
Deferred tax credited/(charged) to the consolidated income statement during the year (Note 10)	1,016	(187,253)
Exchange realignment	27	(24)
At 31 December	1,932	889

就結轉的稅務虧損而確認的遞延稅項資產僅限於有關之稅務利益有可能透過未來應課稅溢利實現的部分。於二零一三年十二月三十一日，本集團並無確認可結轉以抵銷未來應課稅收入的稅務虧損約865,982,000港元(二零一二年：336,393,000港元)。該等稅務虧損並無到期日，惟在未來一至五年內到期的稅務虧損約825,954,000港元(二零一二年：314,721,000港元)除外。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 19 DEFERRED TAX (CONTINUED)

#### Deferred tax liabilities

		Group 本集團		Company 本公司	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
<b>Accelerated depreciation</b>	<b>加速折舊</b>				
At 1 January	於一月一日	<b>3,043</b>	2,962	<b>1,715</b>	1,715
Deferred tax credited to the income statement during the year (Note 10)	於一月一日 年內計入收益表之 遞延稅項 (附註10)	<b>(1,715)</b>	(232)	<b>(1,715)</b>	-
Exchange realignment	匯兌差額	<b>41</b>	313	-	-
At 31 December	於十二月三十一日	<b>1,369</b>	3,043	-	1,715

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated after 31 December 2007.

As at 31 December 2013, no deferred tax liabilities have been provided for in these consolidated financial statements as there was no temporary difference associated with investments in subsidiaries in Mainland China.

As at 31 December 2012, deferred income tax liabilities have not been provided for in these consolidated financial statements in respect of temporary differences attributable to undistributed profits of the Group's PRC subsidiaries of HK\$13,646,000 as the Group controls the dividend policy of these PRC subsidiaries and it is probable that these temporary differences will not reverse in the foreseeable future.

### 20 OTHER NON-CURRENT ASSETS

As at 31 December 2013, other non-current assets mainly comprised of prepayment for acquisition of machinery and equipment.

### 19 遞延稅項(續)

#### 遞延稅項負債

		Group 本集團		Company 本公司	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
<b>Accelerated depreciation</b>	<b>加速折舊</b>				
At 1 January	於一月一日	<b>3,043</b>	2,962	<b>1,715</b>	1,715
Deferred tax credited to the income statement during the year (Note 10)	於一月一日 年內計入收益表之 遞延稅項 (附註10)	<b>(1,715)</b>	(232)	<b>(1,715)</b>	-
Exchange realignment	匯兌差額	<b>41</b>	313	-	-
At 31 December	於十二月三十一日	<b>1,369</b>	3,043	-	1,715

據中國企業所得稅法，於中國國內成立的外商投資企業向外國投資者宣派股息須按10%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。

於二零一三年十二月三十一日，由於中國大陸附屬公司投資並無暫時差異，故並無於綜合財務報表中作出遞延稅項負債撥備。

於二零一二年十二月三十一日，由於本集團控制該等中國附屬公司的股息政策及該等暫時差異於可見將來不會撥回，故此並無於綜合財務報表內就本集團中國附屬公司未分發溢利應佔的暫時差異有關之遞延所得稅負債約13,646,000港元計提撥備。

### 20 其他非流動資產

於二零一三年十二月三十一日，其他非流動資產主要包括收購機械及設備預付款項。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 21 INVENTORIES

### 21 存貨

		Group 本集團	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Raw materials	原材料	190,498	268,535
Work in progress	在製品	3,643	6,979
Finished goods	製成品	345,753	408,216
Spare parts and consumables	備件及易耗品	24,756	37,630
		<b>564,650</b>	721,360
Less: provision for impairment losses	減：減值虧損撥備	<b>(90,050)</b>	(19,336)
		<b>474,600</b>	702,024

The movement of provision for impairment losses is as follows:

減值虧損撥備的變動如下：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
At 1 January	於一月一日	19,336	19,509
Utilisation	消耗	(19,652)	(19,246)
Impairment losses recognised for the year	年內已確認減值虧損	88,765	19,077
Exchange realignment	匯兌差額	1,601	(4)
At 31 December	於十二月三十一日	<b>90,050</b>	19,336

### 22 TRADE AND NOTES RECEIVABLES

### 22 應收賬款及應收票據

		Group 本集團	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Trade receivables	應收賬款	107,440	102,576
Notes receivable	應收票據	24,262	15,182
		<b>131,702</b>	117,758
Less: provision for impairment losses	減：減值虧損撥備	<b>(23,314)</b>	(6,570)
		<b>108,388</b>	111,188

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 22 TRADE AND NOTES RECEIVABLES (CONTINUED)

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 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 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:

		<b>Group</b> <b>本集團</b>	
		<b>2013</b> <b>二零一三年</b> <b>HK\$'000</b> <b>千港元</b>	<b>2012</b> <b>二零一二年</b> <b>HK\$'000</b> <b>千港元</b>
Within 90 days	90日內	<b>52,801</b>	66,537
91 to 180 days	91至180日	<b>10,989</b>	30,994
181 to 365 days	181至365日	<b>37,181</b>	7,725
Over 1 year	超過1年	<b>30,731</b>	12,502
		<b>131,702</b>	117,758

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

		<b>Group</b> <b>本集團</b>	
		<b>2013</b> <b>二零一三年</b> <b>HK\$'000</b> <b>千港元</b>	<b>2012</b> <b>二零一二年</b> <b>HK\$'000</b> <b>千港元</b>
At 1 January	於一月一日	<b>6,570</b>	7,865
Impairment losses recognised for the year (Note 7)	年內已確認減值虧損 (附註7)	<b>16,298</b>	1,626
Reversal of impairment losses (Note 7)	已撥回減值虧損 (附註7)	<b>-</b>	(2,919)
Exchange realignment	匯兌差額	<b>446</b>	(2)
At 31 December	於十二月三十一日	<b>23,314</b>	6,570

At 31 December 2013, trade receivables of HK\$23,314,000 (2012: HK\$6,570,000) were impaired in full. The amount of the individually impaired trade receivables mainly relate to customers that were in financial difficulties. A majority of these receivables has been past due for over 1 year.

### 22 應收賬款及應收票據 (續)

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：

		<b>Group</b> <b>本集團</b>	
		<b>2013</b> <b>二零一三年</b> <b>HK\$'000</b> <b>千港元</b>	<b>2012</b> <b>二零一二年</b> <b>HK\$'000</b> <b>千港元</b>
Within 90 days	90日內	<b>52,801</b>	66,537
91 to 180 days	91至180日	<b>10,989</b>	30,994
181 to 365 days	181至365日	<b>37,181</b>	7,725
Over 1 year	超過1年	<b>30,731</b>	12,502
		<b>131,702</b>	117,758

應收賬款減值虧損撥備變動如下：

		<b>Group</b> <b>本集團</b>	
		<b>2013</b> <b>二零一三年</b> <b>HK\$'000</b> <b>千港元</b>	<b>2012</b> <b>二零一二年</b> <b>HK\$'000</b> <b>千港元</b>
At 1 January	於一月一日	<b>6,570</b>	7,865
Impairment losses recognised for the year (Note 7)	年內已確認減值虧損 (附註7)	<b>16,298</b>	1,626
Reversal of impairment losses (Note 7)	已撥回減值虧損 (附註7)	<b>-</b>	(2,919)
Exchange realignment	匯兌差額	<b>446</b>	(2)
At 31 December	於十二月三十一日	<b>23,314</b>	6,570

於二零一三年十二月三十一日，應收賬款23,314,000港元(二零一二年：6,570,000港元)悉數減值。個別減值應收賬款金額主要涉及出現財務困難之客戶。大部分此等應收款項已逾期超過1年。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 22 TRADE AND NOTES RECEIVABLES (CONTINUED)

The ageing analysis of trade and notes receivables that are either not yet past due or not considered to be impaired is as follows:

		<b>Group</b> <b>本集團</b>	
		<b>2013</b> <b>二零一三年</b> <b>HK\$'000</b> 千港元	<b>2012</b> <b>二零一二年</b> <b>HK\$'000</b> 千港元
Not yet past due	尚未逾期	<b>104,562</b>	97,531
Past due but not impaired	已逾期但無減值		
Within 90 days	90日內	<b>263</b>	-
91 to 180 days	91至180日	<b>3,454</b>	-
181 to 365 days	181至365日	-	7,725
Over 1 year	超過1年	<b>109</b>	5,932
		<b>108,388</b>	111,188

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 those independent customers that have good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

### 22 應收賬款及應收票據(續)

並無逾期或不被視作需減值之應收賬款及應收票據之賬齡分析如下：

		<b>Group</b> <b>本集團</b>	
		<b>2013</b> <b>二零一三年</b> <b>HK\$'000</b> 千港元	<b>2012</b> <b>二零一二年</b> <b>HK\$'000</b> 千港元
Not yet past due	尚未逾期	<b>104,562</b>	97,531
Past due but not impaired	已逾期但無減值		
Within 90 days	90日內	<b>263</b>	-
91 to 180 days	91至180日	<b>3,454</b>	-
181 to 365 days	181至365日	-	7,725
Over 1 year	超過1年	<b>109</b>	5,932
		<b>108,388</b>	111,188

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獨立客戶，該等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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 23 預付款項、按金及其他應收款項

	Notes 附註	Group 本集團		Company 本公司	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Prepayment to Yiwan		85,828	124,910	1,349	1,349
Prepayments to other suppliers		25,237	19,842	-	-
Other prepayments		4,813	8,633	1,171	3,081
Deposits and other receivables		36,287	35,781	7,465	7,561
Receivables arising from disposal of a subsidiary (note)		-	752,138	-	-
Value-added tax recoverable		56,916	72,843	-	-
Current portion of prepaid land lease payments	15	4,465	5,291	-	-
		<b>213,546</b>	<b>1,019,438</b>	<b>9,985</b>	<b>11,991</b>

The carrying amounts of other receivables approximate their fair values.

Note: As at 31 December 2012, the receivable from disposal of a subsidiary with nominal value of HK\$764,630,000 (Note 33) was discounted to its present value based on estimates of future cash inflow.

其他應收款項賬面值與彼等之公允價值相若。

附註：於二零一二年十二月三十一日，出售一家附屬公司之應收款項面值為764,630,000港元(附註33)已根據估計未來現金流入折現至其現值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 24 CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

### 24 現金及現金等值物 and 已抵押定期存款

		Group 本集團		Company 本公司	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	54,065	141,610	559	3,297
Time deposits	定期存款	858,950	464,397	13,285	115,131
		<b>913,015</b>	606,007	<b>13,844</b>	118,428
Less: Pledged time deposits for issuing bank acceptance notes	減：為取得銀行承兌票據之已抵押定期存款	(350,644)	(349,266)	-	-
Pledged time deposits for bank loans (Note 28 (a))	為銀行借貸之已抵押定期存款 (附註28(a))	(495,021)	-	-	-
Pledged time deposits for senior bonds and convertible bonds (Note 28 (c))	為優先債券及可換股債券之已抵押定期存款 (附註28(c))	(13,285)	(115,131)	(13,285)	(115,131)
Cash and cash equivalents	現金及現金等值物	54,065	141,610	559	3,297

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.

As at 31 December 2013, the weighted average effective interest rate of the Group's time deposits was 2.3% (2012: 2.6%) per annum.

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 their fair values.

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。

於二零一三年十二月三十一日，本集團定期存款加權平均有效年利率為2.3% (二零一二年：2.6%)。

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 24 CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS (CONTINUED)

As at 31 December 2013, cash and bank balances and time deposits of the Group denominated in RMB amounted to HK\$16,595,000 (2012: HK\$99,492,000) and HK\$845,665,000 (2012: HK\$349,266,000) respectively.

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.

### 25 TRADE AND NOTES PAYABLES

Trade payables  
Notes payables

應付賬款  
應付票據

Notes  
附註

		Group 本集團		Company 本公司	
		2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	(a)	<b>184,566</b>	175,949	<b>3,850</b>	3,847
	(b)	<b>587,614</b>	645,087	-	-
		<b>772,180</b>	821,036	<b>3,850</b>	3,847

### 24 現金及現金等值物和已抵押定期存款(續)

於二零一三年十二月三十一日，本集團以人民幣計值的現金及銀行結餘分別達16,595,000港元(二零一二年：99,492,000港元)及845,665,000港元(二零一二年：349,266,000港元)。

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。

### 25 應付賬款及應付票據

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 25 TRADE AND NOTES PAYABLES (CONTINUED)

Note:

#### (a) Trade payables

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

		Group		Company	
		本集團		本公司	
		2013	2012	2013	2012
		二零一三年	二零一二年	二零一三年	二零一二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within 90 days	90日內	40,681	55,357	-	-
91 to 180 days	91至180日	14,931	45,031	3	-
181 to 365 days	181至365日	25,114	10,931	-	2,557
1 to 2 years	1至2年	48,744	52,305	2,557	-
2 to 3 years	2至3年	43,277	8,731	-	-
Over 3 years	超過3年	11,819	3,594	1,290	1,290
		<b>184,566</b>	175,949	<b>3,850</b>	3,847

The trade payables are unsecured, interest-free and are normally settled on terms of 60 to 180 days. The carrying amounts of trade payables approximate their fair values at the end of the reporting period.

#### (b) Notes payables

An ageing analysis of the notes payables of the Group at 31 December 2013 is as follows:

		2013	2012
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
Within 90 days	90日內	419,725	262,600
91 to 180 days	91至180日	167,889	382,487
		<b>587,614</b>	645,087

At 31 December 2013, notes payables of HK\$587,614,000 (2012: HK\$645,087,000) were secured by a parcel of leasehold land in Mainland China with net carrying amount of HK\$3,548,000 (2012: HK\$4,376,000) (Note 15) and time deposits amounting to HK\$350,644,000 (2012: HK\$349,266,000) (Note 24). The carrying amounts of notes payables approximate their fair values at the end of the reporting period.

### 25 應付賬款及應付票據(續)

附註：

#### (a) 應付賬款

於報告期末，按發票日期計算之應付賬款之賬齡分析如下：

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，應付賬款之賬面值與其公允價值相若。

#### (b) 應付票據

於二零一三年十二月三十一日，應付票據之賬齡分析如下：

於二零一三年十二月三十一日，應付票據587,614,000港元(二零一二年：645,087,000港元)以中國大陸一幅賬面淨值為3,548,000港元(二零一二年：4,376,000港元)(附註15)的租賃土地及定期存款350,644,000港元(二零一二年：349,266,000港元)(附註24)作為抵押。於報告期末，應付票據之賬面值與其公允價值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 26 OTHER PAYABLES AND ACCRUALS

### 26 其他應付款項及應計負債

	Group 本集團		Company 本公司	
	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Advances from customers	147,803	327,110	-	-
Payables related to purchases of property, plant and equipment	139,330	132,005	-	-
Accrued interest expense	15,775	8,582	2,989	-
Payroll payable	15,975	8,143	2,904	166
Amount due to a director (Note 39)	2,417	2,821	2,417	2,821
Dividend payable	8	8	8	8
Others	123,773	133,738	9,212	1,059
	<b>445,081</b>	<b>612,407</b>	<b>17,530</b>	<b>4,054</b>

As at 31 December 2013, the carrying amounts of other payables and accruals approximate their fair values.

於二零一三年十二月三十一日，其他應付款項及應計負債之賬面值與其公允價值相若。

### 27 DERIVATIVE FINANCIAL INSTRUMENTS

### 27 衍生金融工具

	Note 附註	Group and Company 本集團與本公司	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Liabilities			
Conversion option and redemption option bifurcated from the host contract of the 6% Coupon Convertible Bonds, non-current	29(a)	21,652	101,592

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28 BANK AND OTHER BORROWINGS

### 28 銀行貸款及其他借貸

		Group 本集團					
		2013 二零一三年			2012 二零一二年		
		Contractual interest rate (%)	Maturity 到期日	HK\$'000 千港元	Contractual interest rate (%)	Maturity 到期日	HK\$'000 千港元
	Note 附註	合同利率 (%)	到期日	千港元	合同利率 (%)	到期日	千港元
<b>Current</b>	<b>即期</b>						
Bank loans — unsecured	銀行貸款 — 無抵押	5.6–10.0	2014	274,930	6.1–8.6	2013	190,911
Bank loans — secured	銀行貸款 — 有抵押	(a) 6.9–10.0	2014	165,346	6.6–8.6	2013	801,628
Other borrowings — unsecured	其他借貸 — 無抵押	(b) 8.0–43.2	2014	338,370	0–8.0	2013	76,132
The 10% Coupon Senior Bonds	10厘息優先債券	(c) 10.0	2014	422,758	10.0	2013	488,738
				1,201,404			1,557,409
<b>Non-current</b>	<b>非即期</b>						
Bank loans — unsecured	銀行貸款 — 無抵押	7.2	2016	63,596	–	–	–
Bank loans — secured	銀行貸款 — 有抵押	(a) 2.3–3.3	2015	466,665	–	–	–
Other borrowings — unsecured	其他借貸 — 無抵押	(b) 8.0	2015	19,375	–	–	–
Other borrowings — secured	其他借貸 — 有抵押	(d) 10.0	2015	254,378	–	–	–
The 10% Coupon Senior Bonds	10厘息優先債券	(c) 10.0	2015	55,011	10.0	2015	456,531
The Modified 10% Coupon Bonds	經修訂10厘息債券	(e) 10.0	2015	21,196	10.0	2015	17,078
				880,221			473,609
				2,081,625			2,031,018

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28 BANK AND OTHER BORROWINGS (CONTINUED)

### 28 銀行貸款及其他借貸(續)

				2013 二零一三年		Company 本公司		2012 二零一二年	
		Note 附註	Contractual interest rate (%) 合同利率(%)	Maturity 到期日	HK\$'000 千港元	Contractual interest rate (%) 合同利率(%)	Maturity 到期日	HK\$'000 千港元	
<b>Current</b>	<b>即期</b>								
The 10% Coupon Senior Bonds	10厘息優先債券	(c)	10.0	2014	422,758	10.0	2013	488,738	
<b>Non-current</b>	<b>非即期</b>								
Bank loans – secured	銀行貸款 – 有抵押	(a)	2.3–3.3	2015	466,665	–	–	–	
The 10% Coupon Senior Bonds	10厘息優先債券	(c)	10.0	2015	55,011	10.0	2015	456,531	
The Modified 10% Coupon Bonds	經修訂10厘息債券	(e)	10.0	2015	21,196	10.0	2015	17,078	
					542,872			473,609	
					965,630			962,347	



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28 BANK AND OTHER BORROWINGS (CONTINUED)

Analysed into:

### 28 銀行貸款及其他借貸(續)

分析如下：

		Group 本集團		Company 本公司	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Bank loans repayable:	銀行貸款還款期：				
Within one year	一年內	440,276	992,539	-	-
In the second year	第二年	466,665	-	466,665	-
In the third year	第三年	63,596	-	-	-
		<b>970,537</b>	992,539	<b>466,665</b>	-
Other borrowings repayable:	其他借貸還款期：				
Within one year	一年內	338,370	76,132	-	-
In the second year	第二年	273,753	-	-	-
		<b>612,123</b>	76,132	-	-
The 10% Coupon Senior Bonds:	10厘息優先債券：				
Within one year	一年內	422,758	488,738	422,758	488,738
In the second year	第二年	55,011	365,224	55,011	365,224
In the third year	第三年	-	91,307	-	91,307
		<b>477,769</b>	945,269	<b>477,769</b>	945,269
The Modified 10% Coupon Bonds:	經修訂10厘息債券：				
In the second year	第二年	21,196	-	21,196	-
In the third year	第三年	-	17,078	-	17,078
		<b>21,196</b>	17,078	<b>21,196</b>	17,078
		<b>2,081,625</b>	2,031,018	<b>965,630</b>	962,347

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28 BANK AND OTHER BORROWINGS (CONTINUED)

Notes:

#### (a) Bank loans – secured

At 31 December 2013, the secured bank loans comprised of: (i) bank loans of HK\$63,595,000 (2012: HK\$24,665,000) secured by a number of leasehold land in Mainland China with net carrying amounts of HK\$161,062,000 (2012: HK\$84,205,000); (ii) a bank loan of HK\$63,595,000 (2012: HK\$61,664,000) secured by a parcel of leasehold land in Mainland China and buildings and plant and machinery with net carrying amounts of HK\$Nil (2012: HK\$21,258,000) and HK\$43,987,000 (2012: HK\$58,151,000), respectively. The loan was also guaranteed by Mr. Dong; and (iii) a bank loan of HK\$38,156,000 (2012: HK\$36,998,000) secured by a parcel of leasehold land in Mainland China with net carrying amounts of HK\$41,948,000 (2012: HK\$45,319,000); (iv) three bank loans in a total of HK\$466,665,000 (2012: Nil) secured by bank deposits of HK\$495,021,000 (Note 24). As at 31 December 2012, a bank loan of HK\$678,301,000 was guaranteed by Mr. Dong.

#### (b) Other borrowings – unsecured

At 31 December 2013, unsecured other borrowings included: (i) a loan from an independent third party of US\$2,500,000 (equivalent to HK\$19,375,000) (2012: HK\$19,375,000), which bears interest at a rate of 8% per annum; (ii) loans from the ultimate holding company of the Company consisting of amounts of SG\$1,809,000, US\$2,841,000 and HK\$18,899,000 (equivalent to HK\$51,940,000 in aggregate) (2012: HK\$17,888,000) which bear interest at 8% per annum except for an amount of US\$2,841,000, which is interest free; (iii) a loan of RMB173,000,000 (equivalent to HK\$220,037,000) (2012: Nil) from an independent third party, which bears interest at a rate of 12% per annum; (iv) two loans totalling RMB12,200,000 (equivalent to HK\$15,517,000) (2012: Nil) from Mr. Dong's relatives, which bear interest at rates of 30% to 46% per annum; and (v) two loans totalling RMB40,000,000 (equivalent to HK\$50,876,000) (2012: Nil) from independent third parties, which bear interest at a rate of 19% per annum. As at 31 December 2012, the unsecured other borrowings also included a loan of RMB89,000 (equivalent to HK\$110,000), which is interest-free and a loan of US\$5,000,000 (equivalent to HK\$38,759,000), which bear interest at a rate of 8% per annum, from an independent third party.

#### (c) The 10% Coupon Senior Bonds

On 12 December 2007, the Company issued 20,000 zero coupon convertible bonds due 2012 at HK\$100,000 each with an aggregate nominal value of HK\$2,000,000,000 (the "Zero Coupon Convertible Bonds") which were subsequently traded on the Stock Exchange.

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").

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 Bond 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").

### 28 銀行貸款及其他借貸(續)

附註:

#### (a) 銀行貸款 – 有抵押

於二零一三年十二月三十一日，有抵押的銀行貸款包括：(i)以數幅位於中國大陸，賬面淨值為161,062,000港元(二零一二年：84,205,000港元)的租賃土地作為抵押的銀行貸款63,595,000港元(二零一二年：24,665,000港元)；(ii)以一幅位於中國大陸，賬面淨值為零港元(二零一二年：21,258,000港元)的租賃土地以及賬面淨值為43,987,000港元(二零一二年：58,151,000港元)的樓宇、廠房及機械作為抵押的銀行貸款63,595,000港元(二零一二年：61,664,000港元)。貸款亦由董先生做擔保；及(iii)以一幅位於中國大陸，賬面淨值為41,948,000港元(二零一二年：45,319,000港元)的租賃土地作為抵押的銀行貸款38,156,000港元(二零一二年：36,998,000港元)；(iv)以495,021,000港元的銀行存款(附註24)作為抵押的三筆銀行貸款合共466,665,000港元(二零一二年：無)。於二零一二年十二月三十一日，銀行貸款678,301,000港元由董先生做擔保。

#### (b) 其他借貸 – 無抵押

於二零一三年十二月三十一日，無抵押其他借貸包括：(i)從獨立第三方借入的貸款2,500,000美元(相當於19,375,000港元)(二零一二年：19,375,000港元)，按年利率8厘計息；(ii)向本集團最終控股公司借入貸款，該貸款包括1,809,000新加坡元、2,841,000美元及18,899,000港元(相當於合共51,940,000港元)(二零一二年：17,888,000港元)，除了貸款2,841,000美元為免息外，其他貸款按年利率8厘計息；(iii)向獨立第三方借入貸款人民幣173,000,000元(相當於220,037,000港元)(二零一二年：無)，按年利率12厘計息；(iv)向董先生親屬借入兩筆貸款，總額人民幣12,200,000元(相當於15,517,000港元)(二零一二年：無)，按年利率30至46厘計息；及(v)從獨立第三方借入兩筆貸款，總額人民幣40,000,000元(相當於50,876,000港元)(二零一二年：無)，按年利率19厘計息。於二零一二年十二月三十一日，無抵押的其他借貸亦包括向一名獨立第三方借入貸款人民幣89,000元(相當於110,000港元)，該貸款為免息；及貸款5,000,000美元(相當於38,759,000港元)，按年利率8厘計息。

#### (c) 10厘息優先債券

於二零零七年十二月十二日，本公司以每份100,000港元已發行20,000份於二零一二年到期之零息可換股債券，總面值2,000,000,000港元(「零息可換股債券」)，其後有關債券於聯交所買賣。

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」)。

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 the Consolidated Financial Statements

## 綜合財務報表附註

### 28 BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (continued)

#### (c) The 10% Coupon Senior Bonds (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 9 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 will pay 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 at its fair value and are subsequently carried at amortised cost. The fair value of the 10% Coupon Senior Bonds was valued by Greater China Appraisal Limited.

The movements of the liability component of the 10% Coupon Senior Bonds for the year ended 31 December 2013 are as follows:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
At 1 January	於一月一日	945,269	-
On 12 June 2012 (initially recognised)	於二零一二年六月十二日 (最初確認)	-	1,209,394
Interest expense	利息費用	100,657	89,562
Repayments	還款	(568,157)	(353,687)
At 31 December	於十二月三十一日	477,769	945,269
Portion classified as current	分類為即期部分	(422,758)	(488,738)
Non-current portion	非即期部分	55,011	456,531

### 28 銀行貸款及其他借貸(續)

附註：(續)

#### (c) 10厘息優先債券(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，本公司將向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其公允價值初步確認，其後以攤銷成本列值。10厘息優先債券之公允價值乃為漢華評值有限公司作出的估值。

截至二零一三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：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28 BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (continued)

#### (c) The 10% Coupon Senior Bonds (continued)

The 10% Coupon Senior Bonds and the 6% Coupon Convertible Bonds (as detailed in Note 29(a) below) are secured by: (i) the pledge of the Company's time deposits of US\$1,713,000 (equivalent to approximately HK\$13,285,000) (2012: US\$14,852,000 equivalent to approximately HK\$115,131,000); (ii) all of the rights, interest, title and benefits of the exclusive offtake agreement as set out in Note 16; 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 Yiwang which are convertible into ordinary shares in Yiwang.

Terms of the 10% Coupon Senior Bonds have been amended after the financial reporting date, details are disclosed in Note 41.

#### (d) Other borrowings — secured

As at 31 December 2013, other secured borrowings of HK\$254,378,000 (equivalent to RMB200,000,000) represented a secured financing (the "Financing") provided by China Fortune International Trust Co., Ltd. ("China Fortune Trust"), a company established in the PRC with limited liability and is an independent third party to the Group, for a term of two years up to January 2015.

In consideration of the Financing provided by China Fortune Trust, (i) Zhengzhou Yongtong Special Steel Company Limited, an indirect wholly-owned subsidiary of the Company, has assigned to China Fortune Trust certain rights and entitlements to all the income generated or otherwise receivable, if any, from the equity interest of its wholly-owned subsidiary, Henan Yongtong Nickel Co., Ltd., and (ii) Mr. Dong has provided a personal guarantee in favour of China Fortune Trust, for such period so long as the Financing remains outstanding.

#### (e) The Modified 10% Coupon Bonds

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 Limited using an equivalent market interest rate for a similar bond without a conversion option.

### 28 銀行貸款及其他借貸(續)

附註：(續)

#### (c) 10厘息優先債券(續)

10厘息優先債券及6厘息可換股債券(詳情見下文附註29(a))以下列各項作抵押：(i)抵押本公司定期存款1,713,000美元(約相等於13,285,000港元)(二零一二年：14,852,000美元(約相等於115,131,000港元))；(ii)附註16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Yiwang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Yiwang的普通股。

10厘息優先債券條款於財務報告日期後已修訂，詳情於附註41披露。

#### (d) 其他借貸 — 有抵押

於二零一三年十二月三十一日，其他有抵押借貸254,378,000港元(相等於人民幣200,000,000元)為華鑫國際信託有限公司(「華鑫信託」)(在中國成立的有限公司，為本集團的獨立第三方)提供為期兩年(至二零一五年一月)的有抵押融資(「融資」)。

作為華鑫信託提供融資的代價，(i)鄭州永通特鋼有限公司(本公司的間接全資附屬公司)已向華鑫信託轉讓自其全資附屬公司河南永通鎳業有限公司的股權所產生或應收的所有收入的若干權利及利益(如有)，及(ii)董先生以華鑫信託為受益人於融資仍未償還之期間提供個人擔保。

#### (e) 經修訂10厘息債券

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款；
- (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有限公司利用同類債券(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 the Consolidated Financial Statements

## 綜合財務報表附註

### 29 CONVERTIBLE BONDS

#### (a) 6% Coupon Convertible Bonds

The movements of the liability and derivative components of the 6% Coupon Convertible Bonds for the year ended 31 December 2013 are as follows:

### 29 可換股債券

#### (a) 6厘息可換股債券

截至二零一三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：

#### The Group and the Company 本集團及本公司

		<b>Liability component of convertible bonds</b>	<b>Derivatives</b>	<b>Total</b>
		可換股債券之 負債部分 HK\$'000 千港元	衍生工具 HK\$'000 千港元 (Note 27) (附註27)	總計 HK\$'000 千港元
At 12 June 2012 (Initial recognised)	於二零一二年六月十二日 (初步確認)	239,683	76,275	315,958
Interest expense	利息開支	50,039	-	50,039
Conversion into ordinary shares	轉換成普通股	(516)	-	(516)
Changes in fair value	公允價值變動	-	25,317	25,317
Repayments	還款	(111,546)	-	(111,546)
At 31 December 2012, non-current portion	於二零一二年十二月 三十一日，非即期部分	177,660	101,592	279,252
At 1 January 2013	於二零一三年一月一日	<b>177,660</b>	<b>101,592</b>	<b>279,252</b>
Interest expense	利息開支	<b>42,333</b>	-	<b>42,333</b>
Conversion into ordinary shares	轉換成普通股	<b>(79,452)</b>	<b>(33,252)</b>	<b>(112,704)</b>
Changes in fair value	公允價值變動	-	<b>(46,688)</b>	<b>(46,688)</b>
Repayments	還款	<b>(11,359)</b>	-	<b>(11,359)</b>
At 31 December 2013, non-current portion	於二零一三年十二月 三十一日，非即期部分	<b>129,182</b>	<b>21,652</b>	<b>150,834</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 29 CONVERTIBLE BONDS (CONTINUED)

#### (a) 6% Coupon Convertible Bonds (continued)

The 6% Coupon Convertible Bonds and the 10% Coupon Senior Bonds (as detailed in Note 28(c) above) are secured by: (i) the pledge of the Company's time deposits amounting to HK\$13,285,000 (2012: HK\$115,131,000); (ii) all of the rights, interest, title and benefits of the exclusive offtake agreement as set out in Note 16; 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 Yiwang which are convertible into ordinary shares in Yiwang.

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 such 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;

### 29 可換股債券(續)

#### (a) 6厘息可換股債券(續)

6厘息可換股債券及10厘息優先債券(詳情見上文附註28(c))以下列各項作抵押:(i)抵押本公司定期存款13,285,000港元(二零一二年:115,131,000港元);(ii)附註16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Yiwang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Yiwang的普通股。

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。倘於二零一二年十二月十二日(「重設日期」),股份緊接重設日期前連續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的價格。因此,初步兌換價0.7834港元已調整至0.5800港元,自二零一二年十二月十二日生效(「有關調整」)。除有關調整外,6厘息可換股債券條款維持不變;

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 29 CONVERTIBLE BONDS (CONTINUED)

#### (a) 6% Coupon Convertible Bonds (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 5 days prior to the date upon which notice of such 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; and
- (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 Limited using an equivalent market interest rate for a similar bond without the conversion option and redemption options.

### 29 可換股債券(續)

#### (a) 6厘息可換股債券(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)期間的交易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；及
- (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有限公司利用同類債券(並無兌換權及贖回權)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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 29 CONVERTIBLE BONDS (CONTINUED)

#### (a) 6% Coupon Convertible Bonds (continued)

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 Limited using the trinomial model.

As at 31 December 2013, the fair value of the liability component of the convertible bonds was approximate HK\$120,707,000 (2012: HK\$234,965,000).

Terms of the 6% Coupon Convertible Bonds have been amended after the financial reporting date, details are disclosed in Note 41.

#### (b) Zero Coupon Convertible Bonds

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

### 29 可換股債券(續)

#### (a) 6厘息可換股債券(續)

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选择權的公允價值；及
- (ii) 本公司贖回6厘息可換股債券的选择權的公允價值。

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有限公司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。

於二零一三年十二月三十一日，可換股債券負債部分公允價值為約120,707,000港元(二零一二年：234,965,000港元)。

6厘息可換股債券條款於財務報告日期後已修訂，詳情於附註41披露。

#### (b) 零息可換股債券

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：

**The Group and  
the Company**  
本集團及  
本公司  
HK\$'000  
千港元

At 1 January 2012	於二零一二年一月一日	10,146
Interest expense	利息開支	1,397
Payments of cash coupon	支付現金券息	(11,543)
At 31 December 2012	於二零一二年十二月三十一日	-



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 29 CONVERTIBLE BONDS (CONTINUED)

#### (c) 10% Coupon Convertible Bonds

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

		<b>The Group and the Company</b> 本集團及本公司		
		<b>Liability component</b> 負債部分 HK\$'000 千港元	<b>Derivatives</b> 衍生工具 HK\$'000 千港元 (Note 27) (附註27)	<b>Total</b> 總計 HK\$'000 千港元
At 1 January 2012	於二零一二年一月一日	1,426,168	(812)	1,425,356
Interest expense	利息開支	202,674	-	202,674
Repayments	還款	(66,585)	-	(66,585)
Changes in fair value	公允價值變動	-	877	877
Extinguishment	終止	(1,562,257)	(65)	(1,562,322)
At 31 December 2012	於二零一二年十二月三十一日	-	-	-

On 12 June 2012, the Company exchanged 97.87% of the 10% Coupon Convertible Bonds with the (1) 10% Coupon Senior Bonds (see Note 28(c)); and (2) 6% Coupon Convertible Bonds (see Note 29(a)), and the terms and conditions governing the remaining 2.13% of the 10% Coupon Convertible Bonds were amended (see Note 28(e)). The exchange of and amendments to the 10% Coupon Convertible Bonds were accounted for as an extinguishment of the original financial liability and the recognition of new financial liability.

於二零一二年六月十二日，本公司以下列各項交換10厘息可換股債券之97.87%：(1)10厘息優先債券(見附註28(c))；及(2)6厘息可換股債券(見附註29(a))，及修訂10厘息可換股債券餘下之2.13%之條款及條件(見附註28(e))。10厘息可換股債券的交換及修訂被當作原金融負債終止及確認新金融負債。

### 30 OTHER LONG TERM PAYABLES

### 30 其他長期應付款項

		<b>Group</b> 本集團	
		<b>2013</b> 二零一三年 HK\$'000 千港元	<b>2012</b> 二零一二年 HK\$'000 千港元
Government grants related to assets	資產相關政府補助		
Carrying amount at 1 January	於一月一日之賬面價值	<b>8,115</b>	6,513
Additions	添置	<b>375</b>	1,602
Exchange realignment	匯兌差額	<b>261</b>	-
Carrying amount at 31 December	於十二月三十一日之賬面價值	<b>8,751</b>	8,115

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 31 SHARE CAPITAL

#### Company

		2013 二零一三年		2012 二零一二年	
		Number of ordinary shares 普通股數	HK\$'000 千港元	Number of ordinary shares 普通股數	HK\$'000 千港元
Authorised (HK\$0.1 each):	法定(每股0.1港元):				
At 1 January and 31 December	於一月一日及 十二月三十一日	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid (HK\$0.1 each):	已發行及繳足(每股0.1港元):				
At 1 January	於一月一日	2,306,057,474	230,606	2,304,333,337	230,433
Conversion of convertible bonds	轉換可換股債券	246,982,726	24,698	1,724,137	173
At 31 December	於十二月三十一日	2,553,040,200	255,304	2,306,057,474	230,606

During the year ended 31 December 2013, convertible bonds in the principal amount of HK\$143,250,000 were converted into 246,982,726 new shares of the Company at HK\$0.5800 per share in accordance with the terms of the convertible bonds.

截至二零一三年十二月三十一日止年度，本金額為143,250,000港元之可換股債券已根據可換股債券之條款按每股0.5800港元轉換為246,982,726股本公司新股份。

### 32 RESERVES

#### 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 74 to 75 of the financial statements.

#### Share premium

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.

#### 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.

### 31 股本

#### 本公司

		2013 二零一三年		2012 二零一二年	
		Number of ordinary shares 普通股數	HK\$'000 千港元	Number of ordinary shares 普通股數	HK\$'000 千港元
Authorised (HK\$0.1 each):	法定(每股0.1港元):				
At 1 January and 31 December	於一月一日及 十二月三十一日	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid (HK\$0.1 each):	已發行及繳足(每股0.1港元):				
At 1 January	於一月一日	2,306,057,474	230,606	2,304,333,337	230,433
Conversion of convertible bonds	轉換可換股債券	246,982,726	24,698	1,724,137	173
At 31 December	於十二月三十一日	2,553,040,200	255,304	2,306,057,474	230,606

### 32 儲備

#### 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74頁至第75頁的綜合權益變動表中列示。

#### 股份溢價

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。

#### 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Infonics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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 32 RESERVES (CONTINUED)

#### Group (continued)

##### Capital reserve

At 31 December 2013, the balance of capital reserve is non-distributable and represents the additional contribution by a shareholder in 2003 amounting to HK\$36,047,000 (equivalent to approximately RMB37,147,000), and the capitalisation of payable to a shareholder amounting to HK\$79,760,000 (equivalent to approximately RMB85,000,000) in respect of which Mr. Dong waived his rights and benefits to the debts owed to him by Yongtong Special Steel in 2004.

##### Statutory reserves

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.

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.

### 32 儲備(續)

#### 本集團(續)

##### 資本儲備

於二零一三年十二月三十一日，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36,047,000港元(約相等於人民幣37,147,000元)以及二零零四年董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79,760,000港元(約相等於人民幣85,000,000元)。

##### 法定儲備

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。

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 the Consolidated Financial Statements

## 綜合財務報表附註

### 32 RESERVES (CONTINUED)

### 32 儲備(續)

#### Company

#### 本公司

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元 (Note) (附註)	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2012	於二零一二年一月一日	3,059,639	296,966	28,792	(444,969)	2,940,428
Total comprehensive loss for the year	年度全面虧損合計	-	-	-	(538,292)	(538,292)
Conversion of convertible bonds	轉換可換股債券	343	-	-	-	343
Equity-settled share option arrangements (Note 35)	以股權支付之購股權安排 (附註35)	-	-	5,620	-	5,620
Forfeited share option reserve (Note 35)	已沒收之購股權儲備 (附註35)	-	-	(845)	-	(845)
Interim 2012 dividend	二零一二年中期股息	(23,043)	-	-	-	(23,043)
At 31 December 2012	於二零一二年十二月三十一日	3,036,939	296,966	33,567	(983,261)	2,384,211
At 1 January 2013	於二零一三年一月一日	<b>3,036,939</b>	<b>296,966</b>	<b>33,567</b>	<b>(983,261)</b>	<b>2,384,211</b>
Total comprehensive income for the year	年度全面收入合計	-	-	-	77,922	77,922
Conversion of convertible bonds	轉換可換股債券	88,006	-	-	-	88,006
Equity-settled share option arrangements (Note 35)	以股權支付之購股權安排 (附註35)	-	-	3,084	-	3,084
At 31 December 2013	於二零一三年十二月三十一日	<b>3,124,945</b>	<b>296,966</b>	<b>36,651</b>	<b>(905,339)</b>	<b>2,553,223</b>

Note: Contributed surplus of the Company represents the difference between the value of the net assets of the underlying subsidiaries acquired by the Company pursuant to the Group reorganisation on 29 April 2006 and the nominal value of the Company's shares issued in exchange therefor.

附註：本公司之實繳盈餘乃指本公司根據二零零六年四月二十九日集團重組所收購相關附屬公司之淨資產價值與本公司所發行用於交換之股份面值之差額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 33 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 Luoyang Yongan Special Steel Company Limited ("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 (equivalent to HK\$1,233,274,000). 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. The disposal was completed on 26 April 2012.

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

### 33 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洛陽永安特鋼有限公司(「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(相當於1,233,274,000港元)。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。出售事項於二零一二年四月二十六日完成。

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 HK\$'000 千港元
Net asset disposed of:	已出售淨資產：	
Property, plant and equipment	物業、廠房及設備	302,922
Prepaid land lease payments	預付土地租賃款項	227,328
Deferred tax assets	遞延稅項資產	96,285
Inventories	存貨	59,932
Trade and notes receivables	應收賬款及應收票據	46
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	12,663
Cash and cash equivalents	現金及現金等值物	53
Goodwill	商譽	72,016
Other non-current assets	其他非流動資產	24,759
Trade and notes payables	應付賬款及應付票據	(84,323)
Other payables and accruals	其他應付款項及應計負債	(69,521)
Bank and other borrowings	銀行貸款及其他借貸	(175,827)
Deferred tax liabilities	遞延稅項負債	(26,475)
Other long term payables	其他長期應付款項	(7,992)
Non-controlling interest	非控股權益	(137,329)
		294,537
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	263,446
Gain on disposal of a subsidiary	出售一間附屬公司盈利	675,291
		1,233,274
Satisfied by:	以下列各項償付：	
Cash	現金	468,644
Other receivables (Note 23)	其他應收款項(附註23)	764,630

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 33 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:

		2012 二零一二年 HK\$'000 千港元
Cash consideration	現金代價	468,644
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	(165,257)
Cash and bank balances disposed of	出售之現金及銀行存款	(53)
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	303,334

### 34 MAJOR NON-CASH TRANSACTIONS

As set out in Note 28(c), during the year ended 31 December 2012, 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; and (2) 13,033 6% Coupon Convertible Bonds with an aggregate nominal amount of HK\$325,825,000.

### 35 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.

### 33 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：

### 34 主要非現金交易

誠如附註28(c)所載，於截至二零一二年十二月三十一日止年度內，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港元之10厘息優先債券；及(2)13,033份總面值為325,825,000港元之6厘息可換股債券。

### 35 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 the Consolidated Financial Statements

## 綜合財務報表附註

### 35 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.

### 35 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逾本公司已發行股本之10%，亦不得超逾本公司已發行股本面值之30%，連續十年有效。購股權計劃自二零零五年五月二日起計十年有效。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向其發行之股份總數超逾當時根據該購股權計劃已經及將可發行之股份總數上限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 the Consolidated Financial Statements

## 綜合財務報表附註

### 35 SHARE OPTION SCHEME (CONTINUED)

The following share options were outstanding under the Share Option Scheme during the year:

		2013 二零一三年		2012 二零一二年	
		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	1.02	78,505	1.72	39,105
Granted during the year	於年內授出	-	-	0.63	50,000
Forfeited during the year	於年內沒收	1.48	(5,230)	1.76	(10,600)
At 31 December	於十二月三十一日	0.99	73,275	1.02	78,505

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

根據購股權計劃以下購股權於年內尚未行使：

於報告期末尚未行使之購股權之行使價及行使期如下：

#### 2013

二零一三年

Number of options 購股權數目 '000 千份	Exercise price <sup>1</sup> 行使價 <sup>1</sup> 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
8,205	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
44,600	0.63	20 Jan 2013 to 19 Jan 2022 二零一三年一月二十日至二零二二年一月十九日
<b>73,275</b>		



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 35 SHARE OPTION SCHEME (CONTINUED)

2012

Number of options 購股權數目 '000 千份	Exercise price <sup>1</sup> 行使價 <sup>1</sup> 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 Jan 2013 to 19 Jan 2022 二零一三年一月二十日至二零二二年一月十九日
<b>78,505</b>		

<sup>1</sup> 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.

The fair value of share options granted during the year ended 31 December 2012 was HK\$14,123,000, which was estimated on the date of grant using the following assumptions:

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.

The Group recognised a net share option expense of approximately HK\$3,084,000 during the year ended 31 December 2013 (2012: HK\$4,775,000).

At the end of the reporting period, the Company had 73,275,000 share options outstanding under the Share Option Scheme, which represented approximately 2.87% of the Company's shares in issue as at 31 December 2013. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 73,275,000 additional ordinary shares of the Company and an additional share capital of HK\$7,327,500 and share premium of HK\$64,918,000 (before issue expenses).

### 35 購股權計劃(續)

二零一二年

<sup>1</sup> 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。

截至二零一二年十二月三十一日止年度，授出的購股權的公允價值為14,123,000港元，於授出日期使用以下假設估計：

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。

本集團於截至二零一三年十二月三十一日止年度確認的購股權開支淨額約為3,084,000港元(二零一二年：4,775,000港元)。

於報告期末，本公司根據購股權計劃，有73,275,000份尚未行使之購股權，佔本公司於二零一三年十二月三十一日之已發行股份約2.87%。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73,275,000股本公司之普通股，增添股本7,327,500港元，以及扣除發行開支前之股份溢價64,918,000港元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 36 CONTINGENT LIABILITIES

The Group follows the guidance of IAS37 “Provisions, Contingent Liabilities and Contingent Assets” to determine when contingent liabilities should be recognised, which requires significant judgement.

A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group’s control, or when it is not possible to calculate the amount. Realisation of any contingent liabilities not currently recognised or disclosed could have a material impact on the Group’s financial position.

The Group reviews significant outstanding litigations in order to assess the need for provisions. Among the factors considered are the nature of the litigation, legal processes and potential level of damages, the opinions and views of the legal counsels and advisors, and the management’s intentions to respond to the litigations. To the extent the estimates and judgements do not reflect the actual outcome, this could materially affect the results for the period and the financial position.

#### (i) Litigation with Rock Resource Limited (“RR”) and United Mineral Limited (“UM”) (collectively referred to as the “Buyers”)

Subsequent to the financial reporting period in March 2014, the Company received certain legal letters (the “Letters”) from the Buyers dated 20 March 2014, which purported to be statutory demands served to the Company pursuant to section 178(1)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32) (“Statutory Demand”).

The Letters concern disputes between the Group and the Buyers relating to certain primary contracts for the sale and purchase of Indonesian iron ores, and contain claims for (i) an amount of US\$10,347,698 (equivalent to approximately HK\$80,242,000) which comprises the demand for return of an advance payment made by RR to the Group of US\$3,000,000 (equivalent to approximately HK\$23,264,000) and interest thereon to the extent of US\$7,347,698 (equivalent to approximately HK\$56,978,000) payable up to 20 March 2014; and (ii) an amount of RMB70,355,783 (equivalent to approximately HK\$89,485,000) which comprises the demand for return of an advance payment made by UM to the Group of RMB20,000,000 (equivalent to approximately HK\$25,438,000) and interest thereon to the extent of RMB50,355,783 (equivalent to approximately HK\$64,050,000) payable up to 20 March 2014. The Company as guarantor to the abovementioned primary contracts is therefore also a party to these litigations.

### 36 或然負債

本集團遵從國際會計準則第37號「撥備、或然負債及或然資產」的指引，以斷定何時應確認或然負債，過程中需要作出重大的判斷。

當有可能產生責任，惟其存在與否須透過非本集團所能控制的未來事件確定，或當不可能計算責任所涉金額，則會披露為或然負債。任何目前未確認或披露的或然負債一旦實現，均有可能對本集團的財務狀況造成重大影響。

本集團會審閱重大的待決訴訟，以評估有否撥備的需要。所考慮的因素包括訴訟的性質、法律程序及損害賠償的潛在程度、法律顧問及諮詢人的意見及見解以及管理層對回應訴訟的意向。倘估計及判斷與實際結果不相符，則有可能嚴重影響期內業績及財務狀況。

#### (i) 與 Rock Resource Limited (「RR」) 及 United Mineral Limited (「UM」) (統稱「買家」) 之訴訟

財務報告期後，本公司於二零一四年三月接獲買家發出日期為二零一四年三月二十日的若干法律函件（「該等函件」），其中聲稱為根據《公司（清盤及雜項條文）條例》（第32章）第178(1)(a)條向本公司呈遞之法定要求索償書（「法定要求索償書」）。

該等函件涉及本集團與買家就買賣印尼鐵礦石而簽訂的若干主要合約的糾紛，其中載有以下索償：(i) 一筆為數10,347,698美元（相等於約80,242,000港元）的款項，包含RR向本集團要求退還已付墊款3,000,000美元（相等於約23,264,000港元）連同其中利息，金額最多為截至二零一四年三月二十日止應付的7,347,698美元（相等於約56,978,000港元）；及(ii) 一筆為數人民幣70,355,783元（相等於約89,485,000港元）的款項，包含UM向本集團要求退還已付墊款人民幣20,000,000元（相等於約25,438,000港元）連同其中利息，金額最多為截至二零一四年三月二十日止應付的人民幣50,355,783元（相等於約64,050,000港元）。由於本公司為上述主要合約之擔保人，因此亦屬該等訴訟之一方。

### 36 CONTINGENT LIABILITIES (CONTINUED)

#### (i) Litigation with Rock Resource Limited (“RR”) and United Mineral Limited (“UM”) (collectively referred to as the “Buyers”) (continued)

On 4 April 2014, the Group issued a legal letter to the legal representative of the Buyers requesting them to withdraw the Statutory Demand as the Group considers that it has bona fide defences on substantial grounds to the claims asserted from the Buyers, and the Group also considers it has very substantial counterclaims against the Buyers as a result of their non-performance of the relevant contracts.

On 7 April 2014, the Group received another legal letter from the legal representative of the Buyers informing that the Buyers will not present their winding up petition against the Company without serving a 3-day notice.

On 11 April 2014, the Company received another statutory demand from the legal representative of UM to claim for certain interest charge (“Interest Charge”) on certain loans provided by UM to the Group (the principal of which had been fully repaid before the end of the reporting period) calculated up to 11 April 2014 (as supplemented by another legal letter dated 15 April 2014), together with the related penalty, to the extent of US\$3,839,000 (equivalent to approximately HK\$29,770,000). The Group has subsequently replied, through its legal representative, that most of the claimed Interest Charge are unenforceable at law but agreed to pay the relevant interest charge (after tax) calculated under normal contract terms in the amount of US\$345,000 (equivalent to approximately HK\$2,675,000), which has been provided for in these consolidated financial statements.

On 9 May 2014, the Group received another legal letter from the legal representative of UM informing that UM will not present its winding up petition against the Company without serving a 3-day notice.

There has been no further correspondence between the Group and the Buyers since then and up to the date of this report. The Directors, after seeking legal advice on the above claims, consider that the Group has bona fide defences on substantial grounds to the claims asserted from the Buyers such that (i) the aforementioned advance payments received to the extent of approximately HK\$48,702,000 in aggregate are presently not due for repayment by the Group; (ii) the resulting interest so calculated are therefore miscalculated and grossly inflated; and (iii) other than an amount of HK\$2,675,000 relating to the Interest Charge which has already been provided for by the Group, the remaining sums of the claims are without merit. The Directors are also of the opinion that the Group has significant ground for very substantial counterclaims and cross-claims against each of the Buyers as a result of their non-performance of the relevant contracts as mentioned in the Letters. Consequently, no provision has been made for these claims on these consolidated financial statements as the directors consider that it is not probable that the above legal claims would result in any material outflow of economic benefits from the Group.

### 36 或然負債(續)

#### (i) 與 Rock Resource Limited (“RR”)及 United Mineral Limited (“UM”) (統稱「買家」)之訴訟(續)

於二零一四年四月四日，本集團向買家的法律代表發出法律函件，要求他們撤回法定要求索償書，理由是本集團認為其就買家提出的索償有實質理據作出真誠抗辯，而本集團認為基於買家亦未有履行有關合約，可向買家提出非常重大的反索償。

於二零一四年四月七日，本集團接獲買家法律代表另一封法律函件，通知本集團買家不會在未有發出3天通知期的情況下，提請本公司清盤。

於二零一四年四月十一日，本公司接獲UM法律代表另一項法定要求索償書(經日期為二零一四年四月十五日另一封法律函件補充)，申索有關UM向本集團提供若干貸款(本金額已於報告期末前全數償還)截至二零一四年四月十一日止之若干利息收費(「利息收費」)，連同有關罰金，金額最多為3,839,000美元(相等於約29,770,000港元)。本集團隨後透過其法律代表回覆，申索的大部分利息收費在法律上為不可強制執行，但同意支付按正常合約條款計算的相關利息收費(稅後)345,000美元(相等於約2,675,000港元)，有關金額已於綜合財務報表內撥備。

二零一四年五月九日，本集團接獲UM法律代表另一封法律函件，通知本集團UM不會在未有發出3天通知期的情況下，提請本公司清盤。

自此及截至本報告日期，本集團與買家並無任何其他通訊。董事就上述申索尋找法律意見後認為，本集團就買家提出的索償有實質理據作出真誠抗辯，因為(i)上述已收的墊款上限合共約48,702,000港元目前未需由本集團償還；(ii)其計算的利息因而是被錯誤計算且嚴重誇大；及(iii)除本集團已撥備與利息收費相關的2,675,000港元外，索償的餘額缺乏充份理據。董事亦認為，基於買家亦未有履行該等函件所述相關合約，本集團有實質的理據向每名買家提出相當重大的反索償及交叉索償。因此，由於董事認為上述法律申索不大可能使本集團流出任何重大的經濟利益，故此並無就有關申索於綜合財務報表內作出撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 36 CONTINGENT LIABILITIES (CONTINUED)

#### (ii) Dispute on Contracts of Affreightment (“COAs”)

The Group entered into certain COAs with various marine vessel owners committing certain minimum number of cargoes per calendar month for exporting iron ores from Indonesia. As a result of the unfavourable economic environment and the various changes in rules and regulations stipulated by the Indonesian government authorities since year 2012, the Group's ores export was adversely affected and therefore unable to fulfil the minimum cargoes commitments as stipulated by some of these COAs.

Subsequent to the end of the reporting period, the Group received various legal letters from TORM A/S (“TORM”), a marine vessel owner, to (i) claim for an outstanding freight charges payable by the Group to TORM of approximately US\$1,834,000 (equivalent to approximately HK\$14,268,000) (“Outstanding Freight Charges”); and (ii) notify the commencement of arbitration proceedings pursuant to the terms of the relevant COAs to claim for loss and damage suffered by TORM (“Other Losses”) with respect to approximately 51 unfulfilled cargoes under the terms of the relevant COAs which is estimated by TORM to be approximately US\$11,828,000 (equivalent to approximately HK\$91,721,000) up to 27 March 2014 (the amount stated in the latest claim submissions from TORM).

The relevant freight charges payable by the Group to TORM up to 31 December 2013 have been fully accounted for in the consolidated financial statements of the Group for the year ended 31 December 2013. The dispute with TORM in respect of the Outstanding Freight Charges has been fully settled and discharged in June 2014.

In connection with the claims on Other Losses, the Group has engaged legal advisors to commence arbitration procedures with TORM in February 2014. The said arbitration procedures are still in progress as at the date of approval of the consolidated financial statements.

In preparing these consolidated financial statements, the directors have obtained legal advice in this respect and, based upon which, consider that as the arbitration is still at an early stage, they are not currently in a position to estimate the financial effect (if any) relating to the arbitration and it may take a substantial time to complete the arbitration process.

### 36 或然負債(續)

#### (ii) 就租船貨運合約(「租船貨運合約」)的爭議

本集團與多名船主訂立若干租船貨運合約，承諾每個曆月要求若干最低數目的貨船從印尼出口鐵礦石。鑒於不利的經濟環境，再加上印尼政府頒佈的規則及規例自二零一二年起有不少的變動，本集團的礦石出口受到不利影響，因而無法達到若干租船貨運合約規定的貨船最低數目承諾。

在財務報告期後，本集團接獲船主TORM A/S(「TORM」)的法律函件，內容為(i)申索本集團應付TORM的未支付運費約1,834,000美元(相等於約14,268,000港元)(「未支付運費」)；及(ii)通知根據有關租船貨運合約的條款展開仲裁程序，申索TORM根據有關租船貨運合約的條款就約51艘未履行的貨船蒙受的損失及損害(「其他損失」)，TORM估計截至二零一四年三月二十七日之金額約為11,828,000美元(相等於約91,721,000港元)，金額載於TORM提交最近期申索呈請書內。

本集團截至二零一三年十二月三十一日止應付TORM的有關運費已全數計入截至二零一三年十二月三十一日止年度的綜合財務報表。與TORM爭議相關的未支付運費已於二零一四年六月全數清償及解除。

至於其他損失的申索，本集團於二零一四年二月委聘法律顧問與TORM展開仲裁程序。上述仲裁程序於綜合財務報表批准日期仍在進行。

董事在編製綜合財務報表時，已就仲裁獲取法律意見，據此認為仲裁仍屬初步階段，董事現時未能估計仲裁產生的財務影響(如有)，且仲裁程序可能需要相當長時間才能完成。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 36 CONTINGENT LIABILITIES (CONTINUED)

#### (ii) Dispute on Contracts of Affreightment (“COAs”) (continued)

Accordingly, no provision in respect of such legal dispute was made in the consolidated financial statements.

As at 31 December 2013 and up to the date of approval of the consolidated financial statements, based on the best knowledge and information of the directors, there are no further claims in relation to any COAs that the Group has entered into.

Should the resolution of these legal claims and dispute turn out to be unfavourable to the Group, the Group may need to record additional losses in respect of these claims and disputes in future reporting periods.

### 37 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 2013, 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	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Within one year	一年內	5,770	8,645	4,727	5,347
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	3,047	7,674	2,485	6,279
Over five years	超過五年	518	–	–	–
		<b>9,335</b>	16,319	<b>7,212</b>	11,626

### 36 或然負債(續)

#### (ii) 就租船貨運合約(「租船貨運合約」)的爭議(續)

因此，本公司並無就此等法律爭議於綜合財務報表作出撥備。

於二零一三年十二月三十一日及截至綜合財務報表批准日期，據董事深知及盡悉，本集團再無涉及其訂立任何有關租船貨運合約之其他申索。

如上述法律申索及爭議的最終結果不利於本集團，本集團可能需在未來報告期間就該等申索及爭議錄得額外的損失。

### 37 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。

於二零一三年十二月三十一日，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 the Consolidated Financial Statements

## 綜合財務報表附註

### 38 COMMITMENTS

#### Group

In addition to the operating lease commitments detailed in Note 37 above, the Group had the following capital commitments at the end of the reporting period:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	62,182	293,364

### 39 RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following material transactions and outstanding balances with related parties during the year and as at the end of the reporting period:

#### Transactions with related parties

Names of related parties 關聯方名稱	Nature of transactions 交易性質	For the year ended 31 December 截至十二月三十一日止年度	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Yiwan	Purchase of iron ores, export tax exclusive (note b) 購入鐵礦石，未計出口稅（附註b）	590,116	359,455
Yiwan	Sales of machinery (note c) 銷售機械（附註c）	330	1,333
Easyman (note a) （附註a）	Interest expense (note d) 利息費用（附註d）	1,095	1,761
Ms. Sun Qiadian (“Ms. Sun”) (note e) 孫巧點女士（「孫女士」）（附註e）	Interest expense (note e) 利息費用（附註e）	1,143	-

### 38 承擔

#### 本集團

除上文附註37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：

### 39 關聯方交易

除於綜合財務報表其他地方詳述之交易外，本集團於年內及報告期末與關聯方進行下列重大交易及與關聯方之未了結結餘：

#### 與關聯方的交易

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 39 RELATED PARTY TRANSACTIONS (CONTINUED)

#### Outstanding balances with related parties

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Prepayment to Yiwan (Note 23 and note f)	預付 Yiwan 之款項 (附註 23 和附註 f)	<b>85,828</b>	124,910
Loan to Full Harvest Development Limited (Note 18)	貸款予豐盛發展有限公司 (附註 18)	<b>56,975</b>	62,320
Amounts due to Easyman (note d)	結欠 Easyman 款項(附註 d)	<b>51,940</b>	17,888
Amount due to Ms. Sun (note e)	結欠孫女士款項(附註 e)	<b>12,973</b>	-
Amount due to a Director (note g)	結欠一名董事款項(附註 g)	<b>2,417</b>	2,821

#### Notes:

- (a) Easyman is a company wholly owned by Mr. Dong. The Directors consider that Mr. Dong through Easyman, as a lender of Yiwan, has an indirect economic interest in Yiwan.
- (b) The transactions were carried out based on the terms agreed by the parties under an exclusive offtake agreement and a second amending agreement entered into between Yiwan and the Group in March 2007 and September 2008, respectively.
- (c) Sales of machinery to Yiwan was conducted at mutually agreed prices and terms.
- (d) Details of the terms of amounts due to Easyman are disclosed in Note 28(b).
- (e) Ms. Sun Qiaodian is the spouse of Mr. Dong. Amount due to Ms. Sun is unsecured and is repayable by January 2014. Interest is calculated at mutually agreed terms.
- (f) Prepayment is made to Yiwan for purchases of iron ores. The amount is unsecured and interest free and will be settled by offsetting the relevant purchases.
- (g) Amount due to a Director is unsecured, interest free and repayable on demand.
- (h) Details of compensation of key management personnel of the Group are included in Note 9 to the consolidated financial statements.

### 39 關聯方交易(續)

#### 與關聯方的未了結結餘

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Prepayment to Yiwan (Note 23 and note f)	預付 Yiwan 之款項 (附註 23 和附註 f)	<b>85,828</b>	124,910
Loan to Full Harvest Development Limited (Note 18)	貸款予豐盛發展有限公司 (附註 18)	<b>56,975</b>	62,320
Amounts due to Easyman (note d)	結欠 Easyman 款項(附註 d)	<b>51,940</b>	17,888
Amount due to Ms. Sun (note e)	結欠孫女士款項(附註 e)	<b>12,973</b>	-
Amount due to a Director (note g)	結欠一名董事款項(附註 g)	<b>2,417</b>	2,821

#### 附註：

- (a) Easyman 乃一間由董先生全資擁有之公司。董事認為董先生通過 Easyman 作為 Yiwan 之放款人而於 Yiwan 擁有間接經濟利益。
- (b) 該等交易分別按照 Yiwan 與本集團於二零零七年三月簽訂之獨家採購協議及二零零八年九月簽訂之第二份修訂協議之條款進行。
- (c) 向 Yiwan 出售機器按相互同意價格及條款進行。
- (d) 結欠 Easyman 款項條款之詳情披露於附註 28(b)。
- (e) 孫巧點女士為董先生之配偶。結欠孫女士款項為無抵押及須於二零一四年一月時償還。利息是按相互同意條款計算。
- (f) 預付 Yiwan 之款項因購買鐵礦石而作出。該金額為無抵押及免息，並將以抵銷相關購買而清償。
- (g) 結欠一名董事款項為無抵押、免息及於要求時償還。
- (h) 本集團主要管理人員之報酬詳情載於綜合財務報表附註 9。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 40 TRANSFERS OF FINANCIAL ASSETS

At 31 December 2013, 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 HK\$20,182,000 (31 December 2012: HK\$227,350,000). 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 HK\$575,253,000 (31 December 2012: HK\$605,748,000). 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 of the Company, 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.

### 41 EVENTS AFTER THE REPORTING PERIOD

#### (a) Export Ban

During the year ended 31 December 2013, the relevant Indonesian governmental authorities promulgated that unprocessed ore export by IUP Holders will be banned from 12 January 2014 onwards unless the IUP Holders have carried out processing and refining domestically according to the relevant regulations regarding implementation of activities of business of minerals and coal mining and have conducted refining and smelting in accordance with those relevant laws. Consequently, Yiwang ceased to export unprocessed iron ores and the Group’s iron ores trading business suspended with effect from 12 January 2014.

### 40 轉讓金融資產

於二零一三年十二月三十一日，本集團為中國若干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20,182,000港元（二零一二年十二月三十一日：227,350,000港元）。此外，本集團向若干銀行折現中國若干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575,253,000港元（二零一二年十二月三十一日：605,748,000港元）。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。本公司董事認為，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。

### 41 報告期後事項

#### (a) 出口禁令

截至二零一三年十二月三十一日止年度，相關印尼政府機關宣佈，於許可證持有人將自二零一四年一月十二日起被禁止出口未加工礦石，除非許可證持有人已根據關於進行礦產及煤礦開採業務的相關法規在當地進行加工及提煉，並根據該等相關法律進行提煉及冶煉則除外。因此，自二零一四年一月十二日起Yiwang停止向本集團出口未加工鐵礦石而本集團之礦石貿易業務亦自該日止暫停營運。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 41 EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

#### (b) Litigation and claims

Subsequent to the financial reporting period, the Group received a number of significant legal claims, details of which have been disclosed in Note 36.

#### (c) Amendments to the 10% Coupon Senior Bonds and 6% Coupon Convertible Bonds

On 13 June 2014, a senior bonds extraordinary resolution and a convertible bonds extraordinary resolution were duly passed by the holders of the 10% Coupon Senior Bonds and holders of the 6% Coupon Convertible Bonds, respectively to amend terms and conditions governing the 10% Coupon Senior Bonds and 6% Coupon Convertible Bonds.

As at 31 December 2013, the carrying amounts of the 10% Coupon Senior Bonds and the 6% Coupon Convertible Bonds (including the liability component and derivative component) were HK\$477,769,000 and HK\$150,834,000 respectively.

The major terms and conditions governing the 10% Coupon Senior Bonds are summarised as follows:

- (i) Amend the interest rate payable from 10% per annum to 12% per annum;
- (ii) extend the final maturity date of the Modified 10% Coupon Senior Bonds from 12 March 2015 to 12 December 2018;
- (iii) amend the amortisation schedule to provide for principal payments to be made to be postponed until March 2017;
- (iv) amend the Reserve Account arrangements to reduce the Required Minimum Balance from US\$10,000,000 to US\$1,000; and
- (v) the addition of provisions which will require the Company to credit to the balance of the Reserve Account amounts calculated by reference to the volume of dry tonnes of ore exported to SEAM in the event that the current restrictions imposed on the export of ores under the Exclusive Offtake Agreement are lifted and which will require the Company to accelerate the amortisation schedule in such circumstances.

### 41 報告期後事項(續)

#### (b) 訴訟及申索

財務報告期後，本集團接獲數宗重大法律申索，詳情載於附註36。

#### (c) 10厘息優先債券及6厘息可換股債券之修訂

於二零一四年六月十三日，10厘息優先債券及6厘息可換股債券之持有人正式分別通過優先債券特別決議案以及可換股債券特別決議案，以修訂規管10厘息優先債券及6厘息可換股債券之條款及條件。

於二零一三年十二月三十一日，本集團之10厘息優先債券以及6厘息可換股債券(包括負債部分及衍生工具部分)之賬面金額分別為477,769,000港元及150,834,000港元。

規管10厘息優先債券的主要條款及條件概述如下：

- (i) 將應付年利率由10%修訂為12%；
- (ii) 將經修改10厘息優先債券之最終到期日由二零一五年三月十二日延至二零一八年十二月十二日；
- (iii) 修訂攤銷時間表，將本金撥備日期延至二零一七年三月；
- (iv) 修訂儲備賬安排，以將規定最低結餘由10,000,000美元減至1,000美元；及
- (v) 加入額外條文，條文規定假如撤銷對獨家採購協議項下出口礦石的現有限制，本公司須將參照出口往南洋礦業的礦石乾噸數量計算的數額計入儲備賬結餘內。在此等情況下，本公司須縮短攤銷時間表。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 41 EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

#### (c) Amendments to the 10% Coupon Senior Bonds and 6% Coupon Convertible Bonds (continued)

The major terms and conditions governing the 6% Coupon Convertible Bonds are summarised as follows:

- (i) Amend the interest rate payable from 6% per annum to 8% per annum;
- (ii) extend the maturity date of the Modified 6% Coupon Convertible Bonds from 12 March 2015 to 12 March 2018;
- (iii) amend the conversion price from HK\$0.7834 to HK\$0.30 per Share, subject to adjustment in the manner provided in the relevant Convertible Bonds Trust Deed;
- (iv) amend the Conversion Price reset mechanics to provide a reduced Floor Price of HK\$0.18;
- (v) amend the definition of “Relevant Event” to ensure that the current suspension of trading of the Company’s share on the Hong Kong Stock Exchange will not constitute a Relevant Event unless it continues for a period of 120 consecutive calendar days following 12 June 2014;
- (vi) amend the Reserve Account arrangements to reduce the Required Minimum Balance from US\$10,000,000 to US\$1,000; and
- (vii) the addition of provisions which will require the Company to credit to the balance of the Reserve Account amounts calculated by reference to the volume of dry tonnes of ore exported to SEAM in the event that the current restrictions imposed on the export of ores under the Exclusive Offtake Agreement are lifted and which will require the Company to accelerate the amortisation schedule in such circumstances.

As the amendments to the terms and conditions governing the 10% Coupon Senior Bonds and the 6% Coupon Convertible Bonds are regarded as a substantial modification, the amendments will be treated as a derecognition of the original liability and a recognition of a new liability at fair value and a potential gain from the amendments will be recognised in the consolidated income statement for the year ending 31 December 2014.

### 41 報告期後事項(續)

#### (c) 10厘息優先債券及6厘息可換股債券之修訂(續)

規管6厘息可換股債券的主要條款及條件概述如下：

- (i) 將應付年利率由6%修訂為8%；
- (ii) 將經修改6厘息可換股債券之最終到期日由二零一五年三月十二日延至二零一八年三月十二日；
- (iii) 將每股股份兌換價由0.7834港元修訂為0.30港元(可按有關可換股債券信託契據規定之方式調整)；
- (iv) 修訂兌換價重設機制，訂明0.18港元之下調最低價格；
- (v) 修訂「有關事件」之定義，確保目前本公司股份暫停於香港聯交所買賣將不會構成一項有關事件，除非其於二零一四年六月十二日後持續為期連續120個曆日；
- (vi) 修訂儲備賬安排，以將規定最低結餘由10,000,000美元減至1,000美元；及
- (vii) 加入額外條文，條文規定假如撤銷對獨家採購協議項下出口礦石的現有限制，本公司須將參照出口往南洋礦業的礦石乾噸數量計算的數額計入儲備賬結餘內。在此等情況下，本公司須縮短攤銷時間表。

於修訂規管10厘息優先債券及6厘息可換股債券之條款及條件被視為重大修改，有關修訂將被視為取消確認原負債，並按公允價值確認新負債，而修訂可能錄得的收益將於截至二零一四年十二月三十一日止年度的綜合收益表內確認入賬。



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